

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request to establish  
reclaimed water rate for H&S  
Grove in Brevard County by  
Florida Cities Water Company  
(Barefoot Bay Division).

DOCKET NO. 970530-WU  
ORDER NO. PSC-97-0782-FOF-WU  
ISSUED: July 1, 1997

The following Commissioners participated in the disposition of  
this matter:

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

ORDER SUSPENDING TARIFF

BY THE COMMISSION:

BACKGROUND

Florida Cities Water Company, Barefoot Bay Division, (FCWC or utility) is a Class A utility providing water and wastewater service to approximately 4,458 water and 4,440 wastewater customers in a predominately residential area of Barefoot Bay, Florida. The utility's most recent rate case, Docket No. 951258-WS, was filed on November 6, 1995 with a test year ended June 30, 1996. In that rate case, we granted annual water revenues of \$118,058 and wastewater revenues of \$955,549, representing increases of 14.87% for the water system and 106.97% for the wastewater system. The Barefoot Bay system is in an area that has been designated by the St. Johns River Water Management District as a critical water resource caution area.

FCWC disposes of its effluent through the reuse of reclaimed water. One of its disposal sites is a large tract of land owned by FCWC known as the H&S Groves. In the rate case, we considered whether any revenue for the sale of effluent on the H&S Groves should be imputed. This was an issue because there was a possibility that the utility could lease the land to an agricultural interest and receive additional revenues from that lease. Since it appeared that the land would not be generating any

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revenue for some time, by Order No. PSC-96-1147-FOF-WS, issued September 12, 1996, no revenue was imputed and the utility was ordered to file status reports that would inform us of the progress toward any leases.

Since the issuance of Order No. PSC-96-1147-FOF-WS, the utility has filed the required reports and by letter dated April 30, 1997, the utility informed us that it had found an agricultural interest to lease the land. Included with the letter was a tariff sheet for a reclaimed water rate for the provision of reuse service to the agricultural interest.

#### SUSPENSION

Pursuant to Section 367.091(5), Florida Statutes, the rate schedules proposed by the utility shall become effective within sixty days after filing, unless this Commission votes to withhold consent to implementation of the requested rates.

The utility has entered into a lease agreement with South Florida Sod, Inc. (SF Sod). According to the agreement, SF Sod will lease the H&S Groves from the utility and it will use the land for agricultural purposes such as growing citrus and sod. The lease also requires SF Sod to use reclaimed water from the utility to irrigate the crops. FCWC has requested a reuse rate of zero for this service.

We have reviewed the filing and have considered the utility's proposed rates and the information filed in support of the request. Upon consideration, we find it reasonable and necessary to require further amplification and examination of the data supplied by the utility in order to thoroughly review the utility's request for a new reclaimed water rate. Therefore, we find it appropriate to suspend Florida Cities Water Company, Barefoot Bay Division's proposed tariff pending further investigation.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Cities Water Company, Barefoot Bay Division's proposed tariff to establish reclaimed water service for H&S Grove in Brevard County is hereby suspended. It is further

ORDERED that this docket shall remain open.

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By ORDER of the Florida Public Service Commission, this 1st  
day of July, 1997.



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BLANCA S. BAYÓ, Director  
Division of Records and Reporting

( S E A L )

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

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.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code, if issued by a Prehearing Officer; (2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.