

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for Transfer of Viva )	DOCKET NO. 900832-SU
Villas Sewer System to Hudson Utilities, )	ORDER NO. 23685
Inc. in Pasco County. )	ISSUED: 10-25-90
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The following Commissioners participated in the disposition of this matter:

- MICHAEL McK. WILSON, Chairman
- THOMAS M. BEARD
- BETTY EASLEY
- FRANK S. MESSERSMITH

ORDER APPROVING INTERCONNECTION, ON AN EMERGENCY BASIS, AND SETTING TEMPORARY RATES AND CHARGES

BY THE COMMISSION:

On October 15, 1990, Hudson Utilities, Inc. (Hudson) filed an application with the Commission for the transfer of Viva Villas Sewer System (Viva Villas or Utility) from Pasco Testing Labs, Inc. (Receiver) to Hudson. The Utility was incorporated as F. R. Colo, doing business as Viva Villas and holds Certificate No. 220-S. When it went into receivership several years ago, Pasco Testing Labs, Inc. was assigned as the court appointed receiver.

Viva Villas has been operating under a Department of Environmental Regulation (DER) consent order for an extended period of time. In a letter, dated September 14, 1990, to Ms. Nancy Cole, an employee of the receiver's contract operator, DER indicated that the treatment and disposal portion of the Viva Villas system needs to be taken off-line immediately. The quality of the effluent produced by the treatment plant is poor; total suspended solids are 209 milligrams per liter. Further, the percolation ponds are essentially full. DER suggested that Hudson obtain permits to construct a line to interconnect Viva Villas and Hudson so that the Viva Villas plant can be taken off-line. Hudson intends to have the interconnection in place and operational by November 1, 1990.

Based upon the information before us, we believe that a health hazard exists which warrants the approval of an interconnection, on

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an emergency basis, so that Hudson can construct the line to connect the two systems.

The interconnection between Hudson and Viva Villas is, therefore, approved on a temporary basis. Further, Hudson is directed to construct the interconnection between the two systems as quickly as possible. We will continue to process the transfer application in our standard manner.

In its application, Hudson requested authority to charge the customers of the Viva Villas system its rates and charges, which are as follows:

Hudson Utilities, Inc.

SEWER

Monthly Rates

Residential Rates

A flat charge of \$33.51

General Service and Multi-Residential Rates

Base Facility Charge

5/8" x 3/4"	\$ 4.80
3/4"	7.19
1"	11.99
1-1/2"	23.96
2"	38.35
3"	76.68
4"	119.81
6"	239.64
8"	383.52
10"	551.15

Gallonage Charge

Per 1,000 Gallons 4.80

The rates currently approved for the Viva Villas system are as follows:

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Viva Villas Sewer System

Residential Service

Rate - Flat Bi-monthly Rate of \$22.46.

Plus a \$7.25 surcharge for the next three billing periods only to be billed on April 30, June 30, and August 31.

Hudson must pay a treatment and disposal charge to Pasco County of approximately \$4.15 per 1,000 gallons. In order to prevent Hudson's ratepayers from having to subsidize the Viva Villas service area, we find it appropriate to authorize Hudson to charge its existing rates on a temporary basis. Hudson is in the process of filing for a limited proceeding, seeking approval of its rates for the Viva Villas system on a permanent basis. Hudson is directed to escrow the difference between Pasco County's charge for treatment and disposal and Hudson's rates as set forth above, subject to refund with interest, pending the outcome of the limited proceeding. The escrow account should be established in an independent financial institution, pursuant to a written agreement. Any withdrawals of funds from this escrow account are subject to prior approval of this Commission through the Director of the Division of Records and Reporting.

Hudson must keep an accurate account, in detail, of all monies received, specifying by whom and on whose behalf such amounts were paid. Hudson shall also file a report, no later than the twentieth day of each month that the temporary rates are in effect, showing the amount of revenues collected as a result of the temporary rates and the amount of revenues that would have been collected under Viva Villas' rates. Should a refund be required, the refund would be with interest, pursuant to Rule 25-30.360, Florida Administrative Code.

The temporary rates will be effective for general service customers for meter readings 30 days on or after the stamped approval date on the tariff sheets. The temporary rates for residential customers will be effective for service rendered on or after the stamped approval date on the tariff sheets. Hudson shall implement the temporary rates approved herein only after providing the above discussed security, and after the Commission Staff's approval of the tariff sheets and proposed customer notice.

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It is, therefore,

ORDERED by the Florida Public Service Commission that the request to construct an interconnection, on an emergency basis, between the Viva Villas Sewer System and Hudson Utilities, Inc. is hereby granted. It is further

ORDERED that Hudson shall complete the interconnection of Viva Villas and Hudson as quickly as possible so that the Viva Villas system may be taken off line, thereby alleviating the health hazard. It is further

ORDERED that pending a final decision as to permanent rates for the Viva Villas system in the limited proceeding, Hudson is authorized to charge its rates, subject to refund, as set forth in the body of this Order. The temporary rates shall be effective for general service customers for meter readings on or after thirty days after the stamped approval dates on the tariff sheets. Since the residential customers are currently billed a flat monthly charge, the temporary rates for residential customers shall be effective for service rendered on or after the stamped approval date on the tariff sheets. It is further

ORDERED that Hudson shall file tariff sheets reflecting the action taken herein. The tariff sheets shall be approved upon Staff's verification that the tariff sheets are consistent with our decisions herein and that the proposed customer notice is adequate. It is further

ORDERED that Hudson shall notice the customers of Viva Villas of the rate increase authorized herein and explain the reason for the increase and that the rates are temporary. The form of the notice and explanation must be submitted to the Commission for prior approval. It is further

ORDERED that Hudson shall escrow the difference between Pasco County's charge and Hudson's rates, as set forth in the body of this Order. It is further

ORDERED that Hudson shall file a copy of the escrow agreement with the Director of the Division of Records and Reporting for approval. It is further

ORDERED that Hudson shall keep an accurate account of all monies collected as a result of the temporary rate increase, as set

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forth in the body of this Order. Hudson shall file a report, as set forth in the body of this Order, no later than the twentieth of each month the temporary rates are in effect, pursuant to Rule 25-30.360, Florida Administrative Code. It is further

ORDERED that Docket No. 900832-WS shall remain open for processing of the transfer application.

By ORDER of the Florida Public Service Commission, this 25<sup>th</sup> day of OCTOBER, 1990.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

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