

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for approval of ) DOCKET NO. 941323-SU  
a new class of service in Monroe ) ORDER NO. PSC-95-0335-FOF-SU  
County by K W RESORT UTILITIES ) ISSUED: March 10, 1995  
CORPORATION. )  
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The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK, Chairman  
J. TERRY DEASON  
JOE GARCIA  
JULIA L. JOHNSON  
DIANE K. KIESLING

ORDER APPROVING NEW CLASS OF SERVICE

BY THE COMMISSION:

K W Resort Utilities Corporation (K W Resort or utility) is a Class B utility providing sewage treatment services to approximately 550 customers, mainly residential, in Monroe County. K W Resort is located in a critical water supply problem area as determined by the governing board of the South Florida Water Management District (SFWMD). In 1993, K W Resort reported operating revenues of \$261,455, and a net loss of \$275,860.

Pursuant to Section 367.091(4), Florida Statutes, on December 23, 1994, the utility notified this Commission that it is providing and will charge for the reuse of reclaimed water to Key West Country Club, Inc. Pursuant to Section 367.091, Florida Statutes, the utility also filed a proposed tariff sheet containing rates and charges for this new class of service, as well as a request for approval of the Wastewater Reuse Agreement entered into between the utility and Key West Country Club, Inc., on December 13, 1994.

Pursuant to Section 367.091(5), Florida Statutes, on January 20, 1995, the utility submitted a cost justification for the new rates and charges. This cost justification substantiates a \$.38 per 1,000 gallons charge in order for the utility to recover the additional labor costs and the increase in pumping costs incurred in providing this service. Further, pursuant to Rule 25-9.005(1)(b), Florida Administrative Code, the utility submitted a statement estimating the gross increase in its annual revenues resulting from the new service to be approximately \$12,447.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

We have noted that K W Resort is located in a critical water supply area. A critical water supply area is one in which cumulative water withdrawals may cause adverse impacts upon the water resource or the public interest. SFWMD has provided us a copy of Key West Country Club, Inc.'s Surface Water Management Permit issued in October, 1981. The permit states that golf course irrigation water will be provided by secondarily treated sewage effluent. This Commission, in its water conservation efforts, is attempting to work with the water management districts to encourage spray irrigation as a means of effluent disposal. In doing so, the charge for spray irrigation should be set at a rate which will encourage golf courses and other end users to accept the spray irrigation, and at the same time recognize the benefit received by the end user and the added costs that must be incurred by the customers of the utility. In past cases, the charge for spray irrigation has varied anywhere from zero to \$.60 per 1,000 gallons.

K W Resort is proposing a charge of \$.25 per 1,000 gallons of effluent used by Key West Country Club, Inc., which we note is lower than the \$.38 per 1,000 gallon charge substantiated in the utility's cost justification. Along with this usage charge, the proposed tariff sheet states that Key West Country Club, Inc., should be required to pay the costs associated with the daily testing of sewage in the water in the golf course storage pond and the testing of samples of water withdrawn from monitoring wells on the golf course. Key West Country Club, Inc., has agreed to pay these testing costs due to the fact that this testing is primarily designed to guard against excessive salt water, which could cause damage to the golf course. Furthermore, the permit issued by the SFWMD states that the golf course is responsible for all water quality data to be submitted to the district, as required.

Based on the foregoing, we believe a charge for the spray irrigation is appropriate in this instance to recognize the fact that both the utility and the golf course receive a benefit from the arrangement. We find that the proposed rates and charges are just, reasonable, and compensatory, in accordance with Section 367.091(4), Florida Statutes. Therefore, the utility's proposed tariff sheet shall be stamped approved.

Moreover, we find that the rates and charges contained in the Wastewater Reuse Agreement entered into between the utility and Key West Country Club, Inc., are consistent with the rates and charges contained in the proposed tariff sheet for the new class of service. Based on our findings that the rates and charges set forth in the proposed tariff sheet are just, reasonable, and compensatory, and that the rates and charges contained in the

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Wastewater Reuse Agreement are consistent with those charges, the Wastewater Reuse Agreement shall also be approved.

If there are no timely objections, no further action will be required and the docket shall be closed. In the event that a timely protest is filed, the tariff shall remain in effect, and the revenues shall be held subject to refund pending resolution of the protest.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that K W Resort Utilities Corporation's proposed tariff sheet containing rates and charges for the reuse of reclaimed water to Key West Country Club, Inc., shall be stamped approved. It is further

ORDERED that K W Resort Utilities Corporation's Wastewater Reuse Agreement with Key West Country Club, Inc., is hereby approved. It is further

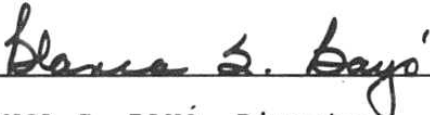
ORDERED that the tariff revision approved herein is interim in nature and shall become final unless a substantially affected person files a petition for a formal proceeding which is received by the Director, Division of Records and Reporting, by the date specified in the Notice of Further Proceedings or Judicial Review set forth below. It is further

ORDERED that if a timely protest is filed in accordance with the requirements set forth below, the tariff revision approved herein shall remain in effect and the revenues shall be held subject to refund pending resolution of the protest. It is further

ORDERED that if no timely protest is filed, this docket shall be closed.

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By ORDER of the Florida Public Service Commission, this 10th day of March, 1995.

  
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BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

RGC

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 received by the Director, Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on March 31, 1995.

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

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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 wastewater 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.