

FLORIDA PUBLIC SERVICE COMMISSION
Capital Circle Office Center • 2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

M E M O R A N D U M

APRIL 24, 1997

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)
FROM: DIVISION OF WATER & WASTEWATER (WALKER, REDEMANN) *ND 68A*
DIVISION OF LEGAL SERVICES (CROSBY) *PPF*
RE: DOCKET NO. 961334-WS - APPLICATION FOR GRANDFATHER
CERTIFICATE TO OPERATE A WATER AND WASTEWATER UTILITY IN
POLK COUNTY BY CYPRESS LAKES ASSOCIATES, LTD. *gmm*
COUNTY: POLK *bl*

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

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

LOCATION OF FILE: S:\PSC\WAW\WP\961334.BCM

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.

Six separate rate applications were still pending before Polk County when it elected to transfer jurisdiction to the Public Service Commission. Cypress Lakes Associates, Ltd. (Cypress Lakes) was one of the utilities awaiting approval of its proposed rates. On August 6, 1996, Polk County approved implementation of increased rates for Cypress Lakes based upon a recommendation prepared by an outside consultant. Thereafter, on November 7, 1996, Cypress Lakes

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filed an application for a grandfather certificate to provide water service in Polk County pursuant to Section 367.171(2)(b), Florida Statutes. Cypress Lakes provides water service for about 53 residential customers and 707 multi-residential customers. According to its application, Cypress Lakes has been providing water service since 1987.

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. Cypress Lakes has been subject to this Commission's jurisdiction since May 14, 1996.

This recommendation addresses Cypress Lakes' application for a grandfather certificate, its duty to file an annual report, and its obligation to pay regulatory assessment fees from the jurisdictional date, May 14, 1996.

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ISSUE 1: Should the application of Cypress Lakes for a grandfather certificate in Polk County be granted?

RECOMMENDATION: Yes, Cypress Lakes should be granted Water Certificate No. 592W and Wastewater Certificate No. 509S. (WALKER)

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. Cypress Lakes 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 \$2,000, 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. Cypress Lakes provided a copy of a warranty deed that includes areas that are designated for its water and wastewater treatment plants.

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 Cypress Lakes be granted Water Certificate No. 592W and Wastewater Certificate No. 509S to serve the territory described in Attachment A.

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ATTACHMENT A

CYPRESS LAKES ASSOCIATES, LTD.
WATER AND WASTEWATER SERVICE AREA
POLK COUNTY

Parcel No. 1

That part of Sections 27, 28, 33 and 34, Township 26 South, Range 23 East, Polk County, Florida, being more particularly described as follows:

Begin at the Southeast corner of said Section 34; thence North 00° 48' 40" West along the East line of said Section 34, a distance of 2270.71 feet to the West right-of-way line of State Road No. 700 and No. 35 (U.S. No. 98) as is located this date (6-21-85), thence North 47° 20' 00" West along said West right-of-way line 1294.34 feet to the Point of Curvature of a curve concave to the Northeasterly having a radius of 5809.58 feet and a central angle of 22° 20' 00"; thence Northwesterly along said Westerly right-of-way line and curve 2264.52 feet to the Point of Tangency; thence North 25° 00' 00" West still along said Westerly right-of-way line 610.00 feet; thence South 65° 00' 00" West 600.00 feet; thence South 25° 00' 00" East 410 feet; thence South 65° 00' 00" West 525.00 feet; thence North 37° 30' 00" West 710.00 feet; thence North 84° 30' 00" West 790.00 feet; thence North 45° 00' 00" West 816.46 feet to the centerline of Rock Ridge Road; thence South 26° 18' 39" West along said centerline 49.37 feet; thence South 52° 01' 40" West still along said centerline 957.92 feet; thence South 37° 51' 58" West still along said centerline 754.96 feet; thence South 34° 36' 25" West still along said centerline 969.18 feet to the intersection with the North line of the South 30.00 feet of the Northwest 1/4 of the Northeast 1/4 of aforesaid Section 33; thence South 89° 32' 15" East along said North line 253.93 feet to a point on the West line of the East 60.00 feet of the West 1/4 of the Northeast 1/4 of said Section 33; thence South 00° 34' 50" East along the said West line of the East 60.00 feet, a distance of 1358.98 feet to the South line of the West 1/4 of said Northeast 1/4; thence South 89° 29' 41" East along said South line 60.01 feet to the Southeast corner of the West 1/4 of said Northeast 1/4; thence South 00° 34' 07" East along the West line of the East 1/4 of the Southeast 1/4 of said Section 33, a distance of 2564.11 feet to the Southwest corner of the East 1/4 of said Southeast 1/4; thence North 89° 39' 13" East along the South line of said East 1/4, a distance of 1326.44 feet to the Southeast corner of said Section 33; thence North 89° 22' 37" East along the South line of said Section 34, a distance of 5323.57 feet to the Point of Beginning; LESS AND EXCEPT 30.00 feet for right-of-way for Rock Ridge Road. Said tract containing 710.23 acres, more or less.

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**CYPRESS LAKES ASSOCIATES, LTD.
WATER AND WASTEWATER SERVICE AREA
POLK COUNTY**

Parcel No. 2

That part of Sections 27 and 34, Township 26 South, Range 23 East, Polk County, Florida, being more particularly described as follows:

Commence at the Southeast corner of said Section 34, thence North $00^{\circ} 48' 40''$ West along the East line of said Section 34, a distance of 2270.71 feet to the West right-of-way line of State Road No. 700 and No. 35 (U.S. No. 98) as is located on the date of 6/21/85; thence North $47^{\circ} 20' 00''$ West along said West right-of-way line 1294.34 feet to the Point of Curvature of a curve concave to the Northeast having a radius of 5809.58 feet and central angle of $22^{\circ} 20' 00''$; thence Northwest along said Westerly right-of-way line and curve 2264.52 feet to the Point of Tangency; thence North $25^{\circ} 00' 00''$ West still along said Westerly right-of-way line 610.00 feet to the Point of Beginning; thence South $65^{\circ} 00' 00''$ West 600 feet; thence South $25^{\circ} 00' 00''$ East 410.00 feet; thence South $65^{\circ} 00' 00''$ West 525.00 feet; thence North $37^{\circ} 30' 00''$ West 710.00 feet; thence North $84^{\circ} 30' 00''$ West 790.00 feet; thence North $45^{\circ} 00' 00''$ West 816.46 feet to the centerline of Rock Ridge Road; thence North $26^{\circ} 18' 39''$ East along said centerline 1212.81 feet; thence North $62^{\circ} 32' 09''$ East still along said centerline 1293.14 feet to said Westerly right-of-way line of State Road No. 700 and No. 35 (U.S. No. 98); thence South $25^{\circ} 00' 00''$ East along said Westerly right-of-way line 2265.06 feet to the said Point of Beginning. Said parcel containing 95.75 acres, more or less.

LESS AND EXCEPT maintained right-of-way for Rock Ridge Road and that part of Section 27, Township 26 South, Range 23 East, Polk County, Florida, being more particularly described as follows:

Commence at the Southeast corner of Section 34, Township 26 South, Range 23 East and run North $00^{\circ} 48' 40''$ West along the East line of said Section 34, a distance of 2270.71 feet to the West right-of-way line of State Road No. 700 and No. 35 (U.S. No. 98) as is located on the date of 6/21/85; thence North $47^{\circ} 20' 00''$ West along said West right-of-way line, 1294.34 feet to the Point of Curvature of a curve concave to the Northeast having a radius of 5809.58 feet and central angle of $22^{\circ} 20' 00''$; thence Northwest along said Westerly right-of-way line and curve 2264.52 feet to the Point of Tangency; thence North $25^{\circ} 00' 00''$ West still along said Westerly right-of-way line 2525.06 feet to the Point of Beginning; thence continue North $25^{\circ} 00' 00''$ West along said Westerly right-

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of-way 350.00 feet to the centerline of Rock Ridge Road; thence South 62° 32' 09" West along said centerline 330.00 feet; thence South 25° 00' 00" East 350.00 feet; thence North 62° 32' 09" East 330.00 feet to the said Point of Beginning. Said parcel containing 2.50 acres.

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

RECOMMENDATION: The rates and charges that are 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: On August 6, 1996, Polk County approved implementation of the following rates and charges for Cypress Lakes based upon the results of a study prepared by an outside regulatory consultant:

Monthly Service Rates

Water Division:

Residential Service:

	<u>Amount</u>
Base Facility Charge:	
All Meter Sizes	\$ 3.73
Gallage Charge: (per 1,000 Gallons)	
0 - 6,000 Gallons	\$.80
6,001 - 12,000 Gallons	\$ 1.20
Over 12,000 Gallons	\$ 1.60

Multi-Residential Service:

Base Facility Charge:	
For water service to all master-metered residential customers including, but not limited to, Condominiums, Apartments, and Mobile Homes.	\$ 3.73
Gallage Charge: (per 1,000 Gallons)	
0 - 6,000 Gallons	\$.80
6,001 - 12,000 Gallons	\$ 1.20
Over 12,000 Gallons	\$ 1.60

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General Service:

Base Facility Charge:	<u>Amount</u>
<u>Meter Size</u>	
5/8" x 3/4"	\$ 3.73
1"	\$ 9.33
1 1/2"	\$ 18.65
2"	\$ 29.84
3"	\$ 55.95
4"	\$ 93.25
6"	\$186.50
Gallonage Charge: (per 1,000 gallons)	
Per 1,000 Gallons	\$.80

Wastewater Division:

Residential Service:

Base Facility Charge:	<u>Amount</u>
All Meter Sizes	\$ 9.36
Gallonage Charge: (per 1,000 Gallons)	
Per 1,000 Gallons (No Cap)	\$ 1.99

Multi-Residential Service:

Base Facility Charge:	
For wastewater service to all master-metered residential customers including, but not limited to, Condominiums, Apartments, and Mobile Homes.	\$ 9.36
Gallonage Charge: (per 1,000 Gallons)	
Per 1,000 Gallons (No Cap)	\$ 1.99

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General Service:

Base Facility Charge:	<u>Amount</u>
<u>Meter Size</u>	
5/8" x 3/4"	\$ 9.36
1"	\$ 23.40
1 1/2"	\$ 46.80
2"	\$ 74.88
3"	\$140.40
4"	\$234.00
6"	\$468.00
Gallonage Charge: (per 1,000 gallons)	
Per 1,000 Gallons (No Cap)	\$ 1.99

Customer Deposits: Residential and Commercial

<u>Meter Size:</u>	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
5/8" x 3/4"	\$ 17.00	\$ 43.00	\$ 60.00
1"	\$ 43.00	\$ 107.00	\$150.00
1 1/2"	\$ 85.00	\$215.00	\$300.00
2"	\$135.00	\$340.00	\$375.00

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

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Miscellaneous Service Charges

Initial Connection Fee:	\$ 15.00
Normal Reconnection Fee:	\$ 15.00
Violation Reconnection Fee:	\$ 25.00
Premises Visit Fee:	\$ 15.00

Meter Installation Fees

5/8" x 3/4" meter	\$125.00
1" meter	\$150.00
1 1/2" meter	\$300.00
2" meter	\$350.00
Over 2" meter	Actual Cost

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 Cypress Lakes 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 Cypress Lakes be required to pay regulatory assessment fees for 1996 and file a 1996 Annual Report with the Commission?

RECOMMENDATION: Yes, Cypress Lakes 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, within 45 days of the date of the order issued as a result of action taken at this agenda conference. (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 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. 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." Staff, therefore, recommends that Cypress Lakes 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 in this docket.

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ISSUE 4: Should this docket be closed?

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

STAFF ANALYSIS: Since no additional action is required in this docket, Staff recommends this docket should be closed.