

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: March 23, 2006

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: 04/04/06 – Regular Agenda – Final Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 06/12/06 (8-Month Effective 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. According to its 2004 Annual Report, Tamiami recorded total gross revenues of \$183,499, resulting in a net loss of \$11,621.

By letter dated October 12, 2005, Tamiami filed for approval of a new class of service for a general service tariff. By Order No. PSC-06-0090-TRF-WU, issued February 9, 2006, the Commission approved Tamiami's request for a new class of service.

By letter dated February 8, 2006, Tamiami Master Association, Inc. (TMA) filed a timely protest to Order No. PSC-06-0090-TRF-WU. TMA states that its protest is primarily based on

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incorrect numbers given to the Commission regarding the meter and the customers in the RV Park. On February 24, 2006, Tamiami and TMA reached an agreement and a settlement was signed.

The purpose of this recommendation is to seek the Commission's approval of the Settlement Agreement. The Commission has jurisdiction pursuant to Sections 367.081 and 367.121, Florida Statutes.

Discussion of Issues

Issue 1: Should the Commission approve Tamiami and TMA's Settlement Agreement?

Recommendation: Yes. The Settlement Agreement should be approved as filed. Further, the Ninth Revised Tariff Sheet No. 16.1, filed on March 1, 2006, should be approved as filed. (Joyce, Jaeger)

Staff Analysis: As discussed in the Case Background, TMA filed a timely protest to Order No. PSC-06-0090-TRF-WU. After the protest was filed, Tamiami and TMA engaged in settlement negotiations. On February 24, 2006, Tamiami and TMA signed a Settlement Agreement and submitted it to the Commission for approval as a resolution of all disputes and matters concerning Order No. PSC-06-0090-TRF-WU. A copy of the Settlement Agreement is appended to this recommendation as Attachment A.

In support of the attached Settlement Agreement, the parties recognize the expensive uncertainty of continuing this proceeding and desire to effectuate a settlement. The parties agree to support this Settlement Agreement as final disposition of all matters covered by Order No. PSC-06-0090-TRF-WU. In the Settlement Agreement the parties agree that the estimated number of equivalent residential connections (ECRs) should be 104.76, and when multiplied by the existing residential base facility charge of \$11.65 for all meter sizes, the appropriate base facility charge for the RV Park is \$1,220.50.¹

Based on the above, staff believes the Settlement Agreement is fair, just, and reasonable and is in the public interest. Staff believes that the acceptance of the proposed Settlement Agreement will further the goal of administrative efficiency and will not be contrary to the public interest or the utility. Therefore, staff recommends that the Commission approve the proposed Settlement Agreement. Further, the Ninth Revised Tariff Sheet No. 16.1, filed on March 1, 2006, should be approved as filed.

¹ In Order No. PSC-06-0090-TRF-WU, the Commission proposed to approve a monthly base facility charge of \$1,370.70 based on an estimated 118 ERCs.

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Issue 2: Should this docket be closed?

Recommendation: Yes. If the Commission approves staff's recommendation on Issue 1, then the docket should be closed upon the issuance of the final order approving the Settlement Agreement. (Jaeger)

Staff Analysis: If the Commission approves staff's recommendation on Issue 1, then the docket should be closed upon the issuance of the final order approving the Settlement Agreement.