

FLORIDA PUBLIC SERVICE COMMISSION
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M E M O R A N D U M

APRIL 24, 1997

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF WATER & WASTEWATER (GALLOWAY) *Handwritten initials: Galloway, Bayo, and others*
DIVISION OF LEGAL SERVICES (VACCARO)

RE: DOCKET NO. 970328-SU - FLORIDA WATER SERVICES CORPORATION
- PETITION TO ESTABLISH RESIDENTIAL WASTEWATER ONLY RATES
FOR NEW CLASS OF SERVICE IN ALL JURISDICTIONAL SERVICE
AREAS INCLUDED IN DOCKET NO. 950495-WS AND CURRENTLY
WITHOUT AUTHORIZED RWO RATES

AGENDA: MAY 6, 1997 - REGULAR AGENDA - SUSPENSION OF TARIFF -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 60-DAY SUSPENSION DATE: MAY 17, 1997

SPECIAL INSTRUCTIONS: I:\PSC\WAW\WP\970328SU.RCM

DOCUMENT NUMBER-DATE

04130 APR 24 5

FPSC-RECORDS/REPORTING

DOCKET NO. 970328-SU
APRIL 24, 1997

CASE BACKGROUND

Florida Water Services Corporation, formerly Southern States Utilities, Inc., is a Class A utility providing water and wastewater service to approximately 152 service areas in 25 counties. In 1994, Florida Water Services Corporation (Florida Water or the utility) recorded total company operating revenues of \$23,498,289 and \$16,985,104 for water and wastewater, respectively. The resulting total company net operating income for that same period was \$3,445,315 for water and \$2,690,791 for wastewater. Florida Water reported that in 1994, it had 102,514 water customers and 43,131 wastewater customers for the total utility.

In the rate case processed under Docket No. 950495-WS, the utility requested a uniform wastewater rate structure applicable to all jurisdictional service areas. Among various other types of service rates included as part of their request in that docket was a uniform residential wastewater only rate for all jurisdictional service areas. By Order No. PSC-96-1320-FOF-WS, issued October 30, 1996, the Commission approved a capband, rather than uniform, wastewater rate structure.

As a result of the approved rate structure, the Commission ordered a residential wastewater only rate for the nine service areas where residential wastewater only customers existed. The Commission further ordered that the residential wastewater only rate should be calculated on a per service area basis. A residential wastewater only rate was included in Order No. PSC-96-1320-FOF-WS for those areas where customers existed. For those areas with no residential wastewater only customers, a rate was not included.

On March 18, 1997, the utility filed a petition requesting that the Commission approve rates for a new class of service for residential wastewater only ("RWO") service in all of Florida Water's service areas under the Commission's jurisdiction which do not currently have RWO rates. It appears the utility has calculated this rate on a per service area basis. With this filing, the utility has submitted tariff sheets reflecting their proposed RWO rates along with supporting documentation for the proposed rates.

On March 26, 1997, the Office of Public Counsel (OPC) filed a Notice of Intervention in this docket. By Order No. PSC-97-0435-FOF-SU issued on April 17, 1997, OPC's intervention was acknowledged.

DOCKET NO. 970328-SU
APRIL 24, 1997

DISCUSSION OF ISSUES

ISSUE 1: Should Florida Water Services Corporation's proposed tariff reflecting the utility's request for new class of service to provide residential wastewater only service be suspended?

RECOMMENDATION: Yes, Florida Water Services Corporation's proposed tariff reflecting the utility's request for new class of service to provide residential wastewater only service should be suspended pending further investigation by staff. (GALLOWAY)

STAFF ANALYSIS: Pursuant to Section 367.091(5), Florida Statutes, the rate schedules proposed by the utility shall become effective within sixty (60) days after filing, unless the Commission votes to withhold consent to implementation of the requested rates. Section 367.091(5), Florida Statutes, states that the Commission may withhold consent to the operation of any or all portions of new rate schedules, by a vote to that effect within 60 days giving a reason or statement of good cause for withholding that consent.

Staff has reviewed the filing and has considered the utility's proposed rates and the information filed in support of the request. We believe it is reasonable and necessary to require further amplification and examination of the data supplied by the utility. Staff recommends that the proposed tariff sheets be suspended allowing time to thoroughly review the utility's claims that the annual revenue derived and the number of customers affected by this requested new class of service are inestimable and will not be significant because of the infrequent nature of the need for RWO rates.

Therefore, the staff recommends that the proposed tariff sheets which support the utility's request for a new class of service be suspended pending further discovery by staff.