

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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COMMISSION CLERK

DATE: December 23, 2013

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Economics (Roberts) *J.R.*
Office of the General Counsel (Brownless) *J.W.D.*

RE: Docket No. 130276-SU – Application for approval of new class of service for reuse water service in Lee County, by Forest Utilities, Inc.

AGENDA: 01/07/14 – Regular Agenda – Tariff Suspension – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 01/18/14 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

Case Background

Forest Utilities, Inc. (Forest or Utility) is a Class B wastewater utility serving approximately 2,478 customers in Lee County. Forest's 2012 annual report shows annual operating revenue of \$859,351 and a net operating loss of \$65,924. The Utility's service area lies in the South Florida Water Management District and it is located in the designated water resource caution area of the district.

On November 20, 2013, Forest filed an application for approval of a new class of service for reuse water service along with a proposed tariff sheet for its reuse rate. This recommendation addresses the suspension of Forest's proposed tariff sheet. The Commission has jurisdiction pursuant to Section 367.091, Florida Statutes (F.S.).

Discussion of Issues

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

Recommendation: Yes, Forest's proposed tariff sheet for approval of a reuse water rate for a new class of service should be suspended. (Roberts)

Staff Analysis: Pursuant to Section 367.091(6), F.S., 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. Staff is recommending that the tariff be suspended to allow staff sufficient time to review the application and gather all pertinent information to present the Commission an informed recommendation on the proposed tariff. Staff believes that this reason is a good cause consistent with the requirement of Section 367.091(6), F.S. Also, it should be noted that staff sent a data request to the Utility on December 20, 2013, and the Utility's response is due on January 13, 2014. Based on the above, staff recommends that Forest's proposed tariff sheet for approval of a reuse water rate for a new class of service should be suspended.

Docket No. 130276-SU
Date: December 23, 2013

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. (Brownless, Roberts)

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.