

FLORIDA PUBLIC SERVICE COMMISSION
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M E M O R A N D U M

APRIL 2, 1997

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)
FROM: DIVISION OF WATER & WASTEWATER (WALKER, REDEMANN)
DIVISION OF LEGAL SERVICES (CROSBY)
RE: DOCKET NO. 961109-WU - APPLICATION FOR GRANDFATHER
CERTIFICATE TO OPERATE A WATER UTILITY IN POLK COUNTY BY
ALTURAS WATER WORKS
COUNTY: POLK
AGENDA: APRIL 14, 1997 - REGULAR AGENDA - INTERESTED PERSONS MAY
PARTICIPATE
CRITICAL DATES: NONE
SPECIAL INSTRUCTIONS: NONE
LOCATION OF FILE: S:\PSC\WAW\WP\961109WU.RCM

DOCUMENT NUMBER-DATE

03352 APR-25

FPSC-RECORDS/REPORTING

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CASE BACKGROUND

On May 14, 1996, the Board of County Commissioners of Polk County adopted a resolution pursuant to Section 367.171, Florida Statutes, declaring that privately owned water and wastewater utilities in that county were subject to the provisions of Chapter 367, Florida Statutes. The resolution was acknowledged by this Commission on July 11, 1996, by Order No. PSC-96-0896-FOF-WS. Pursuant to Section 367.171, Florida Statutes, a utility subject to the jurisdiction of this Commission must obtain a certificate of authorization.

Accordingly, on September 16, 1996, Alturas Water Works (Alturas or utility) filed an application for a grandfather certificate to provide water service in Polk County pursuant to Section 367.171(2)(b), Florida Statutes. Alturas provides water service for about 53 residential customers and 4 general service customers. According to the application, Alturas has been providing water service since 1928.

Pursuant to Rules 25-30.110(3) and 25-30.120(2), Florida Administrative Code, annual reports and regulatory assessment fees are due from regulated utilities regardless of whether a certificate has been granted. Alturas has been subject to this Commission's jurisdiction since May 14, 1996.

This recommendation addresses Alturas' application for a grandfather certificate, its duty to file an annual report, and its obligation to pay regulatory assessment fees for service rendered on or after May 14, 1996.

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ISSUE 1: Should the application of Alturas Water Works for a grandfather certificate in Polk County be granted?

RECOMMENDATION: Yes, Alturas Water Works should be granted Water Certificate No. 591-W. Alturas should be required to file a copy of a recorded warranty deed in the name of the utility within 60 days of the date of the Commission's order granting the requested grandfather certificate.

STAFF ANALYSIS: As discussed in the case background, the Board of County Commissioners of Polk County transferred jurisdiction of the privately owned water and wastewater utilities in Polk County to this Commission on May 14, 1996. Alturas applied for a grandfather certificate to provide service in Polk County, in accordance with Section 367.171(2)(b), Florida Statutes. The application is in compliance with the governing statute, Section 367.171, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for a grandfather certificate. The rules and statutes do not require noticing for grandfather certificate applications. The application contains a check in the amount of \$100, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code.

Rule 25-30.035(6), Florida Administrative Code, requires a utility to provide proof that it owns the land or has continued use of the land upon which its facilities are located. Alturas provided a warranty deed which is not in the name of the utility. Staff recommends that the utility be required to provide a recorded warranty deed in the name of the utility within 60 days of the order issued in this docket.

Adequate service territory and system maps and a territory description have been provided as prescribed by Rule 25-30.035(9), (10), and (11), Florida Administrative Code. A description of the territory requested by the applicant is appended to this memorandum as Attachment A. Staff has contacted the Department of Environmental Protection and learned that there are no outstanding notices of violation.

Based on the above information, staff recommends that Alturas be granted Water Certificate No. 591-W to serve the territory described in Attachment A.

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ATTACHMENT A

ALTURA'S WATER WORKS

POLK COUNTY

WATER TERRITORY DESCRIPTION

Township 30 South, Range 26 East

In Section 16

The Northeast 1/4 less the Northwest 1/4 of the Northeast 1/4 and less the Northwest 1/4 of the Northeast 1/4 of the Northeast 1/4 and less Star Lake.

The Southeast 1/4 of the Southeast 1/4 of the Northwest 1/4.

The North 480 feet of the Southeast 1/4.

The East 672 feet of the Southeast 1/4 less the South 672 feet.

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ISSUE 2: What rates and charges should be approved for this utility?

RECOMMENDATION: The rates and charges as detailed in the staff analysis should be approved. The tariff should be effective for services rendered or connections made on or after the stamped approval date of the tariff. (WALKER)

STAFF ANALYSIS: The rates Alturas had in effect on the date the Florida Public Service Commission received jurisdiction should be approved as the appropriate rates and charges for the utility. Those rates were not approved by Polk County because the system was found to be exempt from Polk County's regulation. However, Alturas has indicated that its rates were designed to favorably compare with water rates in Polk County. The utility's rates and charges are as follows:

Monthly Service Rates

Water:

Residential Service:

Minimum Charge: \$13.50 for first 3,000 gallons
Gallonge Charge: \$1.00 per thousand over 3,000

General Service:

Minimum Charge: \$13.50 for first 3,000 gallons
Gallonge Charge: \$1.00 per thousand over 3,000

Customer Deposits

Water

<u>Meter Size:</u>	<u>Residential</u>	<u>General Service</u>
5/8 x 3/4"	\$35.00	\$35.00
1"	\$35.00	\$35.00
1 1/2"	\$35.00	\$35.00
Over 2"	\$35.00	\$35.00

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Meter Test Deposits

<u>Meter Size:</u>	<u>Charge</u>
5/8 x 3/4"	\$20.00
1" and 1 1/2"	\$25.00
2" and over	Actual Cost

Miscellaneous Service Charges

Initial Connection Fee:	\$ 15.00
Normal Reconnection Fee:	\$ 15.00
Violation Reconnection Fee:	\$ 15.00
Premises Visit Fee:	\$ 15.00

The utility has filed a tariff which reflects the above rates and charges. Staff recommends that they be approved as submitted. Staff further recommends that Alturas be required to continue to charge these rates and charges until authorized to change by the Commission. The tariff should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets.

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ISSUE 3: Should Alturas be required to pay a regulatory assessment fee from the jurisdictional date, May 14, 1996, and file an Annual Report with the Commission?

RECOMMENDATION: Yes, Alturas should be required to pay regulatory assessment fees and file an Annual Report from the jurisdictional date, May 14, 1996, pursuant to Rules 25-30.120, and 25-30.110, F.A.C. (WALKER)

STAFF ANALYSIS: Pursuant to Rule 25-30.120(2), Florida Administrative Code, "any utility which is subject to this Commission's jurisdiction on or before December 31 of that year or applied for or has been issued a certificate" is required to pay regulatory assessment fees by March 31, 1997. Additionally, Rule 25-30.110(3), Florida Administrative Code, states that "(t)he obligation to file an annual report for any year shall apply to any utility which is subject to this Commission's jurisdiction as of December 31 of that year, whether or not the utility has actually applied for or has been issued a certificate." Therefore, staff recommends that Alturas be required to pay regulatory assessment fees and file an Annual Report from the jurisdictional date, May 14, 1996, in accordance with Rules 25-30.120 and 25-30.110, Florida Administrative Code.

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ISSUE 4: Should this docket be closed?

RECOMMENDATION: No. The docket should remain open pending receipt of a recorded warranty deed in the name of the utility. Later, the docket should be closed administratively upon receipt of proof that Alturas has filed a recorded warranty deed in the utility's name.
(CROSBY)

STAFF ANALYSIS: As discussed above, Alturas provided a warranty deed for its plant site which is not in the utility's name. Staff recommends that Alturas be required to submit a warranty deed in the utility's name within 60 days of the order granting the grandfather certificate. Since additional action is required, Staff recommends keeping this docket open until the warranty deed is filed. When that document is received, this docket should be closed administratively.