

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for tariff
modification regarding
miscellaneous service charges by
Cinnamon Ridge Utilities, Inc.
in Citrus County.

DOCKET NO. 971466-W8
ORDER NO. PSC-98-0992-FOF-WS
ISSUED: July 20, 1998

The following Commissioners participated in the disposition of
this matter:

JULIA L. JOHNSON, Chairman
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.

NOTICE OF PROPOSED AGENCY ACTION ORDER GRANTING REQUEST
TO INCREASE MISCELLANEOUS SERVICE CHARGES
AND TO IMPLEMENT CUSTOMER DEPOSIT

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein regarding the establishment of miscellaneous service charges and a customer deposit is preliminary in nature and will become final unless a "reversal" whose interests are substantially affected files a petition for formal proceeding, pursuant to rule 25-22.029, Florida Administrative Code.

BACKGROUND

Cinnamon Ridge Utilities, Inc. (Cinnamon Ridge or utility) is a Class C water-only utility located in Citrus County, Florida. According to its 1997 annual report, the utility provides water service to approximately 209 water customers and reported water revenues in the amount of \$38,428 for the year ending December 1997.

Water in the utility's service area is under the jurisdiction of the Southwest Florida Water Management District (SWFWMD). Cinnamon Ridge is not located in a Water Use Caution Area and SWFWMD has placed no restrictions on the utility at this time. The

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utility's last rate increase of 14.99% was granted pursuant to Order No. PSC-95-0188-POF-WU, issued February 9, 1995.

On November 7, 1997, the utility filed an application to increase its miscellaneous service charges and to implement a customer deposit. On December 29, 1997, we requested that the utility provide cost justification for the proposed charges pursuant to Section 367.091(5), Florida Statutes. On March 26, 1998, the utility modified the amount of its proposed charges and provided cost justification for the modified amounts.

MISCELLANEOUS SERVICE CHARGES

Pursuant to Section 367.091, Florida Statutes, utilities may only charge Commission-approved rates and charges and the Commission "shall, either upon request or upon its own motion, fix rates which are just, reasonable, compensatory, and not unfairly discriminatory." Moreover, Rule 25-30.345, Florida Administrative Code, states that a utility may charge a reasonable fee to curtail the cost of restoring service if the fee is specified in the utility's tariff and may also have other customer service charges if the charges are stated in the utility's tariff.

Rule 25-30.460, Florida Administrative Code, defines in detail the categories of miscellaneous service charges. Pursuant to Rule 25-30.460(2), Florida Administrative Code, a tariff provision for the recovery of overtime costs when the customer requests that the service be performed after normal working hours can be approved if the additional costs are documented in the supporting cost justification.

Pursuant to Rule 25-30.460, Florida Administrative Code, and as set forth in the utility's tariff, the utility proposed an increase in the violation reconnection charge and the premises visit (in lieu of disconnection) charge. The utility proposed that the violation reconnection charge be increased from \$15.00 to \$25.00 and the premises visit (in lieu of disconnection) charge be increased from \$10.00 to \$23.00. The utility provided cost justification for the requested charges as required by our rules.

The utility's current miscellaneous service charges were approved August 11, 1988 and have not been increased since that time. We believe that the underlying costs for any function that one could envision being required to provide these services (i.e., customer service representative taking order, data processing

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Inputting information, field personnel reading meters, etc.) have increased since 1988. Furthermore, we recognize that general operating costs increase from year to year as demonstrated by the optional price index increase provided to a jurisdictional utility.

The utility provided a breakdown of each charge and the related costs, and it included costs associated with the labor expense (meter reader and clerical) and with the transportation/vehicle expense. The costs associated with each of these proposed charges were verified with the utility. Upon reviewing the application and the cost justification, we find that the costs are prudent and reasonable. Chairman Ridge's request to increase his violation reconnection charge to \$48.00 and his premises visit (in lieu of disconnection) charge to \$23.00 is approved.

CUSTOMER DEPOSITS

The utility also requested the implementation of a customer deposit pursuant to Rule 25-30.311, Florida Administrative Code. This section with past Commission practice, the customer deposit is not allowed by using the average bill for two months. In Order No. FSC-98-0188-FOF-WS, issued February 9, 1995, the utility's average monthly consumption was 6,320 gallons per residential customer. Given the utility's current rates and the 6,400 gallons per month per customer average, the average bill per month is \$16.32. Based on these calculations, the utility requested a customer deposit of \$12.00. Upon consideration, we find the request for the customer deposit to be reasonable, and a \$12.00 customer deposit is approved.

If the utility files revised tariff sheets within thirty days of the issuance date of this Order which are consistent with our findings, Commission staff shall have administrative authority to approve the revised tariff sheets upon verification that the utility has complied with the rule provision. If the revised tariff sheets are filed and approved, the revised miscellaneous service charges and the customer deposit shall be implemented on or after the stamped approval date of the tariff sheets pursuant to Rule 25.30.311, Florida Administrative Code, provided customers have advised service. The utility shall provide proof of the date service was resumed within 10 days after the date of service.

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Upon expiration of the protest period, if a timely protest is not received from a substantially affected person, this docket shall be closed.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Cinnamon Ridge Utilities, Inc.'s application to increase its miscellaneous service charges is hereby approved. It is further

ORDERED that Cinnamon Ridge Utilities, Inc.'s request to implement a customer deposit is hereby approved. It is further

ORDERED that if Cinnamon Ridge Utilities, Inc. files revised tariff sheets within thirty days of the issuance date of this Order which are consistent with our findings, Commission staff shall have administrative authority to approve the revised tariff sheets upon verification that the tariffs are consistent with our decision. It is further


ORDERED that if the revised tariff sheets are filed and approved, the increased miscellaneous service charges and the customer deposit shall be implemented on or after the stamped approval date of the revised tariff sheets, provided customers have received notice. It is further

ORDERED that Cinnamon Ridge Utilities, Inc. shall provide proof of the date notice was given within 10 days after the date of notice. It is further

ORDERED that the provisions of this order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 2540 Pharr Road, Tallahassee, Florida 32309-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 20th
Day of JULY, 1998.


BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S B A L)

AP

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 19.09(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 action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.009, 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 Form 25-22.036(7)(a) and (f), Field Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2560 Shumard Oak Boulevard, Tallahassee, Florida 32399-1000, by the close of business on August 10, 1998.

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In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by rule 29-22.029(6), Florida Administrative Code.

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 the date described above, any party substantially 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 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.