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



DIVISION OF WATER & WASTEWATER DANIEL M. HOPPE, DIRECTOR (850) 413-6900

Public Service Commission

July 23, 1999

Mr. Norman F. Mears Rhema Business Services, Inc. 1344 Vickers Drive Tallahassee, FL 32303-3041

Docket Nos. 981337-WS through 981342-WS, Applications for Grandfather Certificates to Operate Water and Wastewater Utilities in Polk County by S. V. Utilities, Ltd., Plantation Landings, Ltd., Hidden Cove, Ltd., Four Lakes Golf Club, Ltd., CHC VII, Ltd., and Anglers Cove West, Ltd.

Dear Mr. Mears:

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Enclosed please find Certificate Nos. 605-W through 610-W and 521-S though 526-S which have been issued for S. V. Utilities, Ltd., Plantation Landings, Ltd., Hidden Cove, Ltd., Four Lakes Golf Club, Ltd., CHC VII, Ltd., and Anglers Cove West, Ltd., respectively. These certificates should be retained in the utilities' shared operation office. They will have to be returned to the Commission along with any application that may filed in the future requesting an amendment of certificated territory, a transfer of ownership, or a change in name for any of the utilities.

Also enclosed with this letter are the following documents:

over private water and wastewater utilities:

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APP 2.	Chapter 25-9, Florida Administrative Code (F.A.C.), which details the rules
CAF	governing the filing of utility tariffs;
CTR 3	Chapter 25-22. Florida Administrative Code (F.A.C.) which details rules

Chapter 25-22, Florida Administrative Code (F.A.C.), which details rules governing general Commission practices such as the procedures for conducting meetings, rule-making, hearings and the issuance of orders;

Chapter 367, Florida Statutes (F.S.), which details the Commission's jurisdiction

Chapter 25-30, Florida Administrative Code (F.A.C.), which details the specific rules promulgated to carry out the jurisdiction of the Commission over private water and wastewater utilities:

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5. Uniform System of Accounts for Class C Water and/or Wastewater Utilities, which is the system of record keeping required pursuant to Section 25-30.110, Florida Administrative Code.

The owner should be advised that Section 367.161, F.S., provides that violation of any Commission rule, statute, or order could result in penalties of up to \$5,000 per day. Therefore, it is important that he review this material and make himself aware of his responsibilities as a regulated utility. These documents should be placed in a binder and kept in a safe place for easy referral by utility staff as well as the owner. Also, Chapter 25-30.135, F.A.C., requires all utilities to maintain for customer inspection in the utility office a current copy of Chapters 25-9, 25-22 and 25-30, Florida Administrative Code, and Chapter 367, Florida Statutes, as well as a current copy of the utility's tariffs and developer agreements.

From time to time, the rules and statutes will change. The owner needs to be aware of these changes in order to stay current on his responsibilities and to maintain a current copy of the rules and statutes in the utility office. When the Commission proposes to revise any of its existing rules affecting the water and wastewater industry (Chapters 25-9, 25-22 and 25-30, F.A.C.), a notice of proposed rulemaking will be sent to the owner. After rulemaking is completed, a final Commission order adopting and attaching the new or revised rule will also be sent to the owner. This new or revised rule should be incorporated into his copy of the Commission rules. The Commission does not furnish utilities with changes enacted by the Florida Legislature relating to Chapter 367, F.S. However, changes to the Florida Statutes are published annually and copies may be obtained by visiting a local public library.

In addition to the above, periodically the Commission will be sending the owner copies of Commission orders which relate to the water and wastewater industry, in general, and notices of hearings in dockets of related utilities. These are sent for his information. Whenever he has any questions concerning material received from the Commission, he may contact the Division of Water and Wastewater for assistance at (850) 413-6900.

I would like to direct the owner to certain areas within the rules and statute which will affect his day to day operations as a utility:

1. As he should be aware, he was granted certain specific territory for each utility in the certificate process just completed. It is a violation of Section 367.045, F.S., for a utility to serve outside this territory. If, in the future, he wants to serve additional territory, he must file an application for amendment of the certificated territory. See Section 25-30.036, F.A.C., for the current filing requirements for an application for amendment.

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- 2. The utility's approved rates and charges and service availability policy are contained in its approved tariff. Please note that the approved tariff for each of the utilities will be sent under separate cover letters. When he receives these document, they should also be placed in a binder and retained in the utility office for referral and review by utility personnel and customers. A utility may not charge customers any rates or charges not included in its approved tariff. If he finds he needs to revise any rates or charges, he should refer to Part V of Chapter 25-30, F.A.C., which contains the necessary steps for rate adjustment changes. Part VI of Chapter 25-30, F.A.C., contains the steps necessary to change service availability charges or policies. In addition, he may contact the Division of Water and Wastewater for guidance.
- 3. To help his rates keep up with inflation, and to avoid the costly expense of filing a full rate case, the Commission allows utilities to increase rates by a certain percentage each year. This index is established on or before March 31 of each year. In addition, utilities are allowed to pass on increases in certain expenses, such as purchased power and property tax. Sections 25-30.420 and 25-30.425, F.A.C., contain the criterion for water and wastewater utilities to follow in order to increase rates based upon the application of the price index or pass through rate adjustments. The Commission strongly encourages all regulated water and wastewater utilities under its jurisdiction to utilize these options which are available to them.
- 4. I encourage the owner to review carefully Part IV of Chapter 25-30, F.A.C. This part of the water and wastewater rules describes the utility's responsibilities to its customers. They include customer deposits, termination of service, customer billing, refusal or discontinuance of service, backbilling, complaints, and refunds.
- 5. Each utility shall maintain its records in accordance with the NARUC uniform system of accounts (see Section 25-30.110, F.A.C.). A copy of this system of accounts is enclosed for Class C utilities. However, should any of the utilities become a Class A or B utility or should the owner need additional copies, he should contact NARUC, Post Office Box 684, Washington, D.C. 20044. For further information or telephone orders, call (202) 898-2200 in Washington, D.C.
- 6. Regulated water and wastewater industries are also required to file two related reports with the Commission on an annual basis:

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- 1. **Annual Report**. Each utility is required to submit an annual report which contains certain financial and operational data relating to the utility. (See Rule 25-30.110, F.A.C.)
- 2. **Regulatory Assessment Fee form**. Each utility is required to remit an annual regulatory assessment fee. The fee is currently 4-1/2% of gross operating revenue and is designed to cover the Commission's costs of regulating water and wastewater utilities. (See Rule 25-30.120, F.A.C.)

For the owner's convenience, the Commission will send these two report forms by January 15th of each year. The annual report and regulatory assessment form and fee are due to the Commission by March 31st of each year for the previous calendar year.

To familiarize the owner and his utility staff with the Division of Water and Wastewater, let me briefly describe the division's composition:

The Bureau of Policy Development and Industry Structure, as he may already know, is responsible for the certification of water and wastewater utilities, as well as any amendments or transfers thereof. Any questions relating to certificated territory or the possible sale of the utility should be directed to John Williams, Bureau Chief, Bureau of Policy Development and Industry Structure.

The Bureau of Economic Regulation is responsible for accounting, engineering and rates concerns for all filings involving file and suspend rate cases (MFR's), staff assisted rate cases (SARC's), limited proceedings, allowance for funds prudently invested and service availability. Any questions concerning the filing of a rate case, a staff assisted rate case, limited proceeding, tariff or engineering related matters, should be directed to Marshall Willis, Bureau Chief, Bureau of Economic Regulation.

The Bureau of Special Assistance is responsible for Annual Report review, Regulatory Assessment Fee (RAF) compliance, processing of Index and Pass Through applications and post hearing advisory duties relating to all classes of utilities and encompassing all issues. Any questions relating to Annual Reports, RAF's, index or pass through applications should be directed to Patti Daniel, Bureau Chief, Bureau of Special Assistance.

We welcome and encourage regulated water and wastewater utilities under the Commission's jurisdiction to contact our staff and maintain working liaisons with us. This accomplishes better relations between the Commission staff and utilities and provides for faster and more efficient completion of regulatory requirements.

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If we can be of any assistance to you or the utility owner, please do not hesitate to contact us at (850) 413-6900.

Sincerely,

bill lowe

Assistant Director

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Enclosures

cc: Division of Water and Wastewater (lowe, Messer, Brady, Crossman, Johnson, Redemann)

Division of Legal Services (Crosby)

Division of Records and Reporting























