

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for grandfather certificate to
operate water utility in St. Johns County by
Wildwood Water Company. | DOCKET NO. 100011-WU
ORDER NO. PSC-10-0367-PAA-WU
ISSUED: June 7, 2010

The following Commissioners participated in the disposition of this matter:

NANCY ARGENZIANO, Chairman
LISA POLAK EDGAR
NATHAN A. SKOP
DAVID E. KLEMENT
BEN A. "STEVE" STEVENS III

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING LATE CHARGE
AND
ORDER GRANTING WATER CERTIFICATE
AND APPROVING RATES AND CHARGES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein approving a late charge is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

Background

On December 2, 2008, the Board of County Commissioners of St. Johns County passed Ordinance No. 2008-57, declaring the privately owned water and wastewater utilities in St. Johns County to be subject to the provisions of Chapter 367, Florida Statutes (F.S.). The Ordinance was filed on January 16, 2009, making that the effective date of the transfer of jurisdiction. We acknowledged the Ordinance on February 12, 2009.¹

Pursuant to Section 367.171(2)(b), F.S., each utility engaged in the operation or construction of a system shall be entitled to receive a certificate for the area served by such utility on the day the chapter becomes applicable to the utility. On January 4, 2010, Wildwood Water Company (Wildwood or utility) filed an application for a certificate to provide water service in St. Johns County pursuant to Section 367.171(2), F.S.

¹ Order No. PSC-09-0092-FOF-WS, issued February 12, 2009, In re: Ordinance by Board of County Commissioners of St. Johns County relating to regulation of water and wastewater utilities within the unincorporated areas of St. Johns County.

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FPSC-COMMISSION CLERK

Wildwood has been in existence since 1979 and provides water service to approximately 367 residential and commercial customers. The utility is located in the St. Johns River Water Management District, but outside the water resource caution area. Wastewater service is provided by septic tank. We previously regulated this utility from 1985 to 1989, prior to St. Johns County rescinding our jurisdiction. We have jurisdiction to consider this matter pursuant to Sections 367.171 and 367.091, F.S.

Grandfather Application

Wildwood's application is in compliance with the governing statute and other pertinent statutes and administrative rules concerning an application for grandfather certificates. The application contains proof of ownership of the land on which the water treatment facilities are located and an accurate territory description. Adequate service territory and system maps were also provided. A description of the territory the utility is currently serving is appended hereto as Attachment A.

Wildwood began providing water service in 1979. The water treatment plant uses a combination of hypochlorination and aeration to treat raw groundwater from its 13 wells. The plant has a design capacity to treat 171,360 gallons of water per day and storage capacity of 60,000 gallons by means of two ground storage tanks.

Although the water quality is acceptable, the Department of Environmental Protection's (DEP) most recent sanitary survey conducted on December 30, 2008, notes several deficiencies, including the failure to provide storage tank inspection reports and improper well maintenance. Also, the utility is currently under enforcement action regarding a Notice of Violation which resulted from extensive monitoring and reporting violations over the past several years. An amended Final Order was issued in February of 2010, requiring the utility to complete several corrective actions, including the submission of various testing and monitoring reports and payment of \$11,000 in fines and penalties by April 26, 2010. The fines have not been paid and the submission of some of the required documentation has not been completed. DEP is currently planning to meet with the utility to evaluate the enforcement case and determine a course for future action.

Wildwood was advised that it must submit a 2009 annual report and remit 2009 regulatory assessment fees (RAFs) for the period of January 16, 2009, through December 31, 2009, by March 31, 2010, and by March 31st every year beyond that for the prior calendar year. Wildwood requested, and was granted, an extension until April 30, 2010, to file its 2009 RAFs and 2009 annual report. As of May 6, 2010, the utility had not paid its RAFs nor filed its annual report. As a result, Wildwood is now subject to the associated penalties and interest for failure to timely file its RAFs and annual report.

Wildwood was also advised of the need to maintain its books and records according to the National Association of Regulatory Utility Commissioners Uniform System of Accounts. According to the utility, it is aware of this requirement, since it was previously regulated by the Commission in the mid-1980s.

Based on the above we hereby grant Wildwood Water Certificate No. 648-W, effective January 16, 2009, to serve the territory described in Attachment A. Based on extensions that were granted, Wildwood was required to file an annual report and pay RAFs for the period of jurisdiction from January 16, 2009, through December 31, 2009, by April 30, 2010. Wildwood shall file its RAFs and annual report no later than June 1, 2010, and pay the associated penalties and interest from April 30, 2010, through the actual date of the filings.

Rates and Charges

The service rates shown on Schedule 1 were authorized to be charged by Wildwood pursuant to a St. Johns County 2001 price index.² The initial customer deposit, miscellaneous service charges, meter installation charges and tap-in fees, and water unit connection charge, as also shown on Schedule 1, were authorized to be charged by Wildwood pursuant to a 1992 St. Johns County rate proceeding. County-approved tariff sheets and the minutes of a St. Johns County Water and Sewer Authority meeting were provided in support of the utility's authorized rates and charges.

Accordingly, the rates and charges shown on Schedule 1 are hereby approved. Wildwood shall be required to charge these approved rates and charges until authorized to change in a subsequent Commission proceeding. The rates shall be effective for services rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C.

Late Payment Charge

As part of its application, Wildwood requested approval of a \$10.00 late payment fee and pursuant to Section 367.091, F.S., provided justification for the late payment charge. According to the utility, in 2008, Wildwood obtained approval from St. Johns County to use a billing company. The billing company's charge to send out late payment notices is \$5.00. The remaining \$5.00 requested by Wildwood as part of its late payment fee represents Wildwood's cost to oversee, approve, and finalize the cutoff notice list in preparation for service disconnection. The utility states that the benefits of offsetting these costs are only part of the necessity for the charge. The charge also supplies incentive for customers to pay their bill in a timely manner. Without this charge, the utility believes its customers would routinely pay their bills late without repercussion, causing an undue burden on the utility.

A \$5.00 late payment fee, as charged by Wildwood's service company, is consistent with our recent decisions regarding the current cost of researching, printing, mailing, and tracking late payment charges.³ However, we do not believe that the additional \$5.00 amount requested by

² Wildwood's rates are based on a flat rate of \$29.67 for the first 4,000 gallons of water plus a County-approved \$2.50 billing fee and the County's regulatory assessment fee of 2.5%, which were shown as separate line items on customer bills.

³ Order No. PSC-10-0014-TRF-WS, in Docket No. 090500, issued January 4, 2010, In re: Request for approval of late payment charge by Heather Hills Estates Utilities, LLC, in Manatee County; Order No. PSC-09-0752-PAA-WU, in Docket No. 090185-WU, issued November 16, 2009, In re: Application for grandfather certificate to

Wildwood is justified. Not all late payment notices result in disconnection of service. And, as discussed above, the utility already has miscellaneous service charges for normal and violation reconnections. The remaining costs are those that are recovered through base rates.

Accordingly, we hereby approve a \$5.00 late payment charge for Wildwood. Upon issuance of a consummating order in this docket, Wildwood shall give notice to its customers of the approved late payment charge. An affidavit of the noticing shall be provided to our staff prior to closing the docket. Wildwood is authorized to charge the approved late payment charge until authorized to change in a subsequent Commission proceeding. The charge shall be effective for services rendered on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475, F.A.C.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Wildwood Water Company is hereby granted Water Certificate No. 648-W, effective January 16, 2009, to serve the territory described in Attachment A. It is further

ORDERED that Wildwood Water Company shall file its regulatory assessment fees for the period January 16, 2009, through December 31, 2009, and its 2009 annual report no later than June 1, 2010, and also shall pay the associated penalties and interest from April 30, 2010, through the actual date of the filings. It is further

ORDERED that the rates and charges shown on Schedule 1 are hereby approved and Wildwood Water Company shall be required to charge these approved rates and charges until authorized to change by this Commission in a subsequent proceeding. It is further

ORDERED that the rates shall be effective for services rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, Florida Administrative Code. It is further

ORDERED that Wildwood Water Company is hereby authorized to charge a \$5.00 late payment charge. Upon the issuance of a consummating order in this docket, Wildwood Water Company shall be required to give notice to its customers of the approved late payment charge. An affidavit of the noticing shall be provided to our staff prior to closing the docket. Wildwood shall be required to charge the approved late payment charge until authorized to change in a subsequent Commission proceeding. The late payment charge shall be effective for services rendered on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475, Florida Administrative Code. It is further

operate water utility in St. Johns County by Camachee Island Company, Inc. d/b/a Camachee Cove Yacht Harbor Utility; and Order No. PSC-09-0279-PAA-WS, in Docket No. 080268-WS, issued April 29, 2009, In re: Joint Application for transfer of the Springside water and wastewater systems from Par Utilities, Inc. in Levy County to FIMC Hideaway, Inc.; amendment of Certificates 426-W and 362-S held by FIMC Hideaway, Inc.; and amendment of Certificate 428-W and cancellation of Certificate 366-S held by Par Utilities, Inc.

ORDERED that the provisions of this Order regarding the approval of the \$5 late charge, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 7th day of June, 2010.

ANN COLE
Commission Clerk

By: *Dorothy E. Menasco*
Dorothy E. Menasco
Chief Deputy Commission Clerk

(S E A L)

LAH

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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.

As identified in the body of this order, our action regarding the approval of a late payment charge is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on June 28, 2010. If such a petition is filed, mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing. In the absence of such a petition, this order shall become effective and final upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

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 Office of Commission Clerk, 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 or wastewater utility by filing a notice of appeal with the Office of Commission Clerk 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.

Wildwood Water Company
Description of Territory Served
St. Johns County

Township, 8 South, Range 29 East
Section 11

Part of Section 11, Township 8 South, Range 29 East, described as follows:

That part of the southerly half of Section 11 lying west of Wildwood Drive and the southeast quarter of the northwest quarter of Section 11.

FLORIDA PUBLIC SERVICE COMMISSION
authorizes
Wildwood Water Company
pursuant to
Certificate Number 648-W

to provide water service in St. Johns County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
PSC-10-0367-PAA-WU	06/07/10	100011-WU	Grandfather Certificate

MONTHLY SERVICE RATES
RESIDENTIAL AND GENERAL SERVICE

INITIAL CUSTOMER DEPOSITS

Residential 5/8" x 3/4" Meter	\$75.00
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MISCELLANEOUS SERVICE CHARGES

DESCRIPTION	NORMAL HOURS	AFTER HOURS
Initial Connection	\$ 35.00	\$ 52.50
Normal Reconnection	\$ 35.00	\$ 52.50
Violation Reconnection	\$ 35.00	\$ 52.50
Premises Visit Charge	\$ 35.00	Not Applicable
Nonsufficient Funds Charge	\$ 27.50	Not Applicable
Late Payment Fee	\$5.00	Not Applicable

SERVICE AVAILABILITY CHARGES

Meter Installation Charges and Tap in Fees

5/8" x 3/4"	\$130.00
3/4"	\$390.00
1"	\$490.00
1 1/2"	\$1,400.00
2"	\$2,200.00
Water Unit Connection Fee	\$1,500.00