

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: January 29, 2009

TO: Office of Commission Clerk (Cole)

FROM: Division of Economic Regulation (Fletcher, Bulecza-Banks, Mouring)
Office of the General Counsel (Williams)

RE: Docket No. 080712-SU – Application for approval of new class of service for reuse water service in Martin County by Indiantown Company, Inc.

AGENDA: 02/10/09 – Regular Agenda – Tariff Suspension – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 02/15/09 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\080712.RCM.DOC

Case Background

Indiantown Company, Inc. (Indiantown or Utility) is a Class A utility which provides service for approximately 1,876 water customers and 1,776 wastewater customers in Martin County. Indiantown's 2007 annual report shows annual operating revenue of \$1,817,765 and a net operating loss of \$30,491. The Utility's service area lies in the South Florida Water Management District and is in a critical water supply problem area.

On December 17, 2008, Indiantown filed an application for approval of a new class of service for reuse water service. The Commission has jurisdiction pursuant to Section 367.091, Florida Statutes (F.S.).

Discussion of Issues

Issue 1: Should the Utility's proposed tariff sheets for approval of a new class of service for reuse water service be suspended?

Recommendation: Yes, Indiantown's proposed tariff sheets for approval of a new class of service for reuse water service should be suspended. (Fletcher)

Staff Analysis: Section 367.091(6), F.S., states that the Commission may withhold consent to the operation of any or all portions of new rate schedules or service availability charges, 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.

As stated in the case background, the Utility is requesting approval of a new class of service for reuse water service. Staff has reviewed the filing and has considered Indiantown's proposed charges, as well as the information filed in the support of the application. Staff believes it is reasonable and necessary to require further amplification and explanation to this data and to require production of corroborative information, if necessary. Staff's review of the application will include further examination by staff analysts. Therefore, staff recommends that the proposed tariff sheets for approval of a new class of service for reuse water service be suspended pending further discovery by staff.

Docket No. 080712-SU

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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 new class of service for reuse water service. (Williams, Fletcher)

Staff Analysis: The docket should remain open pending the Commission's final action on the Utility's requested new class of service for reuse water service.