

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: June 7, 2012

TO: Office of Commission Clerk (Cole)

FROM: Division of Economic Regulation (Lingo, Stallcup)
Office of the General Counsel (Klancke)

RE: Docket No. 120157-WS – Request by Aqua Utilities Florida, Inc. to establish residential wastewater only rates.

AGENDA: ~~06/06/12~~ *6-19-12-ac* – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 06/19/12 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\120157.RCM.DOC

RECEIVED-FPSC
12 JUN -7 AM 11:38
COMMISSION CLERK

Case Background

Aqua Utilities Florida, Inc. (AUF or Utility) is a wholly-owned subsidiary of Aqua America, Inc. (AAI). AUF provides water and wastewater service to 58 water and 27 wastewater systems in 17 counties under the Commission’s jurisdiction. Water and wastewater rates were last established for this Utility in a rate case initiated in 2010.¹

On May 1, 2012, the Utility filed a request to establish a Residential Wastewater Only (RWO) rate applicable to all systems within each of the Utility’s two wastewater rate bands serving residential customers. In the Utility’s last rate proceeding, the Commission established

¹ See Order No. PSC-12-0102-FOF-WS, issued Mar 5, 2012, in Docket No. 100330-WS, In re: Application for increase in water and wastewater rates in Alachua, Brevard, DeSoto, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties by Aqua Utilities Florida, Inc.

03722 JUN -7 09
FPSC-COMMISSION CLERK

RWO rates for those systems within Wastewater Rate Band 2 which had existing RWO customers. These systems were the Jungle Den, Lake Gibson Estates, Sunny Hill, and Zephyr Hills systems. The Utility is requesting that a RWO rate be established that would apply to all systems within each of the two wastewater rate bands which serve residential customers.

According to AUF's request, some residential customers of systems without a current RWO rate have installed private wells to replace the water service provided by the Utility. Because the wastewater bills for these customers are based upon metered water consumption, the installation of a private well precludes the Utility from properly calculating a wastewater bill for these customers. The establishment of a RWO rate applicable to all customers within each wastewater rate band would alleviate this problem.

This recommendation addresses the suspension of AUF's proposed RWO tariff sheets. The Commission has jurisdiction pursuant to Section 367.091, Florida Statutes (F.S).

Discussion of Issues

Issue 1: Should the Commission suspend AUF's proposed tariff to establish Residential Wastewater Only rates for each of the wastewater rate bands serving residential customers?

Recommendation: Yes. AUF's proposed tariff sheets to establish Residential Wastewater Only rates for each of the wastewater rate bands serving residential customers should be suspended to allow staff sufficient time to review the Utility's request. (Stallcup, Lingo)

Staff Analysis: Pursuant to Section 367.091(6), F.S., the Commission may withhold consent to operation of any or all portions of new rate schedules by a vote to that effect within 60 days, giving a reason or statement of good cause for withholding its consent. Staff is recommending that the tariff be suspended to allow staff sufficient time to review the application and gather all pertinent information to present the Commission an informed recommendation on the proposed tariff. Staff believes that this reason is a good cause consistent with the requirement of Section 367.091(6), F.S.

Docket No. 120157-WS

Date: June 7, 2012

Issue 2: Should this docket be closed?

Recommendation: No. The docket should remain open pending the Commission's final action on the Utility's request to establish RWO rates for each of the wastewater rate bands serving residential customers. (Klancke)

Staff Analysis: The docket should remain open pending the Commission's final action on the Utility's requested Residential Wastewater Only rates for each of the wastewater rate bands serving residential customers.