

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for approval of tariffs concerning installation of service meter and cross-connection control device for private fire protection service customers in Lee County by Florida Cities Water Company - Lee County Division.

DOCKET NO. 970659-WU
ORDER NO. PSC-98-0025-FOF-WU
ISSUED: January 5, 1998

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 APPROVING TARIFF

BY THE COMMISSION:

Background

Florida Cities Water Company, Lee County Division (FCWC or utility) is a Class A utility that provides water service to approximately 17,000 customers in Ft. Myers, Florida. In 1996, FCWC's reported revenues for water service were \$8,542,616 and the corresponding income amount was \$2,330,909. The utility's service area has been designated a critical use area by the South Florida Water Management District.

On March 18, 1997, the Commission received a letter from a developer concerning FCWC's policy with regard to the installation of service meters and cross-connection control devices for private fire protection. FCWC's policy is that the developer is responsible for the cost incurred from the installation of the service meters and cross-connection control devices for private fire protection. The developer did not believe that the total cost should be his responsibility. The developer believes that FCWC should at least make the private fire protection accessible by

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performing the tap from the main. Since the tap from the main has limited use and would not be beneficial to the general body of ratepayers, FCWC believes it should not incur any cost in relation to private fire protection. FCWC indicated that having the developer incur the cost of the installation for private fire protection has been its policy for the last 10 to 12 years. However, in our review of the utility's tariff, it did not appear that the utility had a tariff page addressing the service availability charges for the private fire protection class.

Accordingly, we requested that the utility file proposed tariff sheets with regards to the private fire protection class pursuant to Rule 25-9.005(4) and (5), Florida Administrative Code, and Section 367.091, Florida Statutes. On May 29, 1997, we received the tariff sheets. By Order No. PSC-97-1924-PCO-WU, issued August 4, 1997, the tariff sheets were suspended pending further investigation by Commission staff. By letter dated September 12, 1997, we requested further information from the utility. On October 9, 1997, we received the utility's responses to our data request. After analysis and consideration of the information submitted by the utility, we hereby make the following findings.

Proposed Tariff Sheets

As stated earlier, on March 18, 1997, the Commission received a letter from a developer concerning FCWC's policy with regard to the installation of service meters and cross-connection control devices for private fire protection. In its responses to our request for information, FCWC stated that its policy has been that the developer installs line taps, valves, fire meters and cross-connection control devices associated with a fire line that would ultimately provide private fire protection service. The utility indicated that the developer/customer is the sole beneficiary of a private fire protection system, and that the private fire protection allows the developer/customer not only to minimize fire damage, but also to receive the economic benefit of lower insurance rates. The utility reasoned that since these benefits are not available to those persons who do not have private fire protection service, then those persons should not have to pay the cost of the installation for the service.

We agree that the installation costs of this service should not be the responsibility of the utility since the private fire protection service does not benefit the general body of ratepayers. It has been Commission practice that the person incurring such costs pay the additional costs incurred by the utility. (See Order Nos. PSC-97-0130-FOF-SU, PSC-97-0833-FOF-WU, and PSC-96-1147-FOF-WS). Therefore, if the utility provides installation for private fire protection service, it shall recover the installation costs from the person who incurs the additional costs and benefits from the service.

We therefore find it appropriate to approve FCWC's tariff sheets, filed to clarify that the developer/customer is responsible for the installation of the fire meters, service lines and cross-connection control devices for private fire protection service. However, pursuant to our approval of the meter installation charge, discussed below, the utility shall file revised tariff sheets to reflect the meter installation charge.

METER INSTALLATION FEE

During our review of this case, we found that the Lee County division of FCWC is the only division that has no meter installation charges in its tariff. We calculated the utility's contributions in aid of construction (CIAC)/net plant ratio from the 1996 annual report on file, and determined that the utility is below the minimum CIAC level as specified by rule.

The utility's policy is to require developers to install the internal distribution system in a subdivision, including the service lines and taps, and then deed those lines over to the company. Therefore, no tap fees would be appropriate. Plant capacity fees are specified in the tariff. Meters are installed by the utility without charge, and become utility investment in plant.

After reviewing tariff provisions from the FCWC's Barefoot Bay and Poinciana divisions (which include meter installation fees), we hereby approve the following meter installation fees for the Lee County division:

<u>Meter Installation Fee</u>	<u>Amount</u>
5/8" x 3/4"	\$ 75
1"	\$110
1 1/2" and over	Actual cost

Applicability: For all water meters installed by the utility.

The utility shall file revised tariff sheets which are consistent with this Order, within 30 days of the date of issuance. Upon timely receipt and our verification that the tariffs are consistent with this Order, Commission staff shall have administrative authority to approve the revised tariff sheets.

CLOSING OF DOCKET

Substantially affected persons have 21 days from the issuance of this Order in which to file a protest. In accordance with the provisions of this Order, the proposed tariff shall become effective in accordance with Rule 25-30.475, Florida Administrative Code. If a protest is filed within 21 days of the issuance of the Order, this tariff shall remain in effect with any increase held subject to refund pending resolution of the protest. If no timely protest is filed, the docket shall be closed.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Florida Cities Water Company, Lee County Division's request to amend its tariffs regarding the installation of service meters and cross connection control devices for private fire protection is hereby approved. It is further

ORDERED that meter installation fees are hereby approved for Florida Cities Water Company, Lee County Division, as set forth in the body of this Order. It is further

ORDERED that the tariff revisions approved herein shall become effective for connections made on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, Florida Statutes. It is further

ORDER NO. PSC-98-0025-FOF-WU
DOCKET NO. 970659-WU
PAGE 5


ORDERED that upon timely receipt and verification that the tariffs are consistent with this Order, Commission staff shall have administrative authority to approve the revised tariff sheets. It is further

ORDERED that the tariff revisions approved herein are 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 set forth in the Notice of Further Proceedings or Judicial Review below. It is further

ORDERED that if a timely protest is filed in accordance with the requirements set forth below, this tariff shall remain in effect with any increases 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.

By ORDER of the Florida Public Service Commission this 5th day of January, 1998.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

JSB

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.

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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on January 26, 1998.

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 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

ORDER NO. PSC-98-0025-FOF-WU

DOCKET NO. 970659-WU

PAGE 7

Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.