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DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

September 13, 2001

Thomas A. Cloud, Esq.
301 East Pine Street, Suite 1400
Orlando, FL 32802-3068

Re: Docket No. 010492-WS, Application For Rates Increase in Orange County by Zellwood Station Co-Op., Inc.

Dear Mr. Cloud:

We have reviewed the minimum filing requirements (MFRs) submitted on September 4, 2001, on behalf of Zellwood Station Co-Op., Inc. (Zellwood or utility). After reviewing this information, we find the minimum filing requirements to be deficient. The specific deficiencies are identified below:

1. Filing Fee:

Rule 25-30.020(1), Florida Administrative Code, requires that a separate fee shall apply for water and wastewater service, and that an equivalent residential connection (ERC) is 350 gallons per day (gpd) for water and 280 gpd for wastewater. Further, Rule 25-30.020(2)(e), Florida Administrative Code, establishes the filing fee for utilities having existing capacity to serve at least 501 ERCs but not more than 2,000 ERCs to be \$2,000.

The required fee for the water service is based on the consumptive use permit amount of 0.636 million gallons for the maximum daily groundwater withdrawals from wells numbers one and two in the year 2000 (these wells provide water which is treated to become potable water, and this permitted amount does not include water obtained for irrigation use).

$$\frac{636,000 \text{ gpd}}{350 \text{ gpd per ERC}} = 1817 \text{ ERCs}$$

Therefore, the correct filing fee for the water service is \$2,000.

The required fee for the wastewater service is based on the permitted capacity of 0.300 million gallons annual average daily flow for the wastewater treatment facility.

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$$\frac{300,000 \text{ gpd}}{80 \text{ gpd per ERC}} = 1071 \text{ ERCs}$$

Therefore, the correct filing fee for the wastewater service is \$2,000.

Because Zellwood has requested a rate increase for both water and wastewater services, the appropriate filing fee is \$4,000. On September 4, 2001, Zellwood filed a check in the amount of \$3,000 with the Commission Clerk. Zellwood will need to remit the outstanding amount of \$500 in order to have paid the correct filing fee.

2. Maps:

In accordance with Rule 25-30.440, Florida Administrative Code, the utility is required to file one copy of a detailed map showing the location and size of the applicant's distribution and collection lines as well as its plant sites, and the location and respective classification of the applicant's customers. The maps filed are illegible because the images are faint. Legible maps must be provided, from which the information depicted may be read.

Rule 25-30.437, Florida Administrative Code requires that Each Class B utility applying for a rate increase shall provide the information required by Commission Form PSC/WAW 20 (11/93), entitled "Class B Water and/or Wastewater Utilities Financial, Rate and Engineering Minimum Filing Requirements" (MFR). The following deficiencies in the MFR were noted:

3. Rate Base Schedules:

a. MFR Schedule A-3, Schedule of Adjustments to Rate Base, requires a detailed description of each adjustment. The amounts were provided but no detailed descriptions were provided. The schedule should be revised to provide the detailed description of each adjustment.

4. Net Operating Income Schedules:

a. MFR Schedule B-3 does not subtotal the adjustments by line item. Also, the adjustment for non-used and useful depreciation was not carried forward to MFR Schedules B-1 and B-2. Schedule B-3 should be corrected to include subtotals. While not a MFR deficiency, staff is notifying the utility of the depreciation error.

b. MFR Schedules B-7 and B-8, Operation and Maintenance Expense Comparison, require an explanation of all differences not attributable to the change in customer growth and the CPI-U. No such differences are explained. The schedule should be revised to provide explanations of all differences not attributable to the change in customer growth and the CPI-U.

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5. Cost of Capital Schedules:

All submitted Cost of Capital schedules, MFR Schedules D-1 through D-7, do not comply with the requirements of MFR Form PSC/WAW 20 as follows:

a. MFR Schedules D-1 and D-2, as submitted, were separated between water and wastewater with the individual debt issues shown separately. These schedules are to be prepared on a total company basis for the regulated operations, showing long-term debt as one line item with the detail of the debt issues shown on MFR Schedule D-5 or D-6, as appropriate. The schedules should be revised to show total company capital reconciled to the combined rate bases for water and wastewater.

b. MFR Schedules D-3 through D-7 should all be completed or have notations that the information requested in the form is not applicable to the applicant, so state and provide an explanation on the specific schedule as required by Rule 25-30.437(2). Information on the utility's long-term debt should be completed on either MFR Schedule D-5 or D-6. The appropriate schedule number for customer deposits is MFR Schedule D-7.

Your petition will not be deemed filed until we have received the above-mentioned information. Since we have a hearing date established in January 2002, these corrections should be submitted no later than September 26, 2001.

Sincerely,



Timothy Devlin
Director

By Certified Mail
Return Receipt

TD:bd

cc: Division of the Commission Clerk and Administrative Services
Division of Legal Services (Brubaker)
Division of Water and Wastewater (Willis, Merchant, Crouch, B. Davis, Greene, Sickel)