BEFORE THE PUBLIC SERVICE COMMISSION

In re: Request for approval to modify water and wastewater service availability policy in Pasco County by Aloha Utilities, Inc.

DOCKET NO. 050895-WS ORDER NO. PSC-06-0091-TRF-WS ISSUED: February 9, 2006

The following Commissioners participated in the disposition of this matter:

LISA POLAK EDGAR, Chairman J. TERRY DEASON ISILIO ARRIAGA MATTHEW M. CARTER II KATRINA J. TEW

ORDER APPROVING TARIFF FILING TO MODIFY SERVICE AVAILABILITY POLICY

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is interim 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.

Background

Aloha Utilities, Inc. (Aloha or utility) is a Class A water and wastewater utility in Pasco County. The utility consists of two distinct service areas: Aloha Gardens and Seven Springs. This docket relates to both service areas. The Aloha Gardens service area has approximately 3,055 residential customers and 46 general service customers. The Seven Springs service area has approximately 10,427 residential customers and 301 general service customers.

On November 17, 2005, Aloha filed revised service availability tariff sheets, in order to remove language for residential service availability charge reassessments. This proposed service availability policy modification originated from an informal complaint filed with this Commission by a general service customer who expressed concern about the utility's service availability true-up charge provision for its general service customers.

We have jurisdiction pursuant to Section 367.101, Florida Statutes.

Tariff Filing

We have determined that Section 7.4 of Aloha's existing water and wastewater service availability policy inappropriately contains a true-up provision for residential customers. That provision allows the utility to reassess a residential service customer's service availability

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charges by way of a true-up mechanism when the actual consumption experienced is greater than the consumption estimated at the time the impact fees were initially assessed. A utility's service availability policy may appropriately contain such a provision for commercial developments. However, this Commission has established that for residential customers, a utility's service availability charges are fixed amounts set by the Commission. Therefore, residential service availability charges should not be reassessed by the utility.

Based upon the foregoing and consistent with Commission practice, Aloha's request to modify its water and wastewater service availability policy to remove from its tariff any true-up provision for residential customers is granted. Therefore, Aloha's First Revised Sheet No. 26.9 for water and First Revised Sheet No. 22.9 for wastewater are approved as filed.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Aloha Utilities, Inc.'s request to modify its water and wastewater service availability policy to remove from its tariff any true-up provision for residential customers is granted. Therefore, Aloha's First Revised Sheet No. 26.9 for water and First Revised Sheet No. 22.9 for wastewater are approved as filed. It is further

ORDERED that if a timely protest is filed by a person whose interests are substantially affected by this Order, the tariff revisions shall remain in effect with any charges held subject to refund pending resolution of the protest. It is further

ORDERED that if no timely protest is filed, this docket shall be closed upon the issuance of a Consummating Order.

¹ See Order No. PSC-94-1042-FOF-SU, issued August 24, 1994, in Docket No. 921293-SU, In Re: Application for a rate increase in Pinellas County By Mid-County Services, Inc. (finding that although there should be fixed charges for single customers, there should be some options for negotiations for developer charges). See also Order No. PSC-00-0917-SC-WS, issued May 9, 2000, in Dockets Nos. 980992-WS and 981609-WS, In re: Complaint by D.R. Horton Custom Homes, Inc. against Southlake Utilities, Inc. in Lake County regarding collection of certain AFPI charges, and In re: Emergency petition by D.R. Horton Custom Homes, Inc. to eliminate authority of Southlake Utilities, Inc. to collect service availability charges and AFPI charges in Lake County., (finding that residential gallon per day amounts stated in the utility's service availability schedule of fees and charges are fixed amounts set by this Commission).

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By ORDER of the Florida Public Service Commission this 9th day of February, 2006.

BLANCA S. BAYÓ, Director Division of the Commission Clerk and Administrative Services

By:

Kay Flynn, Chief Bureau of Records

(SEAL)

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NOTICE OF FURTHER PROCEEDINGS

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.

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.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the proposed action files 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 Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on March 2, 2006.

In the absence of such a petition, this Order shall become final and effective 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.