STATE OF FLORIDA

Commissioners: Julia L. Johnson, Chairman J. Terry Deason Susan F. Clark Joe Garcia E. Leon Jacobs, Jr.



DIVISION OF WATER & WASTEWATER CHARLES H. HILL

CHARLES H. HILL DIRECTOR (850) 413-6900

Public Service Commission

April 23, 1998

Mr. Bob Margolis New River Ranch, L.C. 3200 River Ranch Road, P. O. Box 30030 River Ranch, Florida 33867

> RE: Docket No. 971185-WS: Application for Grandfather Certificates to Provide Water and Wastewater Service in Polk County by New River Ranch, L.C. d/b/a River Ranch

Dear Mr. Margolis:

On May 14, 1996, the Board of County Commissioners of Polk County adopted a resolution pursuant to Section 367.171, Florida Statutes, declaring that privately owned water and wastewater utilities in that county were subject to the provisions of Chapter 367, Florida Statutes. As a matter of common practice, utilities in Polk County are allowed to collect the service rates that were being collected on May 14, 1996, while their grandfather applications were pending.

Your letter to Mr. Cowell implied that a 1.5% late payment penalty would apply for past due bills. However, that charge cannot be collected unless it was previously approved by Polk County.
Your letter to Mr. Cowell further showed that New River Ranch intended to collect a \$25.00 charge to cap a customer's meter and a \$20 reconnection fee. Likewise, those charges are not permitted unless Polk County approved their collection. Your tariff indicates that such approval was not authorized.

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It appears that the former company (River Utilities, Inc.) was collecting flat charges from all of its customers. Your tariff indicates that most customers are billed under the Multiple Dwelling rate structure. That tariff, however, does not fully explain what each customer paid River Utilities. Therefore, to help clarify matters, I would like you to prepare a supplemental schedule that itemizes the actual bills by customer class. With that information, the Commission can formulate a tariff that shows what each customer was being charged on May 14, 1996. If possible, please submit this report by May 8, 1998.

The rates that the utility was collecting on May 14, 1996 are the rates that the Commission will likely approve for your company. Further, those rates should be retained until otherwise changed by the Commission. Thank you for your attention to these matters. In the meantime, if you have any questions, please call me at this number: (850) 413-6924.

Respectfully.

Norvell D. Walker Professional Accountant Specialist

NDW:ndw

1855-58

cc: Division of Records and Reporting (Bayo)

Division of Legal Services (Ottinot)

Division of Water and Wastewater (Williams, Messer, Redemann)

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