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DIVISION OF ECONOMIC REGULATION  
(850) 413-6900

Public Service Commission

February 25, 2005

Virginia L. Gadsden  
Pine Ridge Management Corporation  
P.O. Box 307  
Lake Placid, FL 33862-0307

**Re: Docket No. 050061-WS, Application for grandfather certificates to operate water and wastewater facility in Okeechobee County by Pine Ridge Management Corporation.**

Dear Ms. Gadsden:

Thank you for your application for grandfather certificates. The application has been assigned the above referenced docket number and name. Please ensure that the docket number appears on the first page of any further correspondence you may file regarding this matter. In addition, all further correspondence should be filed directly with the:

Director, Division of the Commission Clerk and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Staff has reviewed your application and, as you are aware, there are a number of requirements which remain to be completed before the application can be considered filed. For reference, a list of those requirements is detailed below.

REMAINING FILING REQUIREMENTS

1. Proof of Ownership Rule 25-30.035(6), Florida Administrative Code, requires evidence that the utility owns the land upon which the utility treatment facilities are located, or a copy of an agreement which provides for the continued use of the land, such as a 99 year lease. Exhibit II to your application contains a recorded warranty deed which appears to include a legal description of the utility easement. However, until adequate territory and system maps have been provided (see Items 2 and 3 below), staff cannot determine if Exhibit II is adequate proof of ownership.
2. Territory Description Rule 25-30.035(9), Florida Administrative Code, requires a legal description of the territory the utility is serving, using township, range, and section references or a metes and bounds description. Also, the legal description should not rely on lot numbers or plat book references. Your application indicates that the territory

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description will be late-filed Exhibit VI. To date we have not received this exhibit. Note that the territory description should be for the entire area served by the utility, regardless of whether the land is owned by the utility corporation. This would include the territory for the small commercial strip mall in addition to the mobile home park.

3. Territory Map Rule 25-30.035(11), Florida Administrative Code, requires one copy of the official county tax assessment map, or other map, with the territory plotted in metes and bounds, or quarter sections, and with a defined reference point of beginning. The defined reference point of beginning must not rely on lot numbers or plat book references. Your application indicates that the territory map will be provided as late-filed Exhibit VII. To date we have not received this exhibit. You should be able to get a copy of the county's tax assessment map from the County Court House for the area served. If so, you may wish to have an engineering or surveying firm plot the territory description in Item 2, above, onto the map.
4. System Map. Rule 25-30.035(10), Florida Administrative Code, requires a detailed system map showing the lines, treatment facilities, and territory to be served. There should be separate system maps for the water and wastewater facilities. Your application indicates that the system maps will be provided as late-filed Exhibit VIII. To date we have not received this exhibit. Hopefully, you will be able to get a copy of the system maps that were submitted to the Florida Department of Environmental Protection when the construction permit for the water and wastewater treatment plants were issued. If not, please contact the staff engineer listed below.
5. Rate Authority. Rule 25-30.035(8), Florida Administrative Code, requires a statement specifying on what date and under what authority the utility's current rates and charges were established. Your application indicates that this information will be provided as late-filed Exhibit IV. **To date we have not received this exhibit.** It appears that Okeechobee County did not establish rates and charges for privately owned utility systems. However, the existing rates may have been included by the Department of Business and Professional Regulation in the mobile home park's prospectus. In any case, please indicate if the existing rates and charges were in effect at the time you acquired the mobile home park in 1990. Otherwise, please indicate when the current rates went into effect and what notice may have been given to customers.
6. Tariffs. Rule 25-30.035(7), Florida Administrative Code, requires an original and two copies of tariffs which contain all rates, charges, and rules for the utility. Your application indicates that the tariffs will be provided as late-filed Exhibit V. To date we have not received this exhibit. Model water and wastewater tariffs were provided with your grandfather application. Completing these model tariffs is actually a fairly simple matter once you understand what information is required. If you contact the staff analyst identified below, she will be happy to assist you in completing the tariffs.

Please try to file the above referenced requirements on or before March 25<sup>th</sup>. Again, ensure that "Docket No. 050061-WS" appears on the first page of any filing and that all filings are sent directly to the Division of the Commission Clerk and Administrative Services at the

address given earlier. If you have any questions, or need any assistance with these requirements, please feel free to contact members of staff. The staff analyst assigned to your filing is Patricia Brady at (850) 413-6686 or [pbrady@psc.state.fl.us](mailto:pbrady@psc.state.fl.us) and the staff engineer assigned is Stan Rieger at (850) 413-6970 or [srieger@psc.state.fl.us](mailto:srieger@psc.state.fl.us). Should you have any legal questions, please contact Jennifer Rodan, Esq., at (850) 413-6189 or [jrodan@psc.state.fl.us](mailto:jrodan@psc.state.fl.us).

### CERTIFICATION MATTERS


In addition to completing the filing requirements for your grandfather certificates, it is important for you to understand and comply with the following regulatory requirements with respect to record keeping and regulatory assessment fees.

1. Books and Records. The National Association of Regulatory Utility Commissioners' (NARUC) has established a uniform system of accounts for water and wastewater utilities. When your certificates of authorization are issued, you will be provided with booklets that contains these account numbers for water and wastewater systems. Once certificated, the utility's books must be maintained using the NARUC uniform system of accounts and kept separately from any other business enterprises you may have under Pine Ridge Management Corporation.

2. Regulatory Assessment Fees (RAFs). As a regulated utility, you will be required to file an annual report and to pay annual RAFs to the Commission equivalent to 4.5% of the utility's gross revenues. Since the jurisdictional date for utilities in Okeechobee County was May 13, 2004, you will be required to file a 2004 annual report and pay RAFs on revenues collected from May 13, 2004 through December 31, 2004. While annual reports and RAFs are normally due March 31<sup>st</sup> of the following year, as a new grandfather utility, you will be given additional time to complete these requirements. Instructions on filing your 2004 annual report and RAFs will be included in the order granting your certificates.

However, since you know you will be required to pay RAFs, you may wish to file for a limited proceeding to have your rates indexed for recovery RAFs. For more information on filing for a limited proceeding, please contact Troy Rendell in the Bureau of Rate Filings and Surveillance at (850) 413-6934 or [trendell@psc.state.fl.us](mailto:trendell@psc.state.fl.us).

Sincerely,

  
Patti Daniel  
Supervisor of Certification

cc: Division of Economic Regulation (Brady, Rieger, Rendell)  
Office of the General Counsel (Rodan)  
Division of the Commission Clerk and Administrative Services