



Public Service Commission

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RECORDS AND REPORTING

DATE: JUNE 8, 2000

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

FROM: DIVISION OF LEGAL SERVICES (FUDGE) *RF MS*
DIVISION OF ECONOMIC REGULATION (MERCHANT, KYLE) *JK*

RE: DOCKET NO. 000610-WS - APPLICATION FOR UNIFORM SERVICE AVAILABILITY CHARGES IN DUVAL, NASSAU, AND ST. JOHNS COUNTIES BY UNITED WATER FLORIDA INC.

AGENDA: 06/20/2000 - REGULAR AGENDA - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\LEG\WP\000610.RCM

CASE BACKGROUND

United Water Florida Inc. (UWF or utility), is a Class A utility providing water and wastewater service to approximately 27,000 customers in Duval, Nassau, and St. Johns Counties.

By Order No. PSC-97-0618-FOF-WS, issued May 30, 1997, in Docket No. 960451-WS, (May Order), the Commission ordered UWF to file a service availability application (Application) within three years of the issuance of that Order. On June 16, 1997, UWF filed a Motion for Reconsideration of the May Order. On September 30, 1997, the Commission issued Order No. PSC-97-1146-FOF-WS, (September Order), Granting in Part and Denying in Part Motion for Reconsideration and Amending Order No. PSC-97-0618-FOF-WS.

By letter dated May 4, 2000, St. Johns County (County) stated that the residents of the Ponte Vedra Municipal Services District (MSD) have asked UWF to construct a sewer transmission line to

DOCUMENT NUMBER-DATE

06976 JUN-88

FPSC-RECORDS/REPORTING

serve the MSD, and that UWF has refused, stating that construction of such a line will violate its approved service availability policies. Therefore, the County has requested that the Commission address whether UWF should construct this line in UWF's service availability docket. The County intends to intervene and actively participate in this docket, and oppose any extension of time which would delay resolution of their dispute with UWF.

By letter dated June 6, 2000, UWF stated that it "will provide wastewater service to the residents of the MSD who apply for service, but consistent with UWF's tariff on file with the Commission, such applicants must pay for the extension of the collection system needed to provide such service." Before contributions are made, the MSD has to file an "[a]pplication for new services . . . in writing . . . on forms provided by Utility Company." Tariff, Sheet 28.2, Rule A.5. UWF states that it is not aware of any such application from the MSD. Furthermore, UWF's tariff states that it "shall be obligated to furnish wastewater service to a Property Owner only as a result of and under the terms of a properly executed Service Agreement." Tariff Sheet No. 28.1, Rule A.3. UWF states that it has not entered into a service agreement with the MSD.

On May 19, 2000, UWF filed a Motion for Clarification of Time or in the alternative, Motion for Extension of Time. UWF states that the stipulation in the May Order agreed to by both UWF and the Commission was that:

UWF's service availability charges shall not be made uniform at this time. However, the utility shall file a service availability application within three years after the final rate case Order is issued in this docket. (OPC [Office of Public Counsel] took no position on this issue).

UWF contends that since it filed a Motion for Reconsideration of the May Order, the "final rate case order", referred to in the stipulation, was the September Order.

In the alternative, UWF has filed for an extension of time for filing the Application to July 30, which is the midpoint between May 30, 2000 and September 30, 2000.

ISSUE 1: Should the Commission grant UWF's Motion for Clarification regarding its obligation to file a service availability application within three years of the date of issuance of Order No. PSC-97-0618-FOF-WS?

RECOMMENDATION: No. UWF's Motion for Clarification should be denied. (FUDGE, KYLE)

STAFF ANALYSIS: In its Motion, United Water seeks clarification of whether the three year period should run from the date of the May Order or the September Order. The stipulation in the May Order states that the application shall be filed three years from the "final rate case order in this docket" (emphasis added). However, the ordering paragraph requires UWF to "file a service availability application within three years of the date of issuance of this Order" (emphasis added). UWF asserts that since the September Order amended the May Order, the "final rate case order" referred to in the stipulation is the September Order. Therefore, UWF claims that it has until September 30, 2000, to file its application.

The stipulation referred to in the May Order was agreed to by the parties at the prehearing conference held on January 17, 1997. At the prehearing conference, Commission staff stated that a stipulation could be reached if the utility would agree to file its service availability application in two years, instead of waiting until the next rate case. The utility proposed three years, and Commission staff recommended that the utility should file a service availability application "within three years after the current rate case order is issued" (emphasis added). (TR 88:7-10). The "current rate case order" contemplated by the parties, at that time, was the order to be issued in May.

Furthermore, staff believes that it is clear from the ordering paragraph that the Commission intended the three year period to begin from the issuance date of Order No. PSC-97-0618-FOF-WS, on May 30, 1997. Order No. PSC-97-0618-FOF-WS clearly states that "United Water Florida Inc., shall file a service availability application within three years of the date of issuance of this Order." Therefore staff recommends that the motion for clarification be denied.

ISSUE 2: Should the Commission grant UWF's Motion for Extension of Time to file the service availability application required by Order No. PSC-97-0618-FOF-WS?

RECOMMENDATION: Yes. UWF's Motion for Extension of Time to July 30, 2000, to file its service availability application should be approved. (FUDGE, KYLE).

STAFF ANALYSIS: UWF has filed a Motion for Extension of Time for filing the Application to July 30, 2000, which is the midpoint between May 30, 2000, and September 30, 2000. In support of its Motion for Extension of Time, UWF states that the data needed for the Application is very extensive and complex, and the accumulation and analysis of that data is very time consuming. UWF also desires to meet with Commission staff prior to filing to discuss the form and substance of the information to be provided, including the level of detail to be included, as well as other matters related to the Application. UWF asserts that the proposed plan of a pre-filing meeting and a July 30, 2000, filing date will result in a better and more complete filing and promote administrative efficiency. OPC, the only other party to the 1996 rate case, has been advised of this Motion for Extension of Time but has not yet taken a position.

As noted in the case background, the County intends to intervene and actively participate in this docket, and oppose any extension of time in which to file the Application. However, staff has spoken with counsel for the County, and the County has advised that it would not be opposed to an extension until June 30, 2000.

Staff agrees with UWF's rationale for granting an extension to July 30, 2000. Service availability cases are normally very complex. In the last three years, staff has handled several service availability cases in which substantial additional information was required from utilities after filing in order to estimate plant and customer growth needs for seven to ten years into the future. The current case will address uniform service availability charges, thereby magnifying the level of complexity. Staff believes that UWF's proposal for a pre-filing meeting will facilitate the filing of a more complete application. Therefore, staff believes that it is reasonable to grant the utility an extension of time in which to file its Application. Therefore, UWF's Motion for Extension of Time to July 30, 2000, to file its service availability application should be approved.

DOCKET NO. 000610-3
DATE: JUNE 8, 2000

ISSUE 3: Should this docket be closed?

RECOMMENDATION: No. This docket should remain open pending review of the service availability application which UWF is required to provide under the terms of Order No. PSC-97-0618-FOF-WS. (FUDGE)

STAFF ANALYSIS: This docket should remain open pending review of the service availability application which UWF is required to provide under the terms of Order No. PSC-97-0618-FOF-WS.