

ORIGINAL

SYNOPSIS OF APPLICATION BY UNITED WATER FLORIDA INC.  
FOR ADJUSTMENT OF RATES  
FLORIDA PUBLIC SERVICE COMMISSION DOCKET NO. 980214-WS

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1. United Water Florida Inc. ("United Water Florida") has applied to the Florida Public Service Commission (the "Commission") for an increase in its water and wastewater rates in Duval, Nassau, and St. Johns Counties, Florida.

2. Following are the present and proposed final water service rates. United Water Florida has shown its present residential quarterly rates on a monthly basis for use in comparing the present rates with the proposed final residential monthly rates.

Residential Service (Monthly Rates)

<u>Meter Size</u>	<u>Present Rates</u> Base Facility Charges	<u>Proposed Final Rates</u> Base Facility Charges
5/8"	\$ 5.80	\$ 7.03
3/4"	\$ 8.39	\$ 10.17
1"	\$ 14.88	\$ 18.04
1 1/2"	\$ 33.48	\$ 40.60
2"	\$ 59.51	\$ 72.18
Gallonge Charge per 1,000 Gallons	\$ 1.36	\$ 1.65
per 100 cubic feet	\$ 1.01	\$ 1.23

General Service (Monthly Rates)

<u>Meter Size</u>	<u>Present Rates</u> Base Facility Charges	<u>Proposed Final Rates</u> Base Facility Charges
_____ 5/8"	\$ 8.08	\$ 9.66
_____ 3/4"	\$ 11.69	\$ 14.04
_____ 1"	\$ 20.74	\$ 25.01
_____ 1 1/2"	\$ 46.66	\$ 56.45
_____ 2"	\$ 82.94	\$ 100.45
_____ 3"	\$ 186.68	\$ 226.29
_____ 4"	\$ 331.78	\$ 402.27
_____ 6"	\$ 746.60	\$ 905.39
_____ 8"	\$1,327.01	\$1,609.53

\_\_\_\_\_ Meter Size  
K \_\_\_\_\_  
A \_\_\_\_\_  
P \_\_\_\_\_  
F \_\_\_\_\_  
MU \_\_\_\_\_  
TR \_\_\_\_\_  
AG \_\_\_\_\_  
EG \_\_\_\_\_  
IN \_\_\_\_\_  
IPC \_\_\_\_\_  
CH \_\_\_\_\_  
EC \_\_\_\_\_  
NAS \_\_\_\_\_

10"	\$2,074.11	\$2,515.69
12"	\$2,986.40	\$3,622.20

Gallage Charge per 1,000 Gallons	\$ 1.36	\$ 1.65
per 100 cubic feet	\$ 1.01	\$ 1.23

Private Fire Protection (Monthly Rates)

<u>Size of Service Connection</u>	<u>Present Rates</u>	<u>Proposed Final Rates</u>
	Monthly Rate Per Connection	Monthly Rate Per Connection
2"	\$ 6.91	\$ 8.38
3"	\$ 15.56	\$ 18.86
4"	\$ 27.65	\$ 33.51
6"	\$ 62.22	\$ 75.42
8"	\$ 110.58	\$ 134.05
10"	\$ 172.84	\$ 209.52
12"	\$ 248.87	\$ 301.67

Reused Water Service to the  
Ponte Vedra Golf Course

United Water Florida does not have a rate established for reuse water service.

United Water Florida is requesting a zero rate for reuse water service to the Ponte Vedra Golf Course.

3. Following are the present and proposed final wastewater service rates.

United Water Florida has shown its present residential quarterly rates on a monthly basis for use in comparing the present rates with the proposed final residential monthly rates.

Residential Service (Monthly Rates)

<u>Water Meter Size</u>	<u>Present Rates</u>	<u>Proposed Final Rates</u>
	Base Facility Charges	Base Facility Charges
5/8"	\$ 11.34	\$ 13.23
3/4"	\$ 11.34	\$ 13.23
1"	\$ 11.34	\$ 13.23
1 1/2"	\$ 11.34	\$ 13.23
2"	\$ 11.34	\$ 13.23

Unmetered account (No quantity charge)	\$ 36.21	\$ 42.21
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Quantity Charge per 1,000 gallons	\$ 3.34	\$ 3.89
per 100 cubic feet (Maximum gallonage charge - 9,000 gallons of water or 1,200 cubic feet of water per month)	\$ 2.50	\$ 2.91

General Service - Standard (Monthly Rates)

<u>Water Meter Size</u>	<u>Present Rates Base Facility Charges</u>	<u>Proposed Final Rates Base Facility Charges</u>
5/8"	\$ 12.92	\$ 15.13
3/4"	\$ 18.69	\$ 21.85
1"	\$ 33.16	\$ 38.71
1 1/2"	\$ 74.61	\$ 87.01
2"	\$ 132.64	\$ 154.62
3"	\$ 298.53	\$ 347.91
4"	\$ 530.57	\$ 618.18
6"	\$ 1,193.95	\$1,391.03
8"	\$ 2,122.13	\$2,472.36
Unmetered Accounts (No quantity charges)	\$ 37.76	\$ 43.99
Quantity Charge per 1,000 Gallons of water	\$ 4.01	\$ 4.67
per 100 cubic feet of water	\$ 3.00	\$ 3.49

General Service - Jacksonville University (Monthly)

<u>Wastewater Meter Size</u>	<u>Present Rates Base Facility Charges</u>	<u>Proposed Final Rates Base Facility Charges</u>
3"	\$ 298.53	\$ 347.91
4"	\$ 530.57	\$ 618.18
6"	\$ 1,193.95	\$ 1,391.03
Quantity Charge per 1,000 Gallons of wastewater flows	\$ 4.13	\$ 4.81
per 100 cubic feet of wastewater flows	\$ 3.09	\$ 3.60

4. The Commission may modify the proposed rates so as to increase or decrease the proportionate amounts allocated to the base facility charge (the fixed minimum monthly amount regardless of usage) and the gallonage charge (which will vary with actual usage). The Commission may also modify the rates so as to allocate revenue among the various meter sizes in a different manner than that proposed by United Water Florida.

5. United Water Florida's position is that its water and wastewater facilities are one hundred percent (100%) used and useful. In the event that the Commission determines that any of United Water Florida's facilities are not one hundred percent (100%) used and useful, United Water Florida has requested that it be allowed to charge and collect an Allowance for Funds Prudently Invested ("AFPI") in an amount sufficient to cover all water and wastewater plant amounts that are determined by the Commission not to be used and useful.

6. United Water Florida has not requested a change in its service availability charges as a part of its rate request. However, the Commission will be reviewing United Water Florida's service availability charges in the pending rate case and the Commission may adjust United Water Florida's service availability charges. Service availability charges and AFPI charges are designed to pay for the growth of the utility system and are paid by new, and not existing customers.

7. United Water Florida is a water and wastewater utility company regulated by the Commission. United Water Florida is seeking an increase in its water and wastewater rates because its present rates do not provide sufficient revenues to permit it an opportunity

to earn a fair return on its investment in facilities used and useful in furnishing water and wastewater service to the public.

8. A statement of the anticipated major issues involved in this rate case is as follows:

United Water Florida is not aware of any other major issues at the time of preparing this Synopsis, because issues are generally raised by parties questioning or opposing an application for adjustment of rates, and no such parties exist at this time. However, United Water Florida anticipates that its investment in water and wastewater facilities added since its last rate case will be closely examined by the Commission in this proceeding. In addition, the Commission is expected to review and determine United Water Florida's quality of service, rate base, cost of capital, net operating income, revenue requirements, and, ultimately, the rates and charges for service.

9. A description of the ratemaking process and the time schedule established for the rate case are as follows:

The Commission requires that certain information be filed with applications for adjustment of rates. The requirements are referred to as Minimum Filing Requirements ("MFRs"). United Water Florida has filed its application and satisfied the MFRs for the base year ended December 31, 1997, and the projected test year ended December 31, 1999. United Water Florida's Application and its schedules propose an increase in its utility operating income to \$3,306,347 for its water facilities and \$5,453,755 for its wastewater facilities, both of which would provide for a return of 8.69% on the rate bases of the water facilities of \$38,047,730 and the wastewater facilities of \$62,758,972.

United Water Florida submitted its MFRs on May 18, 1998, and deficiencies were corrected as of June 23, 1998. The Commission established June 23, 1998, as the official date of filing and the statutory time clock began on that date. The Commission has 60 days

from the official date of filing during which it may officially suspend, deny, or approve the requested rates.

The Commission has a professional staff that specializes in reviewing and analyzing the data submitted by a utility company in support of its rate request. An audit of United Water Florida's accounting records will be made, with the company's financial operations carefully reviewed. Engineering personnel will make a detailed study of the utility company's physical facilities including on-site investigations. The staff engineer will also review the utility company's compliance with local, state, and federal environmental agencies' rules.

The issues in this case will be determined through a proposed agency action process. The Commission will issue a schedule setting tentative dates for various matters related to the rate setting process, including customer meetings. At the customer meetings, the staff of the Commission will accept comments from the customers concerning the quality of water and wastewater utility service provided by United Water Florida and its request for a rate increase. The Commission will ultimately issue a notice of proposed agency action on United Water Florida's request for a permanent rate increase. Any party substantially affected by the Commission's notice of proposed agency action will have an opportunity to protest the notice and request a hearing.

A list of the current proposed time schedule includes the following critical dates:

Official Date of Filing	June 23, 1998
Staff Recommendation on Suspension of Rate Increase Delivered to Commission	August 6, 1998
Commission Agenda Conference on Suspension Of Rate Increase in Tallahassee, Florida	August 18, 1998

Order on Suspension of Rates	September 7, 1998
Audit Report to Analyst	September 10, 1998
Customer Meeting	September 10, 1998
Staff Recommendation on Proposed Agency Action Establishing Final Rates Delivered To Commission	November 5, 1998
Commission Agenda Conference on Proposed Agency Action Establishing Final Rates in Tallahassee, Florida	November 17, 1998
Order Establishing Final Rates	December 7, 1998

The location of the customer meetings will be determined at a later date.

10. A copy of the MFRs and Synopsis are available at the following locations:
- a. United Water Florida Inc.  
1400 Millcoe Road  
Jacksonville, Florida 32239
  - b. Florida Public Service Commission  
Division of Records and Reporting  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850
  - c. Jacksonville Public Library  
122 N. Ocean Street  
Jacksonville, Florida 32202
  - d. St. Johns County Public Library  
Ponte Vedra Beach Branch  
101 Library Boulevard  
Ponte Vedra Beach, Florida 32082
  - e. Bartram Trail Branch Public Library  
60 Davis Pond Boulevard  
Jacksonville, Florida 32259
  - f. Fernandina Beach Public Library  
25 N. Fourth Street  
Fernandina Beach, Florida 32034

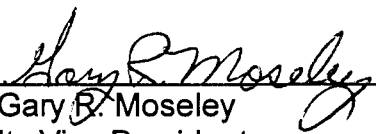
Schedule H-2 of the MFRs is a voluminous set of atlas maps showing United Water Florida's utility system and is available for review only at the first two locations listed above.

11. Customer comments concerning United Water Florida's water and wastewater utility service and United Water Florida's request for a rate increase should be addressed to the Director of the Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, with a courtesy copy to James L. Ade, Attorney, Martin, Ade, Birchfield & Mickler, 3000 Independent Square, Jacksonville, Florida 32202. All comments should include a reference to Commission Docket No. 980214-WS, which has been assigned to this case. Complaints regarding service may be made to the Commission's Division of Consumer Affairs at the following toll-free number: 1-800-342-3552.

12. On July 23, 1998, this Synopsis was approved for distribution by the Staff of the Commission.

Dated this 23rd day of July, 1998.

UNITED WATER FLORIDA INC.

By:   
Gary R. Moseley  
Its Vice President



**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a copy of the foregoing Synopsis of Application by United Water Florida Inc. for Adjustment of Rates has been furnished by U.S. Mail on July 23, 1998, to the following addresses:

Clerk of City Council  
City of Jacksonville  
117 West Duval Street  
Jacksonville, FL 32202

Mayor  
City of Atlantic Beach  
800 Seminole Road  
Atlantic Beach, FL 32233-5400

Mayor  
City Hall - 117 West Duval Street  
Suite 400  
Jacksonville, FL 32202

Mayor  
City of Jacksonville Beach  
11 North 3rd Street  
Jacksonville, FL 32250-6930

Mayor  
City of Neptune Beach  
1517 Atlantic Boulevard  
Neptune Beach, FL 32266-1701

Mayor  
Town of Baldwin  
P.O. Box 54  
Baldwin, FL 32234-1832

Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Clerk  
Board of County Commissioners  
St. Johns County  
P.O. Drawer 349  
St. Augustine, FL 32085-0349

Mayor  
City of St. Augustine  
P.O. Drawer 210  
St. Augustine, FL 32085-0210

Mayor  
Town of Hastings  
P.O. Box 427  
Hastings, FL 32145-0427

Mayor  
Town of Marineland  
9507 Ocean Shore Boulevard  
Marineland, FL 32086-9602

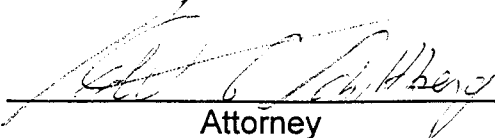
Mayor  
Town of St. Augustine Beach  
370 A1A Beach Boulevard  
St. Augustine, FL 32084

Clerk  
Board of County Commissioners  
Nassau County  
P.O. Box 456  
Fernandina Beach, FL 32034-0456

Mayor  
City of Fernandina Beach  
P.O. Box 668  
Fernandina Beach, FL 32034-0668

Mayor  
Town of Callahan  
P.O. Box 5016  
Callahan, FL 32011-5016

Mayor  
Town of Hilliard  
P.O. Box 249  
Hilliard, FL 32046-0249

  
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Attorney

Mayor  
City of St. Augustine  
P.O. Drawer 210  
St. Augustine, FL 32085-0210

Mayor  
Town of Hastings  
P.O. Box 427  
Hastings, FL 32145-0427

Mayor  
Town of Marineland  
9507 Ocean Shore Boulevard  
Marineland, FL 32086-9602

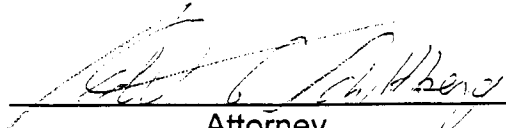
Mayor  
Town of St. Augustine Beach  
370 A1A Beach Boulevard  
St. Augustine, FL 32084

Clerk  
Board of County Commissioners  
Nassau County  
P.O. Box 456  
Fernandina Beach, FL 32034-0456

Mayor  
City of Fernandina Beach  
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Fernandina Beach, FL 32034-0668

Mayor  
Town of Callahan  
P.O. Box 5016  
Callahan, FL 32011-5016

Mayor  
Town of Hilliard  
P.O. Box 249  
Hilliard, FL 32046-0249

  
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Attorney