



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: July 23, 1996
TO: Alice Crosby, Division of Legal Services
Division of Records and Reporting
FROM: Patricia Brady, Division of Water and Wastewater *pb*
RE: Docket No. 960341-WS, Request for exemption from Florida Public Service Commission regulation for provision of water and wastewater service in Duval County by Riviera Parkway Apartments.

On March 15, 1996, an application for exemption from Florida Public Service Commission regulation was filed on behalf of Riviera Parkway Apartments (Riviera or apartment complex) pursuant to Section 367.022(8), Florida Statutes. The application was signed by Mr. John S. Ranney as Director of Operations for Envirotech and primary contact for the application. The mailing address and phone number for Mr. Ranney is c/o Envirotech, 1502 Roberts Drive, Jacksonville, Florida 32250 (904/246-7999). The physical location of the system is 2798 St. Johns Avenue, Jacksonville, Florida 32205. This location is in Duval County.

According to the application, KAE Apartments (KAE) owns the apartment complex. KAE is a fictitious name for the General Partner Owner, Ms. Kathryn A. Eckstein. Included with the application was a statement by Ms. Eckstein authorizing Mr. Ranney to act on behalf of KAE. On May 22, 1996, KAE recorded the fictitious name of Riviera Parkway Apartments with Florida's Department of State.

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. The application states that water and wastewater services will be provided at a rate or charge that does not exceed the actual purchase price. The application also states that the reseller is aware of the requirements of Rule 25-30.111, Florida Administrative Code, regarding annual reporting requirements and the requirements of Section 367.122, Florida Statutes, and Rules 25-30.262 through .267, Florida Administrative Code, regarding examination and testing of meters. Furthermore, by signing the application, Mr. Ranney has acknowledged that he is aware of the penalty pursuant to Section 837.06, Florida Statutes, for knowingly making false statements in writing with the intent to mislead.

Riviera is an existing apartment complex with 97 units which will not be retrofit with individual meters. Instead, the reseller proposes to prorate water and wastewater costs uniformly across all units. Water and wastewater services are provided to the apartment complex by the City of Jacksonville (Jacksonville) through four masters meters: one 1", two 2" and one 4". Effective May 1996, Jacksonville began charging Riviera the following rates and charges:

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FPSC-RECORDS/REPORTING

City of Jacksonville

Water base charge per one 1" meter	\$ 15.20
Water base charge per two 2" meters (\$39.70 x 2)	\$ 79.40
Water base charge per one 4" meter	<u>\$115.35</u>
Total water base meter charge	\$209.95
Commercial water usage rate (per 100 cubic feet)	\$ 0.63
10% Public Service Tax on water service, only.	
Wastewater base charge per one 1" meter	\$ 8.55
Wastewater base charge per two 2" meters (27.30 x 2)	\$ 54.60
Wastewater base charge per one 4" meter	<u>\$ 85.15</u>
Total wastewater base meter charge	\$148.30
Commercial wastewater usage rate (per 100 cubic feet)	\$ 2.90

The reseller proposes to charge each of the 97 units a prorata share of the apartment complexes' base facility charges and total usage charges. Based on Jacksonville's current rates, above, each unit would be charged the following fixed rates:

Riviera Parkway Apartments

Water base charge per unit (\$209.95 / 97)	\$ 2.16
10% Public Service Tax on water service, only.	
Wastewater base charge per unit (\$148.30 / 97)	\$ 1.53

The proposed methodology of total water and wastewater costs evenly across all 97 apartment units ensures that service will be provided at a rate or charge that does not exceed the actual purchase price.

The apartment complex has contracted with Envirotech to provide billing services. Approximately 10 days will lapse between the time the providers bill is received and the residents bills will be mailed. The application states a \$30.00 refundable deposit will be required for each unit and collected by the reseller. The application also states that there will be no common area or miscellaneous charges billed to residents. Instead, the cost of the billing service will be paid directly by the reseller.

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Section 2.08(C)(14) of the Administrative Procedures Manual grants staff the administrative authority to approve requests for determination of exempt status that are clear-cut and without controversy. Staff finds the application in compliance with statutory requirements and without apparent controversy. Staff recommends that an administrative order be issued finding Riviera Parkway Apartments exempt from Commission regulation pursuant to Section 367.022(8), Florida Statutes. Staff recommends that the order require the current owner of Riviera, and successors in title, to notify the Commission within 30 days of any change in circumstances or method of operation of the water or wastewater systems so that the exempt status may be reevaluated. Furthermore, staff recommends that this docket be closed.

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