

LAW OFFICES
ROSE, SUNDBSTROM & BENTLEY, LLP
2548 BLAIRSTONE PINES DRIVE
TALLAHASSEE, FLORIDA 32301
(904) 877-6555

ORIGINAL
FILE COPY

CHRIS H. BENTLEY, PA.
JENNIFER S. BRUBAKER
F. MARSHALL DETERDING
BRIAN L. DOSTER
MARTIN S. FRIEDMAN, PA.
JOHN R. JENKINS, PA.
STEVEN T. MINDLIN, PA.
ROBERT M. C. ROSE
DAREN L. SHIPPY
WILLIAM E. SUNDBSTROM, PA.
DIANE D. TREMOR, PA.
JOHN L. WHARTON

MAILING ADDRESS
POST OFFICE BOX 1567
TALLAHASSEE, FLORIDA 32302-1567
TELECOPIER (904) 856-8079

January 7, 1997

VIA HAND DELIVERY

970029-WS

Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

Re: Hydratech Utilities, Inc.
New Class of Service for Bulk Wastewater Service
Our File No. 25021.01

Dear Ms. Bayo:

Hydratech Utilities, Inc., by and through its undersigned counsel, is hereby applying to the Florida Public Service Commission for approval of a new class of service in order for the Utility to provide bulk wastewater service within its wastewater only service territory.

The Utility is currently negotiating with Martin County in order to provide the service to the County as Hydratech's bulk service customer. The County is constructing wastewater collection facilities within a subdivision know as "Banner Lake" and has agreed in principal to the majority of aspects of a bulk wastewater service agreement whereby Hydratech Utilities, Inc. will provide bulk wastewater service to the County, who will in turn provide individual wastewater service to the approximately 166 existing equivalent residential customers in two phases behind the bulk meter and ultimately to 301 such connections at build-out. The Banner Lake subdivision currently utilizes individual septic tanks for sewage disposal to its homes. Martin County is concerned that from a public health, welfare and safety standpoint, that subdivision would better be served by central sewer and has approached Hydratech to provide bulk service. This area is currently provided central water service by Hobe Sound Water Company.

Martin County and Hydratech Utilities, Inc. have tentatively agreed to utilize a bulk service rate based upon the number of connections behind the bulk service point of connection at any point in time, multiplied by the average metered wastewater service

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- L' _____
- OPC _____
- RCH _____
- SEC _____
- WAS _____
- OTH _____

DO NOT WRITE IN THESE SPACES
JAN 14 1997
FPC RECORDS/REPORTING

Blanca S. Bayo, Director
January 7, 1997
Page 2

charge for residential customers throughout Hydratech's service territory. That average monthly bill of \$16.81 is calculated based upon the average bill for Hydratech's metered water customers for the period of July 1, 1995 through June 30, 1996. Attached hereto as Exhibit A is a schedule showing the calculation of that average bill. Both Hydratech Utilities, Inc. and Martin County believe that the rate methodology employed, using the average wastewater charge for all of Hydratech's residential customers multiplied by the number of connections behind the bulk service point of connection, is a reasonable basis for the bulk service rate for the following reasons:

1. Utilization of the average monthly wastewater bill multiplied by the number of connections behind the bulk meter represents a fair and reasonable basis for a bulk service charge for the Banner Lake subdivision.
2. Both parties have agreed on this as a reasonable basis for charges and the parties' agreement to bring central sewer service to the Banner Lake subdivision is contingent upon approval by the Commission of this rate methodology.
3. The customers continue to be encouraged to conserve water resources by being charged on a per gallon basis for their water service by Hobe Sound Water Company, the central water provider in this area.
4. Hydratech Utilities, Inc. does not have ready access to either the water meter reading information for the individual customers, nor is the system configured to allow a bulk water meter reading for the entire Banner Lake area.
5. Utilizing individual water meter readings as a basis for the bulk service arrangement still would not impose upon Martin County as the retail service provider, any obligation to utilize a metered rate for the individual customers within the Banner Lake subdivision.
6. Utilizing the individual metered water usage as a basis for determining the bulk service rate would impose upon Hydratech Utilities, Inc. ultimate responsibility, and potential harm, resulting from any infiltration within the County owned internal collection system for the Banner Lake subdivision over which Hydratech has no control.
7. Utilizing metered water usage as a basis for charges to County and/or to the customers would increase the costs applicable to this service.

Blanca S. Bayo, Director
January 7, 1997
Page 3

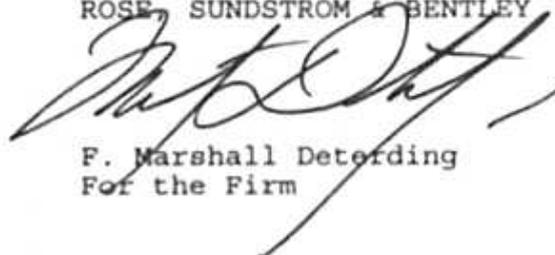
The Utility anticipates that the estimated annual revenue to be derived from the initial phase of the bulk service arrangement with Martin County will be \$21,987.48 based upon the current customer count behind the bulk service point of connection of 109 equivalent residential units. Neither the County nor Hydratech expect any substantial growth within this subdivision or behind the bulk service meter in the future other than the addition of the second phase. Attached hereto as Exhibit B are new tariff sheets to implement the proposed bulk service arrangement.

Time is of the essence in the approval of this bulk service rate. It is currently estimated that the Utility will begin providing service under this bulk service arrangement to the Banner Lake subdivision in approximately 60 days. Hydratech Utilities, Inc. therefore requests that the Commission and its Staff immediately review and approve the bulk service arrangement and this new class of service and the tariff sheets attached hereto as Exhibit B, so that the Utility can allow the connection and can begin charging the approved rate as soon as is possible in the public interest.

Should you or any members of the Commission Staff have any questions in this regard or if we can provide any additional information that can help to expedite the processing of this application, please do not hesitate to contact me.

Sincerely,

ROSE, SUNDSTROM & BENTLEY



F. Marshall Deterding
For the Firm

FMD/lts
Enclosures
cc: Mr. Troy Rendell
Mr. Phillip Keathley

COMMUNITY DEVELOPMENT BLOCK GRANT

BANNER LAKE SEWER PROJECT

POTENTIAL SEWER HOOKUPS

Category	Phase I	Phase II	Total
Vacant*	93	42	135
Residential	103	55	158
Non-Residential	6	2	8
Total	202	99	301

*Initially, vacant lots will be provided a sewer lateral that is capped at the property line. Connection to the sewer system will be required upon future development approval. The number of vacant lots was determined based on the following methodology:

1. All single lots or multiple, non-contiguous lots under single ownership receive one sewer lateral.
2. All multiple, contiguous lots under single ownership receive one sewer lateral for every combination of lots of record that result in a minimum width of 50'.
3. Remaining lots of record under single ownership that cannot make additional 50' combinations shall be grouped with the adjacent combined lots under same ownership to result in widths greater than the 50' minimum.

=====

POTENTIAL REVENUE CALCULATION

109 ERCs
x \$16.81 (per ERC/month)
x 12 months
\$ 21,987.48 TOTAL



BULK SERVICE

RATE SCHEDULE-BS

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For wastewater service to all customers receiving bulk service by contract specifically calling for such service.

LIMITATIONS - Subject to all Rules and Regulations of this tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

RATE -

Flat Rate Charge - The charge imposed each month for wastewater service shall be \$16.81 multiplied by the number of ERCs behind the Bulk meter in any given month.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within (20) days. After five (5) working days written notice, service may then be discontinued. (Written notice is to be mailed to the customer separate and apart from any other bill.)

EFFECTIVE DATE -

Terry M. Keathley
ISSUING OFFICER

TYPE OF FILING - New Class of Service

Vice President
TITLE

