

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for new class)	DOCKET NO. 900704-SU
of service, sewer only, in Hernando)	ORDER NO. 23644
County by Spring Hill Utilities,)	ISSUED: 10-22-90
Inc. (Deltona))	
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The following Commissioners participated in the disposition of this matter:

- THOMAS M. BEARD
- BETTY EASLEY
- GERALD L. GUNTER
- FRANK S. MESSERSMITH

ORDER APPROVING NEW RATE FOR WASTEWATER-ONLY CUSTOMERS

BY THE COMMISSION:

Spring Hill Utilities, Inc. (Utility) is a Class A utility serving approximately 21,372 water customers and 4,929 wastewater customers in Hernando County. The Commission granted the utility's original water and wastewater certificates by Order No. 4914, issued on July 9, 1970. The utility's rates were last considered in Docket No. 830059-WS which culminated in Order No. 16462, issued on August 12, 1986.

The utility filed its present application for a new classification of service on August 21, 1990. The utility wants to establish a "Sewer Only" service and rate for those customers who obtain water from their own wells.

Currently, the utility's residential wastewater rates are a monthly base facility charge of \$6.62 and a gallonage charge of \$2.66 per 1,000 gallons up to a maximum of 10,000 gallons. The utility has several residential wastewater-only customers who obtain their water from private unmetered wells. The utility is unable to determine water consumption for these customers, and thus, is unable to apply the gallonage charge correctly. As a result, the utility is currently charging these customers the base facility charge only. The utility now proposes to charge these customers a flat rate of \$17.84 per month. This rate was based on the 1989 average residential consumption for all Spring Hill customers and the base facility charge.

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Commission policy is that customers should be billed for wastewater service based on water consumption. However, in situations such as this where customers have their own water wells, it is necessary to establish a flat charge for wastewater service using some methodology other than basing the charge on the customer's water usage. In such cases, we have historically used the average of the residential sewer bills in a given area as the appropriate flat rate for wastewater-only customers in that area.

Although it would have been more appropriate for the company to file this request as a tariff revision to establish a new rate since a new class of service is not really being established, we believe that no purpose is served by denying this filing and requiring the company to refile the request in the proper form. We have reviewed the utility's methodology and calculations, and find that both are correct. Additionally, we have approved a wastewater-only flat rate in at least two previous cases (see Orders Nos. 22293 and 23359) for exactly the same reason. Accordingly, we will approve a flat rate of \$17.84 per month for wastewater-only residential customers.

The rate approved herein shall become effective on a pro rata basis for service rendered on or after the stamped approval date on the revised tariff sheet. Pursuant to State of Florida v. Wilson, No. 74,915 (Fla. Sept. 27, 1990), the tariff revision approved herein is effective, but interim in nature and will become final unless a substantially affected person files a petition for a formal proceeding within 21 days of the date of issuance of this order. If no such petition is filed, this docket may be closed.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the application of Spring Hill Utilities, Inc. for a new class of service for residential wastewater-only customers is hereby approved. It is further

ORDERED that Spring Hill Utilities, Inc. is authorized to charge a flat monthly rate of \$17.84 for this service. It is further

ORDERED that the new rate is effective on a pro rata basis for service rendered on or after the stamped approval date on the revised tariff sheet. It is further

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ORDERED that the tariff revision approved herein is effective, but 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 of Records and Reporting by the date set forth in the Notice of Further Proceedings set forth below. It is further

ORDERED that in the event no petition for a formal proceeding is timely received, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 22nd
day of OCTOBER, 1990.



STEVE TRIBBLE, Director
Division of Records and Reporting

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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.

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 at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on November 12, 1990

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