

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request by Aqua Utilities Florida, Inc. to
establish residential wastewater only rates.

DOCKET NO. 120157-WS
ORDER NO. PSC-12-0662-TRF-WS
ISSUED: December 19, 2012

The following Commissioners participated in the disposition of this matter:

RONALD A. BRISÉ, Chairman
LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS
JULIE I. BROWN

ORDER APPROVING RESIDENTIAL WASTEWATER ONLY RATES

BY THE COMMISSION:

BACKGROUND

Aqua Utilities Florida, Inc. (AUF or Utility) is a wholly-owned subsidiary of Aqua America, Inc. (AAI). AUF is a Class A utility providing water and wastewater service to 58 water and 27 wastewater systems in 17 counties under our jurisdiction. Water and wastewater rates were last established for this Utility in Docket No. 100330-WS. In that case, AUF requested approval of uniform residential wastewater only (RWO) service rates for all systems included in its filing. In the alternative, RWO rates were calculated for customers on a per service area basis. By Order No. PSC-12-0259-FOF-WS, we approved a capband rate structure for AUF, including two residential rate bands and one general service rate band for the Utility's wastewater customers, and RWO rates for service areas having existing RWO customers. We further established RWO rates for those systems within wastewater rate bands 1 and 2 which had existing RWO customers.¹ These systems were the Valencia Terrace system in rate band 1, the Sunny Hills and Zephyr Shores systems in rate band 2, and the Lake Gibson Estates system in rate band 3. For those areas with no RWO customers, no rate was established.²

Pursuant to Section 367.091(3), Florida Statutes (F.S.), a utility may only impose and collect rates and charges approved by us for a particular class of service. Therefore, the Utility has requested that a RWO rate be established that would apply to all systems within each of the two wastewater rate bands which serve residential customers. By Order No. PSC-12-0355-PCO-

¹ See Order No. PSC-12-0102-FOF-WS, issued March 5, 2012, in Docket No. 100330-WS, In re: Application for increase in water/wastewater rates in Alachua, Brevard, DeSoto, Hardee, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties by Aqua Utilities Florida, Inc.

² Id.

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WS, issued July 9, 2012, we suspended the Utility's proposed tariff pages to allow our staff sufficient time to address both: 1) the Utility's RWO request; and 2) the appropriate RWO rates for the Utility's two residential wastewater rate bands. We have jurisdiction pursuant to Section 367.091, F.S.

DECISION

On May 1, 2012, the Utility filed a request to establish a RWO rate applicable to all systems within each of its two rate bands. In support of its petition in the instant case, AUF states that there are residential customers who have, without notifying the Utility, installed private wells for potable water service. Upon a determination that such a circumstance exists, AUF removes those customers' water meters to protect the potable water supply of not only its remaining water customers, but also its water distribution system. According to AUF, this action is consistent with the Department of Environmental Protection's rules and AUF's approved cross protection policy. Furthermore, the Utility states in its filing that the phenomenon of residential customers installing private wells for potable water has become much more prevalent, occurring with more frequency within other AUF systems throughout Florida. However, AUF currently has no Commission-approved rates to charge the non-connected water customers for the wastewater RWO service provided by AUF.

AUF's May 1, 2012 filing and resulting proposed rates in the instant case preceded our decision at the May 8, 2012 Agenda Conference, at which time we granted AUF's motion for reconsideration and correction of errors, and on its own motion, corrected an allocation error in the residential wastewater rates affecting both residential rate bands. Our decision was set forth in Order No. PSC-12-0259-FOF-WS, issued May 29, 2012. Since the aforementioned Agenda Conference and Order occurred subsequent to the Utility's May 1, 2012 filing, it is appropriate to base AUF's rates on the rates arising from Order No. PSC-12-0259-FOF-WS.

Therefore, based on average residential wastewater consumption within each rate band and the tariffs currently in effect, we find that the RWO rates of \$44.40 for rate band one, and \$61.84 for rate band 2, is appropriate. Our calculations are shown on the following page.

AQUA UTILITIES FLORIDA, INC.			
DOCKET NO. 120157-WS			
COMMISSION CALCULATIONS: RWO CHARGES			
<u>Line No.</u>		<u>Rate Band 1</u>	<u>Rate Band 2</u>
1	Total Residential Bills	11,744	58,292
2	Total Residential Kgals	32,016	177,419
3 = 2 / 1	Average Residential Kgals Consumption / Bill	2.726	3.044
4	Approved Residential Wastewater Gallonage Charge per Rate Band (per 1,000 Gallons)	\$7.81	\$8.93
5 = 3 x 4	Approved Gallonage Portion of Bill	\$21.29	\$27.18
6	Approved BFC	\$23.11	\$34.66
7 = 5 + 6	Approved RWO Rate	\$44.40	\$61.84
<p><u>Sources:</u> Aqua Utilities Florida, Inc., In re: Application for increase in water/wastewater rates in Alachua, Brevard, DeSoto, Hardee, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties, Minimum Filing Requirements; Order No. PSC-12-0259-FOF-WS, issued May 29, 2012; current tariffs.</p>			

Therefore, AUF's request for RWO rates applicable to all systems within each residential wastewater rate band shall be approved. However, AUF's proposed tariff sheets shall not be approved as filed. The appropriate RWO rate is \$44.40 for rate band one, and \$61.84 for rate band 2. The Utility shall be required to file revised tariff sheets reflecting our approved rates. Provided the affected customers have received proper notice, the approved rates shall be effective for service rendered on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), Florida Administrative Code. The Utility shall provide proof to our staff of the date notice was given within 10 days after the date of the notice.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that residential wastewater only rates of \$44.40 for rate band one and \$61.84 for rate band 2, are hereby approved as set forth herein. It is further

ORDERED that Aqua Utilities Florida, Inc. shall be required to file revised tariff sheets reflecting our approved rates. Provided the affected customers have received proper notice, the approved rates shall be effective for service rendered on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), Florida Administrative Code. It is further

ORDERED that Aqua Utilities Florida, Inc. shall provide proof to our staff of the date notice was given within 10 days after the date of the notice. It is further

ORDERED that the tariffs shall become effective on or after the stamped approval date on the tariff sheets, in accordance with Rule 25-30.475, F.A.C. If a protest is filed within 21 days of the issuance of the Order, the tariff shall remain in effect, with all residential wastewater only charges held subject to refund pending resolution of the protest. If no timely protest is filed, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 19th day of December, 2012.



ANN COLE
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

CMK

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 Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on January 9, 2013.

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.