

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of PIONEER WOODLAWN)	DOCKET NO. 881544-SU
UTILITIES, INC. for a limited proceeding)	
to change residential rate structure in)	ORDER NO. 20565
Bay County)	
<hr/>		ISSUED: 1-9-89

The following Commissioners participated in the disposition of this matter:

KATIE NICHOLS, Chairman
 THOMAS M. BEARD
 GERALD L. GUNTER
 JOHN T. HENDON
 MICHAEL McK. WILSON

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING CHANGE IN RATE STRUCTURE
FROM METERED TO FLAT RATE

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding pursuant to Rule 25-22.029, Florida Administrative Code.

Pioneer Woodlawn Utilities, Inc. (Pioneer Woodlawn) is a utility which provides sewer service to 183 residential customers and 19 general service customers. Water is provided to these customers by Woodlawn Utility Company (Woodlawn) which, in turn, purchases bulk water from Bay County (County).

On January 21, 1987, Pioneer Woodlawn filed an application for transfer of majority organizational control and for a staff-assisted rate case. By Order No. 18179, issued September 21, 1987, this Commission approved the transfer and established rates for this utility based upon Woodlawn's meter readings. Prior to this time, Pioneer Woodlawn charged a flat rate for residential service based upon Woodlawn's ongoing failure to read meters or charge its customers for water service as well as the lack of accurate meters. The change to metered rates was based upon the assumption that the County would purchase the water system and replace the broken and slow-running meters. However, the County did not purchase the water system at that time. Instead, Pioneer Woodlawn attempted to gain control of the water system itself, which is still being processed under Docket No. 871316-WU.

Pioneer Woodlawn was unable to pay off Woodlawn's past due bulk water bill to the County. Therefore, on December 2, 1988, the County purchased Woodlawn at a judicial sale that resulted from the County's foreclosure on the Woodlawn system. It is currently expected that the County will take approximately two years to replace the broken and inaccurate meters.

On November 28, 1988, Pioneer Woodlawn filed a petition for a limited proceeding to change its residential rate structure from a metered basis back to a flat rate.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

ORDER NO. 20565
DOCKET NO. 881544-SU
PAGE 2

It appears that the assumption underlying the change from flat to metered rates, that the County would replace the broken and inaccurate meters as soon as possible, is no longer valid. In addition, in a related proceeding for the pass-through of increased purchased water rates, processed under Docket No. 880519-WU, the Woodlawn system was found to have an unaccounted for water level of approximately twenty-three percent. Much of this can be attributed to broken and inaccurate meters. Since the problems with the water system make accurate water consumption-based sewer billing difficult, at best, we find that it is appropriate to grant Pioneer Woodlawn's request to return to a flat rate structure for residential service. However, before implementing the rate approved herein, Pioneer Woodlawn shall notify each affected customer of the change in its approved rate and the reasons therefor. Pioneer Woodlawn shall submit a proposed notice to this Commission for its prior approval.

Our decision to approve the change in rate structure does not affect general service customers. Since there is a great diversity in the sizes and types of general service customers, we believe that general service rates based upon water consumption are still appropriate. Further, the County has indicated its intent to replace general service customers' meters first.

We find that the flat rate set forth below will allow Pioneer Woodlawn the opportunity to earn the revenue requirement established in its last rate case, adjusted for a 1987 price index rate increase and to remove the allowance for obtaining meter readings from the County. Our calculation of the appropriate flat rate is attached as Schedule 1. Pioneer Woodlawn's present rate for residential water service and the rate approved by this Order are set forth below for comparison.

SEWER
RESIDENTIAL SERVICE

Present Rate

Base Facility Charge

Meter Size

All meter sizes \$ 6.35

Gallage Charge

per 1,000 gallons,
10,000 gallon cap \$ 1.10

Approved Rate

Flat Rate

All meter sizes \$14.91

This rate shall be effective for service rendered on or after the stamped approval date on the revised tariff sheets. The revised tariff sheets will be approved upon staff's verification that the tariffs are consistent with the

ORDER NO. 20565
DOCKET NO. 881544-SU
PAGE 3

Commission's decision, that the protest period has expired and that the customer notice is adequate.

It is, therefore,

ORDERED by the Florida Public Service Commission that Pioneer Woodlawn Utilities, Inc.'s request to change from a metered to a flat rate structure is hereby approved as set forth in the body of this Order. It is further

ORDERED that the provisions of this Order are issued as proposed agency action and shall become final unless an appropriate petition, in the form prescribed by Rule 25-22.036, Florida Administrative Code, is received by the Director of the Division of Records and Reporting at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on January 30, 1989. It is further

ORDERED that, if this Order becomes final, Pioneer Woodlawn Utilities, Inc. shall implement the rate set forth and approved herein, and that this rate shall be effective for service rendered on or after the effective date of this Order. It is further

ORDERED that, if this Order becomes final, Pioneer Woodlawn Utilities, Inc. shall notify each affected customer of the increased rate and the reasons therefor. The form of this notice shall be submitted to this Commission for its prior approval. It is further

ORDERED that, if this Order becomes final, the rate approved herein shall not become effective until after the stamped approval date in the revised tariff. The revised tariff shall be approved upon staff's verification that the tariffs are consistent with the Commission's decision, that the protest period has expired and that the proposed customer notice is adequate. It is further

ORDERED that after January 30, 1989, this Commission shall issue either a notice of further proceedings or an order acknowledging that the provisions of this Order have become final. It is further

ORDERED that, if this Order becomes final and Pioneer Woodlawn Utilities, Inc. satisfies all obligations established hereunder, Docket No. 881544-WS shall be closed.

By ORDER of the Florida Public Service Commission,
this 9th day of JANUARY, 1989.


STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

RJP

ORDER NO. 20565
DOCKET NO. 881544-SU
PAGE 4

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on January 30, 1989. In the absence of such a petition, this order shall become effective January 31, 1989 as provided by Rule 25-22.029(6), Florida Administrative Code, and as reflected in a subsequent 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.

If this order becomes final and effective on January 31, 1989, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

ORDER NO. 20565
DOCKET NO. 881544-WS
PAGE 5

SCHEDULE 1

RESIDENTIAL FLAT RATE CALCULATION
PIONEER WOODLAWN UTILITIES, INC.

Revenue Requirement per Order No. 18179	\$55,329
less General Service Revenue	22,474
Balance	32,855
less Cost of Meter Readings	606
Balance	32,249
Multiply by 1987 Price Index Multiplier, Order No. 18382	1.0156
Residential Revenue	\$32,752
Divide by Number of Residential Bills	2196
Residential Flat Rate	\$14.91