

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for certificate to provide
wastewater service in Orange County by
Gulfstream Utility LLC

DOCKET NO. 20210191-SU
ORDER NO. PSC-2022-0246-PAA-SU
ISSUED: June 28, 2022

The following Commissioners participated in the disposition of this matter:

ANDREW GILES FAY, Chairman
ART GRAHAM
GARY F. CLARK
MIKE LA ROSA
GABRIELLA PASSIDOMO

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING MISCELLANEOUS SERVICE CHARGES
AND INITIAL CUSTOMER DEPOSITS
AND
FINAL ORDER GRANTING WASTEWATER CERTIFICATE AND
CONTINUING EXISTING RATES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein, except for our approval of an application for wastewater certificate and continuance of the existing rates, 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

Gulfstream Utility LLC (Gulfstream or Utility) provides wastewater service to approximately 976 residential and two general service customers within the Gulfstream Harbor Mobile Home Park located in Orange County. Water service is provided by the Utility through a bulk purchase agreement with Orange County. The Utility applied only for a certificate for wastewater service, as the Utility acts as a reseller for its water service, and is therefore exempt from our regulation pursuant to Section 367.022(8), Florida Statutes (F.S.).

During late 2014 and early 2015, Sun Communities, Inc. (Sun Communities) acquired the Utility while purchasing several other mobile home and residential vehicle parks throughout the United States. Sun Communities also owns three other utilities that are regulated by us: GCP Plantation Landings, LLC, GCP Fairfield Village, LLC, and Sunlake Estates Utilities, L.L.C. Upon acquiring Gulfstream, in a purchase along with several other systems, Sun Communities

believed Gulfstream to be exempt from our regulation. However, Sun Communities has now determined that Gulfstream's wastewater system should be certificated because the wastewater system does not meet any exemptions pursuant to Section 367.022, F.S. Approximately half of Gulfstream's wastewater service is treated using its own wastewater treatment plant and the other half is serviced by a bulk wastewater treatment agreement with Orange County.

On December 3, 2021, Gulfstream filed an application for an original certificate and initial rates and charges for wastewater service pursuant to Rule 25-30.033, Florida Administrative Code (F.A.C.).¹ However, based on Exhibit K of the application and after discussions with the Utility, it was determined that Gulfstream already had existing rates in place that it was charging for wastewater service. Therefore, the Utility filed an amended application for an original certificate for an existing utility currently charging for service pursuant to Rule 25-30.034, F.A.C.² Our staff found this amended application to be deficient, and issued a deficiency letter on January 14, 2022. The Utility cured the deficiencies on January 27, 2022.

On February 9, 2022, Orange County filed an objection to Gulfstream's amended application and request for an evidentiary hearing. Our staff held two noticed informal meetings on March 1, 2022, and April 8, 2022, to discuss the objection with Orange County and the Utility. On March 25, 2022, Gulfstream filed a Motion to Dismiss Orange County's objection; Orange County filed its response in opposition on April 1, 2022. However, on April 7, 2022, Orange County withdrew its objection and request for hearing, and subsequently, Gulfstream withdrew its Motion to Dismiss on April 11, 2022.

This order addresses the application for an original wastewater certificate and the appropriate rates and charges for the Utility. We have jurisdiction pursuant to Sections 367.031 and 367.045, F.S.

Decision

I. Wastewater Certificate and Continuance of Existing Rates

Gulfstream filed its amended application for an original certificate with existing facilities in Orange County on December 15, 2021. Our staff determined the original filing was deficient and the Utility corrected these deficiencies on January 27, 2022, the official filing date for the application. The Utility's application is in compliance with the governing statutes, Sections 367.031 and 367.045, F.S.

A. Notice

On January 24, 2018, Gulfstream filed proof of compliance with the noticing provisions set forth in Rule 25-30.030, F.A.C. A protest was received from the County Commission of Orange County which was later withdrawn. No other objection was received and the time for doing so has expired.

¹Document No. 12937-2021, filed December 3, 2021.

²Document No. 13066-2021, filed December 15, 2021.

B. Land Ownership and Service Territory

In its application, the Utility states that it has entered into a long-term land lease with the related party land owner for the property on which the wastewater treatment facility is located. A copy of the lease agreement will be provided to us upon approval and granting of the certificate. A copy of the proposed lease was attached to the Utility's application as Exhibit I.³ The Utility shall file a copy of the executed lease within 30 days of the filing of this order approving the certificate.

C. Financial and Technical Ability

Rule 25-30.033(1)(h), and (i), F.A.C., requires a statement showing the financial and technical ability of the applicant to provide service, a detailed financial statement, and a list of all entities upon which the applicant is relying to provide funding along with those entities' financial statements. Gulfstream is relying upon the financial backing of its parent, Sun Communities. We have traditionally allowed reliance on the parent's financial ability, given the logical vested interest of a parent in the financial stability of its subsidiary. The application contains Sun Communities' most recent financial statements, as well as a letter of commitment from Sun Communities "to provide or assist Gulfstream Utility, LLC in securing necessary funding" for Gulfstream to operate the system in Orange County. We believe that Sun Communities' financial statements and extensive business operations in Florida show adequate and stable funding reserves for the Utility. Therefore, we find that Gulfstream has demonstrated that it will have access to adequate financial resources to operate the Utility.

Gulfstream is a subsidiary of Sun Communities which owns and operates the Gulfstream Harbor Mobile Home Park. The Florida Department of Environmental Protection reissued a permit to operate the wastewater treatment facility to Sun Communities, Inc. on June 2, 2020, which is due to expire on September 14, 2025. Gulfstream has contracted US Water Services Corporation to operate and maintain the Utility's wastewater treatment facilities. US Water Services Corporation is a national company which operates several water and wastewater systems in Florida. Based on the above, Gulfstream has demonstrated the financial and technical ability to provide service to the existing service territory.

D. Continuing Existing Rates

The Utility provides wastewater service to approximately 976 residential customers and two general service customers. Wastewater service is provided through a combination of bulk service provided by Orange County and the treatment plant operated by Gulfstream. The Utility proposes to continue billing its existing rates for residential and general service customers, which consists of a base facility charge of \$2.10 and gallonage charge per 1,000 gallons of \$4.26.⁴ We find that Gulfstream's existing rates, as shown on Schedule No. 1 attached hereto, shall remain in effect until a change is authorized by us in a subsequent proceeding.

³Document No. 130666-2021, filed December 15, 2021.

⁴See Document No. 00216-2022, filed January 13, 2021.

E. Conclusion

Based on the foregoing, we find that it is in the public interest to approve Gulfstream's application. Gulfstream shall be granted Certificate No. 579-S to serve the territory described in Attachment A, effective the date of our vote. This order shall serve as Gulfstream's wastewater certificate and it shall be retained by the Utility. The Utility shall file a copy of the executed lease within 30 days of the filing of this order. The existing rates shall remain in effect until a change is authorized by us in a subsequent proceeding.

II. Appropriate Miscellaneous Service Charges

Gulfstream requested miscellaneous service charges, which we are authorized to establish pursuant to Section 367.091, F.S. Gulfstream's request was accompanied by its cost justification as required by Section 367.091(6), F.S. The purpose of these charges is to place the burden for requesting or causing these services on the cost-causer rather than the general body of ratepayers. The Utility's requested charges are based on the cost of the Utility to administer and perform miscellaneous services.

The Utility requested an \$8 late payment charge to recover administrative and supply cost for processing late payment notices. The Utility's cost justification for its requested late payment charge is shown below on Table 1.

Table 1
Late Payment Cost Justification

Administrative Labor (\$31.48/hr x 1/4 hr)	\$7.87
Supplies/Postage	\$0.60
Calculated Total	\$8.47
Requested Charge	\$8.00

Source: Utility's Cost Justification

The Utility requested a premises visit charge of \$16 for normal hours and \$20 for after hours. In addition, Gulfstream requested initial connection, normal reconnection, and violation reconnection charges at actual cost. Gulfstream will perform the administrative labor, operational field labor, and transportation cost associated with the miscellaneous services. It should be noted that Gulfstream's request for initial connection and normal reconnection charges do not conform with the miscellaneous service charges rule. Effective June 24, 2021, Rule 25-30.460, F.A.C., was amended to remove initial connection and normal reconnection charges.⁵ The definitions for initial connection charges and normal reconnection charges were subsumed in the definition of the premises visit charge. Therefore, Gulfstream's proposed initial connection and normal reconnection charges are obsolete based on the revised rule.

⁵Order No. PSC-2021-0201-FOF-WS, issued June 4, 2020, in Docket No. 20200240-WS, *In re: Proposed amendment of Rule 25-30.460, F.A.C., Application for Miscellaneous Service Charges.*

The Utility's cost justification for its requested premises visit charge is shown below in Table 2. We find that the premises visit and violation reconnection charges are reasonable and shall be approved pursuant to Rule 25-30.460, F.A.C.

Table 2
Premises Visit Cost Justification

	Normal Hours	After Hours
Administrative Labor (\$31.48/hr x 1/4 hr)	\$7.87	\$7.87
Field Labor (21.24/hr x 1/3 hr)	\$7.08	N/A
Field Labor (31.86/hr x 1/3 hr)	N/A	\$10.62
Transportation	\$1.10	\$1.10
Calculated Total	\$16.05	\$19.59
Requested Charge	\$16.00	\$20.00

Source: Utility's Cost Justification

In addition, the Utility requested nonsufficient funds charges (NSF) pursuant to Section 68.065, F.S, which allows for the assessment of charges for the collection of worthless checks, drafts, or orders of payment. As currently set forth in Section 68.065(2), F.S., the following NSF charges may be assessed:

- 1) \$25, if the face value does not exceed \$50,
- 2) \$30, if the face value exceeds \$50 but does not exceed \$300,
- 3) \$40, if the face value exceeds \$300,
- 4) or 5 percent of the face amount of the check, whichever is greater.

The Utility's proposed miscellaneous service charges are shown below in Tables 3 and 4.

Table 3
Utility Proposed Miscellaneous Service Charges

	<u>Normal Hours</u>	<u>After Hours</u>
Initial Connection Charge	Actual Cost	Actual Cost
Normal Reconnection Charge	Actual Cost	Actual Cost
Violation Reconnection Charge	Actual Cost	Actual Cost
Premises Visit Charge (in lieu of disconnection)	\$16.00	\$20.00
Late Payment Charge	\$8.00	
NSF Charges	Pursuant to Section 68.065, F.S.	

Table 4
Approved Miscellaneous Service Charges

	<u>Normal Hours</u>	<u>After Hours</u>
Violation Reconnection Charge	Actual Cost	Actual Cost
Premises Visit Charge	\$16.00	\$20.00
Late Payment Charge	\$8.00	
NSF Charges	Pursuant to Section 68.065, F.S.	

Based on the above, the appropriate miscellaneous service charges are shown on Schedule No.1 attached hereto and shall be approved. The Utility shall file revised tariff sheets and a proposed customer notice to reflect our approved charges. The approved charges shall be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved miscellaneous service charges shall not be implemented until our staff has approved the proposed customer notice and the notice has been received by the customers. The Utility shall provide proof of the date notice was given within 10 days of the date of the notice. Gulfstream is required to charge the approved charges until authorized to change them by us in a subsequent proceeding.

III. Appropriate Initial Customer Deposits

Rule 25-30.311, F.A.C., contains criteria for collecting, administering, and refunding customer deposits. Rule 25-30.311(1), F.A.C., requires that each company's tariff shall contain its specific criteria for determining the amount of initial deposits. Customer deposits are designed to minimize the exposure of bad debt expense for the Utility and, ultimately, the general body of rate payers. In addition, collection of customer deposits is consistent with one of the fundamental principles of rate making ensuring that the cost of providing service is recovered from the cost-causer.

Rule 25-30.311(7), F.A.C., authorizes utilities to collect new or additional deposits from existing customers not to exceed an amount equal to the average actual charge for water and/or wastewater service for two billing periods for the 12-month period immediately prior to the date of notice. The two billing periods reflect the lag time between the customer's usage and the Utility's collection of the revenues associated with that usage. Our practice has been to set initial customer deposits equal to two months bills based on the average consumption for a 12-month period for each class of customers. Based on the average residential usage of 2,777 gallons per month, the average residential monthly bill is \$13.93 for wastewater service.

Based on the above, as shown on Schedule No. 1, the appropriate initial customer deposit shall be \$28 for the residential 5/8 inch x 3/4 inch meter size for wastewater. The initial customer deposits for all other residential meter sizes and all general service meter sizes shall be two times the average estimated bill for wastewater. The approved initial customer deposits shall be effective for connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The Utility shall be required to collect the approved deposits until authorized to change them by us in a subsequent proceeding.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that it is in the public interest to approve Gulfstream Utility LLC's application as set forth herein. Gulfstream shall be granted Certificate No. 579-S to serve the territory described in Attachment A, effective the date of our vote, June 7, 2022. This order shall serve as Gulfstream's wastewater certificate and it shall be retained by the Utility. It is further

ORDERED that the Utility shall file a copy of the executed lease within 30 days of the filing of this order. It is further

ORDERED that the existing rates shall remain in effect until a change is authorized by us in a subsequent proceeding. It is further

ORDERED that the Utility's appropriate miscellaneous service charges are shown on Schedule No.1, attached hereto, and shall be approved. The Utility shall file revised tariff sheets and a proposed customer notice to reflect our approved charges. The approved charges shall be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved miscellaneous service charges shall not be implemented until our staff has approved the proposed customer notice and the notice has been received by the customers. The Utility shall provide proof of the date notice was given within 10 days of the date of the notice. Gulfstream is required to charge the approved charges until authorized to change them by us in a subsequent proceeding. It is further

ORDERED that the Utility's appropriate initial customer deposit shall be \$28 for the residential 5/8 inch x 3/4 inch meter size for wastewater as shown on Schedule No. 1 attached hereto. The initial customer deposits for all other residential meter sizes and all general service meter sizes shall be two times the average estimated bill for wastewater. The approved initial customer deposits shall be effective for connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The Utility shall be required to collect the approved deposits until authorized to change them by us in a subsequent proceeding. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the filing 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 this docket shall remain open for our staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff, and a copy of the executed long-term lease has been provided. Once these actions are complete, this docket shall be closed administratively.

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By ORDER of the Florida Public Service Commission this 28th day of June, 2022.



ADAM J. TEITZMAN

Commission Clerk

Florida Public Service Commission

2540 Shumard Oak Boulevard

Tallahassee, Florida 32399

(850) 413-6770

www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

RPS

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 herein, except for approval of an application for wastewater certification and continuance of existing rates, 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 July 19, 2022. 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.

Gulfstream Utility, LLC
Legal Description Wastewater Service Territory

EXHIBIT E

SERVICE PARCEL 1

THAT PART OF SECTIONS 13, 14, 23 AND 24. TOWNSHIP 23 SOUTH, RANGE 30 EAST, ORANGE COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

BEGIN AT THE NW CORNER OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 14; THENCE N 89°46'09" E, 1,342.12 FEET TO THE NORTHEAST CORNER OF SOUTHEAST 1/4 OF SOUTHEAST 1/4 OF SAID SECTION 14; THENCE S 89°59'16" E, ALONG THE NORTH LINE OF THE SOUTHWEST 1/4 OF SOUTHWEST 1/4 OF SAID SECTION 13, 1,311.45 FEET TO THE NORTHEAST CORNER OF THE SOUTHWEST 1/4 OF SOUTHWEST 1/4 OF SAID SECTION 13; THENCE S 00°35'35" E, ALONG THE EAST LINE OF SOUTHWEST 1/4 OF SOUTHWEST 1/4 OF SAID SECTION 13, 1329.17 FEET TO SOUTHEAST CORNER OF SOUTHWEST 1/4 OF SOUTHWEST 1/4 OF SAID SECTION 13; THENCE S 00°10'59" E, 1,284.05 FEET; THENCE S 00°10'26" E, 44.00 FEET; THENCE S 00°04'30" E, 1331.82 FEET; THENCE N 89°56'51" W, 1326.47 FEET TO THE SOUTHWEST CORNER OF THE SOUTHWEST 1/4 OF NORTHWEST 1/4 OF SAID SECTION 24; THENCE N 00°00'39" W, 1,328.44 FEET; THENCE S 89°53'09" W, 1324.03 FEET TO THE EAST RIGHT OF WAY LINE OF WAKULLA STREET; THENCE N 00°07'02" W, ALONG SAID EAST RIGHT OF WAY LINE OF WAKULLA STREET, 1300.37 FEET; THENCE N 00°06'29" W, ALONG SAID EAST RIGHT OF WAY LINE OF WAKULLA STREET, 31.08 FEET; THENCE N 00°04'45" W, ALONG SAID EAST RIGHT OF WAY LINE OF WAKULLA STREET, 1325.45 FEET TO THE POINT OF BEGINNING.

SERVICE PARCEL 2

A portion of Section 14, Township 23 South, Range 30 East, Orange County, Florida described as follows: Commence at the Northwest corner of the southeast 1/4 of the southeast 1/4 of said Section 14; said point being on the East right of way of Wakulla Street, thence S 89°55'15" W a distance of 30.01 feet to a point on the West right of way line of Wakulla Street; thence S 00°04'45" E, along said West right of way line a distance of 928.23 feet to the Point of Beginning; thence continue S 00°04'45" E, 301.36 feet to the North right of way line of DeSoto Avenue, thence S 89°56'26" W, along said North right of way line a distance of 426.36 feet; thence S 00°04'14" E, 15.00 feet along said North right of way line; thence S 89°56'26" W, 794.11 feet, along said North right of way line; thence N 45°04'35" W, 35.44 feet to a point on the East right of way line of Goldenrod Road; thence N 00°05'02" W, along said East right of way line a distance of 291.09 feet; thence N 89°55'51" E a distance of 1,245.55 feet to the Point of Beginning.

SERVICE PARCEL 3

A portion of Section 14, Township 23 South, Range 30 East, Orange County, Florida described as follows: Commence at the Northwest corner of the southeast 1/4 of the southeast 1/4 of said Section 14; said point being on the East right of way of Wakulla Street, thence S 89°55'15" W a distance of 30.01 feet to a point on the West right of way line of Wakulla Street; thence S 00°04'45" E, along said West right of way line a distance of 928.23 feet; thence continue S 00°04'45" E, 301.36 feet along said West right of way line; thence S 00°05'45" E, 75.00 feet to the South right of way line of DeSoto Avenue and the Point of Beginning; thence S 00°06'29" E, 158.88 feet along the West right of way line of Wakulla Street; thence S 89°55'34" W, 1,245.20 feet to a point on the East right of way line of Goldenrod Road; thence N 00°01'54" W, 134.21 feet along said East right of way; thence N 44°52'46" E, 35.32 feet to a point on the South right of way line of DeSoto Avenue; thence N 89°56'26" E, 1,220.41 feet along said South right of way line to the Point of Beginning.

FLORIDA PUBLIC SERVICE COMMISSION

Authorizes

**Gulfstream Utility LLC
Pursuant to
Certificate No. 579-S**

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

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
*	*	*	Original Certificate

* Order Number and Date to be provided at time of issuance

Gulfstream Utility, LLC.

Monthly Wastewater Rates

Residential and General Service

Base Facility Charge by Meter Size

All Meter Sizes \$2.10

Charge Per 1,000 gallons \$4.26

Initial Customer Deposits

Meter Size

Residential

General Service

5/8" x 3/4"

\$28.00

2x the average estimated monthly bill

All other meter sizes

2x the average estimated monthly bill

2x the average estimated monthly bill

Miscellaneous Service Charges

	<u>Normal Hours</u>	<u>After Hours</u>
Premises Visit Charge	\$16.00	\$20.00
Violation Reconnection Charge	Actual Cost	Actual Cost
Late Payment Charge		\$8.00
NSF Charges	Pursuant to Section 68.065, F.S.	