



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: September 30, 1996
 TO: Division of Records and Reporting
 Division of Legal Services (Crosby)
 FROM: Division of Water & Wastewater (Walker) *NAW ABM*
 RE: Docket No. 960628-WS; Request for exemption from Florida Public Service Commission regulation for provision of water and wastewater service in Orange County by Mission Club Apartments

On May 20, 1996, this Commission received an application from Mission Club Apartments (Mission or reseller) for a reseller exemption pursuant to Section 367.022(8), Florida Statutes. Our review indicates that the applicant meets the requirements for status as an entity that resells water and wastewater service at a rate or charge that does not exceed the actual purchase price thereof, as provided in Section 367.022(8), Florida Statutes.

The application was filed in accordance with Section 367.022(8), Florida Statutes, and Rule 25-30.060(3)(h), Florida Administrative Code. Mr. Thomas L. Cavanaugh, who was identified as a general partner for Mission Club Apartments, a general partnership, described why he believes Mission qualifies for a reseller exemption. Mission is an apartment community located in Orange County. The applicant intends to render service at or below cost for 367 separately metered apartments.

Mr. Cavanaugh acknowledged being aware of the requirements of Rule 25-30.111, Florida Administrative Code, regarding submission of an annual report. Likewise, he acknowledged being aware of the requirements of Chapter 367.122, Florida Statutes, regarding examination and testing of meters, and Rules 25-30.262 through 25-30.267, Florida Administrative Code, regarding the utility owner's responsibility for insuring the accuracy of meters. Mr. Cavanaugh signed the application for reseller exemption and acknowledged that he was aware that, pursuant to Section 837.06, Florida Statutes, penalties may be imposed for making false statements.

According to the application, Orange County's utility division will provide water and wastewater service for the apartment complex. There are fifteen apartment buildings, each served by a 2" meter. The county's per meter base facility charge is \$27.99 for water service and \$94.07 for wastewater service. The county's usage charges (per thousand gallons) are \$1.19 for water service and \$3.18 for wastewater service.

The reseller's proposed rates were also reported. The combined base facility charges for all fifteen buildings, or \$419.85 for water service and \$1,411.05 for wastewater service, will be equally divided among 367 apartment units. The corresponding per apartment charges will be \$1.14 for water service and \$3.84 for wastewater service. An exact duplication of the county's gallonage rates was proposed: \$1.19 for water service and \$3.18 for wastewater service. WaterMaster Metering Systems, Inc., has been retained to provide monthly billing services for Mission. Each apartment unit is individually metered.

ACK _____
 AFA _____
 APP _____
 CAF _____
 CMU _____
 CTR _____
 EAG _____
 LEG _____
 LIN _____
 OPC _____
 RCH _____
 SEC _____
 WAS _____
 WTH _____

DOCUMENT NUMBER-DATE
 10573-011-28
 REPORTING

Mission will not collect security deposits or bill residents for usage in common areas. According to the application, no administrative or operating charges will be charged to residents. Bills will be rendered on a monthly basis. Since Mission intends to bill residents the rates that Orange County charges, excessive collections are not expected. However, Mission pledged to reimburse residents if a year-end audit reveals excessive collections. The service address for Mission is 6739 Mission Club Boulevard, Orlando, Florida, 32821. The mailing address for Mission is 2281 Lee Road, Suite 206, Winter Park, Florida, 32789.

A sample bill for a resident of the Mission Club apartment complex follows. This example assumes that 5,000 (Kgals) gallons were used.

Base Facility Charge - Water	\$ 1.14
Metered Water (5 x \$1.19/Kgals)	5.95
Base Facility Charge - Wastewater	3.84
Sewer Flow (5 x \$3.18/Kgals)	<u>15.90</u>
	<u>\$26.83</u>

In summary, staff has determined that Mission meets the necessary qualifications for a nonprofit reseller exemption pursuant to Section 367.022(8), Florida Statutes and Rule 25-30.060(3)(h), Florida Administrative Code. Staff recommends that an administrative order be issued that declares that Mission is exempt from Commission regulation pursuant to Section 367.022(8), Florida Statutes. Staff further recommends that the order require Mission to notify this Commission in the event of any change of circumstances or method of operation of its water and wastewater systems. Furthermore, staff recommends that this docket be closed.

I:\PSC\WAW\WP\960628.ndw