

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

November 13, 1998

Mr. Norman F. Mears
Rhema Business Services, Inc.
1344 Vickers Drive
Tallahassee, FL 32303-3041

Re: Docket No. 981341-WS, Application for grandfather certificates to operate water and wastewater utility in Polk County by CHC, VII, Ltd.

Dear Mr. Mears:

Your application on behalf of CHC, VII, Ltd., (CHC) for grandfather certificates was received by the Commission on October 14, 1998 and assigned the above referenced docket number and name. Staff has preliminarily reviewed the application for deficiencies as well as for items that need clarification or correction. These items are as follows:

Deficiencies:

- Utility Name: According to Department of State, Division of Corporations, the recorded name for the utility is "CHC, VII, Ltd." (See Attachment) The application as filed, including the tariffs, is in the name of "CHC VII, Ltd." without the second comma. Since the name on a utility's certificate must either be the actual recorded name, or a registered d.b.a., the docket title has been changed to reflect the recorded name. If the utility name is improperly recorded with the Division of Corporations, you may wish to file for a name correction with that agency.

Please indicate whether the name, as currently recorded with the Division of Corporations, is how the partnership intends to be certificated. If a name correction is to be filed with the Division of Corporations, instead, please provide a copy of that application with your response to this item.

CK _____
 FA _____
 PP _____
 AF _____
 MU _____
 TR _____
 AG _____
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 IN _____
 JPC _____
 RCH _____
 SEC 1 _____
 WAS _____
 OTH _____

DOCUMENT NUMBER - DATE

102767 NOV 13 98

FILE RECORDS/RECORDING

2. Rate Authority. Pursuant to Rule 25-30.035(8), Florida Administrative Code (F.A.C.), a statement is required on the date and under what authority the current rates and charges were established. The application contained a statement that the rates are disclosed within the prospectus and lease pursuant to Chapter 723, Florida Statutes, governing mobile home rental communities. However, no information was provided as to the effective date.

Please provide a statement indicating when the current rates were put into effect.

As verification of the existing rates, please provide a copy of the portions of the prospectus and lease that pertain to the utility's water and wastewater rates and when they were authorized.

Also, please provide statement specifically indicating whether or not the County ever authorized the utility's current rates. This statement is needed for legal purposes.

3. Legal Description and Territory Map. Rule 25-30.035(9), F.A.C., requires a legal description of the territory the utility is serving and Rule 25-30.035(11), F.A.C., requires a territory map reflecting that description. The legal description for Hidden Golf Club MHP appears to match the territory map provided. However, the legal description for Swiss Golf & Tennis Club MHP does not.

The utility's engineer, Mr. Ivan King, has been notified by staff's engineer, Mr. Richard Redemann, P.E., of the apparent discrepancy. A revision to either the legal description or territory map has been requested. (See attached copy Mr. Redemann's October 27, 1998 fax to Mr. King.) Please ensure that Mr. King's correction(s) are provided with your response and, if necessary, Tariff Sheet No. 3.1 is corrected in both the water and wastewater tariffs.

4. Permit Information. Rule 25-30.035(12), F.A.C., requires the numbers and dates of any permits issued by the Department of Environmental Protection (FDEP) or designated agency. For the water system, the application indicates the water permit number issued by the Southwest Florida Water Management District but does not indicate the date. For the wastewater system, the application indicates the current wastewater permit number issued by FDEP, but not the date, and it also indicates a new permit is pending.
 - a) Please indicate the dates the water construction permit and the current wastewater permit were issued.
 - b) For verification purposes, and for information needed for rates, please provide copies of the utility's water construction permit and both its current wastewater permit as well as its application for a new wastewater permit.

- c) Also, please provide both the water and wastewater Monthly Operating Reports (MORs) for the twelve (12) months immediately prior to filing.
- d) Please specifically indicate whether or not the utility is in a water caution area and, if so, which one.
- e) Please indicate whether the water system is subject to any FDEP warning letter(s), which have not yet been resolved, or current consent order(s). If so, please provide copies of same along with a brief description of the actions the utility is taking to resolve the matter(s).

Clarifications / Corrections:

5. System Verification. According to the system maps provided, it appears that the water and wastewater systems for Swiss Golf & Tennis Club MHP and Hidden Golf Club MHP are connected.

Please verify whether or not this correct and, if so, provide a brief description of the development history, i.e. are the two communities are uniquely separate developments or just different phases of the same development, and indicate when each community was constructed.

6. Tariff Name. As indicated in Item 1, above, the utility's recorded name is different from that provided on the tariff sheets. If the name of the utility is to remain as currently recorded, you will need to provide new original water and wastewater tariff sheets under the utility's recorded name.

7. Tariff Address and Phone Number. The address and phone number for the utility on CHC's tariffs is the same as that given for all the partners listed in the application, i.e., 5015 South Florida Avenue, Lakeland, Florida, 33813.

Please explain whether the address is for a management company and, if so, please indicate the name of the management company.

Also, please indicate how far this address is from the physical location of the utility, and its customers, and whether or not the phone numbers would be local calls.

8. Tariff Rates. The water and wastewater tariff rates for the Residential Service Schedules show a fixed monthly charge of \$15.00 in advance which includes up to 8,000 gallons of water. The customers are then billed quarterly, in arrears, for any usage above 8,000 gallons using a tiered-rate system. The Commission discourages combining normal usage in the base facility charge.

Please provide an analysis of customer bills for the twelve (12) months immediately preceding the filing to include:

- a) number of customers each month exceeding 8,000 gallon minimum charge
- b) average usage each month for customers exceeding 8,000 gallon minimum charge
- c) average usage each month for customers not exceeding 8,000 gallon minimum charge.

If changing the rate structure to separate usage from base facility charges would represent a hardship for the utility, please provide a detailed explanation. For instance, would it require an amendment to the utility's prospectus and, if so, what is the anticipated cost and length of time to implement this change?

9. Combined Rates. It appears that the utility has the same rate schedule for both water and wastewater service. Please verify whether there is one rate schedule to cover the costs of both services.
10. Cost of Service. If the rates and charges in Item 9, above, apply to both services, they will have to be allocated to the separate tariffs based on the relative cost to provide the services. Please provide an estimate of the relative costs to provide each service along with supporting documentation.
11. Miscellaneous Tariff Correction.
- a) Table of Contents. In the "Table of Contents" for the water tariff (Tariff Sheet No. 2.0), the tariff sheet number(s) for Rates and Charges Schedules, Rules and Regulations, Service Availability and Standard Forms are supposed to be just the sheet number(s) for the indexes. Also the tariff sheet numbers for "Territory Served" should be 3.0-3.1.

(Note: The "Table of Contents" for the wastewater tariff was done correctly.)

- b) Tariff Page Numbering. The tariff page numbering in the wastewater tariff is off sequence starting with the second page of "Technical Terms and Abbreviations" which should have been Tariff Sheet No. 5.1. The two pages for the "Index of Rules and Regulations" should have been Tariff Sheet Nos. 6.0 and 6.1. Then the first page of the actual Rules and Regulations would have been Tariff Sheet No. 7. As a consequence of the misnumbering, the page numbers for the rules in the "Index of Rules and Regulations" do not correspond to their tariff location.
- c) Technical Terms and Abbreviations. In the definition for "Point of Collection" the term is accidentally referred to as the "Point of Connection."
- d) Rules and Regulations--Signed Applications Necessary. The Index of Rules and Regulations for Water Tariff Sheet No. 6.1 and Wastewater Tariff Sheet No. 7.0, lists "Signed Application Required." The actual heading for the rule is "Signed Application Necessary." Please correct either the indexes or the rule headings to be consistent.
- e) Rules and Regulations--Payment of Water and Wastewater Service Bills Concurrently. The Index of Rules and Regulations for Wastewater Tariff Sheet No. 7.0, also lists "Payment of Water and Sewer Service Bills Concurrently." The actual rule heading is "Payment of Wastewater and Water Service Bills Concurrently." Please correct either the index or the rule heading to be consistent. In any case, "wastewater" is the preferred term over "sewer."
- f) Rules and Regulations--Withholding Service. Since not all violations of the rules and regulations in the utility's tariffs may be adequate cause for refusal or discontinuance of service pursuant to Rule 25-30.320, F.A.C., please remove the second paragraph of Rule 5.0 in both the water and wastewater tariffs.
- g) Rule and Regulations--Limitation of Use. Commission rules to not prohibit a customer of a utility from remetering. However, the customer must first have the utility's written consent, which the utility may withhold for cause. Please remove the second paragraph of Rule 7.0 in the water tariff and include at the end of the third paragraph of both the water and wastewater tariff the following parenthetical phrase taken from the model tariffs:

(This shall not be construed as prohibiting a Customer from remetering.)

- h) Rates and Charges. The "Index of Rates and Charges Schedules" in the water tariff (Tariff Sheet No. 16.0) differs from the actual headings for four (4) of the schedules: Customer Deposits, Fire Protection Charges, Meter Test Deposits, and Service Availability Fees and Charges. Please correct either the index or the schedule headings to be consistent.

The Index of Rates and Charges Schedules in the wastewater tariff (Tariff Sheet No. 18.0) differs from the actual headings for Customer Deposits and Service Availability Fees and Charges. Please correct either the index or the schedule headings to be consistent.

- i) Application for Service. Pursuant to Rule 25-30.310, F.A.C., a signed application is required prior to the initiation of service. (See also Rule 3.0 in the "Rules and Regulations" section of the utility's water and wastewater tariffs.) Once the utility's tariffs are effective, a signed application will be required on a going-forward basis for requests for service from new residents.

Please have the utility develop an application for water and wastewater service and provide a legible copy on the "Application for Service" tariff sheet. A sample application is included in the model tariffs. In any case, the application should include information on the payment period as well as how much notice the utility requires prior to service being voluntarily disconnected. This later provision is important since the "Rules and Regulations" section of the utility's tariffs do not contain a full "Termination of Service" rule--only a "Temporary Discontinuance of Service" rule.

- j) Customer's Bill. The sample Customer's Bill provided in both the water and wastewater tariffs for Swiss Golf & Tennis Club is not legible. Please provide a legible copy for the applicable tariff sheets.

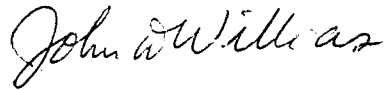
(Note: If the utility's water and wastewater charges are separated pursuant to Item 9, above, modified bills may be necessary.)

Please file an original and five copies of your response to the items listed above with the Division of Records and Reporting on or before January 8, 1999.

Mr. Norman F. Mears
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If you have any questions regarding the information requested, please contact Ms. Patricia Brady (850) 413-6686.

Sincerely,



John D. Williams
Chief, Bureau of Policy Development
and Industry Structure

g:\def\chc_vii.gpa

JDW:pb

Attachments: (2)

cc: Division of Water and Wastewater (Hill, Lowe, Brady, Redemann)
Division of Legal Services (Crosby)
Division of Records and Reporting

10/27/98 CORPORATE DETAIL RECORD SCREEN 9:42 AM
NUM: A18847 ST:FL ACTIVE LP FLD: 01/14/1985
LAST: CONTRIBUTION CHANGE FLD: 12/27/1995
ACT CONT: 10,000.00 FEI#: 59-2489760
NAME : CHC, VII, LTD.
PRINCIPAL: 5015 SOUTH FLORIDA AVE. CHANGED: 12/31/92
ADDRESS SUITE 200
 LAKELAND, FL 33813
MAILING : P.O. BOX 5252 CHANGED: 01/06/95
ADDRESS LAKELAND, FL 33807
RA NAME : MCFARLANE, PETER A. ESQ NAME CHG: 12/31/92
RA ADDR : 5015 SOUTH FLORIDA AVE. ADDR CHG: 12/31/92
 SUITE 215
 LAKELAND, FL 33813 US
ANN REP : (1996) I 12/27/95 (1997) I 12/13/96 (1998) I 11/24/97

10/27/98 GENERAL PARTNER DETAIL SCREEN 9:42 AM
CORP NUMBER: A18847 CORP NAME: CHC, VII, LTD.
NAME: CENTURY REALTY FUNDS, INC DOC #: 616872
 5015 SOUTH FLORIDA AVE. STE 200
 LAKELAND, FL
NAME: CRF MANAGEMENT CO., INC. DOC #: G23570
 5015 SOUTH FLORIDA AVE. STE. 200
 LAKELAND, FL

----- THIS IS NOT OFFICIAL RECORD; SEE DOCUMENTS IF QUESTION OR CONFLICT -----

State of Florida



Public Service Commission

FAX COVER SHEET

DATE: October 27, 1998

FROM: Division of Water & Wastewater, Richard Redemann P.E.
Florida Public Service Commission
FAX (850) 413-7000

If you have any questions or problems, please contact me at (850) 413-6999.

TO: Mr. Ivan King

FAX NUMBER: 6-1-941-299-7826

PHONE NUMBER: 6-1-941-325-6146

comments: Docket No. 981341-WS; CHC VII, LTD.

The description does not reflect this area. Please see the map. Is the Description in error?

Please review the maps and territory description and advise if it is correct.

Number of pages including cover sheet: 4

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CHC VII, LTD.

WATER AND WASTEWATER SERVICE AREA

POLK COUNTY

SERVING THE SWISS GOLF CLUB AND HIDDEN GOLF CLUB

Parts of Sections 27 and 35, Township 27 South, Range 26 East, Polk County, Florida describes as follows:

ok The East 663.0 feet of the South 1658.61 feet of the SE 1/4 of Section 27, Township 27 South, Range 26 East, Polk County, Florida.

? And the NW 1/4 and the West 1/2 of the NE 1/4 of Section 35, Township 27 South, Range 26 East, Polk County, Florida.

SWISS GOLF CLUB

N^W/4

ok

CITY LIMITS - WINTER HAVEN

56.13' 320' 032010 548.71' 20.54' 374.81' 1255.39'

Part of
Section 25

023010

013010

Part of
Section 25

Section 25

M & W

Description

013010

1378, 8673