

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: JULY 25, 2002

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

FROM: DIVISION OF ECONOMIC REGULATION (BIGGINS, RENDELL) *do* *Q* *192*
OFFICE OF THE GENERAL COUNSEL (GERVASI) *pg* *WJH*

RE: DOCKET NO. 020248-WU - REQUEST FOR APPROVAL TO INCREASE METER INSTALLATION FEES TO CONFORM TO THE CURRENT COST IN MARION COUNTY BY WINDSTREAM UTILITIES COMPANY.
COUNTY: MARION

AGENDA: 08/06/02 - REGULAR AGENDA - PROPOSED AGENCY ACTION - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 8-MONTH EFFECTIVE DATE: NOVEMBER 14, 2002

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\ECR\WP\020248.RCM

CASE BACKGROUND

Windstream Utilities Company (Windstream or utility) is a Class B utility which provides water service to approximately 742 customers in three separate service areas in Marion County. These areas include the Windstream-Carriage Hills system, the Majestic Oaks-Pigeon Park system, and the Paddock Downs-Sun Country Estates system. All systems have separate water treatment plants and distribution systems. The wastewater service to these areas is provided by septic tanks. The utility's 2001 annual report shows an annual operating revenue of \$290,974 and a net operating income of \$20,913.

On March 14, 2002, the utility filed an application to increase meter installation fees. By Order No. PSC-02-0653-PCO-WU, issued May 13, 2002, the Commission suspended the tariff filing pending further investigation. This recommendation addresses the requested

DOCUMENT NO.
07764-02

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meter installation increase. The Commission has jurisdiction pursuant to Section 367.091, Florida Statutes.

ISSUE 1: Should Windstream's proposed tariff sheet to increase its meter installation fee to \$180 be approved as filed?

RECOMMENDATION: No, Original Sheet No. 21.1 filed on March 14, 2002 should be denied as filed. Staff recommends that the appropriate meter installation fee should be \$165. If the utility files a revised tariff sheet within 30 days of the effective date of the Order, which is consistent with the Commission's vote, staff should be given administrative authority to approve the revised tariff sheet upon staff's verification that the tariff is consistent with the Commission's decision. If the revised tariff sheet is filed and approved, the meter installation fee should become effective for connections made on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(2), Florida Administrative Code, if no protest is filed. (BIGGINS)

STAFF ANALYSIS: The utility filed a tariff request for approval to implement a new meter installation fee of \$180. Section 367.091(6), Florida Statutes, authorizes the utility to file an application to establish, increase, or change a rate or charge other than monthly rates or service availability charges. However, the application must be accompanied by cost justification. The utility did not provide cost justification with its original filing. Staff requested bid tabulation to justify the cost. The utility provided staff with the following:

	<u>Actual Cost</u>
METER	\$85
LABOR	\$45
PARTS	<u>\$35</u>
TOTAL	<u>\$165</u>

As shown above, the utility provided documentation showing the actual cost of the new meter installation. The utility's cost justification does not justify the requested \$180 meter installation fee. Rather, the utility only justified a \$165 meter installation fee. Therefore, Original Sheet No. 21.1 filed on March 14, 2002 should be denied as filed. Staff recommends that the appropriate meter installation fee should be \$165. If the utility files a revised tariff sheet within 30 days of the effective date of the Order, which is consistent with the Commission's vote, staff

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be given administrative authority to approve the revised tariff sheet upon staff's verification that the tariff is consistent with the Commission's decision. If the revised tariff sheet is filed and approved, the meter installation fee should become effective for connections made on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(2), Florida Administrative Code, if no protest is filed.

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ISSUE 2: Should the docket be closed?

RECOMMENDATION: No. Upon expiration of the protest period, if a timely protest is not filed, a Consummating Order should be issued and the docket should remain open for 30 days from the issuance date of the Consummating Order, to allow the utility time to file the revised tariff sheet. Upon staff's verification that the tariff sheet complies with the order, the tariff sheet should be stamped approved and the docket should be closed administratively. In the event that a timely protest is filed, the tariff should remain in effect and the applicable revenues should be held subject to refund pending resolution of the protest.(GERVASI)

STAFF ANALYSIS: Upon expiration of the protest period, if a timely protest is not filed, a Consummating Order should be issued and the docket should remain open for 30 days from the issuance date of the Consummating Order, to allow the utility time to file the revised tariff sheet. Upon staff's verification that the tariff sheet complies with the order, the tariff sheet should be stamped approved and the docket should be closed administratively. In the event that a timely protest is filed, the tariff should remain in effect and the applicable revenues should be held subject to refund pending resolution of the protest.