

FLORIDA PUBLIC SERVICE COMMISSION
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MEMORANDUM

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11:35
FPSC - Records/Reporting

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF WATER & WASTEWATER (WALKER, REDEMANN)
DIVISION OF LEGAL SERVICES (CROSBY)

RE: DOCKET NO. 971531-SU - APPLICATION FOR GRANDFATHER
CERTIFICATE TO OPERATE A WASTEWATER UTILITY IN POLK
COUNTY BY ABCA, INC.
COUNTY: POLK

AGENDA: MAY 12, 1998 - REGULAR AGENDA - PARTIES MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

LOCATION OF FILE: S:\PSC\WAW\WP\971531.RCM

DOCUMENT NUMBER-DATE

04856 APR 30 8

FPSC-RECORDS/REPORTING

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CASE BACKGROUND

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. The resolution was acknowledged by this Commission on July 11, 1996, by Order No. PSC-96-0896-FOF-WS. Pursuant to Section 367.171, Florida Statutes, a utility subject to the jurisdiction of this Commission must obtain a certificate of authorization.

On January 9, 1990, the Polk County Utilities Commission granted a wastewater franchise agreement to Ameribanc Investors Group (Ameribanc) for a system known as Village Lakeland. Later, Ameribanc's wastewater system was acquired by First Union Corporation through merger and foreclosure measures. On November 20, 1997, ABCA, Inc. (ABCA or utility) filed an application for a grandfather certificate to provide wastewater service in Polk County pursuant to Section 367.171(2)(b), Florida Statutes. ABCA is a wholly owned subsidiary of First Union Corporation. ABCA provides wastewater service for about 244 residential customers. According to the application, the utility has been providing wastewater service since 1972. Water service for this community is provided by the City of Lakeland.

Pursuant to Rules 25-30.110(3) and 25-30.120(2), Florida Administrative Code, annual reports and regulatory assessment fees are due from regulated utilities regardless of whether or not a certificate has been granted. This utility has been subject to this Commission's jurisdiction since May 14, 1996.

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ISSUE 1: Should the application of ABCA, Inc., for a grandfather certificate in Polk County be granted.

RECOMMENDATION: Yes, ABCA, Inc. should be granted Wastewater Certificate No. 515-S. In addition, ABCA, Inc. should be required to file annual reports and pay regulatory assessment fees from the jurisdictional date, May 14, 1996. (WALKER, REDEMANN)

STAFF ANALYSIS: As discussed in the case background, the Board of County Commissioners of Polk County transferred jurisdiction of the privately owned water and wastewater utilities in Polk County to this Commission on May 14, 1996. On November 20, 1997, ABCA applied for a grandfather certificate to provide service in Polk County, in accordance with Section 367.171(2)(b), Florida Statutes.

The application is in compliance with the governing statute, Section 367.171, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for a grandfather certificate. The rules and statutes do not require noticing for grandfather certificate applications. The application contains a check in the amount of \$500, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code.

Rule 25-30.035(6), Florida Administrative Code, requires a utility to provide proof that it owns the land or has continued use of the land upon which its facilities are located. ABCA provided Special Warranty Deeds from its parent company, First Union Corporation, as successor in interest to Ameribanc Investors Group, and from Ameribanc Service Corporation that conveyed the subject treatment plant site to ABCA as of December 27, 1995. As previously noted, First Union Corporation acquired Ameribanc's wastewater system through merger and foreclosure measures.

Adequate service territory and system maps and a territory description have been provided as prescribed by Rule 25-30.035(9), (10), and (11), Florida Administrative Code. A description of the territory requested by the applicant is appended to this memorandum as Attachment A. Staff contacted the Department of Environmental Protection and thereby learned that there are no outstanding notices of violation for this system.

Based on the above information, staff recommends that ABCA, Inc. be granted Wastewater Certificate No. 515-S to serve the territory described in Attachment A.

The utility is also responsible for the filing of regulatory assessment fees and an annual report from the time the Commission received jurisdiction. By letter dated April 2, 1998, the utility was contacted concerning its lack of compliance for the applicable

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portions of 1996 and 1997. However, the Commission has not received any further information. Therefore, the staff also recommends that the utility be directed to file its annual reports and regulatory assessment fees for the period from May 14, 1996 through 1997. If the utility does not respond to this request, a separate show cause proceeding will be initiated.

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ATTACHMENT A

ABCA, INC.

WASTEWATER SERVICE AREA

POLK COUNTY

Township 28 South, Range 24
Sections 14 and 23

Beginning at the SW corner of Section 14, Township 28 South, Range 24 East, run thence East along the South boundary of said Section 14 to the SE corner of the SW 1/4 of the SW 1/4 of said Section 14, thence North to the NW corner of the South 1/2 of the SE 1/4 of the SW 1/4 of said Section 14, thence East to the NE corner of said South 1/2 of the SE 1/4 of the SW 1/4, thence South along the East boundary of the West 1/2 of said Section 14 and the East boundary of the West 1/2 of Section 23 of said Township and Range to the SE corner of the NW 1/4 of said Section 23, thence East to the NE corner of the West 1/4 of the SE 1/4 of said Section 23, thence South to the SE corner of said West 1/4 of the SE 1/4, thence West along the South boundary of said Section 23 to a point 220 feet West of the SE corner of the SW 1/4 of said Section 23, thence North 1247.05 feet, West 100 feet, North 600 feet, West 180 feet, North 500 feet, West to the West boundary of the East 1/2 of SW 1/4 of said Section 23, thence North along said West boundary of said East 1/2 of said SW 1/4 and along the West boundary of the SE 1/4 of the NW 1/4 of said Section 23 to the NW corner of said SE 1/4 of the NW 1/4, thence West along the South boundary of the NW 1/4 of the NW 1/4 of said Section 23 to the West boundary of said Section 23, thence North along said West boundary to the point of beginning. All in Section 14 and 23, Township 28 South, Range 24 East.

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ISSUE 2: What rates and charges should be approved for this utility?

RECOMMENDATION: The rates and charges as detailed in the staff analysis should be approved. The tariff should be effective for services rendered or connections made on or after the stamped approval date of the tariff. (WALKER)

STAFF ANALYSIS: The rates this utility had in effect on the date the Florida Public Service Commission received jurisdiction should be approved as the appropriate rates and charges for this utility. By resolution dated June 26, 1990, the Polk County Utilities Commission authorized a flat fee of \$10.00 for wastewater service and approved the utility's connection fees. Later, on November 16, 1993, the Polk County Board of County Commissioners approved a 2.5% administrative fee for regulated utilities, or a \$.25 increase for this system. The utility's rates and charges are as follows:

Monthly Service Rates

Wastewater:

Residential Service:

Flat rate

\$10.25

Customer Deposits

N/A - deposits are not required

Miscellaneous Service Charges

Initial Connection Fee:	\$ 15.00
Normal Reconnection Fee:	\$ 15.00
Violation Reconnection Fee:	\$ actual cost
Premises Visit Fee:	\$ 15.00

Service Availability Charge

Flat/One-Time Tap Fee: \$880.00

The utility has filed a tariff which reflects the above rates and charges. Staff recommends that they be approved as submitted. Staff further recommends that ABCA be required to retain these rates and charges until authorized to change by the Commission. The tariff should be effective for service rendered or connections made on or after the stamped approval date or the tariff sheets.

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ISSUE 3: Should this docket be closed?

RECOMMENDATION: Yes. (CROSBY)

STAFF ANALYSIS: Since no additional actions are required in this docket, Staff recommends that this docket should be closed.

