



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-

RECEIVED-FPSC
MAR 21 PM 4:41
REGISTRATION AND
RECORDS

DATE: MARCH 22, 2001

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

FROM: DIVISION OF REGULATORY OVERSIGHT (JOHNSON) REDEMANN) *BSM*
DIVISION OF LEGAL SERVICES (GERVASI) *DR*
DIVISION OF ECONOMIC REGULATION (MAILHOT) *DM RHT*

AWJ

RE: DOCKET NO. 001049-WU - APPLICATION FOR ORIGINAL WATER
CERTIFICATE IN CHARLOTTE COUNTY BY LITTLE GASPARILLA WATER
UTILITY, INC.
COUNTY: CHARLOTTE

AGENDA: APRIL 3, 2001 - REGULAR AGENDA - PROPOSED AGENCY ACTION
FOR ISSUE NO. 5 - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 90-DAY STATUTORY DEADLINE TO RULE UPON
APPLICATION: April 17, 2001

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\RGO\WP\001049.RCM

CASE BACKGROUND

Little Gasparilla Water Utility, Inc., formerly known as Little Gasparilla Utilities, Inc., (Gasparilla or utility) is a Class C water utility providing service to approximately 241 customers including two condominiums and some single family homes on Little Gasparilla Island. The utility is located in a water use caution area under the Southwest Florida Water Management District in Charlotte County. Wastewater service to the condominiums is provided by a central sewer service owned by the condominiums homeowners' association. The remaining dwellings are served by septic tanks. Little Gasparilla Island is a bridgeless barrier island. The utility has been in service since 1986.

On September 27, 1994, the Board of County Commissioners of Charlotte County adopted a resolution declaring privately owned

DOCUMENT NUMBER-DATE

03590 MAR 21 01

FPSC-RECORDS/REPORTING

water and wastewater utilities in Charlotte County (County) subject to the Commission's jurisdiction. On January 17, 1996, the utility filed a request for an exemption. Gasparilla was granted an exemption from Commission regulation pursuant to Section 367.022(7), Florida Statutes, by Order No. PSC-96-0460-FOF-WS, issued April 2, 1996, in Docket No. 941044-WS. The exemption status was based on the utility being a nonprofit corporation organized pursuant to Chapter 617, Florida Statutes, to provide service solely to its members that own and control the utility. The utility's current rates and service availability charges were established during the time the utility was exempt from Commission regulation.

On May 17, 1999, the regulatory status of the utility changed because it merged with Little Gasparilla Water Utility, Inc., a for profit corporation. Following this merger, the utility entered into negotiations for the sale of the utility. The negotiations lasted for more than one year, finally resulting in no sale of the utility. Therefore, Gasparilla has been subject to the Commission's regulation since May 17, 1999. The utility informed the Commission that its circumstances had changed and that its exemption status needed to be reevaluated on August 4, 2000, when it filed the application for original water certificate for a utility in existence and charging rates which is the subject of this docket.

Gasparilla completed its response to staff's notification of deficiencies on January 17, 2001. Therefore, the official filing date for Gasparilla's application for certificate is January 17, 2001. Pursuant to Section 367.031, Florida Statutes, the Commission must grant or deny an application for a certificate of authorization with 90 days after the official filing date of the completed application, unless an objection is filed, or the application will be deemed granted.

The County was notified of the certificate application pursuant to Rule 25-30.030, Florida Administrative Code, and responded to the Commission on August 22, 2000. The County stated that the utility's application for service in the requested area was in conflict with the County's 1997 - 2010 Comprehensive Plan. Because of the conflict, the County objected to the utility's application. The Florida Department of Community Affairs (DCA) also objected to the application, stating that it was in conflict with the Comprehensive Plan. The DCA opposed the application because it believed that there was no development on the island and in support of the Comprehensive Plan, it wanted to control the growth on the island. The DCA was unaware of the existence of the

utility on the island and assumed that it was a new development. Both the DCA and the County believed that Gasparilla was not serving customers on the Island and that there was minimal demand for development.

Staff coordinated a meeting with the utility and the DCA staff to obtain more information on the development of the island. Once an aerial photograph was reviewed by both the DCA and the County staff, it became evident to them that substantial development exists on the island and that the existing utility's facilities were in place to serve that development. After the DCA and the County reviewed the maps, confirmed the development and the existence of service on the island, both the County and the DCA withdrew their objections. The DCA withdrew its objection on October 12, 2000 and the County withdrew its objection on January 16, 2001.

This recommendation addresses Gasparilla's application for a certificate and the appropriate rates and charges, whether it should show cause as to why it should not be fined for operating without a certificate and for failing to pay regulatory assessment fees (RAFs) and file an annual report. The Commission has jurisdiction pursuant to Section 367.045(5)(a), Florida Statutes.

DISCUSSION OF ISSUES

ISSUE 1: Should Gasparilla be ordered to show cause, in writing within 21 days, why it should not be fined for operating without a certificate in apparent violation of Section 367.031, Florida Statutes, and Order No. PSC-96-0460-FOF-WS?

RECOMMENDATION: No, show cause proceedings should not be initiated. However, the utility should be put on notice that it may not sell, assign, or transfer its certificate of authorization, facilities or any portion thereof, or majority organizational control without prior Commission approval unless the contract for sale, assignment, or transfer is made contingent upon Commission approval, pursuant to 367.071, Florida Statutes. (GERVASI)

STAFF ANALYSIS: Section 367.031, Florida Statutes, states, in relevant part, that "[e]ach utility subject to the jurisdiction of the [C]ommission must obtain . . . a certificate of authorization to provide water or wastewater service." Moreover, by Order No. PSC-96-0460-FOF-WS, issued April 2, 1996, in Docket No. 941044-WS, indicating the exempt status of the utility, the Commission put the utility on notice that if there was "any change in circumstance or method of operation, it should inform the Commission within 30 days of such change so that its exempt status may be reevaluated."

Because the utility has been providing water service without the requisite certificate of operation since it merged with a for profit corporation on May 17, 1999, thereby losing its exemption status as a non-profit utility pursuant to Section 367.022(7), Florida Statutes, it is in apparent violation of Section 367.031, Florida Statutes, and Order No. PSC-96-1460-FOF-WS. Such action is "willful" in the sense intended by Section 367.161, Florida Statutes. Section 367.161, Florida Statutes, authorizes the Commission to assess a penalty of not more than \$5,000 for each offense, if a utility is found to have knowingly refused to comply with, or to have willfully violated any Commission rule, order or provision of Chapter 367, Florida Statutes. In Order No. 24306, issued April 1, 1991, in Docket No. 890216-TL, titled In Re: Investigation Into The Proper Application of Rule 25-14.003, Florida Administrative Code, Relating To Tax Savings Refund For 1988 and 1989 For GTE Florida, Inc., the Commission, having found that the company had not intended to violate the rule, nevertheless found it appropriate to order it to show cause why it should not be fined, stating that "[i]n our view, 'willful' implies an intent to do an act, and this is distinct from an intent to violate a statute or rule." Id. at 6.

When Gasparilla merged with Little Gasparilla Water Utility, Inc., the for profit corporation, on May 17, 1999, it was required by Section 367.045, Florida Statutes, and Order No. PSC-96-0460-FOF-WS, to inform the Commission within 30 days of the merger, and apply for a certificate of authorization. Gasparilla's failure to do so appears to be due to lack of knowledge of the statutes and Commission rules. According to the utility, the delay in informing the Commission of its change in method of operation was due to the pending sale of the utility, and the amount of time that was required for it to obtain the information necessary to prepare its application for a water certificate or possible transfer.

Although regulated utilities are charged with knowledge of Chapter 367, Florida Statutes, and Commission rules and orders, staff does not believe that the apparent violation of Section 367.031, Florida Statutes, and Order No. PSC-96-0460-FOF-WS, rises in these circumstances to the level of warranting the initiation of show cause proceedings. Gasparilla contacted Commission staff upon becoming aware of the Commission's regulatory authority over the utility. In addition, Gasparilla has been very responsive to staff's requests for information. For these reasons, staff recommends that the Commission not order Gasparilla to show cause in writing within 21 days, why it should not be fined for operating without a certificate in apparent violation of Section 367.031, Florida Statutes, and Order No. PSC-96-0460-FOF-WS. However, the utility should be put on notice that it may not sell, assign, or transfer its certificate of authorization, facilities or any portion thereof, or majority organizational control without prior Commission approval unless the contract for sale, assignment, or transfer is made contingent upon Commission approval, pursuant to 367.071, Florida Statutes.

ISSUE 2: Should Gasparilla be ordered to show cause, in writing within 21 days, why it should not be fined for failure to file its 1999 annual report in apparent violation of Rule 25-30.110, Florida Administrative Code?

RECOMMENDATION: No. Show cause proceedings should not be initiated at this time. Staff further recommends that the penalties set forth in Rule 25-30.110(7), Florida Administrative Code, should not be assessed. However, Gasparilla should be required to file its 1999 annual report by June 1, 2001. If Gasparilla fails to do so, staff will bring a show cause recommendation at that time. Moreover, the utility should be put on notice that penalties, if assessed, continue to accrue until such time as the annual report is filed and that the annual report must comply with Rule 25-30.110, Florida Administrative Code, including compliance with the National Association of Regulatory Utility Commissioners Uniform System of Accounts (NARUC USA), which requires the use of original costs to report the cost of the utility's assets when it was first dedicated to public service. Additionally, the utility should be put on notice its 2000 annual report is due on March 31, 2001, unless a written request for an extension of time is filed by that date. (GERVASI, MAILHOT, JOHNSON)

STAFF ANALYSIS: Rule 25-30.110(3), Florida Administrative Code, requires utilities subject to the Commission's jurisdiction as of December 31 of each year to file an annual report on or before March 31 of the following year. Annual reports are due from regulated utilities regardless of whether the utility has actually applied for or been issued a certificate. Requests for extension of time must be in writing and must be filed before March 31. One extension of 30 days is automatically granted. A further extension may be granted upon a showing of good cause. Incomplete or incorrect reports are considered delinquent, with a 30 day grace period in which to supply the missing information.

Utilities are charged with the knowledge of the Commission's rules and statutes. Additionally, "[i]t is a common maxim, familiar to all minds that 'ignorance of the law' will not excuse any person, either civilly or criminally." Barlow v. United States, 32 U.S. 404, 411 (1833). Thus, any intentional act, such as the utility's failure to timely file its annual report, would meet the standard for a "willful violation." In Order No. 24306, issued April 1, 1991, in Docket No. 890216-TL titled In Re: Investigation Into The Proper Application of Rule 25-14.003, Florida Administrative Code, Relating To Tax Savings Refund for 1988 and 1989 For GTE Florida, Inc., the Commission, having found

that the company had not intended to violate the rule, nevertheless found it appropriate to order it to show cause why it should not be fined, stating that "'willful' implies an intent to do an act, and this is distinct from an intent to violate a statute or rule." Id. at 6. Section 367.161, Florida Statutes, authorizes the Commission to assess a penalty of not more than \$5,000 for each offense, if a utility is found to have knowingly refused to comply with, or to have willfully violated any Commission rule, order or provision of Chapter 367, Florida Statutes.

Moreover, pursuant to Rule 25-30.110(6)(c), Florida Administrative Code, any utility that fails to file a timely, complete annual report is subject to penalties, absent demonstration of good cause for noncompliance. The penalty set out in Rule 25-30.110(7), Florida Administrative Code, for Class C utilities, is \$3 per day, based on the number of calendar days elapsed from March 31, or from an approved extended filing date, until the date of filing. Assuming a filing date of June 1, 2001, for the utility's 1999 annual report, staff has calculated that the total penalty would be \$1,281 calculated as follows: \$825.00 for 275 days x \$3.00 per day for 2000; \$456.00 for 152 days x \$3.00 per day for 2001. The penalty, if assessed, would continue to accrue until such time as Gasparilla files its 1999 annual report. Staff notes that pursuant to Rule 25-30.110(6)(c), Florida Administrative Code, the Commission may, in its discretion, impose greater or lesser penalties for such noncompliance.

Staff believes that Gasparilla has shown good cause for its noncompliance with the requirement to file its 1999 annual report. The utility states that after the merger with a for profit corporation, the utility was approached about selling the water system and it commenced negotiations for the sale of the system, which the parties believed would be consummated quickly. The negotiations drug out for over a year, and in early 2000, the utility decided that it could wait no longer and engaged an attorney to assist in the application process. Since that time, the utility has been gathering the information necessary to file for a water certificate. Moreover, because the Commission did not learn of the utility's changed regulatory status until it applied for a certificate on August 4, 2000, the utility did not receive a blank copy of the 1999 annual report form which the Commission staff provides to all known regulated utilities by January 15 of each year pursuant to Rule 25-30.110(3)(a), Florida Administrative Code. Finally, the utility has been very cooperative with Commission staff in its efforts to come into compliance with Commission rules.

For the foregoing reasons, staff does not believe that the apparent violation of Rule 25-30.110(3), Florida Statutes, rises in these circumstances to the level of warranting the initiation of a show cause proceeding. Moreover, staff believes that the utility has demonstrated good cause for its apparent noncompliance. Therefore, staff recommends that the Commission not order Gasparilla to show cause, in writing within 21 days, why it should not be fined for its failure to file its 1999 annual report. Staff further recommends that the penalties set forth in Rule 25-30.110(7), Florida Administrative Code, should not be assessed.

Nevertheless, staff notes that annual reports are used to determine the earnings level of the utility; to determine whether a utility is in substantial compliance with the NARUC USOA, as well as applicable rules and orders of the Commission; to determine whether financial statements and related schedules fairly present the financial condition and results of operations for the period presented; and to determine whether other information presented as to the business affairs of the utility are correct for the period they represent.

Therefore, staff recommends that the utility be required to file its 1999 annual report by June 1, 2001. If Gasparilla fails to do so, staff will bring a show cause recommendation at that time. Moreover, the utility should be put on notice that penalties, if assessed, continue to accrue until such time as the annual report is filed and that the annual report must comply with Rule 25-30.110, Florida Administrative Code, including compliance with the NARUC USOA, which requires the use of original costs to report the cost of the utility's assets when it was first dedicated to public service. Additionally, the utility should be put on notice its 2000 annual report is due on March 31, 2001, unless a written request for an extension of time is filed by that date. As of the date of filing this recommendation, the 2000 annual report had not been filed and no request for an extension of time had been received.

ISSUE 3: Should Gasparilla be ordered to show cause, in writing within 21 days, why it should not be fined for failure to timely pay RAFs for 1999, in apparent violation of Sections 350.113(3)(e) and 367.145, Florida Statutes, and Rule 25-30.120(1), Florida Administrative Code?

RECOMMENDATION: No, show cause proceedings should not be initiated at this time. However, Gasparilla should be required to remit RAFs in the amount of \$4,327.87 for 1999 by June 1, 2001, along with a statutory penalty in the amount of \$1,081.97 and \$649.18 in interest, for its failure to timely pay its 1999 RAFs. If Gasparilla fails to do so, staff will bring a show cause recommendation at that time. In addition, the utility should be put on notice that interest continues to accrue until such time as the 1999 RAFs are remitted and that the utility's 2000 RAFs are due on March 31, 2001. (GERVASI, MAILHOT, JOHNSON)

STAFF ANALYSIS: Pursuant to Sections 350.113(3)(e) and 367.145, Florida Statutes, and Rule 25-30.120(1), Florida Administrative Code, each utility shall remit annually a RAF in the amount of 0.045 of its gross operating revenue. Pursuant to Rule 25-30.120(2), Florida Administrative Code, "[t]he obligation to remit the [RAFs] for any year shall apply to any utility which is subject to [the] 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 been issued a certificate."

In failing to remit its 1999 RAFs, Gasparilla is in apparent violation of the above-referenced statutory and rule provisions. Utilities are charged with the knowledge of the Commission's rules and statutes. Additionally, "[i]t is a common maxim, familiar to all minds that 'ignorance of the law' will not excuse any person, either civilly or criminally." Barlow v. United States, 32 U.S. 404, 411 (1833). Thus, any intentional act, such as the utility's failure to remit its 1999 RAFs, would meet the standard for a "willful violation." In Order No. 24306, issued April 1, 1991, in Docket No. 890216-TL titled In Re: Investigation Into The Proper Application of Rule 25-14.003, Florida Administrative Code, Relating To Tax Savings Refund for 1988 and 1989 For GTE Florida, Inc., the Commission, having found that the company had not intended to violate the rule, nevertheless found it appropriate to order it to show cause why it should not be fined, stating that "'willful' implies an intent to do an act, and this is distinct from an intent to violate a statute or rule." Id. at 6. Section 367.161, Florida Statutes, authorizes the Commission to assess a penalty of not more than \$5,000 for each offense, if a utility is found to have knowingly refused to comply with, or to have

willfully violated any Commission rule, order or provision of Chapter 367, Florida Statutes.

Staff believes that there are mitigating circumstances in this case which lead staff to recommend that show cause proceedings are not warranted at this time. As previously discussed, the utility states that after the merger with a for profit corporation, the utility was approached about selling the water system and it commenced negotiations for the sale of the system, which the parties believed would be consummated quickly. However, the negotiations drug out for over one year. Moreover, the utility has been very cooperative with Commission staff in its efforts to come into compliance with Commission rules.

For the foregoing reasons, staff does not believe that the apparent violation of Sections 350.113(3)(e) and 367.145, Florida Statutes, and Rule 25-30.120(1), Florida Administrative Code, rises in these circumstances to the level of warranting the initiation of a show cause proceeding. Therefore, staff recommends that the Commission not order Gasparilla to show cause, in writing within 21 days, why it should not be fined for its failure to remit its 1999 RAFs.

Nevertheless, pursuant to Section 350.113(4), Florida Statutes, and Rule 25-30.120(7)(a), Florida Administrative Code, a statutory penalty plus interest shall be assessed against any utility that fails to timely pay its RAFs, in the following manner:

1. 5 percent of the fee if the failure is for not more than 30 days, with an additional 5 percent for each additional 30 days or fraction thereof during the time in which failure continues, not to exceed a total penalty of 25 percent.
2. The amount of interest to be charged is 1% for each 30 days or fraction thereof, not to exceed a total of 12% per annum.

For the foregoing reasons, staff recommends that Gasparilla should be required to remit RAFs in the amount of \$4,327.87 for 1999 by June 1, 2001. This amount is calculated based upon estimated gross operating revenues of \$96,174.85, derived from the utility's 1999 tax return. Additionally, the utility should be required to remit a statutory penalty in the amount of \$1,081.97 and \$649.18 in interest, calculated in accordance with Rule 25-30.120(7)(a), Florida Administrative Code, for its failure to timely pay its 1999 RAFs. If Gasparilla fails to pay its 1999 RAFs

DOCKET NO. 001049-WU
DATE: MARCH 22, 2001

along with the requisite penalties and interest by June 1, 2001, staff will bring a show cause recommendation at that time. In addition, the utility should be put on notice that interest continues to accrue until such time as the 1999 RAFs are remitted and that the utility's 2000 RAFs are due on March 31, 2001.

ISSUE 4: Should Gasparilla's application for an original water certificate be granted?

RECOMMENDATION: Yes, Gasparilla should be granted Water Certificate No. 615-W to serve the territory described in Attachment A. (REDEMANN, JOHNSON)

STAFF ANALYSIS: As stated in the case background, on August 4, 2000, Gasparilla filed an application for an original water certificate pursuant to Section 367.045(1), Florida Statutes, for a utility in existence and charging rates. Gasparilla has been in operation since 1986, providing potable water services to 241 customers on a bridgeless barrier island in Charlotte County. Other than as discussed in Issues 1 - 3, above, the application is in compliance with Section 367.045, Florida Statutes, and Rule 25-30.034, Florida Administrative Code, regarding an application for an original certificate to operate a water utility in existence and charging rates. The application contains a check in the amount of \$750.00, which is the correct filing fee pursuant to Rule 25-30.020(2)(a), Florida Administrative Code. In addition, the application includes a warranty deed as evidence that the utility owns the land upon which its facilities are located, as required by Rule 25-30.034(1)(e), Florida Administrative Code.

The application contains a description of the territory to be served, a detailed system map and a territory map as required by Rule 25-30.034(1)(h), (i) and (j), Florida Administrative Code. A description of the territory requested by the applicant is appended to this issue as Attachment A.

In addition, the application contains proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code, including notice to the customers in the proposed territory. As discussed in the case background, although the DCA and the County filed objections, the objections were subsequently withdrawn. The time for filing objections has expired.

As evidence of its financial and technical abilities to provide water service, Mr. John R. Boyer, the President of Gasparilla provided a 1999 Income Tax Return for the corporation along with a Balance Sheet and Profit and Loss Statement. The Income Tax Return indicates gross corporate revenues of \$117,275 with an operating loss of \$17,837. However, when staff removed depreciation expense of \$42,041, the corporation had a net operating income of \$24,210. The corporation's Balance Sheet indicates total assets of \$814,019, and total equity of \$620,999.

This utility has been operating for 14 years, and there have been no material financial or operational problems. As evidence of its technical ability to provide water service, Gasparilla states that it has been providing water service since 1986, with substantially the same personnel. Gasparilla contracted Mr. Joseph M. Gueltzow to operate and maintain the water system. Mr. Gueltzow is a DEP-licensed class "C" water treatment plant operator and holds License No. 0006144.

The utility's facilities consist of a reverse osmosis water treatment plant with a capacity of 36,000 gallons per day (gpd) and five storage tanks with a total capacity of 174,000 gallons. The utility's customers are on the island approximately ten percent of the time. The condominiums at Hideaway and Placid Harbor are served by a central sewer service provided by the condominiums homeowners' association and the remaining dwellings on the island are served by septic tanks. Gasparilla's original construction permit was issued by the Department of Environment Protection (DEP) on June 24, 1986. The utility meets all existing water quality and quantity standards required by the DEP. The utility is currently expanding the water treatment plant to 72,000 gpd. The utility does not need a Water Use Permit from the Southwest Florida Water Management District because the water withdrawal is less than 100,000 gpd on an annual average basis. The utility is in the process of expanding its facilities to accommodate the request for service from 250 homes adjacent to the system, which are included in the utility's requested service territory. These homes are currently served by shallow wells or cisterns that have proven to be an unsatisfactory source of service. Total buildout is approximately 1000 equivalent residential connections (ERCs). The current 241 residential and condominium owners are individually metered and are served with 5/8 x 3/4 water meters.

Based on the above, staff believes that it is in the public interest to grant Gasparilla's application for an original water certificate for a utility in existence and charging rates.. Accordingly, staff recommends that Little Gasparilla Water Utility, Inc., be granted Water Certificate No. 615-W to serve the territory described in Attachment A.

Little Gasparilla Water Utility, Inc.

Charlotte County

Water Service Area

That portion of Township 42 South, Range 20 East, in Sections 15, 16, 21, 22 and 27 in Charlotte County, Florida, bordered on the South by Little Gasparilla Pass, on the east by Placida Harbor, on the west by the Gulf of Mexico, and on the North by the South End of Don Pedro State Park and Recreational Area.

ISSUE 5: What rates and charges should be approved for Gasparilla?

RECOMMENDATION: The utility's existing rates and charges and the proposed meter test deposits and miscellaneous service charges for Gasparilla should be approved as the original tariff rates, until authorized to change in a subsequent proceeding. The effective date of the utility's rates and charges should be the stamped approval date on the tariff sheet. (JOHNSON)

STAFF ANALYSIS: The utility's current monthly service rates, gallonage charge and service availability charges were established when the utility was exempt from Commission regulation. The utility currently charges a \$32 per month base facility charge and \$3.60 per 1000 gallons gallonage charge for potable water service for residential and general service customers. The rates are substantially the same as two neighboring utilities and the rates have remained unchanged for the past four years. The utility also charges a system capacity charge of \$4,500.

The utility has requested the Commission's standard meter test deposits and miscellaneous service charges. In accordance with Rule 25-30.266, Florida Administrative Code, the utility may require a deposit to defray the cost of meter testing, up to specified amounts. The utility's meter test deposit fees comport with the requirements of the rule. Rule 25-30.460, Florida Administrative Code, allows for the application of miscellaneous service charges by a utility. Gasparilla has requested charges that are at the standard Commission rate level.

The utility's current and requested water rates and charges are as follows:

Monthly Service Rates:

<u>Residential and General</u> Base Facility Charge:	\$32.00
<u>Gallonage Charge</u> Per 1,000 Gallons:	
Residential	
General Service	\$ 3.60

Meter Test Deposit:

<u>Meter Size</u>	<u>Water</u>
5/8" x 3/4"	\$20.00
1" and 1 1/2"	\$25.00
2" and over	Actual Cost

Miscellaneous Service Charges:

<u>Type of Service</u>	<u>Water</u>
Initial Connection	\$15.00
Normal Reconnection	\$15.00
Violation Reconnection	\$15.00
Premises Visit	\$10.00

Service Availability Charge: The utility has installed water distribution lines to each lot in its proposed service territory. The cost of the service is \$4,500 per ERC, which is a system capacity charge.

In summary, staff recommends that the utility's existing rates and charges and the proposed meter test deposits and miscellaneous service charges for Gasparilla should be approved as the original tariff rates, until authorized to change in a subsequent proceeding. The effective date of the utility's rates and charges should be the stamped approval date on the tariff sheet.

ISSUE 6: Should the docket be closed?

RECOMMENDATION: No, this docket should remain open in order for staff to verify that the utility has filed its 1999 annual report and remitted its 1999 RAFs, including penalties and interest. If the annual report is so filed and RAFs, penalties, and interest are so remitted, this docket should be closed administratively. (GERVASI)

STAFF ANALYSIS: This docket should remain open in order for staff to verify that the utility has filed its 1999 annual report and remitted its 1999 RAFs, including penalties and interest. If the annual report is so filed and RAFs, penalties, and interest are so remitted, this docket should be closed administratively.

