

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Notice of filing Tariff
Sheet No. 13.1 to implement
reuse service in Sumter County
by Little Sumter Utility
Company.

DOCKET NO. 990684-SU
ORDER NO. PSC-99-1392-PCO-SU
ISSUED: July 19, 1999

The following Commissioners participated in the disposition of
this matter:

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

ORDER SUSPENDING TARIFF

BY THE COMMISSION:

Little Sumter Utility Company (Little Sumter or utility) is a newly constructed water and wastewater utility located in Sumter County. The utility began providing service in 1997, and its customer base is rapidly growing. Little Sumter is currently a Class C utility, but it is anticipated to be a Class A utility at build-out. According to the utility's 1998 annual report, at year end the utility had connected 1,524 water customers and 1,341 wastewater customers. Also in its 1998 annual report, the utility reported revenues of \$261,368 for water and \$231,470 for wastewater. Additionally, the utility reported a net operating income of \$17,393 for water and a net loss of \$99,163 for wastewater.

By Order No. PSC-96-1132-FOF-WS, issued September 10, 1996, in Docket No. 960305-WS, the Commission granted Little Sumter's original water and wastewater certificates. The utility ultimately planned to reuse the wastewater effluent as much as possible by way of golf course irrigation, consistent with the requirements of the Southwest Florida Water Management District (SWFWMD). According to the utility's application for original water and wastewater

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certificates, it was estimated that six golf courses would ultimately be constructed in Little Sumter's service territory. Accordingly, the utility's proposed facilities were designed to treat wastewater to levels acceptable for public-access reuse by way of golf course irrigation. However, it was anticipated that the utility's wastewater treatment plant would not be in operation until December 1998. Consequently, the Commission determined that it was premature to establish a reuse rate at that time. By Order No. PSC-96-1132-FOF-WS, the Commission ordered that, "prior to providing any reuse service, Little Sumter Utility Company shall file a proposed reuse rate with the information as stated in the body of this Order."

Accordingly, on May 25, 1999, Little Sumter submitted a tariff filing to implement reclaimed water service at a zero rate. Pursuant to Section 367.091(5), Florida Statutes, the rate schedule proposed by the utility shall become effective within 60 days after filing, unless we vote to withhold consent to the implementation of the requested rates. We have reviewed the filing and have considered the utility's proposed changes. Upon consideration, we find it reasonable and necessary to require further amplification and explanation of the proposals and to require production of corroborative information as needed. Therefore, we find it appropriate to suspend Little Sumter's proposed tariff to provide reclaimed water service at a zero rate pending further investigation.

Additionally, the utility requested that in the event we suspend implementation of the tariff, it should be authorized to provide reclaimed water service on a temporary basis pending final determination by the Commission. We were informed that the golf course needs, and the utility is able to provide, reclaimed water service at this time. Further, according to the utility's application, reuse of effluent is required by the SWFWMD as a condition of the utility's consumptive use permit. Also, the Florida Department of Environmental Protection (DEP) is promoting the use of reclaimed water for irrigation. The utility's wastewater treatment plant was designed to utilize effluent reuse as the primary method of effluent disposal. Backup disposal to percolation ponds is intended to be used only during periods of wet

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weather or when effluent criteria is not met for golf course irrigation.

As stated in Section 367.0817(3), Florida Statutes, "the Legislature finds that reuse benefits water, wastewater, and reuse customers." In this instance, the question at hand is not whether the utility should be authorized to provide the reclaimed water service, but rather what is the appropriate rate for that service. Clearly, the provision of reclaimed water service is beneficial to both the utility and its customers. In consideration of the Legislatures' goal to promote reuse, the requirements imposed upon the utility by the DEP and SWFWMD, and the golf course's immediate need for the service, we find it appropriate to allow the utility to provide the reclaimed water service at its proposed zero rate on a temporary basis pending our final determination.

In accordance with Rule No. 25-30.475, Florida Administrative Code, the rates shall be effective for service rendered on or after the stamped approval date of the tariff sheet, provided the reclaimed water service customers have received notice. The utility shall provide proof that the customers have received notice within ten days after the date of the notice.

The provision of service at the utility's proposed zero rate will not generate any revenues. Therefore, no security for the temporary rates is needed in this case. Furthermore, in the event we establish a reuse rate higher than zero, the revenue impact will be addressed on a prospective basis only.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Little Sumter Utility Company's proposed tariff to provide reclaimed water service at a zero rate is hereby suspended. It is further

ORDERED that Little Sumter Utility Company is hereby authorized to provide reclaimed water service at a zero rate on a temporary basis pending final determination by the Commission. It is further

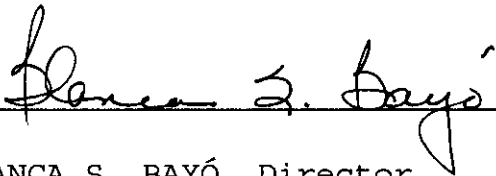
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ORDERED that Little Sumter Utility Company's rates for reclaimed water service shall be effective for service rendered on or after the stamped approval date of the tariff sheets pursuant to Rule No. 25-30.475, Florida Administrative Code, provided the reclaimed water customers have received notice. It is further

ORDERED that Little Sumter Utility Company shall provide proof that the customers have received notice within ten days after the date of the notice. It is further

ORDERED that this docket shall remain open.

By ORDER of the Florida Public Service Commission this 19th day of July, 1999.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

SAC

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

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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.