

FLORIDA PUBLIC SERVICE COMMISSION
Capital Circle Office Center • 2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

MEMORANDUM

February 20, 1997

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF WATER & WASTEWATER (AUSTIN) *AF*
DIVISION OF LEGAL SERVICES (K. JOHNSON) *KMS* *W* *AF*

RE: DOCKET NO. 970029-WS - HYDRATECH UTILITIES, INC. -
REQUEST FOR APPROVAL OF NEW CLASS OF SERVICE FOR BULK
WASTEWATER SERVICE
COUNTY: MARTIN

AGENDA: 03/04/97 - REGULAR AGENDA - DECISIONS ON SUSPENSION OF
RATES - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 60-DAY SUSPENSION DATE: 03/08/97

SPECIAL INSTRUCTIONS: S:\PSC\WAW\WP\970029WS.RCM

CASE BACKGROUND

Hydratech Utilities, Inc. (Hydratech or utility) is a Class A water and wastewater utility providing service to approximately 5,169 water and 4,389 wastewater customers in Martin County. According to its 1995 annual reports, the utility reported gross operating revenues of \$1,210,078 and \$963,550 for water and wastewater, respectively. A net operating income of \$119,558 was reported for water along with a net operating loss of \$14,873 for wastewater.

On January 7, 1997, the utility filed an application pursuant to Section 367.091, Florida Statutes, for approval of a new class of service to provide bulk wastewater service within its wastewater only service territory. The utility and Martin County are negotiating a bulk service wastewater agreement whereby the utility will provide bulk wastewater service to the County. The County will in turn provide individual wastewater service to approximately 166 existing equivalent residential connections (ERCs) in two phases behind the bulk meter and ultimately to 301 such connections at build out.

DOCUMENT NUMBER-DATE

01874 FEB 20 97

FPSC-RECORDS/REPORTING

DOCKET NO. 970029-WS
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DISCUSSION OF ISSUES

ISSUE 1: Should Hydratech Utilities, Inc.'s proposed tariff to add a new class of service be suspended?

RECOMMENDATION: Yes, Hydratech's proposed tariff to add a new class of service to provide bulk wastewater service within its wastewater only service territory should be suspended pending further investigation by staff. (AUSTIN, K. JOHNSON)

STAFF ANALYSIS: Pursuant to Section 367.091(5), Florida Statutes, the rate schedules proposed by the utility shall become effective within sixty (60) days after filing, unless the Commission votes to withhold consent to implementation of the requested rates.

The utility has requested approval of a new class of service in order to provide bulk wastewater service within its wastewater only service territory. The utility is currently negotiating with Martin County to provide the service to the county as the utility's bulk service customer. The utility and the county have agreed upon a bulk service rate of \$16.81 per ERC. The rate was calculated based upon the average bill for Hydratech's metered water customers.

Staff has reviewed the filing and has considered the proposed rate and the information filed in support of the application. We believe it is reasonable and necessary to require further amplification and explanation of this data and to require production of corroborative information, if necessary. Our review of the utility's application will include further examination by staff accountants, engineers, and rate specialists. Therefore, staff recommends that the proposed tariffs to add a new class of service to provide bulk wastewater service be suspended.

State of Florida

Commissioners:
SUSAN F. CLARK, CHAIRMAN
J. TERRY DEASON
JULIA L. JOHNSON
DIANE K. KIESLING
JOE GARCIA



DIVISION OF RECORDS &
REPORTING
BLANCA S. BAYÓ
DIRECTOR
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Public Service Commission

January 13, 1997

F. Marshall Deterding, Esquire
Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301

RE: Docket No. 970029-WS

Dear Mr. Deterding:

This will acknowledge receipt of a request for approval of new class of service for bulk wastewater service in Martin County by Hydratech Utilities, Inc., which was filed in this office on January 7, 1997 and assigned the above-referenced docket number. Appropriate staff members will be advised.

Division of Records and Reporting
Florida Public Service Commission