

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-

DATE: September 22, 2022

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Ward, Draper) *JGH*
Office of the General Counsel (Dose) *JSC*

RE: Docket No. 20220151-WU – Petition by Southwest Ocala Utility, Inc. to establish base facility charges for additional meter sizes.

AGENDA: 10/04/22 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 10/09/22 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

Southwest Ocala Utility, Inc. (Southwest Ocala or utility) is a Class C utility providing water service to approximately 539 residential, 10 general service, and two private fire protection customers located in Marion County.¹ Southwest Ocala's current rates were approved by the Commission in 2015 in a transfer of the utility from County-Wide Utility Co., Inc. to Southwest Ocala.²

On August 10, 2022, Southwest Ocala filed a request to add additional base facility charges (BFC) to its tariff for larger meter sizes for general service customers. On September 9, 2022, the utility filed a corrected tariff sheet No. 13.1. Currently, the utility only has Commission-

¹ Number of customers as reported in 2021 Annual Report ending December 31, 2021.

² Order No. PSC-2017-0311-FOF-WU, issued August 7, 2017, in Docket No. 20150012-WU, *In re: Application for transfer of Certificate No. 390-W from County Wide Utility Co., Inc. to Southwest Ocala Utility, Inc. in Marion County.*

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approved general service BFCs up to a 6-inch meter. This recommendation addresses the utility's request to add the additional BFCs for larger meter sizes to the general service tariff and adjustments to the BFCs in the private fire protection tariff. The Commission has jurisdiction pursuant to Section 367.091, Florida Statutes (F.S.).

Discussion of Issues

Issue 1: Should the utility's proposed tariffs containing the BFCs for additional meter sizes for the general service and private fire protection classes be approved?

Recommendation: Yes, the utility's proposed tariffs containing the BFCs for additional meter sizes for the general service and revised and additional BFCs for the private fire protection classes conform to the American Water Works Association's meter equivalent factors and should be approved. Southwest Ocala's Fourth Revised Sheet No. 12.0 and Fourth Revised Sheet No. 13.1 should be approved as filed. The approved tariffs should be effective on the date of the Commission vote. Since no current customers are affected by the proposed tariff revisions, no customer notices are required. (Ward)

Staff Analysis: The utility explained that it is anticipating the possible addition of some larger meter size multifamily residential or general service customers. Currently, Southwest Ocala's general service tariff only has BFCs for meter sizes up to 6 inches. The utility's proposed BFCs for the additional meter sizes are calculated by using the utility's existing BFC of \$11.50 for the 5/8 inch x 3/4 inch size meter as a foundation, and then applying the American Water Works Association's (AWWA's) meter equivalent factor. The AWWA meter equivalent factors are contained in Rule 25-30.055, Florida Administrative Code (F.A.C.). Southwest Ocala's existing BFCs and the BFCs for the three proposed additional general service meters based on the AWWA meter equivalents are shown in Table 1-1.

**Table 1-1
 Current and Proposed General Service BFC Charges**

Meter Size	AWWA Meter Factor	BFC
5/8" X 3/4"	1	\$11.50
3/4"	1.5	\$17.25
1"	2.5	\$28.75
1-1/2"	5	\$57.50
2"	8	\$92.00
3"	16	\$184.00
4"	25	\$287.50
6"	50	\$575.00
8"	90	\$1035.00
10"	145	\$1667.50
12"	215	\$2472.50

Source: Utility's filing

The utility also proposed one additional meter size (12 inches) for the private fire protection tariff and adjusted the existing fire protection BFCs for the 8-inch and 10-inch meter sizes in order to comply with the AWWA equivalent factors contained in Rule 25-30.055, F.A.C. Pursuant to Rule 25-30.465, F.A.C., the BFCs for private fire protection are 1/12th the amount of

the equivalent sized general service BFCs. Southwest Ocala's current and proposed BFCs for the private fire protection tariff are shown in Table 1-2.

Table 1-2
Current and Proposed Fire Protection BFC Charges

Meter Size	Current BFC	Proposed BFC
4"	\$23.96	\$23.96
6"	\$47.92	\$47.92
8"	\$76.67	\$86.25
10"	\$110.21	\$138.96
12"	-	\$206.04

Source: Utility's filing

Conclusion

The utility's proposed tariffs containing the BFCs for additional meter sizes for the general service and revised and additional BFCs for the private fire protection classes conform to the American Water Works Association's meter equivalent factors and should be approved. Southwest Ocala's Fourth Revised Sheet No. 12.0 and Fourth Revised Sheet No. 13.1 should be approved as filed. The approved rates should be effective on the date of the Commission vote. Since no current customers are affected by the proposed tariff revisions, no customer notices are required.

Issue 2: Should this docket be closed?

Recommendation: Yes. If Issue 1 is approved, the tariff sheets should become effective on the date of the Commission vote. If a protest is filed within 21 days of the issuance of the Order, the tariff should remain in effect with the revenues held subject to refund pending resolution of the protest, and the docket should remain open. If no timely protest is filed, the docket should be closed upon the issuance of a Consummating Order. (Dose)

Staff Analysis: If Issue 1 is approved, the tariff sheets should become effective on the date of the Commission vote. If a protest is filed within 21 days of the issuance of the Order, the tariff should remain in effect with the revenues held subject to refund pending resolution of the protest, and the docket should remain open. If no timely protest is filed, the docket should be closed upon the issuance of a Consummating Order.