

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for a staff-) DOCKET NO. 930524-WS
assisted rate case in Marion) ORDER NO. PSC-95-0064-S-WS
County by TRADEWINDS UTILITIES,) ISSUED: January 12, 1995
INC.)
_____)

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK
JOE GARCIA
JULIA L. JOHNSON

ORDER APPROVING STIPULATION AND CLOSING DOCKET

BY THE COMMISSION:

BACKGROUND

Tradewinds Utilities, Inc. (Tradewinds or utility) is a Class C water and wastewater utility located in Marion County. On July 2, 1983, by Order No. 12183, this Commission granted the utility Certificates Nos. 405-W and 342-S. The utility provides water to approximately 299 customers and wastewater service to approximately 170 customers.

By Order No. PSC-93-0900-FOF-WS, issued June 14, 1993, this Commission amended the utility's certificated territory to reflect transfer of territory to the Resolution Trust Corporation. When the transfer was processed, we established a year end rate base for the remaining utility assets. We approved rate increases for water and wastewater through the utility's application for price indexes from 1984 through 1993.

On May 27, 1993, the utility filed an application for a staff assisted rate case. A historical test year ended June 30, 1993, was selected. During that period, the utility recorded test year revenues of \$59,739 for water and \$64,474 for wastewater. Test year operating expenses were \$41,438 for water and \$68,503 for wastewater resulting in operating income of \$18,301 for water and an operating loss of \$4,029 for wastewater.

The utility operates in a critical use area within the St. John's River Water Management District (SJRWMD). The utility operates under Consumptive Use Permit No. 2-083-0008-ANM2, issued by SJRWMD on May 8, 1990, and which expires on May 8, 1997. The utility's permit restricts water consumption from 200,000 maximum

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average gallons per day in 1993 to 260,000 maximum average gallons per day in 1997. While the permit allows the wastewater effluent to be discharged via sprayfield irrigation, we have determined that the overland spraying remains a viable method of disposal for the utility. Since the utility is adhering to the requirements of its operations as established by the Department of Environmental Protection (DEP), no additional action regarding effluent reuse is necessary.

By Proposed Agency Action Order No. PSC-94-0245-FOF-WS, issued March 4, 1994, we proposed increased water and wastewater rates and charges for the utility. On March 25, 1994, several customers of the utility filed a protest to that proposed agency action order, primarily with regard to the utility's quality of service. Pursuant to that protest, we set the case for hearing on January 18-19, 1995, in Marion County. On November 29, 1994, the utility and the intervenors submitted for our approval their stipulation. The stipulation has been included as Attachment A and has been incorporated herein by reference. Except as stated in the stipulation, the utility and the intervenors have agreed to accept as final the rates and charges approved in Order No. PSC-94-0245-FOF-WS.

STIPULATION

As stated earlier, the intervenors protested Order No. PSC-94-0245-FOF-WS and we set the case for hearing. However, prior to that hearing, the parties reached a settlement. The stipulation adopts the rates in Order No. PSC-94-0245-FOF-WS, with the exception of a reduction in the residential base facility charge for wastewater of \$1.50. The utility also has agreed, except for pass-through adjustments and indexing adjustments, not to file a request for a rate increase for five years starting with the date of the stipulation. As stated earlier, pursuant to Rule 25-30.425, Florida Administrative Code, the utility will continue to file for increases or decreases in expenses that qualify as "Pass-Through" items. The utility further agrees not to file for an expense indexing prior to March 31, 1996, or until the Commission establishes a price index factor in 1996 that would apply to the utility's 1995 operating and maintenance expenses.

The parties agree to accept the water rates in Order No. PSC-94-0245-FOF-WS which are currently being charged and that the rates will not increase unless or until adjusted for any pass-throughs or indexes that might be sought by the utility as provided in the stipulation. The parties also agree that the water rates discussed here reflect the PAA rates and will become the "Stipulated Rates" to be billed by the utility. Pursuant to the above discussion, we

hereby approve the parties' stipulation. To effectuate the stipulation, PAA Order No. PSC-94-0245-FOF-WS, as modified by the terms of the stipulation, shall become effective and final as of December 20, 1994.

RATES

The appropriate rates for each system based on the parties' stipulation are those specified in this Order. These rates shall become effective for service rendered on or after the stamped approval date on the revised tariff sheets. The utility shall submit revised tariff sheets to Staff for approval within 14 days of the Commission's vote.

By Order No. PSC-94-0245-FOF-WS, we approved an increase in wastewater rates. The utility's existing water rates shall remain in effect. The parties to the stipulation have agreed to a reduction of \$1.50 in the wastewater base facility charge for a residential customer with a 5/8" x 3/4" meter. Pursuant to the stipulation, the utility agrees that it will not increase or decrease rates except for pass-throughs or indexes as provided in paragraphs 4 and 5 of the stipulation (see Attachment A). The following schedule shows the temporary approved rates and the approved stipulated rates:

WATER
MONTHLY RATES

Residential and General Service

<u>Base Facility Charge</u>	<u>Temporary</u>	<u>Approved</u>
<u>Meter Size</u>	<u>Rates</u>	<u>Stipulated</u>
		<u>Rates</u>
5/8"X 3/4"	\$ 7.66	\$ 7.66
1"	19.44	19.44
1-1/2"	38.29	38.29
2"	61.24	61.24
3"	122.49	122.49
4"	191.48	191.48
<u>Gallonage Charge</u>		
Per 1,000 gallons	\$ 1.26	\$ 1.26

WASTEWATER
MONTHLY RATES

Residential Service

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Temporary</u> <u>Rates</u>	<u>Approved</u> <u>Stipulated</u> <u>Rates</u>
5/8"X 3/4" and all other sizes	\$ 17.04	\$ 15.54
<u>Gallonage Charge</u> Per 1,000 gallons (10,000 gallons maximum)	\$ 4.79	4.79

GENERAL SERVICE
MONTHLY RATES

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Temporary</u> <u>Rates</u>	<u>Approved</u> <u>Stipulated</u> <u>Rates</u>
5/8"X 3/4"	\$ 17.04	\$ 17.04
3/4"	25.56	25.56
1"	42.61	42.61
1/2"	85.22	85.22
2"	136.35	136.35
3"	272.69	272.69
4"	426.08	426.08
6"	852.16	852.16
<u>Gallonage Charge</u> Per 1,000 gallons	\$ 5.75	5.75

RELEASE OF ESCROW FUNDS

By Order No. PSC-94-0245-FOF-WS, we approved temporary rates for the utility. On March 25, 1994, several customers filed a timely protest. Pursuant to that protest, the utility opened an escrow account to provide security for a potential refund. The utility and protestors reached a settlement whereby they have agreed to a base facility charge of \$15.54 for a residential customer with a 5/8" x 3/4" meter. The Commission's temporary approved rate was \$17.04. The \$17.04 temporary approved base facility rates became effective May 23, 1994. However, the utility never collected the temporary approved rates. Instead, believing that it would reach a settlement with its customers, the utility has charged the \$15.54 base facility charge since May 23, 1994. Since the utility never collected the approved temporary rates, the

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customers are not due a refund. Accordingly, the escrow funds shall be released immediately. Since no further action is required, this docket is hereby closed.

Based on the foregoing, it is, therefore,

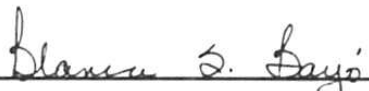
ORDERED by the Florida Public Service Commission that the Stipulation filed by Tradewinds Utilities, Inc., and the customers is hereby approved. It is further

ORDERED that the escrow funds shall be released immediately. It is further

ORDERED that Tradewinds Utilities, Inc., shall charge only those rates that have been authorized by this Commission and for which tariff sheets have been filed. It is further

ORDERED that this docket is hereby closed.

By ORDER of the Florida Public Service Commission, this 12th day of January, 1995.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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 Director, Division of Records and Reporting 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 Director, Division of Records and Reporting 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.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for a Staff-) Docket No. 930524-WS
Assisted Rate Case in Marion)
County by TRADEWINDS UTILITIES,) Filed: November 29, 1994
INC.)
_____)

STIPULATION

Tradewinds Utilities, Inc., (Tradewinds or Utility) Kathleen Bilbro, Jacqueline Palladino, Lisa M. Norcross, Mary O'Connor, Tiffani Vasquez, Susan M. Smith, Norman and Annette Waszkowiak, John P. Hubbard, William and Mary Tittsworth, Dorothy Robinson, Rudolph L. Underwood, and Debi Boles as Intervenor file this Stipulation as settlement of Tradewinds' request for a general water and wastewater rate increase in Marion County, and agree to the following:

1. Background. Tradewinds is a Class C water and wastewater utility located in Marion County. On May 27, 1993, Tradewinds filed an application for a staff assisted rate case. The historical test year ended June 30, 1993 was selected to represent a typical operating period for Tradewinds. The Utility provided service to approximately 299 water customers and 170 wastewater customers as of the filing date.

2. Commission PAA Order No. PSC-94-0245-FOF-WS issued March 4, 1994. The parties to this stipulation hereby adopt the PAA Order No. PSC-94-0245-FOF-WS issued in this case and subsequently protested by the Intervenor with the exception of the stipulations listed in this agreement.

3. Future rate requests. Tradewinds will not file an application for a rate increase for five years from the date of this stipulation, except as provided in paragraphs 4 and 5.

4. Pass-through adjustments: This stipulation does not prevent Tradewinds from filing for increases or decreases in expenses that qualify under the Public Service Commission rule 25-30.425 as "Pass-Through" items, i.e., increases or decreases in ad valorem taxes, purchased power expense, and/or water and wastewater quality testing required by the Department of Environmental Protection.

5. Indexing adjustment: Tradewinds agrees not to file for an expense indexing on or before March 31, 1996 or until such time the Commission has established a price index factor in 1996 that would apply to the Utility's 1995 operating and maintenance expenses.

6. Water rates. The water rates reflected in PAA Order No. PSC-94-0245-50F-WS (PAA) are currently being charged and will not increase ~~_____~~ unless or until adjusted for any pass-throughs or indexings that might be sought by the Utility as provided in paragraphs 4 and 5 above. The parties to this stipulation agree that the rates shown in the following table reflect PAA rates and will become the "Stipulated Rates" to be billed by the Utility:

WATER
MONTHLY RATES

Residential and General Service

<u>Meter Size</u>	<u>Rates</u>
5/8" X 3/4"	\$ 7.66
1"	19.44
1-1/2"	38.29

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2"	61.24
3"	122.49
4"	191.48

Gallonage Charge
 Per 1,000 gallons \$ 1.26

7. Wastewater rates. The parties to this stipulation agree that the base facility charge for the 5/8" X 3/4" meter size shown below for residential service reflects a reduction of \$1.50 from the base facility charge stated in PAA Order No. PSC-94-0245-FOF-WS. Also, the parties to this stipulation agree that the rates shown in the following table will become the "Stipulated Rates" to be billed by the Utility and will not increase or decrease unless or until adjusted for any pass-throughs or indexings that might be sought by the Utility as provided in paragraphs 4 and 5 above:

WASTEWATER
MONTHLY RATES

Residential

<u>Meter Size</u>	<u>Rates</u>
5/8" X 3/4"	\$ 15.54

Gallonage Charge
 Per 1,000 gallons
 (10,000 gallons maximum) \$ 4.79

General Service

<u>Meter Size</u>	<u>Rates</u>
5/8" X 3/4"	\$ 17.04
3/4"	25.56
1"	42.61
1-1/2"	85.22
2"	136.35
3"	272.69
4"	426.08
6"	852.16

Gallonage Charge
 Per 1,000 gallons \$ 5.75

8. Effect of Stipulation. (a) This Stipulation shall be effective upon Commission approval. In the event that the Commission rejects or modifies this Stipulation in whole or in part, the parties agree that this Stipulation is void and that each party may pursue its interests as those interests exist, and that no party will be bound by this Stipulation or will make reference to this Stipulation, or any provision thereof, in further proceedings before the Commission or any Court.

(b) The parties agree to use their best efforts to obtain approval of this Stipulation by the Commission. No party shall unilaterally recommend or support the modification of this Stipulation or discourage its acceptance by the Commission.

(c) No party shall request reconsideration of, or appeal, the order that approves this Stipulation.

IN WITNESS WHEREOF, each party has executed this Stipulation on the date next to their respective signature.

TRADEWINDS UTILITIES, INC.

Date: 11-29-94

By: 

Charles de Menzes
President

INTERVENORS

Date: _____

By: _____
Kathleen Bilbro

Date: _____

Jacqueline Palladino

Date: _____

Lisa M. Norcross

Date: _____

Mary O'Connor

Date: _____

Tiffani Vasquez

Date: _____

Susan M. Smith

Date: _____

Norman Waszkowiak

Norman Waszkowiak

Date: 11-14-94

Annette M. Waszkowiak

Annette Waszkowiak

Date: 11-12-94

John P. Hubbard

John P. Hubbard

Date: _____

William Tittsworth

Date: _____

Mary Tittsworth

Date: _____

Dorothy Robinson

Date: 11-11-94

Rudolph L. Underwood

Rudolph L. Underwood

Date: _____

Debi Boles

INTERVENORS

Date: 11-3-94

By: Kathleen Bilbro
Kathleen Bilbro

Date: 11-3-94

Jacqueline Palladino
Jacqueline Palladino

Date: 11-16-94

Lisa M. Norcross
Lisa M. Norcross

Date: 11-3-94

Mary O'Connor
Mary O'Connor

Date: 10/26/94

Tiffany Vasquez
Tiffany Vasquez

Date: 11-3-94

Susan M. Smith
Susan M. Smith

Date: 11-16-94

Norman Waszkowiak
Norman Waszkowiak

Date: _____

Annette Waszkowiak
Annette Waszkowiak

Date: _____

John P. Hubbart
John P. Hubbart

Date: 11-20-94

William Tittsworth
William Tittsworth

Date: 11-20-94

Mary Tittsworth
Mary Tittsworth

Date: 11-16-94

Dorothy Robinsch
Dorothy Robinsch

Date: _____

Rudolph L. Underwood
Rudolph L. Underwood

Date: 11-20-94

Debi Boles
Debi Boles