

State of Florida



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

DATE: May 8, 2008

TO: Office of Commission Clerk (Cole)

FROM: Division of Economic Regulation (Mouring, Bulecza-Banks, Fletcher, Hudson)
Office of the General Counsel (Young) *MA* *CRB* *ST* *W*

RE: Docket No. 080197-WU – Application for approval of a new bulk raw water classification of service and approval of revised service availability policy and charges in Baker and Union Counties by B & C Water Resources, L.L.C.

AGENDA: 05/20/08 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Edgar

CRITICAL DATES: 06/01/08 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\080197.RCM.DOC

Case Background

B & C Water Resources L.L.C. (B&C or Utility) is a Class C utility which provides water service for approximately eight residential customers in Baker and Union Counties. B&C's 2007 annual report shows an annual operating revenue of \$1,623 and a net operating loss of \$14,930. The service area is located in both the St. Johns River Water Management District and the Suwannee River Water Management District. None of the service area is in a water use caution area.

On April 2, 2008, the Utility filed an application for approval of a new bulk raw water classification of service and a revised service availability policy and charges to reflect the new service classification. B&C anticipates industrial development within its service area.

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Consequently, the Utility is requesting approval of a new classification of service to enable it to provide industrial customers with bulk raw water service. B&C also requested revised service availability policy and charges for the requested bulk raw water new class of service.

This recommendation address the suspension of the requested final bulk raw water rate and the revised service availability policy and charges for the requested bulk raw water new class of service. The Commission has jurisdiction pursuant to Sections 367.091 and 367.101, Florida Statutes.

Discussion of Issues

Issue 1: Should the Utility's proposed tariff sheets for a new bulk raw water classification of service and revised service availability policy and charges for the requested bulk raw water class of service be suspended?

Recommendation: Yes, B&C's proposed tariff sheets for a new bulk raw water classification of service and revised service availability policy and charges for the requested bulk raw water class of service should be suspended. (Mouring, Fletcher)

Staff Analysis: Section 367.091(6), Florida Statutes, states that the Commission may withhold consent to the operation of any or all portions of new rate schedules or service availability charges, by a vote to that effect within 60 days, giving a reason or statement of good cause for withholding its consent. If the Commission does not withhold consent, the proposed rates may be assumed in effect after 60 days.

As stated in the case background, the Utility is requesting approval of a new classification of service to enable it to provide industrial customers with bulk raw water service. B&C also requested revised service availability policy and charges for the requested bulk raw water new class of service.

Staff has reviewed the filing and has considered the utility's proposed charges, and the information filed in the support of the application. Staff believes it is reasonable and necessary to require further amplification and explanation to this data and to require production of corroborative information, if necessary. Staff's review of the application will include further examination by staff engineers and rate analysts. Therefore, staff recommends that the proposed tariff sheets for a new bulk raw water classification of service and revised service availability policy and charges for the requested bulk raw water class of service be suspended pending further discovery by staff.

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Issue 2: Should the docket be closed?

Recommendation: No. The docket should remain open pending the Commission's final action on the Utility's requested new bulk raw water classification of service and revised service availability policy and charges for the requested bulk raw water class of service. (Young, Mouring, Fletcher)

Staff Analysis: The docket should remain open pending the Commission's final action on the Utility's requested new bulk raw water classification of service and revised service availability policy and charges for the requested bulk raw water class of service.