

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

APRIL 24, 1997

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF WATER & WASTEWATER (COKER, REDEMANN) *sta dpr BSM*
DIVISION OF LEGAL SERVICES (CROSBY) *LAT* *Jsw* *bl*

RE: DOCKET NO. 961485-WS
APPLICATION FOR CERTIFICATES TO PROVIDE WATER AND
WASTEWATER IN POLK COUNTY UNDER GRANDFATHER RIGHTS
BY LAKE HAVEN UTILITY ASSOCIATION, LTD. d/b/a/ LAKE WALES
UTILITY COMPANY, LTD.
COUNTY: POLK

AGENDA: MAY 6 1997 - REGULAR AGENDA - INTERESTED PERSONS MAY
PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: S:\PSC\WAW\WP\961485WS.BCM

DOCUMENT NUMBER-DATE

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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 the privately owned water and wastewater utilities in that County subject to the provisions of Chapter 367, Florida Statutes. The Public Service Commission acknowledged the County's resolution by Order No. PSC-96-0896-WS-FOF, issued on July 11, 1996. Pursuant to Section 367.171 Florida Statutes, all utilities subject to the Commission's jurisdiction must obtain a certificate to provide water and wastewater service.

Lake Haven Utility Association, Ltd. d/b/a Lake Wales Utility Company, Ltd. (Lake Wales or utility) began service in September of 1962 to serve water and wastewater customers in Polk County, Florida. The utility currently provides water service to 84 residential customers as well as 49 general service customers. Lake Wales also provides wastewater service to 84 residential customers and 27 general service customers at this time.

On December 16, 1996, Lake Wales filed an application for a grandfather certificate to provide water and wastewater service in Polk County. 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. Lake Wales has been subject to this Commission's jurisdiction since May 14, 1996. The utility was advised of the Commission's jurisdiction and the utility's responsibility to obtain a certificate by a letter dated July 30, 1996.

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DISCUSSION OF ISSUES

ISSUE 1: Should the application of Lake Haven Utility Association, Ltd. d/b/a Lake Wales Utility Company, Ltd. for Water Certificate No. 590-W and Wastewater Certificate No. 508-S be granted pursuant to Section 367.171, Florida Statutes and Rule 25-30.035, Florida Administrative Code?

RECOMMENDATION: Yes, Lake Haven Utility Association, Ltd. d/b/a Lake Wales Utility Company, Ltd. should be granted Water Certificate No. 590-W and Wastewater Certificate No. 508-S pursuant to Section 367.171, Florida Statutes and Rule 25-30.035, Florida Administrative Code, to serve the territory described in Attachment A. In addition, Lake Wales should be required to register with the Department of State within 30 days of the date of the Order issued as a result of action taken at this agenda conference. (COKER, REDEMANN)

STAFF ANALYSIS: On December 16, 1996, Lake Wales filed its application for a water and wastewater certificate of authority (grandfather certificate) to provide service in Polk County. Lake Wales has fulfilled all necessary information for completion of the grandfather application.

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 statutes and rules do not require noticing for grandfather certificate applications. The application contains a check in the amount of \$1,000.00, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code. The applicant has provided a warranty deed as evidence of continued use of the land upon which the utility's facilities are located as required by Rule 25-30.035(6), Florida Administrative Code.

Lake Haven Utility Association, Ltd. d/b/a Lake Wales Utility Company, Ltd., is a limited partnership, which pursuant to Section 620.108(1), Florida Statutes, must be registered with the Department of State. That Section states, in part, [i]n order to form a limited partnership, a certificate of limited partnership must be executed and filed with the Department of State." According to the Department of State, the partnership is registered as LakeHaven Utility Associates, Ltd., without a d/b/a. The d/b/a, Lake Wales Utility Company, Ltd., is not registered with the Department of State. Staff recommends that Lake Wales be required to register with the Department of State within 30 days of the date of the Order issued as a result of action taken at this agenda conference.

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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.

Based on the above information, staff believes it is appropriate to approve Lake Wales's application for a grandfather certificate. Accordingly, staff recommends that Lake Wales be granted Water Certificate No. 590-W and Wastewater Certificate No. 508-S to serve the territory described in Attachment A.

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ATTACHMENT A

WATER AND WASTEWATER SERVICE AREA

LAKE WALES UTILITY COMPANY, LTD. - POLK COUNTY, FLORIDA

DESCRIPTION OF TERRITORY SERVED

All lands lying within the following perimeter boundary lines:

All of that portion of Section 16, Township 30S, Range 29E, lying South of State Road 60 (formerly called New State Road 79);

All of Section 21, Township 30S, Range 29E;

That portion of Section 9, Township 30S, Range 29E, lying South of State Road 60 (formerly called New State Road 79) and West of Walk In the Water Creek (also known as Weohyakapka Creek);

That portion of Section 15, Township 30S, Range 29E, lying South of State Road 60 (formerly called New State Road 79) and West of Walk In the Water Creek (also known as Weohyakapka Creek);

All of that portion of Section 22, Township 30S, Range 29E, lying West of Walk In the Water Creek (also known as Weohyakapka Creek);

All of that portion of Section 27, Township 30S, Range 29E, lying West of Walk In the Water Creek (also known as Weohyakapka Creek).

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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 service rendered or connections made on or after the stamped approval date on the tariff. (COKER)

STAFF ANALYSIS: Prior to PSC jurisdiction, Lake Wales was regulated by the Polk County Utility Commission. The utility had initiated a rate case prior to the point in time that the county transferred regulatory jurisdiction, and Polk County requested that it be allowed to finalize the rates. The following rates were approved by the Polk County Utilities Commission on July 2, 1996.

Monthly Service Rates

General Service - Water

| <u>Meter Size</u> | <u>Base Facility Charge</u> |
|-------------------|-----------------------------|
| 3/4" | \$ 17.50 |
| 1.0" | \$ 43.73 |
| 1.5" | \$ 87.44 |
| 2.0" | \$139.90 |
| 3.0" | \$279.80 |

Consumption Rate \$ 0.98 per 1,000 gallons

Residential Service - Water

| <u>Meter Size</u> | <u>Base Facility Charge</u> |
|-------------------|--------------------------------------|
| All Service | \$ 6.82 (including 5,000 gallons) |

Consumption Rate \$ 0.98 per 1,000 gallons
(in excess of 5,000)

General Service - Wastewater

| <u>Meter Size</u> | <u>Base Facility Charge</u> |
|-------------------|-----------------------------|
| 3/4" | \$ 22.99 |
| 1.0" | \$ 57.49 |
| 1.5" | \$114.97 |
| 2.0" | \$183.95 |
| 3.0" | \$367.91 |

Consumption Rate \$ 1.52 per 1,000 gallons

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Residential Service - Wastewater

| | |
|--------------------------|------------------------------------|
| <u>Meter Size</u> | <u>Base Facility Charge</u> |
| All Service | \$ 11.97 |
| No consumption charge | |

Meter Test Charges

| | |
|--------------------------|-------------|
| <u>Meter Size</u> | |
| 5/8" x 3/4" meter | \$ 20.00 |
| 1.0" and 1.5" meter | \$ 25.00 |
| 2.0" and greater | Actual Cost |

Miscellaneous Service Charges

| | |
|------------------------|----------|
| Initial connection | \$ 15.00 |
| Normal reconnection | \$ 15.00 |
| Violation reconnection | \$ 15.00 |
| Premises visit | \$ 10.00 |

Service Availability Charges

| | |
|--|-------------|
| Service Line Extension and Tap | Actual Cost |
| Meter Installation Charge (5/8" x 3/4") | \$ 65.00 |
| Meter Installation Charge (over 5/8" x 3/4") | Actual Cost |

Deposits

Lake Wales does not require deposits

The utility has filed a tariff which reflects the above rates and charges. Staff recommends that they should be approved as submitted. Staff further recommends that Lake Wales should 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 after the stamped approval date on the tariff sheets.

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ISSUE 3: Should the utility be required to pay regulatory assessment fees for 1996 and file a 1996 Annual Report with the Commission?

RECOMMENDATION: Yes, the utility should be required to remit regulatory assessment fees and file a 1996 Annual Report from the jurisdictional date, May 14, 1996, within 45 days of the issue date of the Order issued as a result of action taken at this agenda conference. (COKER)

STAFF ANALYSIS: Pursuant to Rule 25-30.110(3), Florida Administrative Code, "[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." Additionally, Rule 25-30.120(2), Florida Administrative Code, states "any utility which is subject to this Commission's jurisdiction on or before December 31 of that year or for any part of that year, whether or not the utility has actually applied for or has been issued a certificate" is required to pay regulatory assessment fees. Therefore, staff recommends that Lake Wales be required to pay regulatory assessment fees and file an Annual Report from the jurisdictional date, May 14, 1996, within 45 days of the date of the Order issued as a result of action taken at this agenda conference.

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ISSUE 4: Should this docket be closed?

RECOMMENDATION: Yes, this docket should be closed. (CROSBY)

STAFF ANALYSIS: This docket should be closed.