

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: July 21, 2022

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Hudson) *JGH*
Office of the General Counsel (Crawford) *JSC*

RE: Docket No. 20220119-WU – Request for approval for new class of service by Lake Talquin Waterworks.

AGENDA: 08/02/22 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 08/08/22 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

Lake Talquin Waterworks (Lake Talquin or utility) is a class C utility providing water service to approximately 237 residential customers, in single family and mobile homes, located next to Lake Talquin in southwest Leon County. Wastewater service is provided by septic tank. The Utility's service area is located in the Northwest Florida Water Management District. According to Lake Talquin's 2021 Annual Report, total gross water revenue was \$136,342 and total water operating expense was \$107,669. Lake Talquin was granted its grandfather water certificate in 2021 and the Commission at the time approved the utility's existing rates and charges.¹

On June 9, 2022, Lake Talquin filed a request to add additional base facility charges (BFC) to its tariff for larger meter sizes for the residential and general service classes. Currently, the utility only has Commission-approved residential and general service BFCs for the 5/8" x 3/4" meter

¹ Order No. PSC-2021-0113-PAA-WU, issued March 22, 2021, *In re: Application of Lake Talquin Waterworks, Inc. for grandfather water certificate in Leon County and pass through of regulatory assessment fees.*

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size. This recommendation addresses the utility's request to add the additional BFCs for larger meter sizes to its tariff. The Commission has jurisdiction pursuant to Section 367.091(4), Florida Statutes (F.S.).

Discussion of Issues

Issue 1: Should the utility's proposed tariffs containing the BFCs for additional meter sizes for the residential and general service classes be approved?

Recommendation: Yes, the utility's proposed tariffs containing the BFCs for additional meter sizes for the residential and general service classes should be approved. The utility should file a proposed customer notice to reflect the Commission-approved rates. Lake Talquin's Second Revised Sheet No. 12.0 and Second Revised Sheet No. 13.0 should be approved as filed. The approved rates should be effective for service rendered on or after the stamped approval date of the tariffs pursuant to Rule 25-30.475(1), Florida Administrative Code (F.A.C.), provided that the notice of the tariff has been received by the two general service customers impacted. The utility should provide proof of the date notice was given within 10 days of the date of the notice. (Hudson)

Staff Analysis: The utility explained that it has two general service customers with larger meter sizes of 1-inch and 1-1/2 inch. Currently, Lake Talquin's tariff only has a BFC for a 5/8 inch x 3/4 inch meter size. The utility's proposed BFCs for the additional meter sizes are calculated by using the utility's existing BFC of \$36.60 for the 5/8 inch x 3/4 inch size meter as a foundation, and then applying the American Water Works Association's (AWWA's) meter equivalent factor. The AWWA meter equivalent factors are contained in Rule 25-30.055, F.A.C. Lake Talquin's existing BFC for the 5/8 inch x 3/4 inch meter size and the BFCs for the proposed additional meters based on the AWWA meter equivalents are shown in Table 1-1.

Table 1-1
Utility's Existing and Proposed BFC Charges

Meter Size	AWWA Meter Factor	BFC
5/8" X 3/4"	1	\$36.60
3/4"	1.5	\$54.90
1"	2.5	\$91.50
1-1/2"	5	\$183.00
2"	8	\$292.80
3"	16	\$585.60
4"	25	\$915.00

Source: Utility's filing.

The utility has been charging the general service customers the only BFC it currently has in place. The gallonage charge is \$3.23 per 1,000 gallons for all meter sizes. The utility will charge the two general service customers the appropriate BFC based on the customers' meter size once authorized by the Commission.

Conclusion

The utility's proposed tariffs containing the BFCs for additional meter sizes for the residential and general service classes should be approved. The utility should file a proposed customer

notice to reflect the Commission-approved rates. Lake Talquin's Second Revised Sheet No. 12.0 and Second Revised Sheet No. 13.0 should be approved as filed. The approved rates should be effective for service rendered on or after the stamped approval date of the tariffs pursuant to Rule 25-30.475(1), F.A.C., provided that the notice of the tariff has been received by the two general service customers impacted. The utility should provide proof of the date notice was given within 10 days of the date of the notice.

Issue 2: Should this docket be closed?

Recommendation: Yes. If Issue 1 is approved, the tariff sheets should become effective on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. If a protest is filed within 21 days of the issuance of the Order, the tariff should remain in effect with the revenues held subject to refund pending resolution of the protest, and the docket should remain open. If no timely protest is filed, the docket should be closed upon the issuance of a Consummating Order. (Crawford)

Staff Analysis: If Issue 1 is approved, the tariff sheets should become effective on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. If a protest is filed within 21 days of the issuance date of the Order, the tariff should remain in effect with revenues subject to refund pending resolution of the protest, and the docket should remain open. If no timely protest is filed, the docket should be closed upon the issuance of a Consummating Order.