



Public Service Commission

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DIVISION OF RECORDS AND REPORTING

DATE: MAY 3, 2001

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

FROM: DIVISION OF ECONOMIC REGULATION (B. DAVIS, ^{AND} MERCHANT)
DIVISION OF LEGAL SERVICES (BRUBAKER) _{ASBP}

Handwritten notes: DAVIS RIT, [Signature]

RE: DOCKET NO. 010444-WU - REQUEST FOR APPROVAL OF TARIFF FILING BY VENTURE ASSOCIATES UTILITIES CORP. IN MARION COUNTY.
COUNTY: MARION

AGENDA: 05/15/01 - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: JUNE, 11, 2001 - 60 DAY SUSPENSION DATE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\ECR\WP\010444.RCM

CASE BACKGROUND

Venture Associates Utilities Corp. (Venture or utility) is a Class B water utility which presently provides service to the Ocala Palms subdivision within Marion County. According to the utility's 1999 Annual Report, it serves 482 water customers, with annual operating revenues of \$221,116 and a net operating loss of \$10,436. To provide service to the Ocala Palms subdivision, Venture purchases water from the City of Ocala (City) through a master meter and resells it to the individual water users within the development.

Based upon an agreement with the City, Venture pays an impact fee to the city for each connection made to the Venture system. Pursuant to its service availability tariff, Venture collects this same charge from those new connections. On March 1, 2001, the City increased its impact fees. Venture has filed this application to change its tariff to reflect the current charge. The Commission

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has jurisdiction pursuant to Section 367.091, Florida Statutes. This recommendation addresses the requested tariff change.

DISCUSSION OF ISSUES

ISSUE 1: Should Venture's proposed tariff to reflect the current City of Ocala impact fee be approved?

RECOMMENDATION: Yes. The Third Revised Tariff Sheet No. 38.0, filed on April 2, 2001, should be approved as filed. Within 20 days of the Commission's decision at agenda, the utility shall provide notice of the Commission's decision to all persons in the service area who are affected by the revised charges. The notice should be approved by Commission staff prior to distribution. The utility should provide proof that the appropriate customers or developers have received noticed within ten days of the date of the notice. The tariff should become effective on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, Florida Administrative Code. (B. DAVIS, BRUBAKER)

STAFF ANALYSIS: By Order No. PSC-96-0790-FOF-WU, issued on June 18, 1996 in Docket No. 930892-WU, the Commission authorized Venture to include the City's impact fee within its tariff. At that time, the charge was \$536 per ERC, based on 350 gallons per day (gpd), for residential customers and \$1.5314 per gpd for all others. Based upon an agreement with the City, Venture pays an impact fee to the city for each connection made to the Venture system. On its service availability tariff, Venture collects this same charge from those new connections.

On March 1, 2001, the City increased its impact fee. Venture filed this application to change its tariff to reflect the new charges. The charge is now \$600 per ERC, based on an ERC of 300 gpd, for residential connections and \$2.00 per gpd for all others. The tariffs filed with Venture's application reflect these new charges. Staff has reviewed the submitted tariffs and the City's tariffs and recommends approval of these revised tariff sheets as submitted.

Rule 25-30.475(2), Florida Administrative Code, states:

Non-recurring charges (such as service availability, guaranteed revenue charges, allowance for funds prudently invested, miscellaneous services) shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets provided customers have received notice. The tariff sheets will be approved upon staff's verification that the tariffs are consistent with the Commission's decision and that the proposed customer notice is adequate. In no event shall the rates be effective for service rendered prior to the stamped approval date.

Within 20 days of the Commission's decision at the Agenda Conference, the utility should provide notice of the Commission's decision to all persons in the service area who are affected by the revised plant capacity charges. The notice should be approved by Commission staff prior to distribution. The utility should provide proof that the appropriate customers or developers have received noticed within ten days of the date of the notice.

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ISSUE 2: Should the docket be closed?

RECOMMENDATION: Yes. If Issue 1 is approved and there is no timely protest to the Commission's Proposed Agency Action (PAA) by a substantially affected person, the revised tariff sheets should become effective on or after the stamped approval date. If a protest is filed within 21 days of the issuance date of the Order, the tariff should remain in effect with the increase in the service availability charges held subject to refund pending resolution of the protest, and the docket should remain open. If no timely protest is filed, this docket should be closed upon the issuance of a Consummating Order. (BRUBAKER, B. DAVIS)

STAFF ANALYSIS: If Issue 1 is approved and there is no timely protest to the Commission's Proposed Agency Action (PAA) by a substantially affected person, staff should be given administrative authority to approve the revised tariff sheets. Upon staff's verification that the tariff is consistent with the Commission's decision, the tariff sheets should become effective on or after the stamped approval date. If no timely protest is filed, this docket should be closed upon the issuance of a Consummating Order.