



# Public Service Commission

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RECORDS AND REPORTING

**DATE:** OCTOBER 22, 1998

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

**FROM:** DIVISION OF WATER AND WASTEWATER (FLETCHER, MUMROE)  
DIVISION OF LEGAL SERVICES (FERGUSON)

**RE:** DOCKET NO. 981243-WU - APPLICATION BY MARION UTILITIES, INC. FOR APPROVAL OF REVISED SERVICE AVAILABILITY CHARGES FOR SPRUCE CREEK SERVICE AREA AND NEW SERVICE AVAILABILITY POLICY FOR WATER DIVISION IN MARION COUNTY.  
COUNTY: MARION

**AGENDA:** NOVEMBER 3, 1998 - REGULAR AGENDA - DECISION ON SUSPENSION OF CHARGES - INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** 60-DAY SUSPENSION DATE: NOVEMBER 28, 1998

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\WAW\WP\981243.RCM

### CASE BACKGROUND

Marion Utilities, Inc. (Marion or utility) is a Class A utility providing water and wastewater service for approximately 4,382 water and 118 wastewater equivalent residential connections (ERCs) in Marion County. According to its 1997 Annual Report for the twelve months ending December 31, 1997, the utility recorded operating revenues of \$963,249 and \$21,311 for water and wastewater, respectively. The utility's service areas are located in the St. Johns River Water Management District Water Conservation Area as designated by the Governing Board of the Water Management District.

On September 30, 1998, the utility filed this application for approval of revised service availability charges for its Spruce Creek service area and new service availability policy for its water division. The Utility's present service availability fees

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for its Spruce Creek Service Area were established in Order No. 25563, issued January 21, 1992.

In the instant case, the utility is requesting the following changes in its service availability fees for Spruce Creek Service Area. The first of which is the extinguishment of its system capacity charge of \$445 per residential equivalent residential connection (ERC). Second, the utility proposes the prospective commencement of a plant capacity charge and a main installation charge which are \$150 and \$500, respectfully, for residential per ERC (554 gallons per day) and \$.4286 and \$1.4286, respectfully, for all others per - gallon. With regard to meter installation fees, the utility requests an increase from \$100 to \$210 for each 5/8" X 3/4" meter, an increase from \$130 to \$247 for each 1" meter, and an increase from \$180 to \$427 for each 1 1/2" meter. No other service availability charges are being requested.

This recommendation solely addresses the suspension of the utility's proposed tariff sheets.

**DISCUSSION OF ISSUES**

**ISSUE 1:** Should the Marion Utilities, Inc.'s proposed tariff sheets to revise its service availability charges for its Spruce Creek service area and to implement a new service availability policy for its water division be suspended?

**RECOMMENDATION:** Yes, Marion Utilities, Inc.'s proposed tariff sheets to revise its service availability charges for its Spruce Creek service area and to implement a new service availability policy for its water division should be suspended pending further investigation by staff. (FLETCHER, FERGUSON)

**STAFF ANALYSIS:** Pursuant to Section 367.091(5), Florida Statutes, the tariff sheets proposed by the utility shall become effective within sixty (60) days after filing, unless the Commission votes to withhold consent of the request.

Section 367.091(5), Florida Statutes, states that the Commission may withhold consent to the operation of any or all portions of new rate schedules, by a vote to that effect within 60 days giving a reason or statement of good cause for withholding that consent. If the Commission does not withhold consent, the proposed tariff may be assumed in effect after 60 days.

Staff has reviewed the filing and has considered the utility's proposed charges, 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 application will include further examination by staff engineers and rate analysts. Therefore, the staff recommends that the proposed tariff sheets to revise the utility's service availability charges for its Spruce Creek service area and to implement a new service availability policy for its water division be suspended pending further discovery by staff.