

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for grandfather certificate to  
operate wastewater utility in Charlotte County  
by Utilities, Inc. of Sandalhaven.

DOCKET NO. 130053-SU  
ORDER NO. PSC-13-0178-FOF-SU  
ISSUED: April 29, 2013

The following Commissioners participated in the disposition of this matter:

RONALD A. BRISÉ, Chairman  
LISA POLAK EDGAR  
ART GRAHAM  
EDUARDO E. BALBIS  
JULIE I. BROWN

ORDER GRANTING WASTEWATER CERTIFICATE  
AND APPROVING RATES AND CHARGES

BY THE COMMISSION:

BACKGROUND

On February 12, 2013, the Board of County Commissioners of Charlotte County (County) passed and adopted Resolution No. 2013-003 (Resolution), transferring regulation of the privately owned for profit water and wastewater utilities in the County to the Florida Public Service Commission (Commission). Effective upon the adoption of the Resolution, all non-exempt water and wastewater systems in the County became subject to the provisions of Chapter 367, Florida Statutes (F.S.). The Commission acknowledged the Resolution on March 14, 2013.<sup>1</sup>

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 February 26, 2013, Utilities, Inc. of Sandalhaven (Sandalhaven or Utility) filed an application for a certificate under grandfather rights to provide wastewater service in Charlotte County pursuant to Section 367.171(2)(b), F.S. and Rule 25-30.035, Florida Administrative Code (F.A.C.). The residential areas served by the Utility include Sandalhaven Estates, Shamrock Shores, and Eagles Preserve; as well as some multi-family housing developments, businesses, etc.

The Sandalhaven system has been in existence since 1983 and currently serves 1,195 equivalent residential connections (ERCs). Water service to the area is supplied by Charlotte County. The Utility's service area is located in the Southern Water Use Caution Area under the Southwest Florida Water Management District.

<sup>1</sup> See Order No. PSC-13-0127-FOF-WS, issued March 14, 2013, Docket No. 130049-WS, In re: Resolution of the Board of County Commissioners of Charlotte County declaring Charlotte County subject to the provisions of Chapter 367, F.S.

DOCUMENT NUMBER-DATE

02256 APR 29 2013

FPSC-COMMISSION CLERK

This order addresses the application for a grandfather wastewater certificate, and rates and charges. The Commission has jurisdiction pursuant to Section 367.171, F.S.

#### GRANDFATHER APPLICATION

The Utility's application for a certificate under grandfather rights to provide wastewater service in Charlotte County is in compliance with Section 367.171(2)(b), F.S., and Rule 25-30.035, F.A.C. The application contains a warranty deed as proof of ownership of the land on which the Utility facilities are located, an accurate territory description, and adequate service territory and system maps. A description of Sandalhaven's territory is described in Attachment A.

The Utility has been in existence since 1983 and currently serves wastewater service to 1,195 ERCs. The wastewater treatment plant has a capacity of 0.099 million gallons per day (MGD) and does not employ reuse. It is currently in compliance with DEP requirements. The Utility reported that there are no material customer service issues. The Utility is aware of the requirement to submit an annual report for 2013 pursuant to Rule 25-30.110, F.A.C., and remit to the Commission Regulatory Assessment Fees (RAFs) effective February 12, 2013, pursuant to Rule 25-3.120, F.A.C. In addition, the Utility is aware that it must maintain its books and records according to the National Association of Regulatory Commissioners' Uniform System of Accounts.

Based on the above, we hereby grant Sandalhaven Wastewater Certificate No. 567-S to serve the territory described in Attachment A. This order shall serve as Sandalhaven's certificate and shall be retained by the Utility.

#### RATES AND CHARGES

Charlotte County approved the rates and charges that are shown on Schedule No. 1. The rates include a base facility charge and uniform gallonage charge for water service, miscellaneous service charges, and service availability charges including guaranteed revenue and allowance for funds prudently invested (AFPI) charges.

The guaranteed revenue charge applies primarily to empty lots in the Eagles Preserve subdivision. The developer did not prepay the connection fees, but the Utility, under the prior owner, accepted the sewer lines in the subdivision. In addition, AFPI is a charge designed to allow a Utility to recover its return on investment for non-used and useful investments. The charge is collected from the customers when service availability charges are collected.

Accordingly, the Utility's rates and charges that were in effect when Charlotte County transferred jurisdiction to the Commission, shown on Schedule No. 1, are hereby approved. The rates and charges should 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. Sandalhaven shall be required to charge

the approved rates and charges until authorized to change by this Commission in a subsequent proceeding.<sup>2</sup>

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Utilities Inc. of Sandalhaven is hereby granted Wastewater Certificate No. 567-S, effective February 12, 2013, to serve the territory described in Attachment A and shall retain this order as its certificate. It is further

ORDERED that Utilities Inc. of Sandalhaven shall file its annual report for 2013 pursuant to Rule 25-30.110, Florida Administrative Code, and remit to the Commission regulatory assessment fees effective February 12, 2013, pursuant to Rule 25-30.120, Florida Administrative Code. Further, the Utility shall maintain its books and records according to the National Association of Regulatory Commissioners' Uniform System of Accounts. It is further

ORDERED that the rates and charges shown on Schedule No. 1 are hereby approved and Utilities Inc. of Sandalhaven 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 this docket shall be closed.

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<sup>2</sup> As part of its last rate case with the County Sandalhaven agreed to further reduce its rates as of December 21, 2016 to reflect the full recovery of its rate case expense.

By ORDER of the Florida Public Service Commission this 29th day of April, 2013.



HONG WANG

Chief Deputy Commission Clerk  
Florida Public Service Commission  
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Tallahassee, Florida 32399  
(850) 413-6770  
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SBr

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.

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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, 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 and/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.

DESCRIPTION OF TERRITORY SERVED

The following described lands located in portions of Sections 21, 27, 28, 33 and 34, Township 41 South, Range 20 East, and Section 3, Township 42 South, Range 20 East, Charlotte County, Florida:

Township 41 South, Range 20 East:

Section 21

All that portion of the Southwest 1/4 of said Section 21 lying South of Buck Creek and East of Lemon Bay AND that portion of the Southwest 1/4 of the Southeast 1/4 lying South of Buck Creek and West of State Road 775 as it is now constructed.

Section 27

The West 2400 feet more or less of said Section 27.

Section 28

All that portion of said Section 28 lying East of Lemon Bay.

Section 33

All that portion of said Section 33 lying East of Lemon Bay.

Section 34

The West 2400 feet more or less of said Section 34.

Township 42 South, Range 20 East:

Section 3

All that portion of the Northwest 1/4 of said Section 3 lying East of Lemon Bay and North and West of an existing canal.

**FLORIDA PUBLIC SERVICE COMMISSION**

**authorizes  
Utilities, Inc. of Sandalhaven  
pursuant to  
Certificate Number 567-S**

to provide wastewater service in Charlotte 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.

| Order Number       | Date Issued | Docket Number | Filing Type             |
|--------------------|-------------|---------------|-------------------------|
| PSC-13-0178-FOF-SU | 4/29/2013   | 130053-SU     | Grandfather Certificate |

**Utilities, Inc. of Sandalhaven  
 Charlotte County  
 Wastewater**

|                                    | <u>Residential<br/>Service</u> | <u>General<br/>Service</u> |
|------------------------------------|--------------------------------|----------------------------|
| <b><u>Base Facility Charge</u></b> |                                |                            |
| All Meter Size                     | \$ 29.08                       |                            |
| Meter Size                         |                                |                            |
| 5/8" x 3/4"                        |                                | \$ 29.08                   |
| 1"                                 |                                | \$ 72.71                   |
| 1 1/2"                             |                                | \$ 145.41                  |
| 2"                                 |                                | \$ 232.65                  |
| 3"                                 |                                | \$ 465.32                  |
| 4"                                 |                                | \$ 727.05                  |
| 6"                                 |                                | \$ 1,454.09                |

**Gallonage Charges**

|                                     |         |         |
|-------------------------------------|---------|---------|
| Residential Service (0-8,000)       | \$ 6.53 |         |
| General Service (per 1,000 gallons) |         | \$ 7.85 |

**Guaranteed Revenue Charge**

|                   |  |          |
|-------------------|--|----------|
| Per ERC (350 GPD) |  | \$ 28.42 |
|-------------------|--|----------|

**Initial Customer Deposit**

|             |  |
|-------------|--|
| 5/8" x 3/4" | Estimated Charge for service for 2 billing periods |
| 1"          | Estimated Charge for service for 2 billing periods |
| 1 1/2"      | Estimated Charge for service for 2 billing periods |
| Over 2"     | Estimated Charge for service for 2 billing periods |

**Miscellaneous Service Charges  
 Wastewater**

**Schedule of Miscellaneous Service Charges**

|   | <u>Normal Hours</u> | <u>After Hours</u> |
|---|---------------------|--------------------|
| Initial Connection Fee                        | \$ 21.00            | \$ 42.00           |
| Normal Reconnection Fee                       | \$ 21.00            | \$ 42.00           |
| Violation Reconnection Fee                    | Actual Cost         | Actual Cost        |
| Premises Visit Fee (in lieu of disconnection) | \$ 21.00            | \$ 42.00           |

**Returned Check Charge**

|                     | <u>Charges</u> |
|---------------------|----------------|
| \$50.00 or less     | \$ 25.00       |
| \$50.01 to \$300.00 | \$ 30.00       |
| \$300.01 and above  | \$ 40.00       |

**Service Availability Charges  
 Wastewater**

**System Capacity Charge**

**Charges**

|                                 |            |
|---------------------------------|------------|
| Residential - Per ERC (350 GPD) | \$2,628.00 |
| All others-per gallon           | \$13.83    |

**Allowance for Funds Prudently Invested**

|                            | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| Monthly Add-In Cost Factor | \$35.09     | \$35.09     | \$35.09     | 35.09       | 35.09       |
| December                   | \$35.09     | \$456.17    | \$877.25    | \$1,298.33  | \$1,719.41  |
| January                    | \$70.18     | \$491.26    | \$912.34    | \$1,333.42  | \$1,754.50  |
| February                   | \$105.27    | \$526.35    | \$947.43    | \$1,368.51  | \$1,789.59  |
| March                      | \$140.36    | \$561.44    | \$982.52    | \$1,403.60  | \$1,824.68  |
| April                      | \$175.45    | \$596.53    | \$1,017.61  | \$1,438.69  | \$1,859.77  |
| May                        | \$210.54    | \$631.62    | \$1,052.70  | \$1,473.78  | \$1,894.86  |
| June                       | \$245.63    | \$666.71    | \$1,087.79  | \$1,508.87  | \$1,929.95  |
| July                       | \$280.72    | \$701.80    | \$1,122.88  | \$1,543.96  | \$1,965.04  |
| August                     | \$215.81    | \$736.89    | \$1,157.97  | \$1,579.05  | \$2,000.13  |
| September                  | \$350.90    | \$771.98    | \$1,193.06  | \$1,614.14  | \$2,035.22  |
| October                    | \$385.99    | \$807.07    | \$1,228.15  | \$1,649.23  | \$2,070.31  |
| November                   | \$421.08    | \$842.16    | \$1,263.24  | \$1,684.32  | \$2,105.40  |