

State of Florida



Public Service Commission
CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

RECEIVED-FPSC
03 OCT -9 AM 10:02
COMMISSION CLERK
CS
MCB
TOS
M

DATE: October 9, 2003

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

FROM: DIVISION OF ECONOMIC REGULATION (BOUTWELL, MERCHANT)
OFFICE OF THE GENERAL COUNSEL (BROWN)

RE: DOCKET NO. 030602-SU - APPLICATION FOR APPROVAL OF PASS-
THROUGH SERVICE AVAILABILITY CHARGE FOR BULK WASTEWATER
SERVICE FROM CITY OF SANFORD, IN SEMINOLE COUNTY, BY
UTILITIES, INC. OF FLORIDA.
COUNTY: SEMINOLE

AGENDA: 10/21/03 - REGULAR AGENDA - TARIFF FILING - INTERESTED
PERSONS MAY PARTICIPATE

CRITICAL DATES: 60-DAY SUSPENSION DATE: 10/28/03

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\ECR\WP\030602.RCM

CASE BACKGROUND

Utilities, Inc. of Florida (UIF or utility) is a Class A utility providing water and wastewater service to 23 systems in the following counties: Marion, Orange, Pasco, Pinellas, and Seminole. UIF is a wholly-owned subsidiary of Utilities, Inc. (UI).

On July 11, 2003, UIF filed an application to implement a pass-through service availability charge of \$2,125, to be collected from new customers of its Ravenna Park/Lincoln Heights wastewater system in Seminole County. The existing service availability charge of \$570 per equivalent residential connection (ERC) in Seminole County was approved by the Commission by Order No. 7562, issued December 27, 1976, in Docket No. 760421-WS, In Re: Application of Utilities, Inc. of Florida for Certificates to

DOCUMENT NUMBER-DATE

09814 OCT-98

FPSC-COMMISSION CLERK

DOCKET NO. 030602-~~3~~
DATE: October 9, 2003

Operate Nine Water and Two Sewer Systems in Seminole County, Florida.

After review of the minimum filing requirements (MFRs) submitted by the utility, staff noted a number of deficiencies, and informed the utility of them by letter dated July 24, 2003. On August 29, 2003, the utility filed its amended MFRs. Based on staff's review, the utility's amended application met the MFRs prescribed by Rule 25-30.565, Florida Administrative Code. Thus, August 29, 2003, was designated as the official filing date, pursuant to Section 367.083, Florida Statutes.

In its application, UIF states that a new service availability charge is necessary to recover the impact fee charged to new single residential connections by the City of Sanford (City). This recommendation addresses the utility's request to revise its current wastewater service availability charge. The Commission has jurisdiction pursuant to Sections 367.091 and 367.101, Florida Statutes.

ISSUE 1: Should the Commission approve UIF's revised tariff sheet that reflects a new installation and a revised wastewater service charge for new customers of the Ravenna Park/Lincoln Heights wastewater system?

RECOMMENDATION: Yes. The revised tariff should be approved as filed. The revised wastewater service charge of \$2,125, and a new actual cost installation charge should be approved for new customers of the Ravenna Park/Lincoln Heights wastewater system. The revised tariff should be implemented on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(2), Florida Administrative Code, provided that no timely protest is filed, and appropriate notice has been made. The notice should be mailed or hand delivered to all persons in the service area who have filed a written request for service within the past 12 calendar months or who have been provided a written estimate for service within the past 12 calendar months. The utility should provide proof of the date the notice was given within 10 days after the date of the notice. In the event that a timely protest is filed, the tariff should remain in effect and the applicable charges should be held subject to refund pending resolution of the protest. (BOUTWELL)

STAFF ANALYSIS: In its filing, the utility states that the wastewater treatment plant serving the Ravenna Park/Lincoln Heights service area was condemned by the Florida Department of Transportation in 2000. The plant was taken off-line and dismantled in July 2001. In order to ensure continuous and uninterrupted service for customers in the service area, the utility's only reasonable alternative was to enter into a bulk wastewater agreement with the City. The agreement provided that the City would accept and treat wastewater from the service area at designated collection points, and it negated the need for UIF to construct a new wastewater treatment plant.

In its application, the utility provided a letter from the City that states that UIF will be required to pay an initial connection fee of \$2,125 for all new residential wastewater connections. This charge is essentially a plant capacity charge that the City assesses all new residential wastewater connections. The utility submitted a canceled check in the amount of \$510,000, which it paid on June 21, 2001, to the City to connect its 240 existing wastewater customers. UIF recorded this amount as an addition to plant in 2001.

DOCKET NO. 030602-~~3~~
DATE: October 9, 2003

In assessing the appropriateness of the new charges, staff reviewed UIF's current service availability charges for Seminole County. According to its tariff, the current wastewater service charge of \$570 per ERC in Seminole County is labeled a tap-in charge. There is no distinction made for plant capacity or main extension charges. The utility has stated that any new collection lines in the service area will be contributed by the developers. Further, the current tap-in charge will remain in effect for UIF's future wastewater customers in Seminole County, with the exception of new customers in the Ravenna Park/Lincoln Heights service area.

UIF has requested that new connections in the Ravenna Park/Lincoln Heights service area be assessed a wastewater service charge of \$2,125. Also, UIF has requested that new customers in the service area be assessed the actual cost of connecting to the collection system. These charges should be in lieu of the current tap-in charge of \$570. Approval of these revisions will allow the utility to collect the initial connection charge of \$2,125 from each new customer, and remit this charge to the City. Thus, the connection charge will not be recorded as an addition to Contributions in Aid of Construction (CIAC) by the utility. Further, staff believes it is appropriate to collect these charges only from the customers who directly benefit from the agreement between the utility and the City. The new installation charge at actual cost incurred, and the donation of lines by the developers will offset the utility's investment as required by Rule 25-30.580, Florida Administrative Code. The revised tariff sheet, filed on September 24, 2003, properly reflects these revisions and should be approved.

The revised tariff should be implemented on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(2), Florida Administrative Code, provided that no timely protest is filed, and appropriate notice has been made. The notice should be mailed or hand delivered to all persons in the service area who have filed a written request for service within the past 12 calendar months or who have been provided a written estimate for service within the past 12 calendar months. The utility should provide proof of the date the notice was given within 10 days after the date of the notice.

DOCKET NO. 030602-~~8~~
DATE: October 9, 2003

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes. Upon staff's verification that the notice is appropriate, if there are no timely objections to the proposed tariff, the docket should be closed. (BOUTWELL, BROWN)

STAFF ANALYSIS: If no person whose interests are substantially affected by the Commission's decision files a timely protest, this docket should be closed when staff verifies that the notice is appropriate. In the event that a timely protest is filed, the tariff should remain in effect and the applicable charges should be held subject to refund pending resolution of the protest.