

State of Florida



Public Service Commission

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COMMISSION
CLERK

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

DATE: September 22, 2005

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

FROM: Division of Economic Regulation (Revell, Rendell)
Office of the General Counsel (Brown) *MB Next JDJ 1907*

RE: Docket No. 050541-WU – Application to amend water tariff to include irrigation connection (tap-in) charge by Utilities, Inc. of Pennbrooke in Lake County.
County: Lake

AGENDA: 10/04/05 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 10/07/05 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\050541.RCM.DOC

Case Background

Utilities Inc. of Pennbrooke (Pennbrooke or the utility) is a Class B water and wastewater utility providing service to approximately 1,295 water customers and 1,253 wastewater customers in Lake County. On August 9, 2005, the utility filed an application to amend its water tariff to include an irrigation connection (tap-in) charge. The purpose of this recommendation is to address the requested modification to the tariff. The Commission has jurisdiction pursuant to Section 367.091, Florida Statutes.

DOCUMENT NUMBER-DATE

08976 SEP 22 05

PPSC-COMMISSIONER

Discussion of Issues

Issue 1: Should the utility's request to modify its water tariff be approved?

Recommendation: Yes. The Commission should approve the utility's request to modify its tariff. The utility should file a proposed customer notice consistent with the Commission's decision. The approved revision should be effective for connections made on or after the stamped approval date of the tariff pursuant to Rule 25-30.475(2), Florida Administrative Code, after staff has verified that the proposed customer notice is adequate and this notice has been provided to customers. The utility should provide proof that customers have received notice within 10 days after the date of the notice. (Revell)

Staff Analysis: The utility has received a number of requests for direct connections to the water main supply lines for irrigation use. According to the utility, connection to the water main supply line located in the street outside customers' homes provides the water pressure necessary to provide the most efficient and effective method of irrigation.

Pennbrooke's current water tariff, however, does not contain a provision for irrigation connection charges. The language in the current water tariff does not adequately identify the fee to be collected for the installation of water service lines. The service availability tariff only references the water facilities installed and contributed by the developer during the development of each phase of the community sufficient to provide water service to each developed lot. The standard design of the water facilities through Pennbrooke does not include the provision for the separate metering of residential irrigation. The only tariffed charge that presently can be applied for an irrigation connection is the standard meter installation fee of \$75.00. The utility believes this charge is inadequate to properly recover its costs, as the charge only covers the actual meter installation. The installation of separate irrigation service will require several hours in labor charges for the utility to install the service lines and other miscellaneous parts.

Also, the cost to connect to the water main supply line depends on the customer's location in relation to the water main supply line. The utility indicated that connections for customers located on the opposite side of the street from the water line are considerably more expensive to install due to the difference in time, labor and materials required to connect. For those customers, it is necessary to run a line under the street to connect. Pennbrooke further stated that the estimated charges for connections located on the same side of the street as the existing main water supply line is estimated to be slightly less than \$600, whereas the estimated connection charges for connections located on the opposite side of the street is approximately \$1,000. However, since the costs for these connections listed above are only estimates, the utility is requesting that the tariff be modified to allow recovery of actual costs for each connection.

The Commission should approve the utility's request to modify its tariff. The utility should file a proposed customer notice consistent with the Commission's decision. The approved revision should be effective for connections made on or after the stamped approval date of the tariff pursuant to Rule 25-30.475(2), Florida Administrative Code, after staff has verified that the proposed customer notice is adequate and this notice has been provided to customers. The utility should provide proof that customers have received notice within 10 days after the date of the notice.

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Issue 2: Should this docket be closed?

Recommendation: Yes. If no timely protest is filed, the docket should be closed upon the issuance of a Consummating Order. If a protest is filed within 21 days of the issuance of the Commission's Order, the docket should be held open and the tariff should remain in effect with all charges held subject to refund pending resolution of the protest. (Brown, Revell)

Staff Analysis: If no timely protest is filed, the docket should be closed upon the issuance of a Consummating Order. If a protest is filed within 21 days of the issuance of the Commission's Order, the docket should be held open and the tariff should remain in effect with all charges held subject to refund pending resolution of the protest.