



Public Service Commission

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

ORIGINAL

DATE: May 22, 1998

TO: Division of Records and Reporting

FROM: Division of Legal Services (Gervasi)

RE: Docket No. 971186-SU - Application for approval of reuse project plan and increase in wastewater rates in Seminole County by Sanlando Utilities Corporation.

Please file the 3 attached letters dated May 1, 1998, and the Synopsis of Application for Approval of Reuse Project Plan and Increase for Wastewater Rates, in the docket file for the above-referenced docket.

RG/dr

cc: Division of Water and Wastewater (Rendell, Willis, Bethea, Crouch, Casey)

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
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- OPC _____
- RCH _____
- SEC 1
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- OTH _____

DOCUMENT NUMBER-DATE
 05812 MAY 28 1998
 FPSC-RECORDS/REPORTING

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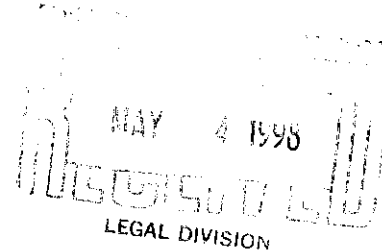
Direct Fax: (407) 843-4444

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May 1, 1998

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

The Honorable Mayor J. Dudley Bates
City of Altamonte Springs
225 Newburyport Avenue
Altamonte Springs, Florida 32701



Re: Notice under Florida Administrative Code Section 25-22.0407 regarding Rate Increase Request.

Dear Mayor Bates:

The purpose of this letter is to provide notice to you on behalf of Altamonte Springs that Sanlando Utilities Corp. has filed for a rate increase with the Florida Public Service Commission with respect to a reuse facility for distribution of treated wastewater to the following potential reuse customers:

1. Lake Brantley Plant Corporation, Seminole County
2. Sabal Point Country Club, Seminole County
3. Sweetwater Country Club, Orange County
4. Wekiva Golf Club, Seminole County

Enclosed with this letter is a copy of the synopsis of the rate filing which has been filed by Sanlando Utilities Corp. with the Florida Public Service Commission.

Very truly yours,


Cleatous J. Simmons

CJS/tli
Enclosure

C: Rosanne Gervasi, Esquire (w/enclosure) ✓
Mr. Jerry M. Salsano (w/enclosure)
Mr. Hampton P. Conley (w/enclosure)
Mr. Robert A. Mandell (w/enclosure)
John A. Lowndes, Esquire (w/enclosure)
Jennifer B. Springfield, Esquire (w/enclosure)
Jack Shreve, Public Counsel (w/enclosure)
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E-Mail: taec@iag.net

May 1, 1998

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

The Honorable Randall C. Morris, Chairman
Board of Seminole County Commissioners
1101 E. First Street
Sanford, Florida 32771

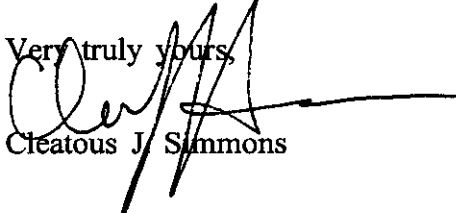
Re: Notice under Florida Administrative Code Section 25-22.0407 regarding Rate Increase Request.

Dear Chairman Morris:

The purpose of this letter is to provide notice to you on behalf of Seminole County that Sanlando Utilities Corp. has filed for a rate increase with the Florida Public Service Commission with respect to a reuse facility for distribution of treated wastewater to the following potential reuse customers:

1. Lake Brantley Plant Corporation, Seminole County
2. Sabal Point Country Club, Seminole County
3. Sweetwater Country Club, Orange County
4. Wekiva Golf Club, Seminole County

Enclosed with this letter is a copy of the synopsis of the rate filing which has been filed by Sanlando Utilities Corp. with the Florida Public Service Commission.

Very truly yours,

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May 1, 1998

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

The Honorable Linda W. Chapin, Chairman
Board of Orange County Commissioners
201 S. Rosalind Avenue
Orlando, Florida 32801

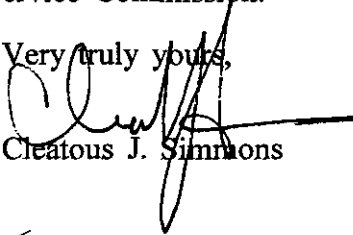
Re: Notice under Florida Administrative Code Section 25-22.0407 regarding Rate Increase Request.

Dear Chairman Chapin:

The purpose of this letter is to provide notice to you on behalf of Orange County that Sanlando Utilities Corp. has filed for a rate increase with the Florida Public Service Commission with respect to a reuse facility for distribution of treated wastewater to the following potential reuse customers:

1. Lake Brantley Plant Corporation, Seminole County
2. Sabal Point Country Club, Seminole County
3. Sweetwater Country Club, Orange County
4. Wekiva Golf Club, Seminole County

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application of Sanlando Utilities,)
Corp. for Reuse Project Plan and Increase)
in Wastewater Rates.)
_____)

Docket No.: 971186-SU
Date: February 12, 1998

SYNOPSIS OF APPLICATION FOR APPROVAL OF REUSE
PROJECT PLAN AND INCREASE FOR WASTEWATER RATES

Applicant, Sanlando Utilities, Corp. (hereinafter "Applicant"), has applied to the Florida Public Service Commission ("The Commission") for approval of a Reuse Project Plan and for increase in rates for wastewater service provided to its customers in Seminole County, Florida.

1. The Application is being filed pursuant to the provisions of Section 367.0817, Florida Statutes, which provides that all prudent costs of a reuse project shall be recovered through rates and charges. According to that statute, reuse benefits water, wastewater, and reuse customers, and the costs of a reuse project are recovered from the utility's water, wastewater, or reuse customers, or any combination thereof as deemed appropriate by the Commission. The Applicant has proposed that the entire cost of the reuse project be recovered from an increase in its rates charged to wastewater customers, and the establishment of rates for reuse customers.

2. The Applicant has requested that the Commission establish a new reuse rate and grant a wastewater rate increase in order to recover the cost of its Reuse Project Plan. The Commission has not acted on this request as of the date of this Synopsis.

3. The present reuse rates and proposed reuse rates and charges are as follows:

	<u>Present</u> <u>Rate</u>	<u>Proposed</u> <u>Rate 1</u>	<u>Proposed</u> <u>Rate 2</u>
Meter Installation	N/A	N/A	N/A
Service Availability Charge	N/A	N/A	N/A
Reuse Service - Residential	N/A	N/A	N/A
Reuse Service - General Service	N/A	\$0.22/1000 gal	\$0.11/1000 gal
Reuse Availability	N/A	N/A	\$1,060 per month

4. The following rates are not recommended for increase and are therefore independent of what reuse irrigation customers are connected.

WATER - MONTHLY

Residential, General Service, Multiple Dwelling and Bulk Sales

***There are no proposed changes to Water Rates**

Meter Size		Current Charge	Proposed Increase	Proposed New Charge
5/8" x 3/4"	Base Charges	\$4.36	N/A	\$4.36
3/4"		\$6.53	N/A	\$6.53
1"		\$10.87	N/A	\$10.87
1 1/2"		\$21.77	N/A	\$21.77
2"		\$34.81	N/A	\$34.81
3"		\$69.63	N/A	\$69.63
4"		\$108.82	N/A	\$108.82
6"		\$217.64	N/A	\$217.64
8"		\$391.26	N/A	\$391.26
Gallonge Charge Per 1,000 Gallons		\$0.386	N/A	\$0.386

PRIVATE FIRE PROTECTION - ANNUAL

***There are no proposed changes to Fire Protection Rates**

Line Size	Current Charge	Proposed Increase	Proposed New Charge
1 1/2"	\$86.96	N/A	\$86.96
2"	\$139.15	N/A	\$139.15
3"	\$278.27	N/A	\$278.27
4"	\$434.80	N/A	\$434.80
6"	\$869.61	N/A	\$869.61
8"	\$1,391.41	N/A	\$1,391.41

5. Initially, the Utility will have no reuse customers. Until such time as reuse customers connect, the Utility proposes the following two alternative rate structures for its existing wastewater customers. Option 1 is structured with an increase in consumption charges but no increase in base charges. Option 2 is structured with the increase divided between the base and consumption charges.

Option 1

**SEWER - MONTHLY
Residential Services**

Item	Current Charge	Proposed Increase	Proposed New Charge
Base Charge for All Meter Sizes	\$10.30	\$0.00	\$10.30
Gallonge Charge Per 1,000 Gallons (Maximum 10,000 Gallons)	\$1.359	\$0.34	\$1.699
Minimum Bill	\$10.30	\$0.00	\$10.30
Maximum Bill	\$23.89	\$3.40	\$27.29

**SEWER - MONTHLY
General Service and Multiple Dwelling**

Meter Size		Current Charge	Proposed Increase	Proposed New Charge
5/8" x 3/4"	Base Charges	\$10.30	\$0.00	\$10.30
3/4"		\$15.45	\$0.00	\$15.45
1"		\$25.75	\$0.00	\$25.75
1 1/2"		\$51.51	\$0.00	\$51.51
2"		\$82.41	\$0.00	\$82.41
3"		\$164.81	\$0.00	\$164.81
4"		\$257.52	\$0.00	\$257.52
6"		\$515.05	\$0.00	\$515.05
8"		\$824.07	\$0.00	\$824.07
Gallonge Charge Per 1,000 Gallons		\$1.643	\$0.34	\$1.983

OR
Option 2

SEWER - MONTHLY
Residential Services

Item	Current Charge	Proposed Increase	Proposed New Charge
Base Charge for All Meter Sizes	\$10.30	\$1.87	\$12.17
Gallonge Charge Per 1,000 Gallons (Maximum 10,000 Gallons)	\$1.359	\$0.14	\$1.499
Minimum Bill	\$10.30	\$1.87	\$12.17
Maximum Bill	\$23.89	\$3.27	\$27.16

SEWER - MONTHLY
General Service and Multiple Dwelling

Meter Size		Current Charge	Proposed Increase	Proposed New Charge
5/8" x 3/4"	Base Charges	\$10.30	\$1.87	\$12.17
3/4"		\$15.45	\$2.81	\$18.26
1"		\$25.75	\$4.68	\$30.43
1 1/2"		\$51.51	\$9.35	\$60.86
2"		\$82.41	\$14.96	\$97.37
3"		\$164.81	\$29.92	\$194.73
4"		\$257.52	\$46.75	\$304.27
6"		\$515.05	\$93.50	\$608.55
8"		\$824.07	\$149.00	\$973.67
Gallonge Charge Per 1,000 Gallons		\$1.643	\$0.14	\$1.783

6. After the project is completed the Utility anticipates the addition of up to three golf courses and a commercial nursery as reuse water customers. Whether those customers can be required to take reuse water at any cost is a function of St. Johns River Water Management District determining that the rates approved by the Commission for the reuse water to be paid by the golf courses are "economically feasible." Applicant has no control over whether the Utility will have customers eligible and willing to pay for reused water and has requested that the Commission approve rates which will recover all costs of the reuse facility from existing wastewater customers until reuse customers are obtained.

7. When reuse water customers are available to take the reuse effluent, then it is anticipated that the approved rate structure which results from this limited proceeding will apply to those customers, reducing the rates charged to the existing wastewater customers of the Applicant for the reuse facility's construction and operation. The Utility will, upon existence of reuse customers eligible and willing to pay for reused water, apply the following applicable reuse rates and will commensurately reduce the additional rates being charged to the existing wastewater customers as approved by the Commission. Thereafter, pursuant to Section 367.0817 (Florida Statutes 1996), it is anticipated that the Commission will implement a proceeding to true-up the costs of the reuse project and the resulting rates.

8. The following proposed wastewater increases and rates are for the situation where all reuse irrigation customers are connected. Again, two options are presented. Option 1 is structured with an increase in consumption charges but no increase in base charges. Option 2 is structured with the increase divided between the base and consumption charges.

Option 1

**SEWER - MONTHLY
Residential Services**

Item	Current Charge	Proposed Increase	Proposed New Charge
Base Charge for All Meter Sizes	\$10.30	\$0.00	\$10.30
Gallorage Charge Per 1,000 Gallons (Maximum 10,000 Gallons)	\$1.359	\$0.24	\$1.599
Minimum Bill	\$10.30	\$0.00	\$10.30
Maximum Bill	\$23.89	\$2.40	\$26.29

**SEWER - MONTHLY
General Service and Multiple Dwelling**

Meter Size		Current Charge	Proposed Increase	Proposed New Charge
5/8" x 3/4"	Base Charges	\$10.30	\$0.00	\$10.30
3/4"		\$15.45	\$0.00	\$15.45
1"		\$25.75	\$0.00	\$25.75
1 1/2"		\$51.51	\$0.00	\$51.51
2"		\$82.41	\$0.00	\$82.41
3"		\$164.81	\$0.00	\$164.81
4"		\$257.52	\$0.00	\$257.52
6"		\$515.05	\$0.00	\$515.05
8"		\$824.07	\$0.00	\$824.07
Gallorage Charge Per 1,000 Gallons		\$1.643	\$0.24	\$1.883

OR
Option 2

SEWER - MONTHLY
Residential Services

Item	Current Charge	Proposed Increase	Proposed New Charge
Base Charge for All Meter Sizes	\$10.30	\$1.40	\$11.70
Gallonge Charge Per 1,000 Gallons (Maximum 10,000 Gallons)	\$1.359	\$0.09	\$1.449
Minimum Bill	\$10.30	\$1.40	\$11.70
Maximum Bill	\$23.89	\$2.30	\$26.19

SEWER - MONTHLY
General Service and Multiple Dwelling

Meter Size		Current Charge	Proposed Increase	Proposed New Charge
5/8" x 3/4"	Base Charges	\$10.30	\$1.40	\$11.70
3/4"		\$15.45	\$2.10	\$17.55
1"		\$25.75	\$3.50	\$29.25
1 1/2"		\$51.51	\$7.00	\$58.51
2"		\$82.41	\$11.20	\$93.61
3"		\$164.81	\$22.40	\$187.21
4"		\$257.52	\$35.00	\$292.52
6"		\$515.05	\$70.00	\$585.05
8"		\$824.07	\$112.00	\$936.07
Gallonge Charge Per 1,000 Gallons		\$1.643	\$0.09	\$1.733

9. The following are the proposed reuse irrigation rates. Option 1 is structured with an increase in consumption charges but no increase in base charges. Option 2 is structured with the increase divided between the base and consumption charges.

REUSE IRRIGATION - MONTHLY

Option 1

Item	Current Charge	Proposed Increase	Proposed New Charge
Monthly Base Charge	N/A	\$0.00	\$0.00
Gallorage Charge	N/A	\$0.22	\$0.22

OR

Option 2

Item	Current Charge	Proposed Increase	Proposed New Charge
Monthly Base Charge	N/A	\$1,060.00	\$1,060.00
Gallorage Charge	N/A	\$0.11	\$0.11

10. Applicant anticipates that the only major issues in this proceeding will be an analysis of the actual costs of operation and maintenance of the Applicant's reuse system, along with the analysis of the additional investment of the Applicant in this system. Another issue may be the proper allocation of these prudent costs and investments so that the appropriate ratepayer pays for these costs and investments.

11. A description of the rate-making process and the time schedules for the proposed rate change is as follows:

Pursuant to the provisions of Section 367.0817 and 403.064, Florida Statutes, the Applicant has filed its application, satisfied the statutory requirements and provided additional information in order to demonstrate the actual anticipated costs of the Reuse Project Plan.

This case will be processed under the Proposed Agency Action process as described in Section 367.0817(2), Florida Statutes.

As part of the discovery process, the Commission Staff schedules a customer meeting in the Applicant's service area to take customer testimony on quality of service, rate structure, and other comments on the proposed Reuse Project Plan and proposed rates. After the Staff investigations have been completed, and after the customer meeting, the Staff prepares a recommendation to be considered by the full Commission at a regularly scheduled Agenda Conference in Tallahassee. Since the case has not been to hearing at this point, interested persons are allowed to address the Commission at the Agenda Conference when the case is being considered. The Commission votes to adopt, reject, or modify the Staff Recommendation at the Agenda Conference. A "Proposed Agency Action" Order is prepared and issued. The Order becomes final if no one protests it within a 21-day protest period. This entire process usually takes approximately five months. If the case is protested, the case will be processed similar to

a major rate case. A formal prehearing and hearing have been set in case a substantially affected person protests the Commission's Proposed Agency Action Order.

12. The Commission has issued a schedule, setting tentative dates for various matters related to the rate-setting process, which includes the following dates:

- | | | |
|----|--|----------|
| a. | Customer Meeting | 03/04/98 |
| b. | Staff Recommendation regarding proposed rate increase | 04/30/98 |
| c. | Agenda Conference regarding proposed Agency Action | 05/12/98 |
| d. | Proposed Agency Action Order issued | 06/01/98 |
| e. | Close Docket or Revise Case Assignment and Scheduling Record | 06/26/98 |
| f. | Prehearing if Proposed Agency Action protested | 10/19/98 |
| g. | Hearing if Proposed Agency Action Protested | 11/05/98 |

13. A complete copy of the Utility's application is available at the Applicant's headquarters:

Sanlando Utilities Corp.
1105 Kensington Park Drive
Altamonte Springs, FL 32714
(407) 788-3600

Office Hours: Monday through Friday
8:00 a.m. - 5:00 p.m.

14. Customer comments concerning Applicant's wastewater utilities service and its request for approval of Reuse Project Plan and proposed rates should be addressed to the Director of the Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0873, with a copy to Cleatous J. Simmons, Lowndes, Drosdick, Doster, Kantor & Reed, P.A., 215 N. Eola Drive, Orlando, FL 32801. All comments should include reference to the Commission Docket No. 971186-SU, which has been assigned to this case.