

State of Florida.



Public Service Commission
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COMMISSION CLERK

DATE: JULY 24, 2003

TO: DIRECTOR, DIVISION OF THE COMMISSION CLERK &
ADMINISTRATIVE SERVICES (BAYÓ)

FROM: DIVISION OF ECONOMIC REGULATION (REVELL, MERCHANT) *JK*
OFFICE OF THE GENERAL COUNSEL (C. KEATING) *net* *JDJ* *1/28*

RE: DOCKET NO. 030517-SU - APPLICATION FOR APPROVAL OF NEW
RATE FOR BULK WASTEWATER SERVICE AGREEMENT WITH CITY OF
CAPE CORAL IN LEE COUNTY, BY NORTH FORT MYERS UTILITY,
INC.
COUNTY: LEE

AGENDA: 08/05/03 - REGULAR AGENDA - DECISION ON SUSPENSION OF
RATES - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 60-DAY SUSPENSION DATE: AUGUST 9, 2003

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\ECR\WP\030517.RCM

CASE BACKGROUND

North Fort Myers Utility, Inc. (NFMU or the utility) is a Class A utility located in Lee County. NFMU has a water system at Pine Lakes and two wastewater systems, the Pine Lakes and the North Fort Myers systems. According to the 2002 Annual Report, the utility serves 1,845 water customers and 9,527 wastewater customers. The utility reported annual revenues of \$3,414,966 and a net income of \$406,755 according to the same annual report.

On June 10, 2003, the utility filed the present application requesting approval of a new rate for a bulk wastewater service agreement between the utility and the City of Cape Coral.

DOCUMENT NUMBER-DATE

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This recommendation addresses the recommended suspension of the proposed rate. The Commission has jurisdiction pursuant to Sections 367.091, Florida Statutes.

DISCUSSION OF ISSUES

ISSUE 1: Should the utility's proposed tariff for a bulk wastewater service agreement be suspended?

RECOMMENDATION: Yes, the utility's proposed tariff for a bulk wastewater service agreement should be suspended pending further investigation by staff. This docket should remain open pending the Commission's final action on the utility's requested tariff. (REVELL)

STAFF ANALYSIS: Pursuant to Section 367.091(6), Florida Statutes, the tariff sheet proposed by the utility shall become effective within sixty (60) days after filing, unless the Commission votes to withhold consent of the request. Further, the Commission may withhold consent to the operation of any or all portions of the new rate schedule 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 tariff. The utility indicates that Cape Coral will utilize this tariff, if approved, in about six months and does not need to implement this tariff at this time. Staff believes it is reasonable and necessary to require further amplification and explanation of the proposal and to require production of corroborative information, if necessary. Therefore, staff is recommending that the proposed tariff for a bulk wastewater service agreement should be suspended. This docket should remain open pending the Commission's final action on the utility's requested tariff.