

FLORIDA PUBLIC SERVICE COMMISSION

APPLICATION FOR A
STAFF ASSISTED RATE CASE

980445-WU

I. General Data

A. Name of utility MORNINGSIDE UTILITY INC.

B. Address 1106 MONROE AVE.
ST CLOUD, FL 34769

1. Telephone Nos. (407) 891-8383 892-6679

2. County OSCEOLA

3. General area served MORNINGSIDE VILLAGE-MORNINGSIDE EAST

C. Authority: DOCKET 970636WU

1. Water Certificate No. WC 49-297012 Date Received 11-22-96
WC 49-2002 Date Received 6-7-84

2. Sewer Certificate No. N/A Date Received _____

3. Date utility started operations: Water 1984 Sewer N/A

D. How system was acquired PURCHASED FROM DEVELOPER OWNER

If utility was purchased, give date 11/1988 Amount Paid \$235,000

1. Name of Seller WAYNE SCHOOLFIELD

2. Was seller affiliated with present owners? NO

3. Did you purchase: stock X or assets only _____

E. Type of legal entity: Corporation, Partnership or Sole

Proprietorship CORPORATION

F. Ownership & Officers:

	<u>Name</u>	<u>Title</u>	<u>Percent Ownership</u>
1.	<u>GEORGE DEVILLERS</u>	<u>PRESIDENT</u>	<u>100</u>
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____

DOCUMENT NUMBER-DATE

03675 MAR 30 88

FPSC-RECORDS/REPORTING

G. List of Associated Companies and Addresses:

1. NONE
2. _____
3. _____

H. If you have retained an attorney and / or a consultant to represent the utility for this application, furnish the name(s) and address(es):

NONE

II. Accounting Data

A. Outside Accountant

1. Name PAMELA J. MURPHY
2. Firm AFFORDABLE BOOKKEEPING INC
3. Address 2060 PARTIN SETTLEMENT RD, KISSIMMEE, FL 34744
4. Telephone (407) 870-9212

B. Individual to contact on accounting matters:

1. Name PAMELA J. MURPHY
2. Telephone (407) 870-9212

C. Location of books and records 1106 MONROE AVE., ST CLOUD, FL 34769

- D. Have you filed an annual report with the Commission? yes
- Date last files 96-97 IN PROCESS

E. Have you paid your most recent regulatory assessment fee? NO

F. Basic Rate Base Data (Most recent two years)

1. Water	12.00 BASE PLUS	19 ₉₆	19 ₉₇
Cost of Plant in Service:		\$ <u>235,000</u>	\$ _____
Less Accumulated Depreciation:		_____	_____
Less Contributed Plant:		_____	_____
Net Owners Investment:		\$ <u>235,000</u>	\$ _____

2.	Sewer	N/A	19__	19__
	Cost of Plant in Service:	\$	_____	\$ _____
	Less Accumulated Depreciation:		_____	_____
	Less Contributed Plant:		_____	_____
	Net Owners Investment:	\$	_____	\$ _____

G. Basic Income Statement (Most recent two years):

1.	Water		19_96	1997
	Revenues (By Class):	\$	_____	\$ _____
	a. WATER		<u>55982</u>	<u>64333</u>
	b. _____		_____	_____
	c. _____		_____	_____
	Total Operating Revenues:	\$	<u>55982</u>	\$ <u>64333</u>
	Less Expenses:			
	a. Salaries & Wages - Employees		<u>9600</u>	<u>10900</u>
	b. Salaries & Wages - Officers, Directors, & Majority Stockholders		_____	_____
	c. Employee Pensions & Benefits		_____	_____
	d. Purchased Water		<u>NONE</u>	<u>NONE</u>
	e. Purchased Power		<u>NONE</u>	<u>NONE</u>
	f. Fuel for Power Production		<u>NONE</u>	<u>86.00</u>
	g. Chemicals		<u>1860.37</u>	<u>2400.00</u>
	h. Materials & Supplies		<u>5420.00</u>	<u>9550.00</u>
	i. Contractual Services		_____	_____
	j. Rents		_____	_____
	k. Transportation Expense		<u>634.00</u>	<u>2122.00</u>
	l. Insurance Expense		<u>1940.30</u>	<u>1940.30</u>
	m. Regulatory Commission Expense		<u>---</u>	<u>250.00</u>
	n. Bad Debt Expense		_____	_____
	o. Miscellaneous Expense		<u>14264.33</u>	<u>16044.70</u>
	p. Depreciation Expense		<u>9586.00</u>	<u>12845.00</u>
	q. Property Taxes		<u>326.94</u>	<u>277.63</u>
	r. Other Taxes (TANGIBLE)		<u>1902.06</u>	<u>2607.37</u>
	s. Income Taxes		_____	<u>-0-</u>
	Operating Income (Loss)	\$	<u>10448.00</u>	\$ <u>5310.00</u>

2.

Sewer

N/A

19__

19__

Revenues (By Class):	\$ _____	\$ _____
a. _____	_____	_____
b. _____	_____	_____
c. _____	_____	_____
Total Operating Revenues:	\$ _____	\$ _____
Less Expenses:		
a. Salaries & Wages - Employees	_____	_____
b. Salaries & Wages - Officers, Directors, & Majority Stockholders	_____	_____
c. Employee Pensions & Benefits	_____	_____
d. Purchased Sewage Treatment	_____	_____
e. Sludge Removal Expense	_____	_____
f. Purchased Power	_____	_____
g. Fuel for Power Production	_____	_____
h. Chemicals	_____	_____
i. Materials & Supplies	_____	_____
j. Contractual Services	_____	_____
k. Rents	_____	_____
l. Transportation Expense	_____	_____
m. Insurance Expense	_____	_____
n. Regulatory Commission Expense	_____	_____
o. Bad Debt Expense	_____	_____
p. Miscellaneous Expense	_____	_____
q. Depreciation Expense	_____	_____
r. Property Taxes	_____	_____
s. Other Taxes	_____	_____
c. Income Taxes	_____	_____
Operating Income (Loss)	\$ _____	\$ _____

H. Outstanding Debt:

	<u>Creditor</u>	<u>Date Borrowed</u>	<u>Balance Due</u>	<u>Interest Rate</u>	<u>Expiration Date</u>
1.	<u>PAT PORTMAN</u>	_____	<u>10,000.</u>	<u>8 1/2</u>	_____
2.	<u>BARNETT BANK</u>	_____	<u>15,000.</u>	_____	_____
3.	_____	_____	_____	_____	_____
4.	_____	_____	_____	_____	_____

I. Indicate Type of Tax Return Filed:

- _____ Form 1120 - Corporation
- X Form 1120s - Subchapter S Corporation
- _____ Form 1065 - Partnership
- _____ Form 1040 - Schedule C - Individual (Proprietorship)

III. Engineering Data

A. Outside Engineering Consultant:

1. Name JAMES WELLS
2. Firm JAMES WELLS ENGINEERING
3. Address 3375 W VINE ST., KISSIMMEE, FL
4. Telephone (407) 931-3373

B. Individual to contact on engineering matters:

1. Name AS ABOVE
2. Telephone () _____

C. Is the utility under citation by the Department of Environmental Regulation (DER) or county health department? If yes, explain _____
NO

D. List any known service deficiencies and steps taken to remedy problems. NONE

E. Name of plant operator(s) and DER operator certificate number(s) held. GARY TURNER B 7729

F. Is the utility serving customers outside of its certificated area? NO If yes, explain. _____

G. Wastewater: N/A

1. Gallons per day capacity of treatment facilities existing _____ under construction _____ proposed _____
2. Type and make of present treatment facilities _____

3. Approximate average daily flow of treatment plant effluent _____
4. Approximate length of sewer mains:
Size (diameter) _____
Linear feet _____
5. Number of manholes _____
6. Number of liftstations _____

N/A

- ~~7. How do you measure treatment plant effluent? _____~~
- ~~8. Is the treatment plant effluent chlorinated? _____ If yes, what is the normal dosage rate? _____~~
- ~~9. Tap-in fees - Sewer \$ _____~~
- ~~10. Service availability fees - Sewer \$ _____~~
- ~~11. Note DER Treatment Plant Certificate Number and date of expiration: Number _____ Expiration Date _____~~
- ~~12. Total gallons treated during most recent 12 months _____~~
- ~~13. Sewage treatment purchased during most recent 12 months _____~~

H. Water

- 1. Gallons per day capacity of treatment facilities existing 288,000 GPD under construction _____ proposed _____
- 2. Type of treatment CHLORINE
- 3. Approximate average daily flow of treated water 35,000
- 4. Source of water supply WELL
- 5. Types of chemicals used and their normal dosage rates CHLORINE 4 TO 5 LBS PER DAY
- 6. Number of wells in service 2 Total capacity in gallons per minute (gpm) 350 GPM

Diameter/Depth	<u>6</u> / <u>330</u>	<u>6</u> / <u>422</u>	_____ / _____
Motor horsepower	<u>10</u>	<u>10</u>	_____
Pump capacity (gpm)	<u>150</u>	<u>200</u>	_____
- 7. Reservoirs and/or hydropneumatic tanks:

Description	<u>STEEL</u>	<u>ABOVE GROUND</u>	_____
Capacity	<u>10,000</u>	_____	_____
- 8. High service pumping:

Motor horsepower	<u>N/A</u>	_____	_____
Pump capacity (gpm)	_____	_____	_____
- 9. How do you measure treatment plant production? N/A
- 10. Approximate feet of water mains:

Size (diameter)	<u>6 in</u>	_____	_____
Linear feet	<u>11,000</u>	_____	_____

- 11. Note any fire flow requirements and imposing government agency N/A
- 12. Number of fire hydrants in service N/A
- 13. Do you have a meter changeout program? N/A
- 14. Meter installation or tap-in fees - water \$ 600.00
- 15. Service availability fees - water \$ 15
- 16. Has the existing treatment facility been approved by DER? YES
- 17. Total gallons pumped during most recent 12 months 1,025,000 JAN
- 18. Total gallons sold during most recent 12 months 13,132,194
- 19. Gallons unaccounted for during most recent 12 months 6806
- 20. Gallons purchased during most recent 12 months NONE

IV. Rate Data

A. Individual to contact on tariff matters:

- 1. Name GEORGE DEVILLERS
- 2. Telephone (407) 891-8383

B. Schedule of present rates (attach additional sheet if more space is needed):

1. Water:

- a. Residential water 12.00 BASE PLUS .0022
- b. General Service X
- c. Special Contract X
- d. Other X

2. Sewer: N/A

- a. Residential sewer N/A
- b. General Service N/A
- c. Special Contract N/A
- d. Other N/A

C. Number of Customers (Most recent two years):

1.	Water Metered	19 ⁹⁶	19 ⁹⁷
	a. Residential	<u>14,391,697</u>	<u>13,132,194</u>
	b. General Service	<u>X</u>	<u>X</u>
	c. Special Contract	<u>X</u>	<u>X</u>
	d. Other - Specify	<u>X</u>	<u>X</u>
<hr/>			
2.	Water Unmetered	19 ⁹⁶	19 ⁹⁷
	a. Residential	<u>6840</u>	<u>6806</u>
	b. General Service	<u>X</u>	<u>X</u>
	c. Special Contract	<u>X</u>	<u>X</u>
	d. Other - Specify	<u>X</u>	<u>X</u>
<hr/>			
3.	Sewer	N/A	19__
	a. Residential	<u> </u>	<u> </u>
	b. General Service	<u> </u>	<u> </u>
	c. Special Contract	<u> </u>	<u> </u>
	d. Other - Specify	<u> </u>	<u> </u>

V. Affirmation

I, GEORGE DEVILLERS the undersigned owner, officer, or partner of the above-named public utility, doing business in the State of Florida and subject to the control and jurisdiction of the Florida Public Service Commission, certify that the statements set forth herein are true and correct to the best of my information, knowledge and belief.

Signed *George DeVillers*
 Title PRESIDENT

Notice: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.

STATE OF FLORIDA



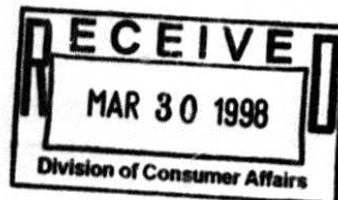
Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.

DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(850) 413-6900

Public Service Commission

March 12, 1998

Mr. George DeVillers
Morningside Utility, Inc.
1106 Monroe Avenue
St. Cloud, Florida 34769-6713



Dear Mr. DeVillers:

Per your request, I am enclosing a staff assisted rate case (SARC) application. I am also enclosing a copy of Rule 25-30.455, Florida Administrative Code which details the SARC process. Service Availability Fees will be reviewed within the normal scope of the SARC.

Once the application is complete, it should be sent to the Director of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32301-0870. If you have any questions, please feel free to contact me at (850) 413-6974.

Sincerely,

Robert J. Casey
Regulatory Analyst

RECEIVED
FLORIDA PUBLIC
SERVICE COMMISSION
MAR 30 AM 9 49
MAIL ROOM

RJC
Enclosures (2)

cc: Division of Water and Wastewater (Hill, Rendell)

25-30.455 Staff Assistance In Rate Cases.

(1) Water and wastewater utilities whose total gross annual operating revenues are \$150,000 or less for water service or \$150,000 or less for wastewater service, or \$300,000 or less on a combined basis, may petition the Commission for staff assistance in rate applications by submitting a completed staff assisted rate case application. In accordance with section 367.0814(4), F.S., a utility that requests staff assistance waives its right to protest by agreeing to accept the final rates and charges approved by the Commission unless the final rates and charges would produce less revenue than the existing rates and charges. If a utility that chooses to utilize the staff assistance option employs outside experts to assist in developing information for staff or to assist in evaluating staff's schedules and conclusions, the reasonable and prudent expense will be recoverable through the rates developed by staff. A utility that chooses not to exercise the option of staff assistance may file for a rate increase under the provisions of Rule 25-30.443, F.A.C.

(2) Upon request, the Division of Water and Wastewater shall provide the potential applicant with the appropriate application form, Commission Form PSC/WAS 2 (Rev. 11/86), "Application for Staff Assisted Rate Case", which is incorporated by reference in this rule, and a copy of Rule 25-30.455, F.A.C., governing staff assisted rate cases. The form may be obtained from the Commission's Division of Water and Wastewater, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850.

(3) Upon completion of the form, the petitioner may return it to the Director of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32301-0870.

(4) Upon receipt of a completed application, the Director of Records and Reporting shall acknowledge its receipt, assign a docket number for identification, and shall forward the application to a committee comprised of one member each of the Commission's Divisions of Water and Wastewater, Auditing and Financial Analysis, and Legal Services.

(5) Within 30 days of receipt of the completed application, the committee shall evaluate the application and determine the petitioner's eligibility for staff assistance.

(a) If the Commission has received four or more applications in the previous 30 days; or, if the Commission has 20 or more docketed staff assisted rate cases in active status on the date the application is received, the Commission shall deny initial evaluation of an application for staff assistance and close the docket. When an application is denied under the provisions of this subsection, the applicant shall be notified of the date on which the application may be resubmitted.

(b) Initially, determinations of eligibility may be conditional, pending an actual examination of the condition of petitioner's books and records. After an initial determination of eligibility, the Division of Auditing and Financial Analysis committee shall examine the books and records of the utility before making a final determination of eligibility.

(c) All recommendations of ineligibility shall be in writing and shall state the deficiencies in the application with reference to guidelines set out in subsection (8) of this rule or with reference to subsection (11) of this rule.

(6) Upon reaching a decision to officially accept or deny the application, the Director of the Division of Water and Wastewater shall notify the petitioner by letter and initiate staff assistance for the accepted applicant.

(7) The official date of filing will be 30 days after the date of the letter notifying the applicant of the official acceptance of the application by the Commission.

(8) In arriving at a recommendation whether to grant or deny the petition, the following shall be considered:

- (a) Whether the petitioner qualifies for staff assistance pursuant to subsection (1) of this rule;
- (b) Whether the petitioner's books and records are organized consistent with Rule 25-30.110, F.A.C., so as to allow commission personnel to verify costs and other relevant factors within the 30-day time frame set out in this rule;
- (c) Whether the petitioner has filed annual reports;
- (d) Whether the petitioner has paid applicable regulatory assessment fees;
- (e) Whether the petitioner has at least 1 year's actual experience in utility operation;
- (f) Whether the petitioner has filed additional relevant information in support of eligibility, together with reasons why the information should be considered;
- (g) Whether the petitioner has complied in a timely manner with all Commission decisions

and requests affecting water and wastewater utilities for 2 years prior to the filing of the application under review;

(h) Whether the utility has applied for a staff assisted rate case within the 2-year period prior to the receipt of the application under review.

(9) The Commission will deny the application if a utility does not remit the fee as provided by section 367.145, Florida Statutes, and Rule 25-30.020(2)(f), F.A.C., within 30 days after official acceptance.

(10) An aggrieved petitioner may request reconsideration which shall be decided by the full Commission.

(11) A petitioner may request a waiver of any of the guidelines set out in subsection (8) of this rule.

(12) A substantially affected person may file a petition to protest the Commission's proposed agency action in a staff assisted rate case within 21 days of issuance of the Notice of Proposed Agency Action as set forth in Rule 25-22.036, F.A.C.

(13) In the event of protest of the Commission's Notice of Proposed Agency Action (PAA Order) in a Staff assisted rate case, the utility shall:

(a) Provide prefiled direct testimony in accordance with the procedural order in the case. At a minimum, that testimony shall adopt the Commission's PAA Order in the case;

(b) Sponsor a witness to support source documentation provided to the Commission staff in its preparation of the staff audit, the staff engineering and accounting report and the staff PAA recommendation in the case;

(c) Include in its testimony the necessary factual information to support its position on any issue that it chooses to take a position different than that contained in the Commission's PAA Order;

(d) Meet all other requirements of the order establishing procedures.

(14) Failure to comply with the dates established in the procedural order, or to file timely a request for extension of time for good cause shown, may result in dismissal of the staff assisted rate case and closure of the docket.

(15) In the event of a protest of the Commission's PAA Order in a staff assisted rate case the Commission staff shall:

(a) File prefiled direct testimony to explain its analysis in the PAA recommendation. In the event the staff wishes to alter its PAA position on any issue, it shall provide factual testimony to support its changed position;

(b) Meet all other requirements of the order establishing procedures;

(c) Provide to the utility materials to assist the utility in the preparation of its testimony and exhibits. This material shall consist of an example of testimony filed by a utility in another case, an example of testimony that would support the PAA Order in this case, an example of an exhibit filed in another case, and examples of prehearing statements and briefs filed in other cases.

Specific Authority 367.0814, 367.121 FS.

Law Implemented 367.0814 FS.

History--New 12-8-80, Formerly 25-10.180, Amended 11-10-86, 8-26-91, 11-30-93.