

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for grandfather certificate to
operate water utility in Charlotte County by
Bocilla Utilities, Inc.

DOCKET NO. 130067-WU
ORDER NO. PSC-13-0228-PAA-WU
ISSUED: May 29, 2013

The following Commissioners participated in the disposition of this matter:

RONALD A. BRISÉ, Chairman
LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS
JULIE I. BROWN

NOTICE OF PROPOSED AGENCY ACTION
ORDER REVISING TARIFFS
AND
ORDER GRANTING BOCILLA UTILITIES, INC. APPLICATION FOR
GRANDFATHER CERTIFICATE TO OPERATE A WATER UTILITY IN CHARLOTTE
COUNTY AND APPROVING EXISTING RATES AND CHARGES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that except for the decision to grant a grandfather certificate and approve existing rates and charges, which is a final agency action, the actions discussed herein are preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C).

Background

On February 12, 2013, the Board of County Commissioners of Charlotte County (County) passed and adopted Resolution No. 2013-003 (Resolution), transferring regulation of the privately owned for profit water and wastewater utilities in the County to the Florida Public Service Commission (Commission). Effective upon the adoption of the Resolution, all non-exempt water and wastewater systems in the County became subject to the provisions of Chapter 367, Florida Statutes (F.S.). This Commission acknowledged the Resolution on March 14, 2013.¹

¹ See Order No. PSC-13-0127-FOF-WS, issued March 14, 2013, Docket No. 130049-WS, In re: Resolution of the board of County Commissioners of Charlotte County declaring Charlotte County subject to the provisions of 367, F.S.

DOCUMENT NUMBER 0228

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FPSC-COMMISSION CLERK

Pursuant to Section 367.171(2)(b), F.S., each utility engaged in the operation or construction of a system shall be entitled to receive a certificate for the area served by such utility on the day the chapter becomes applicable to the utility. On March 27, 2013, Bocilla Utilities, Inc. (Bocilla or Utility) filed an application for a certificate under grandfather rights to provide water service in Charlotte County pursuant to Section 367.171(2)(b), F.S., and Rule 25-30.035, F.A.C. The area served is located on Don Pedro Island and Palm Island (also known as Knight Island) in Charlotte County.

The Bocilla system has been in existence since 1985 and currently serves 382 residential customers. Wastewater service to the area is primarily by septic tanks, with Knight Island Utilities (an exempt entity) serving a portion of the service area with central sewer. The Utility's service area is located in the Southern Water Use Caution Area under the Southwest Florida Water Management District.

Decision

Certification of Utility

The Utility's application for a certificate under grandfather rights to provide water service in Charlotte County is in compliance with Section 367.171(2)(b), F.S., and Rule 25-30.035, F.A.C. The application contains a warranty deed as proof of ownership of the land on which the utility facilities are located, as well as an accurate territory description and adequate service territory and system maps. A description of the territory is described in Attachment A of this order.

The Utility has been in existence since 1985 and currently serves potable water service to 382 single family homes. The water treatment plant is a reverse osmosis water treatment facility that is currently in compliance with DEP requirements. The Utility reported that there are no particular customer service/water quality issues. The utility is aware of the requirement to submit an annual report for 2013 pursuant to Rule 25-30.110, F.A.C., and remit to the Commission Regulatory Assessment Fees (RAFs) effective February 12, 2013, pursuant to Rule 25-30.120, F.A.C. In addition, the Utility is aware that it must maintain its books and records according to the National Association of Regulatory Commissioners' Uniform System of Accounts.

Based on the above, we find that Bocilla shall be granted Certificate No. 662-W to serve the territory described in Attachment A. This order shall serve as Bocilla's certificate and shall be retained by the Utility.

Rates and Charges

Charlotte County approved the rates and charges that are shown on Schedule No. 1. The rates include a base facility charge and a three tier inclining block rate structure for water service, miscellaneous service charges, NSF fees, meter test deposits, and service availability

charges. The Utility's rates and charges that were in effect when Charlotte County transferred jurisdiction to this Commission, shown on Schedule No. 1, are approved, except for the miscellaneous service charges, NSF fees, and meter test deposits. The approved rates and charges shall be effective for services rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. We find that the Utility shall be required to charge the approved rates and charges until authorized to change them by this Commission in a subsequent proceeding.

Meter Test Deposits

Charlotte County approved meter test deposits of \$100 for 5/8" x 3/4", 1", 1½", and 2" meters as shown Schedule No. 1, page 3 of 3. These deposit amounts are inconsistent with Rule 25-30.266(2)(a), F.A.C., which provides that a deposit to defray the cost of a bench test requested by a customer may not exceed \$20 for a 5/8" x 3/4" meter, \$25 for 1" and 1½" meters, and actual cost for 2" meters and over. We find that the Utility shall be required to file revised tariffs to reflect meter test deposits consistent with Rule 25-30.266(2)(a), F.A.C. The revised tariffs shall be approved upon Commission staff's verification that the tariffs are consistent with this Commission's decision. If revised tariffs are filed and approved, the meter test deposits shall be effective on or after the stamped approval date on the revised tariffs, pursuant to Rule 25-30.475, F.A.C., if no protest is filed and provided customers have been noticed. We find that the Utility shall be required to charge the approved meter test deposit until authorized to change them by this Commission in a subsequent proceeding.

NSF Fees

Charlotte County approved an NSF fee of \$15 as shown on Schedule No. 1, page 3 of 3. This NSF fee is less than the fees authorized by Sections 68.065 and 832.08(5), F.S., which allow for the assessment of charges for the collection of worthless checks, drafts, or orders of payment. As currently set forth in Section 832.08(5), F.S., the following fees may be assessed:

1. \$25, if the face value does not exceed \$50
2. \$30, if the face value exceeds \$50 but does not exceed \$300
3. \$40, if the face value exceeds \$300

We find that the Utility shall be required to file revised tariffs to reflect NSF fees as set forth in Sections 68.065 and 832.08(5), F.S. The revised tariffs shall be approved upon Commission staff's verification that the tariffs are consistent with our decision. If revised tariffs are filed and approved and if no protest is filed and provided customers have been noticed, the NSF fees shall be effective on or after the stamped approval date on the revised tariffs, pursuant to Rule 25-30.475, F.A.C. We find that the Utility shall be required to charge the approved NSF fees until authorized to change them by this Commission in a subsequent proceeding.

Miscellaneous Service Charges

Charlotte County approved miscellaneous service charges for connection and reconnection as shown on Schedule No.1, page 3 of 3. These charges are actual cost plus a fixed amount. The Utility's current miscellaneous service charges for normal and violation reconnection are inconsistent with charges typically approved by this Commission. The Utility proposes new charges of \$25 for normal hours and \$50 for after hours. We find that the Utility's proposed charges are reasonable and consistent with prior Commission decisions. The Utility shall be required to file revised tariffs to reflect miscellaneous service charges of \$25 during normal hours and \$50 after hours as shown on Schedule No. 1, page 2 of 2. The revised tariff shall be approved upon Commission staff's verification that the tariffs are consistent with our decision. If revised tariffs are filed and approved and if no protest is filed and provided customers have been noticed, the miscellaneous service charges shall be effective on or after the stamped approval date on the revised tariffs, pursuant to Rule 25-30.475, F.A.C. We find that the Utility shall be required to charge the approved miscellaneous service charges until authorized to change them by this Commission in a subsequent proceeding.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Bocilla Utilities, Inc.'s application be acknowledged and the Utility be issued Certificate No. 662-W, effective February 12, 2013, to serve the territory described in Attachment A. This order shall serve as Bocilla's certificate and shall be retained by the Utility. It is further

ORDERED that the Utility's rates and charges that were in effect when Charlotte County transferred jurisdiction to this Commission, shown on Schedule No. 1, except for miscellaneous service charges, non-sufficient funds (NSF) fees, and meter test deposits, shall be approved. The rates and charges shall be effective for services rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. The Utility is required to charge the approved rates and charges until authorized to change them by this Commission in a subsequent proceeding. It is further

ORDERED that the Utility be required to file revised tariffs to reflect meter test deposits consistent with Rule 25-30.266(2)(a), F.A.C. The revised tariffs shall be approved upon this Commission's verification that the tariffs are consistent with our decision. If no protest is filed and provided customers have been noticed, and if revised tariffs are filed and approved, the meter test deposits shall be effective on or after the stamped approval date on the revised tariffs, pursuant to Rule 25-30.475, F.A.C. The Utility is required to charge the approved meter test deposits until authorized to change them by this Commission in a subsequent proceeding. It is further

ORDERED that the Utility be required to file revised tariffs to reflect NSF fees as set forth in Sections 68.065 and 832.08(5), F.S. The revised tariffs shall be approved upon this Commission's verification that the tariffs are consistent with our decision. If no protest is filed and provided customers have been noticed, and if revised tariffs are filed and approved, the NSF

fees should be effective on or after the stamped approval date on the revised tariffs, pursuant to Rule 25-30.475, F.A.C. The Utility is required to charge the approved NSF fees until authorized to change them by this Commission in a subsequent proceeding. It is further

ORDERED that the Utility be required to file revised tariffs to reflect miscellaneous service charges of \$25 during normal hours and \$50 after hours as shown on Schedule No. 1, page 2 of 2. The revised tariffs shall be approved upon Commission staff's verification that the tariffs are consistent with our decision. If no protest is filed and provided customers have been noticed, and if revised tariffs are filed and approved, the miscellaneous service charges shall be effective on or after the stamped approval date on the revised tariffs, pursuant to Rule 25-30.475, F.A.C. The Utility is required to charge the approved miscellaneous service charges until authorized to change them by this Commission in a subsequent proceeding. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that this docket shall remain open for Commission staff's verification that the revised tariff sheets have been filed by the Utility and approved by staff. Once this action is complete, this docket shall be closed administratively.

By ORDER of the Florida Public Service Commission this 29th day of May, 2013.



ANN COLE
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

As identified in the body of this order, our action herein, except for the granting of the grandfather certificate for Bocillia Utilities Inc., as well as the approval of existing rates and charges, is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on June 19, 2013. If such a petition is filed, mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing. In the absence of such a petition, this order shall become effective and final upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

Any party adversely affected by the Commission's final action in this matter may request: (1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Office of Commission Clerk and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

DESCRIPTION OF TERRITORY SERVED

All those lands in Section 28, 29, 32 and 33, Township 41 South, Range 20 East and a portion of the lands in Section 4, Township 42 South, Range 20 East, Charlotte County, Florida, lying between the center line of the Intracoastal Waterway (W.C.I.N.D.) and the Gulf of Mexico, bounded on the South by the South line of DON PEDRO BEACH, as recorded in Plat Book 7, pages 17 A through 17B, of the Public Record of Charlotte County, Florida and an Easterly projection thereof, and bounded on the North by a line described as follows:

Beginning at the intersection of the Gulf of Mexico and the Northerly line of PALM ISLAND ESTATES, Unit No. 1, as recorded in Plat Book 3, Pages 59A through 59C, of the Public Records of Charlotte County, Florida;

thence Northeasterly, along said northerly line, to an intersection with the north line of the south half of said Section 29;

thence Easterly, along the north line of the south half of said Section 28 and 29, to the center line of said Intracoastal Waterway.

The above description contains Plats of various units of Palm Island Estates, Don Pedro Beach, various condominiums and other lands.

FLORIDA PUBLIC SERVICE COMMISSION

**Authorizes
Bocilla Utilities, Inc.
pursuant to
Certificate Number 662-W**

to provide water service in Charlotte County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

Order Number	Date Issued	Docket Number	Filing Type
*	*	130067-WU	Grandfather Certificate

*Order Number and date to be provided at time of issuance.

**Bocilla Utilities, Inc.
 Charlotte County**

Monthly Water Service Rates

<u>Base Facility Charge</u>	<u>Residential, Multi-Residential, and General Service</u>
Meter Size	
5/8" x 3/4"	\$ 43.46
1"	\$ 108.65
1 1/2"	\$ 217.29
2"	\$ 347.64
3"	\$ 651.89
4"	\$ 1,086.50
6"	\$ 2,185.20
8"	\$ 3,476.82
<u>Gallonage Charges</u> (per 1,000 gallons)	
0 - 6,000 gallons	\$ 4.35
6,000 – 12,000 gallons	\$ 7.29
12,000 and over	\$ 11.58
Bulk Water (per 1,000 gallons)	\$ 15.49

**Service Availability Charges
 Water**

<u>Meter Installation Fee</u>	<u>Current Charges</u>
5/8" x 3/4"	\$ 165.00
1"	Actual cost
1 1/2"	Actual cost
2"	Actual cost
Over 2"	Actual cost
<u>System Capacity Charge</u>	
Residential – Per ERC (300 GPD)	\$ 3,000.00

Bocilla Utilities, Inc.
Charlotte County

ALLOWANCES FOR FUNDS PRUDENTLY INVESTED

(AFPI)

	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>
January		\$121.81	\$517.73	\$963.86
February		\$153.03	\$552.91	\$1,003.50
March		\$184.56	\$588.44	\$1,043.54
April		\$216.41	\$624.32	\$1,083.98
May		\$248.57	\$660.56	\$1,124.82
June		\$281.06	\$697.17	\$1,166.07
July		\$313.87	\$734.14	\$1,207.73
August		\$347.01	\$771.48	\$1,249.81
September		\$380.48	\$809.19	\$1,292.31
October	\$30.00	\$414.28	\$847.28	
November	\$60.30	\$448.42	\$885.75	
December	\$90.90	\$482.90	\$924.61	

**Bocilla Utilities, Inc.
 Charlotte County**

Meter Test Deposit

	<u>Current Charges</u>	<u>Commission Approved</u>
<u>Meter Size</u>		
5/8" X 3/4"	\$ 100.00	\$ 20.00
1" and 1 1/2"	\$ 100.00	\$ 25.00
2" and over	\$ 100.00	\$ Actual Cost

Miscellaneous Service Charges

	<u>Current Charges</u>	<u>Commission Approved</u>
<u>NSF Fees</u>		
All checks	\$ 15.00	N/A
\$50.00 or less		\$ 25.00
\$50.01 to \$300.00		\$ 30.00
\$300.01 and above		\$ 40.00

	<u>Current Charges</u>		<u>Commission Approved</u>	
	<u>Normal Hrs</u>	<u>After Hrs</u>	<u>Normal Hrs</u>	<u>After Hrs</u>
Initial Connection	\$25.00	\$50.00	\$25.00	\$50.00
Normal Reconnection	Actual cost plus \$15.00	Actual cost plus \$30.00	\$25.00	\$50.00
Violation Reconnection	Actual cost plus \$15.00	Actual cost plus \$30.00	\$25.00	\$50.00
Premises Visit	\$15.00	N/A	\$25.00	\$50.00