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Public Service Commission

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COMMISSION
CLERK

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

DATE: November 22, 2005

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

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

RE: Docket No. 050819-WU – Request to establish new class of service for RV park in Lee County, by Tamiami Village Water Company, Inc.

AGENDA: 12/06/05 – Regular Agenda – Decision on Suspension of Tariff – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 12/17/05 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\050819.RCM.DOC

Case Background

Tamiami Village Water Company, Inc. (Tamiami or utility) is a Class C utility in Lee County. The system serves approximately 785 water customers. This utility was formerly known as Tamiami Village Utility, Inc. and was acquired by Tamiami in 1995. The transfer was approved by Order No. PSC-95-1441-FOF-WU, issued November 28, 1995, in Docket No. 950015-WU, In re: Application for transfer of Certificate No. 388-W in Lee County from Tamiami Village Utility, Inc.; and for a limited proceeding to increase rates to recover increased operation and maintenance expenses as a result of pending transfer by Tamiami Village Water Company, Inc. According to its 2004 Annual Report, Tamiami recorded total gross revenues of \$183,499, resulting in a net loss of \$11,621.

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By letter dated October 12, 2005, Tamiami filed for approval of a new class of service for a general service tariff. The utility is requesting to establish a rate for a 3-inch customer (RV Park). The utility has requested a base facility charge of \$1,293.15 monthly for this customer. It has also requested a gallonage charge of \$3.03 per 1,000 gallons.

This recommendation addresses the suspension of Tamiami's request to establish a new class of service for the RV Park. The Commission has jurisdiction pursuant to Sections 367.081 and 367.091, Florida Statutes.

Discussion of Issues

Issue 1: Should Tamiami's proposed tariff change for the RV Park be suspended?

Recommendation: Yes. Tamiami's proposed tariff change for the RV Park should be suspended. (Joyce, Jaeger)

Staff Analysis: Section 367.091(6), Florida Statutes, provides that the Commission "may withhold consent to the operation of any or all portions of the new rate schedules, by vote to that effect within 60 days giving a reason or statement of good cause for withholding its consent. The Commission shall render its final decision on the application within 8 months after the official day of filing."

Staff has reviewed the filing and has considered the information filed in support of the tariff change. Staff recommends that it is necessary to require further investigation of this information. Based on the foregoing, staff recommends that it is appropriate to suspend the utility's proposed new rate schedule.

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Issue 2: Should this docket be closed?

Recommendation: No. The docket should remain open pending the Commission's final action on the utility's requested new rate schedule. (Joyce, Jaeger)

Staff Analysis: The docket should remain open pending the Commission's final action on the utility's requested new rate schedule.