

FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

M E M O R A N D U M

FEBRUARY 26, 1998

RECEIVED

FEB 26 1998

1105  
FPSC - Records/Reporting

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF WATER & WASTEWATER (GALLOWAY) *AG* *AO*  
DIVISION OF LEGAL SERVICES (FERGUSON) *OP*

RE: UTILITY: GULF UTILITY COMPANY  
DOCKET NO: 971041-WS  
COUNTY: LEE COUNTY  
CASE: PETITION FOR INCREASED SERVICE AVAILABILITY  
CHARGES

AGENDA: MARCH 10, 1998 - REGULAR AGENDA - PROPOSED AGENCY ACTION  
- INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME: I:\PSC\WAW\WP\971041WS.RCM

---

DOCUMENT NUMBER-DATE  
92012 FEB 26 98  
FPSC - RECORDS/REPORTING

DOCKET NO. 971041-WS  
February 26, 1998

CASE BACKGROUND

Gulf Utility Company (Gulf or utility) is a Class A utility which serves approximately 7,254 water customers and 2,584 wastewater customers in Lee County, Florida, according to its 1996 Annual Report. The utility also reported in its 1996 Annual Report, water revenues in the amount of \$2,153,240 and wastewater revenues in the amount of \$1,250,181. The utility is located in a water use caution area as designated by the South Florida Water Management District.

On August 5, 1997, the utility filed an application requesting approval of a jack and bore charge, as part of its service availability policy. In its application, the utility stated, "Gulf's current jack and bore rig is unable to perform many service installations due to the width of pavement that has to be crossed." The utility further stated that some of the jack and bore services had been contracted out at a loss to Gulf.

Pursuant to Order No. PSC-97-1620-FOF-WS, issued December 30, 1997, the Commission approved the jack and bore charges. However, the amount of the charge that the Commission voted on was incorrect. The order states that "the utility shall implement jack and bore charges of \$625 for only those connections which require the utility to contract performance of the service with a capable entity (other than the utility as requested by Florida's Department of Transportation." Rather than a jack and bore charge of \$625, the utility requested a jack and bore charge of \$650. Therefore, the purpose of this recommendation is to modify the Order and approve a jack and bore charge of \$650.

DOCKET NO. 971041-WS  
February 26, 1998

**ISSUE 1:** Should Order No. PSC-97-1620-FOF-WS, issued December 30, 1997 be modified to reflect a jack and bore charge of \$650?

**RECOMMENDATION:** Yes, Order No. PSC-97-1620-FOF-WS, issued December 30, 1997 should be modified to reflect a jack and bore charge of \$650. (GALLOWAY, FERGUSON)

**STAFF ANALYSIS:** As stated in the case background, on August 5, 1997, the utility requested approval of a jack and bore charge as part of its service availability policy. In its application, the utility requested a jack and bore charge of \$650, stating that "Gulf's current jack and bore rig is unable to perform many service installations due to the width of pavement that has to be crossed." The utility further stated that some of the jack and bore services were contracted out at a loss to Gulf.

Staff reviewed the utility's filing and verified with several businesses that the proposed jack and bore charge of \$650 was fair, just and reasonable. While staff agreed with the amount requested by the utility, a typographical error incorrectly listed the charge as \$625 in staff's recommendation which resulted in the order also reflecting the incorrect charge.

Pursuant to Order No. PSC-97-1620-FOF-WS, issued December 30, 1997, "the utility shall implement jack and bore charges of \$625 for only those connections which require the utility to contract performance of the service with a capable entity (other than the utility as requested by Florida's Department of Transportation." Rather than a jack and bore charge of \$625, the corrected charge should be \$650.

Pursuant to Section 367.101, Florida Statutes, the Commission shall set just and reasonable charges and conditions for service availability. Staff agrees that the proposed charge of \$650 is just and reasonable. Therefore, staff recommends that the order be modified to reflect the appropriate jack and bore charge of \$650.

DOCKET NO. 971041-WS  
February 26, 1998

ISSUE 2: Should the docket be closed?

RECOMMENDATION: Yes. This docket should be closed if no person, whose interests are substantially affected by the proposed action, files a protest within the 21 day protest period. In the event that a timely protest is filed, the \$650 jack and bore charge should remain in effect and the applicable revenues should be held subject to refund pending resolution of the protest. (GALLOWAY, FERGUSON)

STAFF ANALYSIS: At the conclusion of the protest period, if no protest is filed, this docket should be closed. In the event that a timely protest is filed, the \$650 jack and bore charge should remain in effect and the applicable revenues should be held subject to refund pending resolution of the protest. Further, in the event of such protest, staff will prepare an additional recommendation to address the appropriate security of such funds.