

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for approval  
of revised service availability  
charges to increase meter  
installation fees in Osceola  
County by O&S Water Company,  
Inc.

DOCKET NO. 030956-WU  
ORDER NO. PSC-03-1474-TRF-WU  
ISSUED: December 31, 2003

The following Commissioners participated in the disposition of  
this matter:

LILA A. JABER, Chairman  
J. TERRY DEASON  
BRAULIO L. BAEZ  
RUDOLPH "RUDY" BRADLEY  
CHARLES M. DAVIDSON

ORDER APPROVING METER INSTALLATION FEE

BY THE COMMISSION:

BACKGROUND

O & S Water Company, Inc. (O & S or utility) is a Class C utility which provides water service in Osceola County. According to the utility's 2002 annual report it serves approximately 185 customers. In addition, the annual report reflects annual operating revenue of \$61,051 and a net operating loss of \$79,221.

By Order No. 20583, issued on January 10, 1989, in Docket No. 870392-WU, In Re: Objection to application for C&S Water Company for a water certificate in Osceola County, this Commission granted the utility Certificate No. 510-W to provide service to certain territory in Osceola County and established initial rates and charges when the utility was known as C & S Water Company. By Order No. PSC-92-0204-FOF-WU, issued April 14, 1992, in Docket No. 910895-WU, In Re: Application for transfer of majority organizational control of C&S Water Company's certificate No. 510-W in Osceola County from Doug Stewart and the Estate of Jack Chernau

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to Douglas B. Stewart, rate base was established. By Order No. PSC-92-1339-FOF-WU, issued November 18, 1992, in Docket No. 920941-WU, In Re: Request for name change on certificate No. 510-W in Osceola County from C&S Water Company to O&S Water Company, this Commission granted the name change. Further, by Order No. PSC-03-0873-PAA-WU, issued July 29, 2003, in the combined Dockets Nos. 030067-WU, In Re: Application for approval of special service availability contract (developer agreement) with Avatar Properties Inc. and bulk water service agreement with Florida Governmental Utility Authority, by O&S Water Company, Inc. in Osceola County and 030160-WU, In Re: Application for amendment of certificate No. 510-W to extend water service in Osceola County by O&S Water Company, Inc., this Commission approved the special service availability agreement and extended the utility's territory. The utility's rates have been the same since it was certified.

On October 1, 2003, pursuant to Section 367.091, Florida Statutes, and Rule 25-9.004, Florida Administrative Code, the utility filed a tariff request for approval to revise its meter installation fee. On November 11, 2003, the utility waived the 60-day time-frame for suspending the tariff until December 16, 2003. We have jurisdiction pursuant to Section 367.091, Florida Statutes.

#### METER INSTALLATION FEE

The utility filed a tariff request for approval to increase its meter installation fee from \$142 to \$300. Section 367.091(6), Florida Statutes, authorizes the utility to file an application to establish, increase, or change a rate or charge other than monthly rates or service availability charges. However, the application must be accompanied by a cost justification.

In its original filing, the utility did not provide cost justification, and our staff requested documentation to justify the cost. In response, on November 13, 2003, the utility provided information and invoices to document the cost as follows:

Breakdown of Costs for Meter Installation

Meter	\$ 82.50
Meter Box (with lockdown lid)	\$ 24.00
ERTs	\$ 96.50
Pipe Stand	\$ 1.00
Tax(7%)	\$ 14.28
Labor Installation	\$ 45.00
Inspection Meter Assembly	\$ 15.00
Electronic Check and Adjustment	\$ 18.00
Miscellaneous Shipping/Handling	\$ <u>3.72</u>
Grand Total	\$ <u>300.00</u>

Pursuant to the above, it appears that the increased meter fee is primarily due to the cost of the Electronic Response Transmitters (ERTs) which will be affixed to each meter. ERTs operate by sending radio signals which are read with a hand-held device. O&S has registered its radio frequency with the Federal Communications Commission which gives the utility the exclusive right to that frequency. The utility states that it has researched various models of ERTs and chose the model with the best record for efficiency, reliability, and accuracy. The utility proposes to use an ERT model that is primarily employed by public utilities, which gives added assurances of reliability and accuracy.

Further, the utility states that meters with the ERTs affixed will be more cost effective and efficient than standard meters because they can be read remotely from the street without requiring access to the customers' property. The readings will then be downloaded into the utility's computer for bill processing. The utility's customer base is projected to increase from 185 customers (per 2002 annual report) to approximately 4,500 customers within the next ten years. The meters with the ERTs will allow a utility

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employee to read all meters in its service area in four or five days. Further, the extra cost that is associated with the lockdown lid is a protective measure that will prevent tampering and theft. The meters will be locked, and only the utility company will have access. As a result, the utility has indicated that labor cost for meter reading and billing will be reduced.

We find that the utility's cost documentation justifies the requested \$300 meter installation fee. Therefore, Fourth Revised Sheet No. 38.0 and First Revised Sheet No. 38.1, increasing O&S's meter installation fee to \$300, shall be approved as filed. The meter installation fee shall become effective for connections made on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(2), Florida Administrative Code, if no protest is filed. If a protest is filed within 21 days of the issuance of the Order, these tariffs shall remain in effect with any increase held subject to refund pending resolution of the protest, and the docket shall remain open.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the application by O&S Water Company, Inc., for an increased meter installation fee of \$300 is approved as filed. It is further

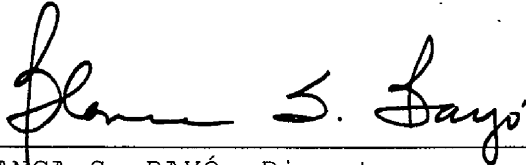
ORDERED that the meter installation fee shall become effective for connections made on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(2), Florida Administrative Code, if no protest is filed. It is further

ORDERED that if a protest is filed within 21 days of the issuance of the Order, these tariffs shall remain in effect with any increase held subject to refund pending resolution of the protest, and the docket shall remain open. It is further

ORDERED that if no timely protest is filed, this docket shall be closed, upon the issuance of a Consummating Order.

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By ORDER of the Florida Public Service Commission this 31st  
Day of December, 2003.



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BLANCA S. BAYÓ, Director  
Division of the Commission Clerk  
and Administrative Services

( S E A L )

RRJ

NOTICE OF FURTHER PROCEEDINGS

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the proposed action files a petition for a formal

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proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on January 21, 2004.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.