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DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(850) 413-6900

Public Service Commission

June 16, 1999

Mr. Martin S. Friedman, Esquire
Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, FL 32301

Re: Docket No. 981858-WS, Application for authority to transfer facilities of Rotonda West Utility Corporation and Certificates Nos. 565-W and 493-S in Charlotte County to AquaSource Utility, Inc.

Dear Mr. Friedman:

Thank you for your February 22, 1999 response to notification of staff's corrections and comments on AquaSource's proposed water and wastewater tariffs. Apparently, in the process of revising the tariffs, additional corrections and comments have become necessary. Staff has listed the changes and comments which affect both tariffs first. The changes and comments unique to water and wastewater tariffs follow:

CHANGES TO BOTH WATER AND WASTEWATER TARIFFS

1. Description of Territory Served, Tariff Sheets Nos. 3.1:

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- MAS _____
- OPC _____
- RRR _____
- SEC 1
- WAW _____
- OTH _____

Tariffs are not the place to abbreviate the territory description. Except as noted in the next paragraph, the full description of the territory granted in grandfather Order No. PSC-95-0780-FOF-WS, issued June 28, 1995 in Docket No. 941131-WS, should be used. The tariff numbering sequence for this section should go 3.1, 3.2, 3.3, etc.

Since AquaSource has requested that the territory in Township 42 South, Range 20 East, Section 3 not be transferred, its proposed water and wastewater tariffs should reflect that proposed deletion. Also, since it appears that a territory overlap occurred in the consolidation of the utility's territory description in the grandfather docket, staff is reviewing the consolidated description. Should any errors be found, staff will address the necessary corrections in its recommendation on the transfer.

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2. Communities Served Listing, Tariff Sheets Nos. 4.0:
The rate schedules for the communities served should be Sheets Nos. 16.0 through 23.0-B for the water tariff and Sheets Nos. 17.0 through 22.0-B for the wastewater tariff.
3. Technical Terms and Abbreviations, Tariff Sheets Nos. 5.0:
For Term No. 5.0, the company name should be "AquaSource Utility, Inc."
4. Miscellaneous Service Charges, Tariff Sheets No. 22.0 (Water) and No. 21.0 (Wastewater):
The column headings for "Business Hours" and "After Hours" have printed out in the wrong place. For consistency with the other rate schedules, the headings should be underscored.
5. AFPI Charges, Tariff Sheets Nos. 23.0-A and 23.0-B (Water) and Nos. 22.0A and 22.0B (Wastewater): Staff appreciates the utility retyping the AFPI charts. However, now that the charts are legible, questions arise as to whether they are still necessary.

The AFPI charges were calculated for water and wastewater treatment plants through December 1997 and for water distribution and wastewater collection mains through December 1998. According to the footnotes for the water treatment plant charts, the "new" AFPI charges were only to be assessed for the first 1,844 ERCs connected after the commencement of the AFPI on January 1, 1993 (commencement). The "present" AFPI charge of \$39.42 was only to be assessed for the first 889 ERCs connected after commencement. According to the footnotes for the wastewater treatment plant charts, the "new" and "present" charges were only to be assessed for the first 884 ERCs connected after commencement. The charts for water distribution and wastewater collection mains AFPI indicate that the charges were to be assessed for all connections after the commencement.

- a. Please verify how many water ERC connections have occurred since 1-1-93.
- b. If the maximum number of connections has not occurred, please verify the current AFPI water treatment plant charges for each new connection.
- c. Please verify the current AFPI water distribution main charge for each new connection and explain the reason this charge was set up to continue indefinitely.
- c. Please verify how many wastewater ERC connections have occurred since 1-1-93.
- d. If the maximum number of connections have not occurred, please verify the current AFPI wastewater treatment plant charges for each new connection.
- e. Please verify the current AFPI wastewater collection main charge for each new connection and explain the reason this charge was set up to continue indefinitely.

As you know, staff cannot change rates in a transfer so, for the time being, the charts will have to be included in AquaSource's new tariffs. In which case, there are a couple of corrections. Please add the abbreviations (WTP) and (AFPI) on the first line of the charts on Water Tariff Sheets Nos. 23.0-A and 23.0-B; (STP) on the first line of the charts on Wastewater Tariff Sheets Nos. 22.0A and 22.0B; and (AFPI) on the first line of the chart on Wastewater Tariff Sheet No. 22.0B. Also, there is a typo in the word "following" in the second line of the charts on Water Tariff Sheet No. 23.0-B and Wastewater Tariff Sheet No. 22.0B. Finally, the footnote line needs to be added to the 1997 chart on Water Tariff Sheet No. 23.0-A and deleted from the 1993 through 1996 charts on Wastewater Tariff Sheet No. 22.0A since separate maximum number of ERC connections for new and present apparently did not apply to wastewater treatment plants.

6. Water Tariff Sheets Nos. 24.0 to 30.0 and Wastewater Tariff Sheets Nos. 23.0 to 31.0:
The tariff sheets outside of the rate section do not need an effective date or type of filing at the bottom as they do not contain any specific rate and charge.

CHANGES SPECIFIC TO THE WATER TARIFF

7. Rules and Regulations, Water Tariff Sheet No. 13.0:
Do not use "(Continue to Sheet No. 14.0)."
8. Index of Rates and Charges Schedules, Water Tariff Sheet No. 15.0:
To match the rate schedule, the index should show, "Meter Test Deposits."
9. Rates Sheets, Water Tariff Sheet Nos. 17.0 - 19.0:
For consistency with the other rate schedules, the column headers under the "Rate Section" should be underscored.
10. Multi-Residential Service, Water Tariff Sheet No. 18.0:
Under the "Applicability" section, the words "for to" should be changed to "for."

Also, the gallonage charge was put under "Base Facility Charge." Please add the "Gallonage Charge" heading and the "Minimum Bill" heading as was done in Tariff Sheet No. 17.0.
11. Fire Protection Service, Water Tariff Sheet No. 19.0:
"Minimum Bill" was left off. Please add back.

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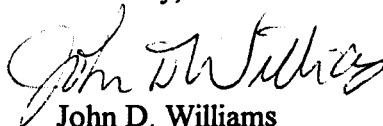
12. Index of Service Availability, Water Tariff Sheet No. 29.0:
Tariff Sheet No. 29.0 should be used for an Index of Service Availability. (See Tariff Sheet No. 29.0 in the revised wastewater tariff.) The sheets subsequent to the index should be renumbered and the sheet numbers changed on the index.

CHANGES SPECIFIC TO THE WASTEWATER TARIFF

13. Tariff Cover Sheet, Wastewater Tariff:
The unnumbered tariff cover sheet for the wastewater tariff should indicate that it is a "WASTEWATER TARIFF" above the utility's name as was done for the water tariff.
14. Index of Rates and Charges Schedules, Wastewater Tariff Sheet No. 16.0:
To match rate the schedule, the index should show, "Residential Service, RS."
15. Multi-Residential Service, Wastewater Tariff Sheet No. 19.0:
"Minimum Bill" was left off. Please add back.
16. Table of Daily Flows, Wastewater Tariff Sheet No. 31.0:
Footnote [3] needs to be marked at the applicable part of the chart.

An original and two copies of the tariff page changes should be filed with the Director, Division of Records and Reporting on or before July 13, 1999. If you have any questions about the tariffs, please contact Ms. Patricia Brady at (850) 413-6686.

Sincerely,



John D. Williams
Chief, Bureau of Policy Development
and Industry Structure

JDW:pb

cc: Division of Water and Wastewater (Brady, Merchant, Kyle)
Division of Legal Services (Cibula, Crosby)
Division of Records and Reporting