



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-

REC'D MED-PPSC
MAR 21 PM 4:41
RECORDS AND REPORTING

DATE: MARCH 22, 2001

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

FROM: DIVISION OF REGULATORY OVERSIGHT (REDEMANN) *RRR*
DIVISION OF LEGAL SERVICES (ESPINOZA) *JE RSR* *SSM* *And*

RE: DOCKET NO. 001138-WS - APPLICATION FOR AMENDMENT OF
CERTIFICATE NOS. 277-W AND 223-S TO ADD TERRITORY IN
SEMINOLE COUNTY BY CWS COMMUNITIES LP D/B/A PALM VALLEY.

AGENDA: APRIL 3, 2001 - REGULAR AGENDA - PROPOSED AGENCY ACTION
FOR ISSUE 1 - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\RGO\WP\001138A.RCM

CASE BACKGROUND

CWS Communities LP d/b/a Palm Valley (Palm Valley or utility) is a Class C utility which provides water and wastewater services in Seminole County to 55 individually metered customers and one general service customer. The annual report for 1999 shows that the operating revenue was \$45,097 and \$21,738, with net operating losses of \$11,940 and \$117,757, for the water and wastewater systems, respectively.

On August 14, 2000, Palm Valley applied for an amendment to Water Certificate No. 277-W and Wastewater Certificate No. 223-S in Seminole County, Florida, pursuant to Section 367.045, Florida Statutes, and Rule 25-30.036(3), Florida Administrative Code. The utility's service area is in the St. Johns River Water Management District. All utilities in the St. Johns River Water Management District are in a Water Use Caution Area. By Order No. PSC-00-2243-PAA-WS, issued November 27, 2000, and consummated on December 26, 2000, by Order No. PSC-00-2494-CO-WS, the Commission, among

DOCUMENT NUMBER-DATE

03592 MAR 21 06

FPSC-RECORDS/REPORTING

other things, approved a new class of service for reclaimed water service to be provided to certain existing and proposed home sites at a zero rate. It has since come to staff's attention that this service will be provided as general service to one customer, rather than as a residential service to specified residential lots within the utility's service area.

Pursuant to Order No. PSC-00-2243-PAA-WS, the utility was required to file a wastewater tariff reflecting the reclaimed water class of service at a \$0 rate for 140 existing home sites, 148 planned home sites, and common areas. Staff was given the administrative authority to approve the tariff sheet provided it is consistent with the Order. The tariff sheet is not consistent with the Order, since it is for general, rather than residential, reuse service. Staff will address the recommended change in the tariff sheet in Issue 1. The Commission has jurisdiction to rule upon this application pursuant to Section 367.091(5), Florida Statutes.

DISCUSSION OF ISSUES

ISSUE 1: Should Order No. PSC-00-2243-PAA-WS be modified to approve a new class of service for general service reclaimed water?

RECOMMENDATION: Yes, Order No. PSC-00-2243-PAA-WS should be modified to reflect a general service rate of \$0 for reclaimed water service, rather than a residential service rate of \$0 for reclaimed water service. Staff should be given the authority to administratively approve the tariff provided it is consistent with the Commission's decision. Staff recommends that the tariff should be effective for services rendered on or after the stamped approval date of the tariff. The utility should be required to return to the Commission for a determination regarding the rates for reclaimed water service prior to providing reclaimed water service to any other customers. Order No. PSC-00-2243-PAA-WS should be affirmed in all other respects.

STAFF ANALYSIS: As stated earlier, by Order No. PSC-00-2243-PAA-WS, issued November 27, 2000, and consummated on December 26, 2000, by Order No. PSC-00-2494-CO-WS, the Commission, among other things, approved a new residential class of service for reclaimed water service to be provided to certain home sites within the Palm

Valley Mobile Home Park (Park). The utility was ordered to file a reuse tariff for the new class of service reflecting a zero rate for 140 existing home sites, 148 planned home sites in the new phase, and common areas. By a letter dated January 31, 2001, the utility filed the proposed tariff and advised staff that the utility intended to provide service under a general service tariff as bulk service to the Park, rather than as a residential service to individual lots, since this was consistent with the provision of water and wastewater service to the Park (also provided by way of a general service tariff). The Park is in the process of deciding where the reuse lines will be placed within the community. The final design and placement of the reuse lines will depend on the engineering design, and therefore the specific lots that will have reuse available are not known at this time.

The staff agrees that this change is appropriate, because it matches the current delivery of water and wastewater service to the Park. As a result of this change in the service arrangement, the reclaimed water service rate of \$0 should be applied as a general service rate, rather than a residential service rate.

Based on the above information, staff recommends that Order No. PSC-00-2243-PAA-WS should be modified to reflect a general service rate of \$0 for reclaimed water service, rather than a residential service rate of \$0 for reclaimed water service. Staff should be given the authority to administratively approve the tariff provided it is consistent with the Commission's decision. Staff recommends that the tariff should be effective for services rendered on or after the stamped approval date of the tariff. The utility should be required to return to the Commission for a determination regarding the rates for reclaimed water service prior to providing reclaimed water service to any other customers. Order No. PSC-00-2243-PAA-WS should be affirmed in all other respects.

DOCKET NO. 001138-WS
DATE: March 22, 2001

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. If no timely protest is received to the Proposed Agency Action issue, the Order should become final and effective upon the issuance of a Consummating Order and the docket should be closed. (ESPINOZA)

STAFF ANALYSIS: If no timely protest is received to the Proposed Agency Action issue, the Order should become final and effective upon the issuance of a Consummating Order and the docket should be closed.