

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for ) DOCKET NO. 950269-WU  
grandfather certificate to ) ORDER NO. PSC-95-0966-FOF-WU  
provide water service in ) ISSUED: August 8, 1995  
Charlotte County by Bocilla )  
Utilities, Inc. )  
\_\_\_\_\_ )

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman  
J. TERRY DEASON  
JOE GARCIA  
JULIA L. JOHNSON  
DIANE K. KIESLING

ORDER GRANTING GRANDFATHER CERTIFICATE,  
APPROVING RATES AND CHARGES, AND CLOSING DOCKET

BY THE COMMISSION:

BACKGROUND

Pursuant to Section 367.171, Florida Statutes, on September 27, 1994, the Board of County Commissioners of Charlotte County (County) adopted a resolution declaring that the privately-owned water and wastewater utilities in that County were subject to the provisions of Chapter 367, Florida Statutes. By Order No. PSC-94-1451-FOF-WS, issued November 28, 1994, this Commission acknowledged the County's resolution. On March 9, 1995, Bocilla Utilities, Inc., (Bocilla or utility) filed an application for a grandfather certificate to provide water service in Charlotte County. Bocilla is a Class C utility providing water service to 158 single family and multi-family residential water customers. Bocilla's 1994 annual report shows gross operating revenues of \$79,258 and a net loss of \$27,404.

APPLICATION

Bocilla has complied with Section 367.171, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for a grandfather certificate. Bocilla has filed its 1994 annual report and paid its 1994 regulatory assessment fees. Bocilla's application contained a \$200 check, which is the correct filing fee, pursuant to Rule 25-30.020, Florida Administrative Code. Bocilla has provided evidence that it owns the land where

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the water system is located, pursuant to Rule 25-30.035(6), Florida Administrative Code. Bocilla has also provided adequate service territory, system maps and a territory description, pursuant to Rules 25-30.035(9), (10), and (11), Florida Administrative Code. A copy of the territory description has been appended to this Order as Attachment A. According to the Department of Environmental Protection (DEP), Bocilla is operating in accordance with the DEP's requirements.

Based on the foregoing, we find it appropriate to grant Bocilla a grandfather certificate. Accordingly, Bocilla is granted Water Certificate No. 574-WU to serve the territory described in Attachment A, which by referenced is incorporated herein.

#### RATES AND CHARGES

The following are Bocilla's current water rates and charges.

#### Monthly Service Rates

#### Residential Water Service

#### Base Facility Charge

Meter Size:	Charge per Month
5/8 & 3/4"	\$28.00
1.0"	\$70.00
1.5"	\$140.00
2.0"	\$224.00
3.0"	\$420.00
4.0"	\$700.00
6.0"	\$1,400.00
8.0"	\$2,240.00

#### Gallonage Charge

Per 1,000 gallons	\$3.00
Usage in excess of 6,000 gallons per month per E.R.C.	\$5.00
Usage in excess of 12,000 gallons per month per E.R.C.	\$8.00

Service Availability Charges

<u>Plant and Line Charge</u>	\$4,348.00
<u>Customer Connection Charge</u>	
5/8" x 3/4" meter	\$165.00
All other sizes	Actual Cost
<u>Miscellaneous Service Charges</u>	
Initial connection	\$15.00
Normal reconnection	\$15.00
Violation reconnection	\$15.00

We find that these rates and charges are reasonable, and they are approved. Bocilla shall charge these rates and charges until we authorize a rate change in a subsequent proceeding. Bocilla has filed a tariff reflecting the above rates and charges, and the Allowance for Funds Prudently Invested charges. The tariff shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets.

GROSS-UP OF CONTRIBUTIONS-IN-AID-OF-CONSTRUCTION

By Order No. 16971, issued December 18, 1986, we granted approval for water and wastewater utilities to amend their service availability policies to meet the tax impact of contributions-in-aid-of-construction (CIAC) resulting from the amendment of Section 118(b) of the Internal Revenue Code. By Order No. 23541, issued October 1, 1990, we ordered utilities currently grossing-up CIAC to file a petition for continued authority to gross-up and also ordered that no utility might gross-up CIAC without first obtaining our approval.

In Docket No. 90-284-W, issued December 1, 1992, the County authorized Bocilla to collect gross-up for CIAC. Since Bocilla may lose monies which it may ultimately be found to be entitled, we find it appropriate to authorize Bocilla to continue collecting gross-up of CIAC on an interim basis, subject to refund with interest. Any gross-up taxes that Bocilla has collected from September 27, 1994, forward shall be placed in an interest bearing escrow account. Additionally, pursuant to Rule 25-30.360(6), Florida Administrative Code, we hereby order Bocilla to provide a report by the 20th of each month stating the monthly and total revenue collected subject to refund. We further require Bocilla to file the information required in Order No. 23541 for authority to gross-up, within 90 days of the issuance date of this Order, so we

can make a final determination regarding Bocilla's authority to continue collecting gross-up of CIAC.

Orders Nos. 16971 and 23541 discuss the accounting treatment of CIAC gross-up collections and allow periodic withdrawals of monies for the payment of estimated taxes. Since we are authorizing Bocilla's collection of gross-up on an interim basis, which may not be allowed after further examination, we hereby order that no monies shall be withdrawn from the escrow account until we make our final determination. Therefore, Bocilla shall not withdraw any monies from the escrow account for collection of gross-up from September 27, 1994, forward until we make our final determination regarding Bocilla's authority to continue collecting gross-up for CIAC. Since no further action is required in this docket, this docket is closed.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that Bocilla Utilities, Inc., 7050 Placida Road, Englewood, Florida 34224, is hereby granted Water Certificate No. 574-WU to serve the territory described in Attachment A of this Order. It is further

ORDERED that Bocilla Utilities, Inc., shall charge its customers the rates and charges approved herein until we authorize it to change them. It is further

ORDERED that the tariff sheets filed by Bocilla Utilities, Inc., reflecting these rates and charges shall be effective on the stamped approval date on the tariff sheets. It is further

ORDERED that Bocilla Utilities, Inc., shall continue collecting gross-up for contributions-in-aid-of-construction on an interim basis, subject to refund with interest. It is further

ORDERED that any gross-up taxes that Bocilla Utilities, Inc., has collected from September 27, 1994, forward shall be placed in an interest bearing escrow account. It is further

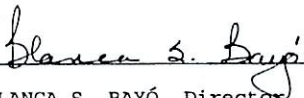
ORDERED that Bocilla Utilities, Inc., shall not withdraw any monies from the escrow account for collection of gross-up from September 27, 1994, forward until the Commission has made its final determination regarding Bocilla Utilities, Inc.'s authority to continue collecting gross-up for contributions-in-aid-of-construction. It is further

ORDERED that Bocilla Utilities, Inc., shall provide a report by the 20th of each month stating the monthly and total revenue collected subject to refund. It is further

ORDERED that Bocilla Utilities, Inc., shall file the information required in Order No. 23541 for authority to gross-up, within ninety days of the issuance date of this Order. It is further

ORDERED that Docket No. 950269-WU is closed.

By ORDER of the Florida Public Service Commission, this day of 8th day of August, 1995.

  
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BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

ELS

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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.

ATTACHMENT A

SERVICE AREA  
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 17A 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 descriptions contains Plats of various units of Palm Island Estates, Don Pedro Beach, various condominiums and other lands.