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DIVISION OF WATER &
WASTEWATER
CHARLES HILL
DIRECTOR
(904) 488-8482

Public Service Commission

June 3, 1992

**ORIGINAL
FILE COPY**

Mr. Sherlock S. Gillet, Jr.
The Peoples Water Service Company
409 Washington Avenue, Suite 310
Towson, Md 21204

Re: Docket No. 920289-WU - Application for Certificate to Provide Water Service in Escambia County under Grandfather Rights by the Peoples Water Service Company.

Dear Mr. Gillet:

In reference to our telephone conversation today, I am submitting a list of concerns regarding the revised Water Tariff submitted May 21, 1992. The following concerns must be addressed before we can recommend approval of Peoples' tariff.

1) Sheet 22.0 - Miscellaneous Service Charges

- a) Why did the violation reconnection charge go from \$20, as originally requested, to \$50 in the revised tariff?
- b) Submit a breakdown of all requested Miscellaneous Service Charges.
- c) Since the requested charges are higher than the Staff Advisory Bulletin No. 13 (2nd revised) amounts, include justification for approval of these requested amounts.

ACK _____

AFA _____

2) Sheet 22.1 - "the cost has been"

APP _____

CAF _____

- a) Is the company requesting approval of \$50.00 for all backflow preventor testing?
- b) If answer to 2a) is yes, take out the wording "has been" and replace with adequate language.
- c) Submit adequate proof verifying that this has been the charge in the past.

CMU _____

CTR _____

EAG _____

LEG _____

3) Sheet 23.0 and Sheet 23.2 - Backflow Preventor Installation

LIT _____

OC _____

F _____

S _____

W _____

C _____

- a) Since backflow preventor installation is done at the same time as meter installation, submit justification for the additional installation charge related to backflow preventors. This should include a complete breakdown of all additional costs, in particular, the breakdown of additional labor charges.
- b) If this is only charged to existing installations, this should be clarified on Sheet

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05942 JUN -9 1992

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23.2.

4) Sheet 23.0 - Customer Connection Charge

- a) Does this include the meter installation? If so, this requires clarification on Sheet 23.0 to include the meter installation.
- b) The charge of \$179 plus the cost of materials is high for the water industry. Supply justification for this requested amount. This should include copies of bills or billing records that verify that this amount has been charged in the past.
- c) Does "equipment" include shovels, tools, rental of equipment, depreciation of backhoes, etc?
- d) When a home owner moves out and a new owner moves in, does this customer charge apply to the new customer? (Tap in includes service lines and tapping in to the trunk line; this should be a one time charge to new homes.)

5) Sheet 23.1 - Need to reword heading to "Plant Capacity Charge"; this is consistent with Sheet 23.0

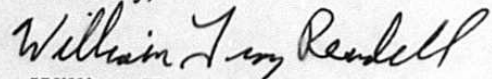
6) Submit past customer billing records to verify requested grandfather charges.

7) Concerning your request for authority to enter into an agreement with the Escambia County Utility Authority (ECUA), does a proposed agreement exist? If so, submit a copy of the proposed agreement for our review.

Since the burden of proof is placed upon the utility, the charges addressed in items 1, 2, and 3 above, may not be approved with the certificate without proper justification.

In order for us to recommend approval of the proposed revised water tariffs at the same time as the grandfather certificate, please submit the requested information to the Division of Records and Reporting no later than June 26, 1992. If you have any questions, do not hesitate to contact me at (904) 488-8482.

Sincerely,



William Troy Rendell
Regulatory Analyst

cc: Charles H. Hill
Rex Golden
Division of Records and Reporting