State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: MAY 3, 2001

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

FROM: DIVISION OF ECONOMIC REGULATION (FITCH, MERTA, RENDELL)

DIVISION OF LEGAL SERVICES (JAEGER)

RE: DOCKET NO. 010372-SU - REQUEST FOR APPROVAL OF NEW CLASS

OF SERVICE, RESIDENTIAL RECLAIMED WATER SERVICE, IN PASCO

COUNTY BY ALOHA UTILITIES, INC.

COUNTY: PASCO

AGENDA: 05/15/01 - REGULAR AGENDA - TARIFF FILING - INTERESTED.

PERSONS MAY PARTICIPATE

CRITICAL DATES: 60-DAY SUSPENSION DATE: MAY 28, 2001

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\ECR\WP\010372.RCM

CASE BACKGROUND

Aloha Utilities, Inc. (Aloha or utility), is a Class A water and wastewater utility in Pasco County. The utility consists of two distinct service areas, Aloha Gardens and Seven Springs. The utility's service area is located within the Northern Tampa Bay Water Use Caution Area as designated by the Southwest Florida Water Management District (SWFWMD). Critical water supply concerns have been identified by SWFWMD within this area.

On March 29, 2001, the utility filed this application to request approval of a new class of service, Residential Reuse Water Service. The utility has requested a \$6.34 monthly flat rate for this service. The Commission established a reuse gallonage rate of \$0.29 per 1,000 gallons in Order No. PSC-01-0329-FOF-SU, issued February 6, 2001, in Docket No. 991643-SU. However, both the Office of Public Counsel and Aloha petitioned for reconsideration of that Order. By Order No. PSC-01-0961-FOF-SU, issued April 18,

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2001, the Commission disposed of all pending motions for reconsideration in that Docket. None of the issues raised in the motions for reconsideration addressed the reuse rate. However, the time for appeal in that Docket will not expire until May 18, 2001.

This recommendation addresses the suspension of the utility's proposed tariff sheets. The Commission has jurisdiction pursuant to Section 367.091, Florida Statutes.

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DISCUSSION OF ISSUES

ISSUE 1: Should Aloha's proposed tariff sheet to establish a new class of service, Residential Reuse Water Service, be suspended?

RECOMMENDATION: Yes, Aloha's proposed tariff sheet to establish a new class of service, Residential Reuse Water Service, should be suspended pending further investigation by staff. This docket should remain open to process the utility's request for a new class of service. (FITCH, MERTA)

STAFF ANALYSIS: Pursuant to Section 367.091(6), 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 to the request. Further, 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.

Staff has reviewed the filing and has considered the utility's proposed charge, 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, staff recommends that the proposed tariff sheet to establish a new class of service, Residential Reuse Water Service, should be suspended pending further investigation by staff. This docket should remain open to process the utility's request for a new class of service.

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