

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:** FEBRUARY 20, 2003

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

**FROM:** DIVISION OF ECONOMIC REGULATION (HUDSON)  
OFFICE OF THE GENERAL COUNSEL (STERN)

**RE:** DOCKET NO. 020761-WU - REQUEST FOR APPROVAL OF REVISIONS  
TO WATER TARIFF REGARDING INDIVIDUAL METERING OF MULTI-  
FAMILY AND MULTI-UNIT STRUCTURES BY FLORIDA WATER SERVICES  
CORPORATION.

**AGENDA:** 03/04/03 - REGULAR AGENDA - TARIFF FILING - INTERESTED  
PERSONS MAY PARTICIPATE

**CRITICAL DATES:** 8-MONTH EFFECTIVE DATE: 03/16/03

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\ECR\WP\020761.RCM

RECEIVED - FPSC  
13 FEB 20 AM 11:28  
COMMISSION CLERK  
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CASE BACKGROUND

Florida Water Services Corporation (Florida Water or utility) is a class A utility which provides water and wastewater service in 21 of Florida's counties that are located in four of the five water management districts. In 1996, Florida Water implemented a policy mandating individual meters for all new construction of multi-residential housing. The practice was adopted as a water conservation measure and was implemented throughout all of its service areas in Florida.

On July 16, 2002, Florida Water filed proposed revisions to its tariff to codify its longstanding individual metering policy. Florida Water requested that, with respect to new construction, the Commission approve the revisions to the tariffs to recognize the environmental and conservation policies that mandate individual metering of multi-family and multi-unit structures.

By Order No:

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FPSC-COMMISSION CLERK

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PSC-02-1301-PCO-WU, issued September 23, 2002, in this docket, the Commission suspended the tariff filing pending further investigation.

The Commission has jurisdiction pursuant to Sections 367.091 and 367.101, Florida Statutes.

**DISCUSSION OF ISSUES**

**ISSUE 1:** Should Florida Water Services Corporation's proposed tariff revisions for the individual metering of newly constructed multi-family and multi-unit structures be approved?

**RECOMMENDATION:** No. Florida Water's proposed tariff revisions for the individual metering of newly constructed multi-family and multi-unit structures should not be approved. Staff recommends a workshop be scheduled to explore the potential costs and benefits of adopting individual metering of multi-family and multi-unit structures as a policy.

**STAFF ANALYSIS:** Pursuant to Section 367.101, Florida Statutes, the Commission shall set just and reasonable charges and conditions for service availability. As stated in the case background, on July, 16, 2002, Florida Water filed proposed tariff sheets to codify, with respect to new construction, its longstanding policy for the individual metering of multi-family and multi-unit structures. Florida Water requested that the Commission approve the revisions to the tariffs to recognize the environmental and conservation policies that mandate individual metering of multi-family and multi-unit structures. Staff believes that approving this tariff is premature and may be perceived as adopting individual metering of multi-family and multi-unit structures as Commission policy without a thorough investigation of all costs and benefits.

The Commission participated jointly with the Department of Environmental Protection, the Water Management Districts, and the Department of Agriculture in the Florida Water Conservation Initiative (Initiative). The purpose of the Initiative was to find ways to improve efficiency in all categories of water use. In April 2002, a report on the work of the Initiative identified a variety of technological, behavioral, educational, regulatory, and economic methods for improving water use efficiency by the participants of the Initiative. One area of focus in the report was the requirement for more accurate and widespread measurement of water use, including metering and sub-metering. The Commission has supported metering and sub-metering in the past as a method of improving water conservation on a case by case basis.

Although individual metering is required for electric utilities for newly constructed multi-family structures and is encouraged by Water Management Districts to encourage conservation

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of water, this is the first time a water and wastewater utility has sought permission from the PSC to include a requirement for individual water metering of newly constructed multi-family structures in its tariff. Currently, the issue of water metering configuration is handled through developer agreements. Staff believes that if such a requirement is approved for FWS, the largest PSC regulated water utility in the State, other utilities will likely follow. Therefore, approval of this tariff may have significant policy implications. For this reason, a review of the proposed tariff should be approached with a thorough analysis of the costs and benefits of individual metering newly constructed multi-family structures for both developers and end use customers. Staff recommends that the Commission deny FWS tariff as premature, and recommends a workshop to explore the potential costs and benefits of adopting individual metering of newly constructed multi-family structures. Staff anticipates that developers, Water Management Districts, and utilities will participate in the workshop.

Based on the foregoing, staff recommends that Florida Water's proposed tariff revisions for the individual metering of newly constructed multi-family and multi-unit structures be denied.

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**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** Yes, if no protest is filed within 21 days of the issuance of the order. (HUDSON, STERN)

**STAFF ANALYSIS:** If the Commission accepts staff's recommendation in Issue 1, the proposed change to the tariff should not go into effect during the 21-day noticing period. Likewise, if a protest is filed, the proposed change should not go into effect during the time it takes to resolve the protest. If no protest is filed, this docket should be closed upon the issuance of a Consummating Order.