

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for approval of
new service classification
tariff filing in Buena Vista
subdivision in Pasco County by
Utilities, Inc. of Florida.

DOCKET NO. 020437-WU
ORDER NO. PSC-02-1023-TRF-WU
ISSUED: July 26, 2002

The following Commissioners participated in the disposition of
this matter:

LILA A. JABER, Chairman
J. TERRY DEASON
BRAULIO L. BAEZ
MICHAEL A. PALECKI
RUDOLPH "RUDY" BRADLEY

ORDER APPROVING GENERAL SERVICE RATE TARIFF

BY THE COMMISSION:

BACKGROUND

Buena Vista (utility) is a small water system owned by Utilities, Inc. of Florida and has stand-alone rates in Pasco County. The system serves approximately 1,100 residential customers. The utility was formerly known as Bartelt Sunshine, and was acquired by Utilities, Inc. of Florida (UIF) in 2001. We approved the transfer by Order No. PSC-01-1655-PAA-WS, issued August 13, 2001, in Docket No. 000793-WS. The financial information for 2001 is combined with the other systems in Pasco County in the UIF annual report. However, based on the 2000 Annual Report for Bartelt Sunshine, the utility recorded revenues of \$62,096 and expenses of \$70,958, resulting in a net operating loss of \$8,862.

On February 26, 2002, UIF requested test year approval for its systems located in five counties including Pasco County. For administrative purposes, Docket No. 020071-WS was assigned to this case, and the utility's application is due June 30, 2002.

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

On May 14, 2002, the utility filed for approval of a new class of service for a general service tariff for the Buena Vista system. The Buena Vista tariff only contains residential tariffs, and the utility has recently added a new general service customer and another prospective customer that wishes to be served by the utility. We have jurisdiction pursuant to Section 367.091, Florida Statutes.

APPROVING GENERAL SERVICE CUSTOMER TARIFF

The utility presently has an approved residential-only tariff. This tariff is for 5/8-inch service lines, with a minimum charge of \$8.88 per month including 5,000 gallons of usage. For consumption in excess of 5,000 gallons monthly, there is a gallonage charge of 43 cents per 1,000 gallons. These charges are listed on Schedule No. 1, attached hereto and incorporated by reference. The utility recently added a 2-inch metered general service customer and has another prospective general service customer that wishes to be served by the utility. The prospective customer will require a 1-inch metered general irrigation water service.

Section 367.091(5), Florida Statutes, provides that:

[i]f any request for service of a utility shall be for a new class of service not previously approved, the utility may furnish the new class of service and fix and charge just, reasonable, and compensatory rates or charges therefor. A schedule of rates or charges so fixed shall be filed with the commission within 10 days after the service is furnished. The commission may approve such rates or charges as filed or may approve such other rates or charges for the new class of service.

The 2-inch metered general customer was added to the billing system during the last billing cycle (as of May 14, 2002), and charged the residential rate in effect, since the utility had no other approved rate. The prospective 1-inch customer has not been billed or added to the system to date.

Section 367.091(6), Florida Statutes, states, "[a]n application to establish, increase, or change a rate or charge other than the monthly rates for service pursuant to §367.081 or

service availability charges pursuant to §367.101 must be accompanied by a cost justification." The utility's requested tariff includes base facility charge rates for the various general service meter sizes. Each charge was escalated by the non-residential meter-equivalent factor pursuant to Rule 25-30.055(1)(b), Florida Administrative Code. The utility also proposed that the gallonage charge for the general service tariff be equal to the current residential gallonage charge of \$0.43 per thousand gallons.

The utility requested a base facility charge of \$22.20 monthly for a 1-inch meter. This was calculated by using the existing residential base facility charge (BFC) of \$8.88 for a 5/8-inch meter, and grossing it up by the meter equivalent factor of 2.5 for a 1-inch meter. The utility estimates that the 1-inch customer will use 7,000 gallons monthly for a total gallonage component of \$3.01. Thus, the utility estimates that the prospective 1-inch customer will generate an additional \$25.21 in monthly revenues.

The utility has requested a base facility charge of \$71.04 monthly for the customer requesting 2-inch general service. This was calculated by using the existing residential BFC and grossing it up by the meter equivalent factor of 8.0 for a 2-inch meter. The utility estimates that the 2-inch customer will use 7,500 gallons monthly, for a gallonage component of \$3.23. The utility estimates that the 2-inch customer will generate an additional \$74.27 in monthly revenues.

These two customers will increase the utility's revenues by approximately \$1,194 per year. This represents a 1.92 percent increase in revenues and will not have a material effect on the utility's overall rate of return.

We find that the requested general service water charges proposed by the utility are reasonable, and the utility's request is hereby approved. These charges and the rate structure will be further reviewed in connection with the utility's upcoming rate case.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Utilities, Inc. of Florida's proposed charges for general service customers is hereby approved for its Buena Vista subdivision in Pasco County as set forth in Attachment A of this Order, incorporated herein by reference. It is further

ORDERED that the charges approved herein shall be effective for service rendered on or after staff's approval of the filed tariff sheet pursuant to Rule 25-30.475(1), Florida Administrative Code, provided the customers have received notice and after staff verification that the proposed customer notice is adequate. It is further

ORDERED that Utilities, Inc. of Florida shall provide proof that the customers have received notice within 10 days after the date of the notice. It is further

ORDERED that if no protest occurs within 21 days of the issuance date of this Order, this Order will become final upon the issuance of a Consummating Order and the docket shall be closed.

By ORDER of the Florida Public Service Commission this 26th day of July, 2002.

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records and Hearing
Services

(S E A L)

JSB

NOTICE OF FURTHER PROCEEDINGS

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 proposed action files a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on August 16, 2002.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

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.

Buena Vista Development
WATER MONTHLY SERVICE RATE

SCHEDULE NO. 1

<u>Residential</u>	<u>Present Rate</u>
Minimum Charge: (includes 5,000 gallons of usage)	
Meter size:	\$8.88
5/8" x 3/4"	
Gallonage charge per 1,000 Gallons	\$0.43

<u>General Service</u>	<u>Approved Rate</u>
5/8" x 3/4"	\$ 8.88
1"	22.20
1-1/2"	44.40
2"	71.04
3"	133.20
4"	222.00
6"	444.00
Gallonage charge per 1,000 Gallons	\$0.43