

FLORIDA PUBLIC SERVICE COMMISSION
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MEMORANDUM

JULY 2, 1997

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FPSC - Records/Reporting

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF WATER & WASTEWATER (COKER) *Mc BSM*
DIVISION OF LEGAL SERVICES (BRUBAKER) *BRUBAKER*

RE: DOCKET NO. ~~970283~~-WU - APPLICATION FOR GRANDFATHER
CERTIFICATE TO PROVIDE WATER SERVICE IN POLK COUNTY BY
MOUNTAIN LAKE CORPORATION. *MSW*

COUNTY: POLK

AGENDA: JULY 15, 1997 - REGULAR AGENDA - INTERESTED PERSONS MAY
PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

LOCATION OF FILE: S:\PSC\WAW\WP\970283WU.RCM

DOCUMENT NUMBER-DATE

06656 JUL-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 the privately owned water and wastewater utilities in that County 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 March 7, 1997, Mountain Lake Corporation (MLC) filed an application for a grandfather certificate to provide water service in Polk County pursuant to Section 367.171(2)(b), Florida Statutes.

Mountain Lake Corporation (MLC) is a Class C utility which provides residential water service. The utility currently serves approximately 128 single family and multi-family residences. According to the application, the utility was established in 1918.

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. MLC has been subject to this Commission's jurisdiction since May 14, 1996. The utility was advised of the Commission's jurisdiction by letter dated July 30, 1996.

This recommendation addresses MLC's application for a grandfather certificate in Polk County, and its obligation to pay regulatory assessment fees and file an annual report from the jurisdictional date, May 14, 1996.

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ISSUE 1: Should the application of Mountain Lake Corporation for a grandfather certificate in Polk County be granted?

RECOMMENDATION: Yes, Mountain Lake Corporation should be granted Water Certificate No. 593-W. Mountain Lake Corporation should be required to file a copy of a recorded warranty deed in the name of the utility within 90 days of the date of the order issued as a result of the action taken at this agenda conference. (COKER, BRUBAKER)

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. MLC subsequently filed its application for a grandfather certificate to provide service in Polk County, in accordance with Section 367.171(2)(b), Florida Statutes.

MLC's application is in compliance with the governing statute, Section 367.171, Florida Statutes, and administrative rules and statutes 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 \$200.00, 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. MLC provided a copy of an unrecorded warranty deed executed in 1916, which is in the name of MLC. Staff recommends that the utility be required to provide a recorded warranty deed within 90 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 MLC be granted Water Certificate No. 593-W to serve the territory described in Attachment A.

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ATTACHMENT A

SERVICE AREA
DESCRIPTION OF TERRITORY SERVED

Located within Township 29 South, Range 27 East in Polk County,
Florida.

Southeast 1/4 of Section 22;

Southwest 1/4 and Southeast 1/4 of Section 23;

Southwest 1/4 and Southeast 1/4 of Section 24;

All of Section 25;

All of Section 26;

Northeast 1/4 and Southeast 1/4 of Section 27;

Northwest 1/4 of Section 35;

Northwest 1/4 and Northeast 1/4 of Section 36;

and within Township 29 South, 28 East;.

Southwest 1/4 of Section 19;

Northwest 1/4 and Southwest 1/4 of Section 30;

Northwest 1/4 and Southeast 1/4 of Section 31;

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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, pursuant to Rule 25-30.475(1), Florida Administrative Code. (COKER)

STAFF ANALYSIS: The rates MLC 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. The utility's rates were never reviewed, nor approved by the Polk County Board of County Commissioners. The staff requested and received copies of customer bills to verify the rates. The utility's rates and charges are as follows:

Monthly Service Rates

Residential Service - Water

Monthly Minimum Charge \$40.00
Monthly minimum includes 9,000 gallons usage.

Gallonage Charge

9,001 - 12,000 gallons	\$ 1.50 per 1,000 gallons
12,001 - 20,000 gallons	\$ 2.00 per 1,000 gallons
20,001 - 30,000 gallons	\$ 3.00 per 1,000 gallons
30,001 - 40,000 gallons	\$ 5.00 per 1,000 gallons
40,001 - 50,000 gallons	\$ 7.00 per 1,000 gallons
50,001+ gallons	\$ 8.00 per 1,000 gallons

Service Availability Charges

All Service Availability Charges are billed at actual cost.

Miscellaneous Service Charges

Initial Connection	N/A
Normal Reconnection	N/A
Violation Reconnection	N/A
Premises Visit	N/A

Note: Mountain Lake Corporation requires no customer deposits.

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The utility has filed a tariff which reflects the above rates and charges. Because these rates were in effect at the time of the transfer of jurisdiction, staff recommends that they should be approved. Staff further recommends that MLC 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 or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), Florida Administrative Code.

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ISSUE 3: Should Mountain Lake Corporation 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, pursuant to Rules 25-30.120, and 25-30.110, Florida Administrative Code, 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 MLC 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: No, this docket should remain open until the utility submits a recorded warranty deed as proof that MLC has legal ownership of the property on which the utility is located.
(BRUBAKER)

STAFF ANALYSIS: Since additional action is required in this docket, Staff recommends this docket remain open. The utility shall have up to 90 days to provide the appropriate documentation. This docket should be closed administratively upon receipt of utility submits a warranty deed as proof that MLC has legal ownership of the property on which the utility is located.