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RECORDS AND
REPORTING

October 13, 2000

TO: DIVISION OF RECORDS AND REPORTING
FROM: DIVISION OF LEGAL SERVICES (CIBULA) *SMC.*
RE: DOCKET NO. 001140-WU - PETITION OF FLORIDA WATER SERVICES
CORPORATION FOR APPROVAL OF MONTHLY BILLING TARIFFS FOR
FORMER CUSTOMERS OF TANGERINE WATER COMPANY, INC.

1877-TRF

Attached is an ORDER APPROVING ORIGINAL TARIFF SHEETS NOS.
90.50 AND 90.52 AND REVISED ORIGINAL TARIFF SHEETS NOS. 90.51 AND
90.53, ACKNOWLEDGING WITHDRAWAL OF ORIGINAL TARIFF SHEETS NOS.
90.51 AND 90.53, AND IMPLEMENTING PRIVATE FIRE PROTECTION RATES, to
be issued in the above-referenced docket.

(Number of pages in order - 5)

SMC/lw

Attachment

cc: Division of Economic Regulation (Fitch)

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DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of Florida Water Services Corporation for approval of monthly billing tariffs for former customers of Tangerine Water Company, Inc.

DOCKET NO. 001140-WU
ORDER NO. PSC-00-1877-TRF-WU
ISSUED: October 13, 2000

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
E. LEON JACOBS, JR.
LILA A. JABER
BRAULIO L. BAEZ

ORDER APPROVING ORIGINAL TARIFF SHEETS NOS. 90.50 AND 90.52 AND
REVISED ORIGINAL TARIFF SHEETS NOS. 90.51 AND 90.53,
ACKNOWLEDGING WITHDRAWAL OF ORIGINAL TARIFF
SHEETS NOS. 90.51 AND 90.53, AND IMPLEMENTING
PRIVATE FIRE PROTECTION RATES

BY THE COMMISSION:

BACKGROUND

On March 21, 2000, an application was filed to transfer Tangerine Water Company, Inc.'s (Tangerine) water facilities to Florida Water Services Corporation (Florida Water or utility). By Order No. PSC-00-1515-PAA-WU, issued August 21, 2000, in Docket No. 000333-WU, we approved the transfer application. Additionally, we established the rate base at the time of the transfer and the rates and charges for the former Tangerine customers. We also approved the continuation of the quarterly billing cycle that had been used by Tangerine.

On August 14, 2000, Florida Water filed an application for approval of monthly billing tariffs for the former customers of Tangerine. In its application, Florida Water stated that it had inadvertently omitted a request in its application for transfer to convert Tangerine's customers to a monthly billing cycle, consistent with the manner in which Florida Water's other customers are billed. Florida Water also requested implementation of a

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private fire protection service tariff, to ensure availability of private fire protection rates, if such service is requested, and to remain consistent with Florida Water's other tariffs.

On August 21, 2000, the utility filed a notice withdrawing Original Tariff Sheets Nos. 90.51 and 90.53, replacing them with revised Original Tariff Sheets Nos. 90.51 and 90.53. We have the authority to consider this tariff filing under Section 367.091, Florida Statutes.

MONTHLY BILLING

Monthly billing is the billing method used by Florida Water. The use of a monthly billing cycle for the former Tangerine customers would provide consistent billing for all of Florida Water's customers and administrative efficiency for the utility. Moreover, we note that by Order No. PSC-99-1070-FOF-WS, issued May 25, 1999, in Docket No. 980214-WS, we approved a billing period change from a quarterly cycle to a monthly cycle for United Water Florida Inc.

Monthly billing, in contrast to quarterly billing, gives customers more current price signals in regard to conservation issues. In the quarterly billing cycle, consumption data is not received until three months after the consumption has occurred. By receiving the consumption data monthly, customers are better able to adjust their consumption patterns.

Monthly meter reading and billing also creates a more useful water usage history because there are twelve reading periods instead of four. This usage history can enable a more accurate estimated monthly bill whenever an actual meter reading cannot be obtained.

In addition, meter readers will have the ability to find customer leaks, spot high water usage, stopped meters, etc., more readily because they will visit customer sites three times as often. This allows for a potential reduction in the number and severity of these kinds of customer problems and provides greater and more frequent customer communication with the utility.

In its tariff filing, Florida Water proposed new monthly rates based on one-third of the currently tariffed base facility charges and the gallonage charge remains unchanged. We hereby approve the proposed Original Tariff Sheets Nos. 90.50 and 90.52 filed on

August 14, 2000, and revised Original Tariff Sheets Nos. 90.51 and 90.53, filed on August 21, 2000, changing the billing periods from a quarterly billing period to a monthly billing period. Further, we acknowledge the withdrawal of Original Tariff Sheets Nos. 90.51 and 90.53, filed on August 14, 2000. The tariff shall become effective for service rendered on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), Florida Administrative Code, provided the customers have received notice.

PRIVATE FIRE PROTECTION RATES

Florida Water's current tariff for the Tangerine customers does not contain a rate for private fire protection service. As stated in its tariff filing, Florida Water filed its proposed tariffs to complete its tariffed services for the former Tangerine customers, to provide consistency with its tariff filings for other service areas, and to ensure the availability of private fire protection rates, if such service is requested in the former Tangerine service area.

Rule 25-30.465, Florida Administrative Code, states that:

The rate for private fire protection service shall be a charge based on the size of the connection rather than the number of fixtures connected. The rate shall be one-twelfth the current base facility charge of the utility's meter sizes, unless otherwise supported by the utility.

The utility shall be allowed to implement private fire protection rates. The private fire protection tariffed rates shall be calculated and set equivalent to one-twelfth of the tariffed general service base facility charges, in accordance with Rule 25-30.465, Florida Administrative Code. The tariff shall become effective for service rendered on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), Florida Administrative Code, provided the customers have received notice.

If a protest to this Order is filed, Florida Water shall continue billing in accordance with its existing tariff pending resolution of the protest, and the docket shall remain open. If no timely protest is filed, this docket shall be closed upon the issuance of a Consummating Order.

Based on the foregoing, it is

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ORDERED by the Florida Public Service Commission that Florida Water Services Corporation's proposed Original Tariff Sheets Nos. 90.50 and 90.52, filed on August 14, 2000, and revised Original Tariff Sheets Nos. 90.51 and 90.53, filed on August 21, 2000, are hereby approved. It is further

ORDERED that Florida Water Services Corporation's proposed Original Tariff Sheets Nos. 90.51 and 90.53, filed on August 14, 2000, are acknowledged as withdrawn. It is further

ORDERED that Florida Water Services Corporation shall be allowed to implement private fire protection rates. It is further

ORDERED that the private fire protection tariffed rates shall be calculated and set equivalent to one-twelfth of the tariffed general service base facility charges in accordance with Rule 25-30.465, Florida Administrative Code. It is further

ORDERED that the tariffs shall become effective for service rendered on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, Florida Administrative Code, provided the customers have received notice. It is further

ORDERED that if a protest to this Order is filed, Florida Water Services Corporation shall continue billing in accordance with its existing tariff pending resolution of the protest, and the docket shall remain open. If no timely protest is filed, this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 13th day of October, 2000.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

By: Kay Flynn
Kay Flynn, Chief
Bureau of Records

(S E A L)

SMC

NOTICE OF FURTHER PROCEEDINGS

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the proposed action files a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on November 3, 2000.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.