



# 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:** February 17, 2000

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

**FROM:** DIVISION OF WATER AND WASTEWATER (CHU)  
DIVISION OF LEGAL SERVICES (FUDGE) *MC* *JF* *MS* *CV* *Bl* *OMA*

**RE:** DOCKET NO. 000046-WU - REQUEST FOR APPROVAL OF TARIFF FILING TO APPLY SERVICE AVAILABILITY CHARGE UNIFORMLY IN MARION COUNTY BY SUNSHINE UTILITIES OF CENTRAL FLORIDA, INC.  
COUNTY: MARION

**AGENDA:** 02/29/2000 - REGULAR AGENDA - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** 60-DAY SUSPENSION DATE: 03/15/2000

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\WAW\WP\000046.RCM

**CASE BACKGROUND**

Sunshine Utilities of Central Florida, Inc. (Sunshine or utility) is a class B utility which provided water service to approximately 2,752 customers in 1998. Wastewater is treated by septic tanks. The utility's 1998 annual report shows an annual operating revenue of \$779,298, and a net operating income of \$57,925.

On January 14, 2000, the utility filed a request to apply its service availability charges uniformly in Marion County. Specifically, the utility requested to apply Sixth Revised Tariff Sheet No. 28.0 - Service Availability Schedule of Fees and Charges uniformly in Marion County, thereby, cancelling First Revised Tariff Sheet No. 28.1 - Service Availability Schedule of Fees and Charges which applies only to Whispering Sands and Lakeview Hills.

DOCUMENT NUMBER-DATE

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PSC-RECORDS/REPORTING

**DISCUSSION OF ISSUES**

**ISSUE 1:** Should the utility's request to apply its service availability charges uniformly in Marion County be approved?

**RECOMMENDATION:** Yes. The utility's proposed Sixth Revised Tariff Sheet No. 28.0 should be approved. Therefore, the Fifth Revised Tariff Sheet No. 28.0 and the First Revised Tariff Sheet No. 28.1 should be cancelled. Pursuant to Rule 25.30-475(2), Florida Administrative Code, the tariff sheet should be effective for service rendered on or after the stamped approval date on the tariff sheet, provided customers have received notice. (CHU, FUDGE)

**STAFF ANALYSIS:** Rule 25-9.044(1), Florida Administrative Code, governs rates and charges of a regulated utility when its ownership or control changes. That rule provides that the former rates and charges must be adopted and used by the new owner unless changes are authorized by the Commission.

Whispering Sands was transferred to Sunshine by Order No. 17733, issued on June 22, 1987, in Docket No. 870181-WU. The water rate and service availability charges were grandfathered in during the transfer and ordered to remain effective until Sunshine's next rate case.

Lakeview Hills was transferred to Sunshine by Order No. 207077, issued on February 6, 1989, in Docket No. 880907-WU. Lakeview Hills' rates and service availability charges were grandfathered in during the transfer.

By Order No. PSC-99-0044-FOF-WU, issued on January 5, 1999, in Docket No. 981456-WU, Sunshine was approved an increase to the service availability charge in the form of a jack and bore charge at actual cost uniformly for all the systems including Whispering Sands and Lakeview Hills.

Currently, Whispering Sands' service availability charge includes a customer connection charge of \$300 per quadraplex, which includes meter and service line connection, and jack and bore charge at actual cost; Lakeview Hills service availability charge includes a customer connection charge of \$400 per ERC (Equivalent Residential Connection), which includes meter and service line connection, and jack and bore charge at actual cost. The utility's Fifth Revised Tariff Sheet No. 28.0, which currently applies to all

systems except Whispering Sands and Lakeview Hills, contains a jack and bore charge at actual cost, meter installation fee, and system capacity charge. The meter installation fee is \$100 for 5/8 x 3/4" meter and actual cost for meters over 1". The system capacity charge is \$420 per ERC for residential customers, and \$1.20 per gallons for all other customers.

Sunshine's last rate case was finalized by Order No. 25722, issued on February 13, 1992, in Docket No. 900386-WU. The Order stated that:

As of the last rate case, which concluded with Order No. 13014, Sunshine had eighteen water systems in Marion County. Since that time, the Utility has acquired the Lakeview Hills and Whispering Sands water systems. In accordance with Rule 25-9.044(1), Florida Administrative Code, The Utility adopted the rates, classifications, and charges of the acquired systems. Under the rule, the acquiring Utility must use the acquired rates and charges until the Commission authorized a change.

Normally, this Commission requires the purchased Utility's rates and charges be kept in place until the purchasing Utility files an application for rate relief. At that time, unless there are extenuating circumstances, the purchased systems are included in the overall calculation of the revenue requirement and rates, miscellaneous service charges, tariff rules and regulations are uniformly established for all systems served by the Utility.

From the record there seems to be no extenuating circumstances that would justify excluding the Lakeview Hills and Whispering Sands systems from the overall revenue requirement calculation. Therefore, we find that these two systems shall be included in the overall revenue requirement calculation and uniform service rates be established for all systems served by the Utility in Marion County.

However, the service availability tariff sheets were left separate. The utility had requested an increase in the service availability charge based on agreements with the developers, but the Commission denied the request and ordered that:

Based on the discussion herein, we find that no change is appropriate for the Utility's service availability

charges. The Utility shall file all developer agreements that require the Utility to pay developers each time it collects a service availability charge from those certain customers. This information is essential so that we may properly evaluate the overall prospective service availability policy.

Therefore, there was no change to the tariff sheets for service availability charges, and the service availability charges remained separate for Lakeview Hills and Whispering Sands.

Based on the above analysis, staff believes that since all the systems of the utility are included in the overall calculation of the revenue requirement and rates, uniform service availability charges should be approved. Approving uniform service availability charges will also enable the utility's tariff to be fully in compliance with the Commission's decision of the uniform service rates in the utility's last rate case in 1992.

Approving uniform service availability charges is consistent with the Commission's past practice as well. See Order No. PSC-99-0635-FOF-WU, issued on April 5, 1999, in Docket No. 960444-WU, (approving uniform service availability charges for Lake Utility Services, Inc.); Order No. PSC-96-1320-FOF-WS, issued on October 30, 1996, in Docket No. 950495-WS, (approving uniform service availability charges for Southern States Utilities, Inc.).

Based on the foregoing, staff recommends that the utility's proposed Sixth Revised Tariff Sheet No. 28.0 should be approved. Therefore, the Fifth Revised Tariff Sheet No. 28.0 and the First Revised Tariff Sheet No. 28.1 should be cancelled. Pursuant to Rule 25.30-475(2), Florida Administrative Code, the tariff sheet should be effective for service rendered on or after the stamped approval date on the tariff sheet, provided customers have received notice.

Staff discussed the customer notice with the utility. The utility stated that currently there is only one developer who is building in the service area. The utility agrees that if the uniform service availability charges are approved, it will send out a written notice to the developer.

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 by a substantially affected person 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 upon the issuance of a consummating order. (CHU, FUDGE)

**STAFF ANALYSIS:** If a protest is filed by a substantially affected person 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 upon the issuance of a consummating order.