

MEMORANDUM

March 4, 1998

RECEIVED

MAR 05 1998
9:45
FPSC - Records/Reporting

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (CROSBY) *[Handwritten initials]*

RE: DOCKET NO. 961226-WU - APPLICATION FOR GRANDFATHER
CERTIFICATE TO PROVIDE WATER SERVICE IN POLK COUNTY BY
PARK WATER COMPANY, INC.

98-0361-FOF-WU

Attached is an Order Granting Grandfather Certificate and Closing Docket to be issued in the above-referenced docket.

(Number of Pages in Order - 8)

See 1

ALC/dr

Attachment

cc: Division of Water and Wastewater (Golden, Redemann)

I:961226a.alc

*forwarded - 1/10
mailed - CK - Polk*

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for
grandfather certificate to
provide water service in Polk
County by Park Water Company Inc.

DOCKET NO. 961226-WU
ORDER NO. PSC-98-0361-FOF-WU
ISSUED: March 5, 1998

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.

ORDER GRANTING GRANDFATHER CERTIFICATES
AND CLOSING DOCKET

BY THE COMMISSION:

Background

On October 10, 1996, Park Water Company, Inc. (PWC or utility) filed an application for a certificate under grandfather rights, pursuant to Section 367.171, Florida Statutes. The application was filed after the Board of County Commissioners of Polk County adopted a resolution on May 14, 1996, which made the utilities in the county subject to the provisions of Chapter 367, Florida Statutes.

At the time this Commission received jurisdiction over the utilities in Polk County, the County was processing a rate application for PWC. The County completed the rate case for PWC on August 20, 1996.

PWC has been in existence since 1955 and is a Class C utility, which provides water service to 731 customers in Polk County. Service is provided to single family residences, duplexes, mobile homes, and general service customers. PWC's facilities consist of one water treatment plant and one water transmission and distribution system. The utility has paid regulatory assessment fees and filed an annual report for 1996, in accordance with Rules 25-30.120(2), and 25-30.110(3), Florida Administrative Code.

DOCUMENT NUMBER DATE

02884 MAR-5 98

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PWC's application, as filed, was deficient. PWC was notified of the deficiencies by letter dated November 5, 1996. The utility corrected the deficiencies on August 29, 1997.

Application

The application is in compliance with Section 367.171, Florida Statutes, and other pertinent statutes and provisions of the Florida Administrative Code. In particular, the application contains a filing fee in the amount of \$1,000, as required by Rule 25-30.020, Florida Administrative Code.

PWC provided a warranty deed as evidence that it owns the land upon which its facilities are located, in accordance with Rule 25-30.035(6), Florida Administrative Code. It should be noted that the warranty deed submitted by PWC is in the name of Crooked Lake Park Water Company, the previous name of the utility. The utility changed its name to PWC on September 6, 1996. The name change is registered with the Division of Corporations of the Department of State.

Adequate service territory and system maps and a territory description have been provided, as required by Rule 25-30.035(9), (10), and (11), Florida Administrative Code. A description of the territory PWC has requested to serve is shown on Attachment A of this Order, which by reference is incorporated herein.

As stated previously, PWC has been in existence since 1955, providing satisfactory service to its customers in Polk County. In addition, according to the Department of Environmental Protection, there are no outstanding notices of violation against PWC.

Based on the foregoing, we find it appropriate to grant PWC Certificate No. 583-W to serve the territory described in Attachment A of this Order.

Rate Base

Section 367.171, Florida Statutes, gives the Commission authority to establish rate base in a grandfather certificate proceeding. However, the primary goal in these proceedings is to obtain enough information about the utility to enable the Commission to regulate the utility on a going-forward basis. Although the Commission has the discretion to establish rate base,

it has been Commission practice not to do so in grandfather certificate proceedings

When a county turns over jurisdiction to the Commission, the only element in the utility's operation that changes is the entity which regulates it. Therefore, because the utility's ownership, rate base, and rates remain the same, it is not necessary to review rate base. Rate base for utilities receiving grandfather certificates is typically established in the utility's first rate proceeding.

Therefore, we do not find it appropriate to establish rate base at this time. Rate base will be established and the appropriateness of an acquisition adjustment will be determined in PWC's next rate proceeding.

Rates and Charges

PWC's current service availability charges were established by the Polk County Board of County Commissioners on December 6, 1988. The utility's rates and remaining charges were established by Polk County on August 20, 1996. On December 1, 1996, this Commission approved a pass-through rate adjustment for PWC to recognize the difference in regulatory assessment fees charged by Polk County and the Commission. Additionally, effective September 16, 1997, the Commission approved a price index rate adjustment for PWC. PWC's current rates and charges are set forth below.

Residential Service (Monthly Rates)

Base Facility Charge:

Individually Metered	\$ 5.64
Multi-Family	\$ 3.95

Gallage Charge:

(Per 1,000 Gallons)

0 - 6,000 Gallons	\$ 1.21
6,001 - 12,000 Gallons	\$ 1.83
12,001 - 22,000 Gallons	\$ 2.44
Over 22,000 Gallons	\$ 3.65

General Service
(Monthly Rates)

Base Facility Charge:

5/8" x 3/4"	\$ 5.64
1"	\$ 14.10
1-1/2"	\$ 28.21
2"	\$ 45.14

Gallonge Charge:
(Per 1,000 Gallons)

5/8" x 3/4" Meter:

0 - 6,000 Gallons	\$ 1.21
6,001 - 12,000 Gallons	\$ 1.83
12,001 - 22,000 Gallons	\$ 2.44
Over 22,000 Gallons	\$ 3.65

1" Meter:

0 - 15,000 Gallons	\$ 1.21
15,001 - 30,000 Gallons	\$ 1.83
30,001 - 55,000 Gallons	\$ 2.44
Over 55,000 Gallons	\$ 3.65

1-1/2" Meter:

0 - 30,000 Gallons	\$ 1.21
30,001 - 60,000 Gallons	\$ 1.83
60,001 - 110,000 Gallons	\$ 2.44
Over 110,000 Gallons	\$ 3.65

2" Meter:

0 - 48,000 Gallons	\$ 1.21
48,001 - 96,000 Gallons	\$ 1.83
96,001 - 176,000 Gallons	\$ 2.44
Over 176,000 Gallons	\$ 3.65

Miscellaneous Service Charges

Initial Connection	\$ 25.00
Normal Reconnection	\$ 10.00
Violation Reconnection	\$ 25.00
Premises Visit (in lieu of disconnection)	\$ 10.00

Service Availability Charges

Backflow Preventor Installation Fee:	
5/8" x 3/4"	\$ 50.00
1" and Above	Actual Cost
Customer Connection Charge:	
5/8" x 3/4"	\$400.00
1" and Above	\$550.00
Meter Installation Fee (including backflow preventor):	
All Meter Sizes	\$175.00

We find these rates and charges to be reasonable and they are approved. PWC shall continue to charge these rates and charges until authorized to change by this Commission in a subsequent proceeding. PWC has filed a tariff which reflects the rates and charges approved herein. The tariff shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets.

It is, therefore,

ORDERED by the Florida Public Service Commission that Park Water Company, Inc., 25 First Avenue North, Lake Wales, Florida 33853, is hereby granted Certificate No. 583-W to provide water service to the territory described in Attachment A of this Order. It is further

ORDERED that rate base will be established and the appropriateness of an acquisition adjustment will be determined in Park Water Company, Inc.'s next rate proceeding. It is further

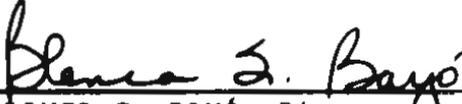
ORDERED that the rates and charges set forth in the body of this Order are hereby approved. Park Water Company, Inc. shall charge these rates and charges until authorized to change by this Commission in a subsequent proceeding. It is further

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ORDERED that Park Water Company, Inc.'s tariff, which reflects the rates and charges approved herein, shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets. It is further

ORDERED that Docket No. 961226-WU is hereby closed.

By ORDER of the Florida Public Service Commission this 5th day of March, 1998.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

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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.

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 Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, 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 and/or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting 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.

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ATTACHMENT A

PARK WATER COMPANY, INC.

Polk County

Territory Description

Sections 23, 26, 27, 28, 29, 32, 33, 34, 35, and 36 of Township 30 South, Range 27 East, all located in Polk County, Florida.