

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for approval ) DOCKET NO. 920633-WS  
of a new class of service to ) ORDER NO. PSC-92-0966-FOF-WS  
provide reuse water by ) ISSUED: 09/09/92  
HYDRATECH UTILITIES, INC. in )  
Marion County )  
\_\_\_\_\_)

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman  
SUSAN F. CLARK  
J. TERRY DEASON  
BETTY EASLEY  
LUIS J. LAUREDO

ORDER APPROVING NEW CLASS OF SERVICE

BY THE COMMISSION:

Hydratech Utilities, Inc. (HUI or utility) is located in Martin County and serves 4,326 water customers and 3,683 wastewater customers as of December 31, 1991. According to the utility's 1991 annual report, the utility's annual water revenues were \$1,666,888 and its operating income for water was \$233,016. The wastewater system, which is the subject of this docket, had annual revenues of \$774,787 and an operating income of \$92,810 for that same period.

On June 5, 1992, the utility sent a letter requesting approval for a new class of service to provide treated effluent for spray irrigation to the Loblolly Pines Development Corporation's golf course (Loblolly or the golf course). The information was submitted on June 22, 1992.

The service is provided through a distribution line that was constructed by Loblolly and contributed to HUI. The utility installed a meter and sand filters necessary to meet environmental regulations to provide the service. Neither party is required by a governmental agency to participate in this reuse program. HUI's percolation ponds are of sufficient size to process all the treated wastewater if necessary and the golf course may obtain a consumptive use permit from the South Florida Water Management District (SFWMD).

The utility is currently collecting charges of \$50 per month and \$0.15 per 1,000 gallons for treated effluent used by the golf course. These charges were not approved by the Commission when

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implemented. HUI has stated that it did not recognize that this Commission has jurisdiction over the provision of effluent for reuse and, for that reason, did not obtain Commission approval prior to implementing these charges. Because effluent for reuse is a relatively new service for wastewater utilities, we did not find it appropriate to show cause HUI for this violation of Chapter 367, Florida Statutes.

HUI has requested that we approve a charge of \$81 per month in addition to continuing the \$0.15 per 1,000 gallons so HUI can recover the majority of the costs associated with providing the service. We have reviewed the supporting cost data. HUI requested recovery of costs associated with purchased power for pumping the treated effluent to the golf course, chemical expenses required to meet Department of Environmental Regulation standards for using treated effluent for spray irrigation, additional laboratory tests, meter reading, billing expenses, and depreciation of plant associated with providing the service. The cost data provided by HUI reflect expenses which appear to be reasonable and are similar to expenses for providing treated effluent by other utilities that provide this service.

Although the requested charges reflect a rate structure that is different from those previously approved by this Commission, the average cost per 1,000 gallons to the customer, at the \$81 per month base charge, is \$0.16. This cost is within the range of the charges approved for other utilities that provide this service.

The golf course, which received 73,728,000 gallons of treated effluent in 1991, benefits significantly from purchasing treated effluent for irrigation purposes. The provision of treated effluent for irrigation purposes is not restricted during periods of water shortages when private wells may be dry and potable water supplies may be diminished. The treated effluent contains nutrients which encourage plant growth such as nitrogen, phosphate, and potassium, resulting in a reduction in fertilizer expenses.

The use of alternative sources of water for the golf course requires obtaining a consumptive use permit from the SFWMD. In discussions with a representative of SFWMD, we learned that, while the golf course is located in an area that is anticipated to have water shortage problems within the next 20 years, the area is not currently experiencing water shortages. Therefore, the golf course

could obtain a consumptive use permit for irrigation to the golf course.

Other possible alternatives, such as the purchase of potable water from the utility, appear to be more expensive. The cost of potable water from HUI is \$1.25 per 1,000 gallons for general service customers in addition to a base facility charge, which varies depending on the meter size.

Based on the information contained herein, we hereby approve HUI's request for a new class of service to provide treated effluent to the golf course for irrigation purposes at \$80 per month and \$0.15 per 1,000 gallons. HUI has been showing continued net losses and this charge will not cause the utility to overearn.

The tariff request will become effective for HUI upon approval of the previously filed tariff sheets for meters read on or after 30 days after the stamped approval date. The rates 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 a protest is timely filed, the utility may collect the rates on an interim basis subject to refund until resolution of the protest.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that the request by Hydratech Utilities, Inc. to provide a new class of service to provide effluent reuse water is hereby approved. It is further

ORDERED that the new class of service rates 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 a protest is filed, the utility may collect the rates on an interim basis subject to refund, until resolution of the protest. It is further

ORDERED that the rates approved herein will be effective upon approval of the tariff sheets. It is further

ORDERED that the tariff sheets will be approved upon Staff's verification that they accurately reflect this Commission's decision. It is further

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ORDERED that, if no timely protest is received, and upon the utility's filing of tariff sheets and our approval of them, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 9th day of September, 1992.

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STEVE TRIBBLE, Director  
Division of Records and

( S E A L )

KAC

by: Kay Flynn  
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Chief, Bureau of Records

Commissioner Laredo dissented.

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 September 30, 1992.

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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 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 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.