

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application of Forest )  
Utilities, Inc. for approval )  
of a new class of service for )  
bulk wastewater service )  
\_\_\_\_\_ )

Docket No. 050803-SU

APPLICATION OF FOREST UTILITIES, INC. FOR  
APPROVAL OF A NEW CLASS OF SERVICE FOR  
BULK WASTEWATER SERVICE

COMES NOW Forest Utilities, Inc. ("Forest" or "Applicant"), by and through its undersigned attorneys, and pursuant to Section 367.091, Florida Statutes, and Rule 25-9.004, Florida Administrative Code, files this Application for Approval of a New Class of Service for Bulk Wastewater Service, and in support thereof states:

1. The exact name of the Company and the address of its principal business office is:

FOREST UTILITIES, INC.  
6000 Forest Blvd.  
Ft. Myers FL 33908-4318

2. The name and address of the person authorized to receive notices and communications in respect to this application is:

F. Marshall Deterding  
Rose, Sundstrom & Bentley, LLP  
2548 Blainstone Pines Drive  
Tallahassee, Florida 32301  
(850)877-6555  
(850)656-4029 fax

3. The Applicant and the Jamaica Bay Mobile Home Park ("Customer"), have entered into a written agreement pursuant to which the Applicant will provide bulk wastewater service to the Customer, an exempt entity providing service to their tenants.

DOCUMENT NUMBER DATE

09877 OCT 13 8

FPSC-COMMISSIONER OFFICE

without specific compensation for such service under Section 367.022(5), Florida Statutes.

4. The point of connection between the Customer and Forest will be within the existing certificated service territory of Forest Utilities, Inc. Forest will not provide the individual or retail service within the Customer's property and as such, no extension of service territory for Forest Utilities, Inc. is required under Commission statute, rules and precedent.

5. The Agreement between the Applicant and the Customer will provide for the provision of immediate and permanent service for all of the sewage flows generated by Customer. The purpose of this Application is merely to implement an agreement for service and a request for approval of a new class of bulk wastewater service.

6. This arrangement is being undertaken to assist the Customer in meeting requirements being imposed upon it by the Florida Department of Environmental Protection ("FDEP") to upgrade its wastewater treatment facility or to remove it from service without any interruption in service to the individual tenants within the Customer's property. The customer has decided that the appropriate course of action is to remove his existing wastewater treatment plant from service, retire it, and to begin receiving wastewater treatment services from the Applicant. The Applicant herein has the additional wastewater capacity and is willing to provide that service on a permanent basis.

7. Time is of the essence in providing this service, as FDEP

believes continued operation of the Customer's onsite sewage treatment facilities is potentially, if not actually, detrimental to the environment. As residents' return for the "season" this fall (and as a result flows increase dramatically in the next 90 days), the danger of environmental accidents is magnified substantially.

8. The Agreement provides that the Customer will pay for the cost of extending a line from the Customer's existing facility to the facilities of the Applicant, including all necessary piping, lift stations and force mains. The Customer currently receives water service from Lee County under separate agreement. Charges imposed by Applicant for such bulk wastewater service will be based upon actual water usage, within the Customer's property. The Applicant and customer will work with Lee County to obtain water meter readings from the two existing meters utilized for the provision of water to customer's property.

9. The rate proposed to be paid by the Customer to the Utility is \$3.14 per 1,000 gallons of water flow through the County water meters serving the Customer's property. The Utility has adjusted the currently authorized rate for other classes of wastewater treatment service, in order to recognize the cost savings inherent in providing service to a bulk as opposed to an individual customer. Pursuant to Section 367.091(6), Florida Administrative Code, a schedule showing a cost justification for the proposed rate is attached to this Application as **Exhibit "A."**

10. Based upon 2004 actual water usage within the customer's development, the Utility estimates that revenues from this new class of service will be approximately \$277,000 per year in additional revenue to the Utility. See the calculation continued in **Exhibit "B"** hereof.

11. The Commission has established the rates for this and all other utilities based upon use of the base facility charge rate structure. Under that rate structure, the gallonage charge is designed to allow recovery of the variable cost of providing utility service. After discounting the gallonage charge as outlined in the attached **Exhibit "A"** and Paragraph 9 hereof, the Utility has removed all of those additional costs not incurred on behalf of a bulk service customer. As such, the Utility believes that provision of the services proposed herein to the bulk customer will generate additional expenses approximately equal to the additional revenue generated under this Agreement.

12. Immediately upon approval of the new bulk wastewater service rate applied for herein, the customer will begin sending all of its wastewater flows to the Utility for treatment and disposal, upon interconnection of the Customer's system to that of the Utility. The Utility has ample excess capacity to meet the immediate requirements of the customers at this rate of flow. However, in order to meet the long-term needs of this customer and the remainder of the Utility's service territory at build out, the Utility believes it will have to invest substantial additional

monies in expansion of its existing treatment and disposal facilities.

13. Interconnection and service by the Utility to the Customer will not require curtailment or disruption of wastewater service to the Utility's existing customers and in fact, will have no effect on them. The cost of connection will be borne by the Customer and there will be no immediate material impact on the Utility's capital structure.

14. The Customer will be responsible for construction of the interconnect facilities. The Utility will be responsible for obtaining the meter readings by which service is measured, and maintenance of the Customer's onsite and offsite facilities.

15. The provision of this service to the Customer will not cause any material impact on the Utility's monthly rates or service availability charges. However, the Utility anticipates that in the long run the addition of this substantial new customer will help to keep service rates from increasing as much as they otherwise might in the future.

16. Attached hereto as "**Exhibit C**" to this Application are the original and two copies of revised tariff sheets reflecting the proposed new class of service for bulk wastewater service to the Customer.

17. Attached hereto as "**Exhibit D**" is an affidavit that the notice of actual application was given in accordance with Section 367.091(2), Florida Statutes by regular mail to the Chief Executive

Officer of the governing body of each County within the service area included in this request.

Respectfully submitted on this  
13<sup>th</sup> day of October, 2005, by:

ROSE, SUNDSTROM & BENTLEY, LLP  
2548 Blairstone Pines Drive  
Tallahassee, Florida 32301  
Tel.: (850) 877-6555  
Fax: (850) 656-4029

By:   
F. MARSHALL DETERDING

Cost Justification Schedule

EXHIBIT "A"

7

FOREST UTILITIES, INC.  
CALCULATION OF BULK WASTEWATER RATE  
YEAR ENDED DECEMBER 31, 2002

COSTS UNRELATED TO BULK SERVICE

CUSTOMER ACCOUNTS EXPENSE

SALARIES & WAGES - CUSTOMER ACCOUNTS	\$ 24,510
BAD DEBT EXPENSE	687
POSTAGE, SUPPLIES & MISCELLANEOUS EXPENSE	<u>21,808</u>

COSTS UNRELATED TO BULK RATE SERVICE	47,005
DIVIDE BY REGULATORY ASSESSMENT FEE EXPANSION FACTOR	<u>0.955</u>

REVENUE UNRELATED TO BULK RATE SERVICE	<u>\$ 49,220</u>
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DIVIDE BY TOTAL GALLONS TREATED (000)	<u>85,729</u>
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REVENUE PER 1,000 GALLONS UNRELATED TO BULK SERVICE	<u>\$ 0.57</u>
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PROPOSED BULK RATE

PRESENT RETAIL RATE PER 1,000 GALLONS ( PER INDEX FILING )	\$ 3.71
LESS REVENUE PER 1,000 GALLONS UNRELATED TO BULK SERVICE	<u>(0.57)</u>

PROPOSED BULK RATE	<u>\$ 3.14</u>
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PROPOSED BULK RATE AS A PERCENTAGE OF THE RETAIL RATE	<u>85%</u>
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EXHIBIT B

Forest Utilities, Inc.

New class of Service Estimated Annual Revenue Impact

242,000 GPD average daily water usage for Jamaica  
Bay Property

X \$3.14 per thousand gallon proposed rate

X 365 days per year

\$277,356

Revised Tariff Sheet

EXHIBIT "C"

BULK WASTEWATER SERVICE (BWS)

AVAILABILITY - Available to Jamaica Bay Mobile Home Park and others who contract for bulk wastewater service.

APPLICABILITY- For bulk wastewater service.

LIMITATIONS - Subject to contract, all of the Rules and Regulations of this Tariff and the General Rules and Regulations of the Commission.

RATE

<u>Meter Size</u>	<u>Rate</u>
Not Applicable	
Gallonage Charge: per 1,000 gallons	\$3.14

BASE FACILITY CHARGE - Not Applicable

TERMS OF PAYMENT - Same as General Service

EFFECTIVE DATE:

David W. Swor  
ISSUING OFFICER

TYPE OF FILING: New Class of Service

President  
TITLE

Affidavit of Mailing

EXHIBIT "D"

AFFIDAVIT OF MAILING

STATE OF FLORIDA

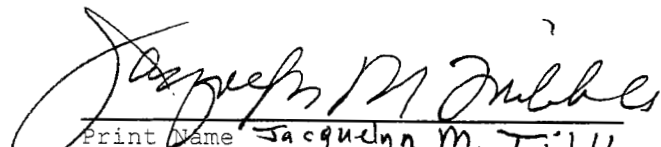
COUNTY OF LEON

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared TONYA SIMPSON, who, after being duly sworn on oath, did depose on oath and say that she is the secretary of F. Marshall Deterding, attorney for Forest Utilities, Inc. and that on October 13, 2005, she did send by regular U.S. mail, a copy of the Application attached to this Affidavit to the governmental bodies required by Section 367.091(2), Florida Statutes.

FURTHER AFFIANT SAYETH NAUGHT.

  
Tonya M. Simpson

Sworn to and subscribed before me this 13<sup>th</sup> day of October, 2005, by Tonya M. Simpson, who is personally known to me.

  
Print Name Jacquelyn M. Tribble  
NOTARY PUBLIC  
My Commission Expires:



Jacquelyn M. Tribble  
MY COMMISSION # DD203915 EXPIRES  
June 5, 2007  
BONDED THRU TROY FAIN INSURANCE, INC