

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: April 24, 2014

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Engineering (Rieger, Lee)
Division of Economics (Bruce)
Office of the General Counsel (Gilcher)

SR *TS*
CP SH PLO J.W.D.

COMMISSION
CLERK

14 APR 24 AM 9:02

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RE: Docket No. 130209-SU – Application for expansion of certificate (CIAC) (new wastewater line extension charge) by North Peninsula Utilities Corp.

AGENDA: 05/09/14 – Regular Agenda – Tariff Suspension - Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Edgar

CRITICAL DATES: 05/09/14 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

North Peninsula Utility Corporation (North Peninsula or Utility) is a Class B wastewater utility serving approximately 582 customers in Volusia County. North Peninsula’s 2012 annual report shows total operating revenues of \$215,945 and a net operating loss of \$6,150.

On August 2, 2013, the Utility filed an application to amend its wastewater certificate, implement a main extension charge, and request a flat rate adjustment of three percent for five years. Subsequent to the Utility filing its application, it met with staff and expressed that it needed to address potential objections to the amendment by Volusia County and the City of Ormond Beach. The processing of the docket was put on hold. On March 10, 2014, the Utility filed a revised application to amend its wastewater certificate and implement a main extension charge. The revised application included less territory than its original filing. The Utility’s

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proposed tariff reflects a main extension charge of \$795. This recommendation addresses the suspension of North Peninsula's tariff sheet. The Commission has jurisdiction pursuant to Section 367.081, Florida Statutes (F.S.).

Discussion of Issues

Issue 1: Should North Peninsula's proposed tariff sheet for approval of a main extension charge be suspended?

Recommendation: Yes. North Peninsula's proposed tariff sheet for approval of a main extension charge should be suspended. (Bruce)

Staff Analysis: Pursuant to Section 367.091(6), F.S., the Commission may withhold consent to the 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. Also, it should be noted that staff sent a data request to the Utility on April 9, 2014, and the Utility's response is due on May 9, 2014. Based on the above, staff recommends that North Peninsula's proposed tariff sheet for approval of a main extension charge be suspended.

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Issue 2: Should this docket be closed?

Recommendation: No. The docket should remain open pending the Commission's decision action on the Utility's requested application. (Gilcher, Bruce)

Staff Analysis: The docket should remain open pending the Commission's decision on the Utility's requested application.