

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Proposed rate reduction to ) DOCKET NO. 910507-WU  
 reflect a decrease in purchased water) )  
 cost by Tamiami Village Utility, Inc.) ORDER NO. 24505  
 in Lee County. ) )  
 \_\_\_\_\_ ) ISSUED: 5/8/91

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON  
 BETTY EASLEY  
 GERALD L. GUNTER  
 MICHAEL MCK. WILSON

ORDER APPROVING TARIFF TO REDUCE RATES

BY THE COMMISSION:

Tamiami Village Utility, Inc. (Tamiami or Utility) is a water and wastewater utility, which provides water service to 716 residential customers and 6 general service customers in Lee County. Tamiami purchases water from Lee County through 4 master meters. The Lee County Board of Commissioners raised the water rates effective October 1, 1990. Tamiami filed an application on November 29, 1990, seeking authority to pass the increase through to its customers, pursuant to Section 367.081(4)(b), Florida Statutes. The pass-through became effective on January 13, 1991.

The pass-through increase resulted in a 72 percent increase in the water gallonage charge for all of Tamiami's customers. Prior to the increase, residential and general service water gallonage rates were \$2.78 per 1,000 gallons. That amount increased to \$4.78 per 1000 gallons as a result of the pass through.

At the request of Tamiami's residential customers, the Lee County Board of Commissioners voted on March 20, 1991, to reclassify one of Tamiami's 4-inch meters as a "Utility Resale Service" meter rather than a "Commercial" meter. The meter, which was reclassified, affects 716 of Tamiami's residential customers and 3 general service customers. This reclassification altered the rates charged to the 4-inch meter, resulting in a lower monthly bill for purchased water.

This matter was brought to our attention by one of Tamiami's customers. Our Staff then contacted the Utility and informed it that a recalculation and reduction of the rates would be necessary. Initially Tamiami was opposed to a reduction in the gallonage

DOCUMENT NUMBER-DATE

04504 MAY-8 1991

FSC-RECORDS/REPORTING

ORDER NO. 24505  
DOCKET NO. 910507-WU  
Page 2

charge put into effect as a result of the pass through. However, Tamiami subsequently agreed to the proposed reduction and filed tariff sheets reflecting the change in rates.

The recalculation results in a 31 percent reduction in the gallonage charge from \$4.78 per 1,000 gallons to \$3.30 per 1,000 gallons, which is an increase from the gallonage charge of \$2.78 per 1,000 gallons charged prior to the effective date of the pass through.

The reduction has resulted in 2 different cost structures within the Utility's general service class. A weighted average of the total annual cost increase was divided by total annualized gallons sold, rather than meter by meter, in order to avoid discriminatory rates. This method applies the entire increase in purchased water to the gallonage charge only.

Based on the foregoing, we will approve Tamiami's revised tariff sheets which reduce the residential and general service gallonage rate from \$4.78 per 1,000 gallons to \$3.30 per 1,000 gallons as a result of the reduction in the cost of water purchased from Lee County. The new rates shall be effective for meters read 30 days on or after the stamped approval date on the tariff sheets. The tariff revisions approved herein are effective, but interim in nature and will become final unless a substantially affected person files a petition for a formal proceeding within 21 days of the date of this Order.

It is, therefore,

ORDERED by the Florida Public Service Commission that the revised tariff sheets filed by Tamiami Village Utility, Inc., U. S. 41 North, North Ft. Myers, Florida 33903-2190, to reduce the gallonage charge for residential and general service customers from \$4.78 per 1,000 gallons to \$3.30 per 1,000 gallons is hereby approved. Tamiami shall charge these rates until authorized to change by the Commission. It is further

ORDERED that the new rates shall be effective for meters read 30 days on or after the stamped approval date on the tariff sheets. It is further

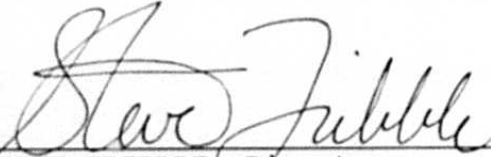
ORDERED that the tariff revisions approved herein are effective but interim in nature and shall become final unless a

ORDER NO. 24505  
DOCKET NO. 910507-WU  
Page 3

substantially affected person files a petition for a formal proceeding, which is received by the Director, Division of Records and Reporting by the date set forth in the Notice of Further Proceedings set forth below. It is further

ORDERED that in the event no petition for a formal proceeding is timely received, this Docket shall be closed.

By ORDER of the Florida Public Service Commission, this 8th day of MAY, 1991.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

ALC

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 Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7) (a) (d) and (e), Florida Administrative Code. This petition must be

ORDER NO. 24505  
DOCKET NO. 910507-WU  
Page 4

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 May 29, 1991.

In the absence of such a petition, this Order shall become final on the day subsequent to the above date.

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 on the date described above, 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 date this Order becomes final, 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.