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Public Service Commission

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COMMISSION
CLERK

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

DATE: August 25, 2005

TO: Director, Division of the Commission Clerk & Administrative Services (Bayó)

FROM: Division of Economic Regulation (Hudson Rendell)
Office of the General Counsel (Jaeger)

RE: Docket No. 050474-SU – Request for approval of new class of bulk wastewater rates in Monroe County by K W Resort Utilities Corp.

AGENDA: 09/06/05 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 09/09/05 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\050474.RCM.DOC

Case Background

K W Resort Utilities Corporation (K W Resort or utility) is a Class B utility providing wastewater service in Monroe County. Based on the 2004 Annual Report, the utility serves approximately 1,012 wastewater customers. Revenues for 2004 were reported as \$822,986 for wastewater, and the utility reported an operating loss of \$177,202.

On June 30, 2005, K W Resort filed for approval of Original Sheet No. 16 to establish a bulk wastewater rate for South Stock Island Marinas (Peninsular Marina). The Commission has jurisdiction over this subject matter pursuant to Sections 367.081 and 367.091, Florida Statutes (F.S.).

DOCUMENT NUMBER-DATE

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Discussion of Issues

Issue 1: Should K W Resort Utilities' Original Sheet No. 16.0 for a bulk wastewater rate for South Stock Island Marinas (Peninsular Marina) be approved as filed?

Recommendation: Yes. Original Sheet No. 16.0, establishing a bulk wastewater rate for South Stock Island Marinas (Peninsular Marina), should be approved as filed. The utility should file a proposed customer notice to reflect the Commission-approved rate. The approved rate should be effective for service rendered on or after the stamped approval date of the tariff, pursuant to Rule 25-30.475(1), Florida Administrative Code, provided that the notice has been approved by staff. Within 10 days of the date the order is final, the utility should be required to provide notice of the tariff rate to all customers. The utility should provide proof that the customers have received notice within 10 days after the date that the notice was sent. (Hudson)

Staff Analysis: Pursuant to Section 367.091(5), F.S., if any request for service of a utility shall be for a new class of service not previously approved, the utility may furnish the new class of service and fix and charge just, reasonable, and compensatory rates or charges therefor. A schedule of rates or charges so fixed shall be filed with the Commission within 10 days after the service is furnished. The Commission may approve such rates or charges as filed, or may approve such other rates or charges for the new class of service which it finds are just, reasonable, and compensatory. On June 22, 2005, K W Resort entered into an agreement with Peninsular Marine Enterprises to provide service. On June 30, 2005, K W Resort filed Original Sheet No. 16.0 to establish an ERC based bulk wastewater rate for South Stock Island Marinas (Peninsula Marina).

The Commission has approved similar ERC based bulk wastewater rates for K W Resort by Order No. PSC-02-1165-PAA-SU, issued August 26, 2002, in Docket No. 020520-SU, In re: Complaint by Safe Harbor Marina against K. W. Resort Utilities Corp. and request for new class of service for bulk wastewater rate in Monroe County, and Order No. PSC-02-1711-TRF-SU, issued December 9, 2002, in Docket No. 021008-SU, In re: Request for approval for two new classes of bulk wastewater rates in Monroe County by K W Resort Utilities Corp. The bulk wastewater rate requested for South Stock Island Marinas (Peninsular Marina) is consistent with the previously approved rate on a single ERC basis and the number of ERCs per customer type. Original Sheet No. 16 proposes the following bulk wastewater rate for South Stock Island Marinas (Peninsular Marina):

13 Residential living units at 1 ERC each (2 houses; 1 mobile home and 10 houseboats)	\$ 493.09
16 Live aboard boats at .6 ERC each	\$ 364.13
26 Non Live aboard boats at .2 ERC each	\$ 197.34
1 Bath House at 1 ERC	\$ 37.93
3 Commercial businesses at .5 ERC each	\$ 56.90
Total Bulk Rate	<u>\$1,149.39</u>

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Based on the above, staff believes Original Sheet No. 16.0 should be approved as filed. The utility should file a proposed customer notice to reflect the Commission-approved charges. The approved charges should be effective for service rendered on or after the stamped approval date of the tariff, pursuant to Rule 25-30.475(1), Florida Administrative Code, provided that the notice has been approved by staff. Within 10 days of the date the order is final, the utility should be required to provide notice of the tariff changes to all customers. The utility should provide proof that the customers have received notice within 10 days after the date that the notice was sent.

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Issue 2: Should this docket be closed?

Recommendation: Yes. If Issue 1 is approved, the tariff sheet should become effective on or after the stamped approval date on the 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 all increased 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. (Jaeger)

Staff Analysis: If Issue 1 is approved, the tariff sheet should become effective on or after the stamped approval date on the 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 all increased 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.