



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: April 11, 2002

TO: DIRECTOR, DIVISION OF THE COMMISSION CLERK & ADMINISTRATIVE SERVICES (BAYÓ)

FROM: DIVISION OF ECONOMIC REGULATION (BIGGINS, RENDELL)
OFFICE OF THE GENERAL COUNSEL (ECHTERNACHT) *KNE* *Ray* *E*

RE: DOCKET NO. 020247-WU - REQUEST FOR APPROVAL OF TARIFF INCREASE FOR PORTION OF TARIFF THAT APPLIES TO CITY OF OCALA IMPACT FEES IN MARION COUNTY BY VENTURE ASSOCIATES UTILITIES CORP.
COUNTY: MARION

AGENDA: 04/23/02 - REGULAR AGENDA - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: MAY 17, 2002 - 60 DAY SUSPENSION DATE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\ECR\WP\020247.RCM

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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 2000 Annual Report, it serves 586 water customers, with annual operating revenues of \$268,799 and a net operating loss of \$8,390. 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. By Order No. PSC-01-1249-TRF-WU, issued on June 5, 2001, in Docket No. 010444-WU, the Commission authorized Venture to increase its impact fee to reflect the impact fee imposed by the City. Pursuant to its service availability tariff, Venture collects this same charge from new connections. On March 14, 2002, the City increased its impact fees. Venture has filed this application to change its tariff to reflect the current charge. The Commission has jurisdiction pursuant to Section

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

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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 Fifth Revised Tariff Sheet No. 38.0, filed on March 14, 2002, should be approved as filed. Within 20 days of the Commission's decision at agenda, the utility should 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 notice 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. (BIGGINS, ECHTERNACHT)

STAFF ANALYSIS: By Order No. PSC-01-1249-TRF-WU, issued on June 5, 2001, in Docket No. 010444-WU, the Commission authorized Venture to increase its impact fee to reflect the impact fee imposed by the City. At that time, the charge was \$600 per ECR, based on an ECR of 300 gpd, for residential connections and \$2.00 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 new connections.

On March 14, 2002, the City increased its impact fees. Venture filed this application to change its tariff to reflect the new charges. The charges are now based on residential square footage. The new charges are:

<u>City of Ocala Impact Fees</u>	<u>Cost</u>
Residential-per ERU 0-1,499 sq. ft.	\$503.00
Residential-per ERU 1,500-2,499 sq. ft.	\$629.00
Residential-per ERU 2,500-3,499 sq. ft.	\$838.00
Residential-per ERU 3,500 sq. ft.	\$1,048.00
All others-per gallon	N/A

The tariff filed with Venture's application reflects these new charges. Staff has reviewed the submitted tariff and the City's tariff and recommends approval of the revised tariff sheet 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 staff prior to distribution. The utility should provide proof that the appropriate customers or developers have received notice within ten days of date of the notice.

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ISSUE 2: Should the docket be closed?

RECOMMENDATION: Yes. If Issue 1 is approved, the revised tariff sheet should become effective on or after the stamped approval date on the revised tariff sheet, pursuant to Rule 25-30.475, Florida Administrative Code. 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, the docket should be closed upon the issuance of a Consummating Order. (ECHTERNACHT, BIGGINS)

STAFF ANALYSIS: If Issue 1 is approved, the revised tariff sheet should become effective on or after the stamped approval date on the revised tariff sheet, pursuant to Rule 25-30.475, Florida Administrative Code. 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, the docket should be closed upon the issuance of a Consummating Order.