

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-**

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**DATE:** October 30, 2008

**TO:** Office of Commission Clerk (Cole)

**FROM:** Division of Economic Regulation (Walden)  
Office of the General Counsel (Hartman)

**RE:** Docket No. 080606-WU – Application for amendment of water tariff to implement Florida Department of Environmental Protection’s requirement under Rule 62-555.360, F.A.C., that backflow prevention devices be tested on an annual basis, by O & S Water Company, Inc.  
County(ies): Osceola

**AGENDA:** 11/13/08 – Regular Agenda – Tariff Filing – Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Skop

**CRITICAL DATES:** 11/24/08 (60-Day Suspension Date)

**SPECIAL INSTRUCTIONS:** None

**FILE NAME AND LOCATION:** S:\PSC\ECR\WP\080606.RCM.DOC

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### Case Background

O & S Water Company, Inc. (O&S or Utility) is a Class A utility which provides water service for approximately 2,743 customers in Osceola County. O & S’s 2007 annual report shows an annual operating revenue of \$1,165,273 and a net operating income of \$65,484. The service area is located in the St. Johns River Water Management District, where the entire district is considered a water use caution area.

On September 24, 2008, the Utility filed an application for approval of a new tariff page requiring that all backflow prevention devices be inspected on an annual basis. This

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recommendation addresses the suspension of the proposed tariff page and allows staff time for review of the filing. 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 page requiring that all backflow prevention devices be inspected on an annual basis be suspended?

**Recommendation:** Yes, O&S's proposed tariff page requiring that all backflow prevention devices be inspected on an annual basis should be suspended pending further investigation by staff. (Walden)

**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 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.

Staff requires further review of the filing and obtaining clarification of the need for annual inspections of these devices. Therefore, it is recommended that this tariff filing be suspended pending further investigation by staff.

**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 tariff filing that all backflow prevention devices be inspected on an annual basis. (Walden, Hartman)

**Staff Analysis:** The docket should remain open pending the Commission's final action on the Utility's requested tariff filing that all backflow prevention devices be inspected on an annual basis.