

FLORIDA PUBLIC SERVICE COMMISSION
Fletcher Building, 101 East Gaines Street
Tallahassee, Florida 32399-0850

MEMORANDUM

November 2, 1995

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)
DIVISION OF LEGAL SERVICES (A. CROSBY)

FROM: DIVISION OF WATER & WASTEWATER (GERALD D. EDWARDS) *WES*

RE: DOCKET NO. 950811-WS; REQUEST FOR EXEMPTION FROM FLORIDA
PUBLIC SERVICE COMMISSION REGULATION FOR PROVISION OF
WATER AND WASTEWATER SERVICE IN PINELLAS COUNTY BY
MCGREGOR PLACE APARTMENTS. *AGM JW*

ACK
On July 12, 1995, this Commission received an application from
McGregor Place Apartments (McGregor Place or applicant) for a re-
seller exemption pursuant to Section 367.022(8), Florida Statutes.
Summit Properties Partnership, L. P., is the owner(s) of McGregor
Place and the primary contact person is Mr. Bruce Keene. Mr.
Keene's mailing address is 777 South Harbor Island Boulevard,
Tampa, Florida, 33602. The application was signed by Mr. Keene,
vice president.

The application was filed in accordance with Section 367.022
(8), Florida Statutes, and Rules 25-30.060 (1), (2), and (3) (h),
Florida Administrative Code (F.A.C.). Included with the exemption
application were copies of materials from the applicant of the
system setting out the factual basis for the exemption. Mr. Keene
acknowledged the requirement of Rule 25-30.111, Florida
Administrative Code, regarding the annual reporting requirements.
The applicant also acknowledged the requirements of Section
367.122, Florida Statutes, which deals with examination and testing
of meters and Rules 25-30.262 through 25-30.267, F.A.C., which
explain the responsibilities of the Utility owner(s) for insuring
the accuracy of the meters.

McGregor Place is an apartment complex consisting of 212
units, which is physically located at 10600 4th Street North, St.
Petersburg, Florida, 33716. The applicant has commissioned
WaterMaster Metering Systems Inc. (WaterMaster) to provide the
following services: meter installations, metering reading,
customer billing and to receive payment of utilities. Meters were

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installed in each individual apartment. Therefore, residents pay only for individual water used by his/her unit. There will be no billing to residents for utilities used in the common area and tenants will not be charged a deposit for water and wastewater service. The applicant will purchase water and wastewater service from the City of St. Petersburg (CSP). McGregor Place proposes to purchase the water and wastewater service from the City of St. Petersburg and resell these services to the residents at a rate that does not exceed the actual purchase price.

The applicant stated in their application that the service territory will be limited to McGregor Place apartment complex only. Included with the application was a schedule of the utility's current rates and charges, an explanation of the reseller's proposed rates and charges, an explanation of the proposed method of billing customers, separately, for both water and wastewater, and a schedule that showing the amount billed will not exceed the amount paid for water and wastewater. WaterMaster will read the meters monthly and bill the residents. An administrative or processing fee will not be assessed to residents' bill. Mr. Keene acknowledged Section 837.06, Florida Statutes, regarding false statements.

McGregor Place's tariff rate monthly for a residential (per apartment) service customer is as follows:

WATER:

Base Facility Charge - \$3.13/unit
Water usage: \$1.43/1,000 gallons

WASTEWATER:

Base Facility Charge - \$3.42/unit
Wastewater usage: \$1.86/1,000 gallons

The City of St. Petersburg's rate schedule is parallel to the rate schedule listed above. However, the method of billing customers is different. McGregor Place bills each tenant for the actual water and wastewater usage per apartment and the City of St. Petersburg bills McGregor Place for the total water and wastewater usage per building. The example (below) provided by McGregor Place shows that a billing from the City of St. Petersburg for the total amount of metered water used by the entire complex is equal to the sum amount billed by the applicant to all of the individual apartments/customers.

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The following provides an example of how a two hundred and twelve (212) unit apartment complex would be billed by the City of St. Petersburg for a month's service:

WATER CHARGES

* Base Facilities Charge (per account)	\$664.95
Charges per 1,000 gallons @ 1.43 x 80,000 gals.	<u>\$114,400.00</u>
Total	\$115,064.95

WASTEWATER CHARGES

** Base Facilities Charge (per account)	\$726.39
Charges per 1,000 gallons @ 1.86 x 80,000 gals.	<u>\$148,800.00</u>
Total	\$149,526.39

* \$664.95 water base charge + 212 (units) = \$ 3.13
** \$726.39 wastewater base charge + 212 (units) = \$3.42

A customer's usage of 4,000 gallons per month would produce a bill from WaterMaster for McGregor Place as follows:

<u>Previous</u>	<u>Current</u>
DATE: 2/17/95	1/17/95
Reading: 0,000	4,000
Customer Charge per one unit (one apartment)	
Water Base:	\$3.13
Water usage:	\$5.72 (1.43 x 4)
Wastewater Base:	\$3.42
Wastewater usage:	<u>\$7.44</u> (1.86 x 4)
Balance Due:	\$19.71

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In conclusion, McGregor Place's methodology of billing is very similar to the City of St. Petersburg for both water and wastewater service. In addition, the reseller's rates or charges will not exceed the actual purchase price.

According to Section 2.07(C) (14), Administrative Procedures Manual, staff has been given administrative authority to approve clear-cut or non-controversial requests for determination of exempt status. Staff recommends that an administrative order be issued as soon as possible finding McGregor Place Apartments exempt from Commission regulation pursuant to Section 367.022 (8), Florida Statutes. Staff further recommends that the order require McGregor Place Apartments to notify this Commission in the event of any change of circumstances of method of operation of its water and/or wastewater system. Furthermore, staff recommends that this docket be closed.

cc: Charles H. Hill