



# Public Service Commission

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## -M-E-M-O-R-A-N-D-U-M-

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RECORDS AND REPORTING

**DATE:** August 20, 1998

**TO:** DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

**FROM:** DIVISION OF WATER AND WASTEWATER (CHU) *[Signature]*  
DIVISION OF LEGAL SERVICES (JAEGER) *[Signature]*

**RE:** DOCKET NO. 980906-WS - REQUEST FOR APPROVAL OF MISCELLANEOUS SERVICE CHARGES TARIFF FILING BY ALOHA UTILITIES, INC. FOR WATER AND WASTEWATER SERVICES IN THE ALOHA GARDEN SYSTEM AND THE SEVEN SPRINGS SYSTEM IN PASCO COUNTY.  
COUNTY: PASCO

**AGENDA:** 09/01/1998 - REGULAR AGENDA - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** 60-DAY SUSPENSION DATE: 09/14/1998

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\WAW\WP\980906.RCM

### CASE BACKGROUND

Aloha Utilities, Inc. (Utility) is a class A water and wastewater utility located in Pasco County. The utility consists of two divisions -- the Aloha Gardens and the Seven Springs. Both divisions have water and wastewater systems. At the end of the year 1997, the utility served a total of 11,359 water customers, among them, 11,153 were residential, 206 were commercial; and 10,861 wastewater customers, among them, 10,700 were residential, 161 were commercial. According to the utility's 1997 annual report, its total annual revenues were \$5,162,824, its operating expenses were \$4,594,922, resulting in the net operating income of \$567,902 for 1997.

Currently the utility has only one miscellaneous service charges tariff sheet, which applies to Aloha Gardens wastewater

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

system only. On July 17, 1998, the utility requested miscellaneous service charges tariff sheets to be applicable to both water and wastewater systems for all the divisions.

#### DISCUSSION OF ISSUES

**ISSUE 1:** Should the utility's proposed tariff sheets for miscellaneous services charges be approved?

**RECOMMENDATION:** Yes. The utility's proposed tariff sheets for Seven Springs water and wastewater systems and Aloha Gardens water system should be approved. Pursuant to Rule 25.30-475(2), Florida Administrative Code, the tariff sheets should be effective for service rendered on or after the stamped approval date on the tariff sheets. (CHU, JAEGER)

**STAFF ANALYSIS:** Currently the utility has only one miscellaneous service charges tariff sheet, which applies to Aloha Gardens wastewater system only. This tariff sheet was established by Order No. PSC-92-0578-FOF-SU, issued June 29, 1992. In that order, the Commission acknowledged that "... the above miscellaneous service charges are appropriate. Customers who receive both water and wastewater services from the utility will be charged the approved charges for both services only if multiple actions beyond the utility's control are required." However, the miscellaneous service charges tariff sheet was only approved for Aloha Gardens wastewater system instead of for both water and wastewater systems, since the rate case proceeding was only for Aloha Gardens wastewater system. Therefore, on July 17, 1998, the utility requested that miscellaneous service charges be applicable to both water and wastewater systems for all divisions. The utility's proposed miscellaneous service charges are the same as those in the utility's existing tariff.

Rule 25.30-460, Florida Administrative Code, allows utilities to assess charges for miscellaneous services. The purpose of such charges is to provide a means by which the utility can recover its costs of providing miscellaneous services for those customers who

DOCKET NO. 980906-WS  
DATE: August 20, 1998

require the services. Costs are therefore borne by the cost causer rather than the general body of customers.

In consideration of the foregoing, staff believes that the utility's request for miscellaneous service charges tariff sheets is reasonable and should be approved. Pursuant to Rule 25.30-475(2), Florida Administrative Code, the tariff sheets should be effective for service rendered on or after the stamped approval date on the tariff sheets.

DOCKET NO. 980906-WS  
DATE: August 20, 1998

**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** Yes. If Issue 1 is approved, the tariff sheets should be effective in accordance with to Rule 25.30-475, Florida Administrative Code. If a protest is filed within 21 days of the issuance of the Order, this tariff should remain in effect with any increase held subject to refund pending resolution of the protest. If no timely protest is filed, this docket should be closed. (CHU, JAEGER)

**STAFF ANALYSIS:** If a protest is filed within 21 days of the issuance of the Order, this tariff should remain in effect with any increase held subject to refund pending resolution of the protest. If no timely protest is filed, this docket should be closed.