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FPSC - Records/Reporting

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

FROM: DIVISION OF WATER & WASTEWATER (KYLE, MERCHANT) *PK*
DIVISION OF LEGAL SERVICES (OTTINOT, GERVASI) *MS* *AS* *BP*

RE: DOCKET NO. 980112-WS - UNITED WATER FLORIDA, INC. -
APPLICATION FOR TARIFF REVISION AND PETITION FOR WAIVER
OF OR VARIANCE FROM RULE 25-30.320(2)(g), FLORIDA
ADMINISTRATIVE CODE
COUNTIES: DUVAL, NASSAU & ST. JOHNS

AGENDA: MARCH 10, 1998 - REGULAR AGENDA - SUSPENSION OF TARIFF
- INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 60-DAY SUSPENSION DATE: MARCH 23, 1998

SPECIAL INSTRUCTIONS: I:\PSC\WAW\WP\980112WS.RCM

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

CASE BACKGROUND

United Water Florida, Inc. (UWF or utility) is a Class A utility providing water and wastewater service to approximately 29,000 customers in Duval, Nassau, and St. Johns Counties. UWF is located in a critical use area as designated by the St. Johns River Water Management District. Prior to May 1995, UWF was known as Jacksonville Suburban Utilities Corporation, a wholly-owned subsidiary of General Waterworks Corporation (GWC), now known as United Waterworks, Inc. (UWW).

By Order No. PSC-97-0618-FOF-WS, issued May 30, 1997, in Docket No. 960451-WS, the utility's last full rate case proceeding, the Commission approved the utility's current rate structure. On June 16, 1997, UWF timely filed a Motion for Reconsideration of the Commission's Final Order. OPC filed a timely response to that motion on June 25, 1997. By Order No. PSC-97-1146-FOF-WS, issued September 30, 1997, in Docket No. 960451-WS, the Commission granted in part and denied in part the Motion for Reconsideration and amended Order No. PSC-97-0618-FOF-WS.

On January 23, 1998, the utility filed its application for tariff revision, petition for waiver of or variance from Rule 25-30.320(2)(g), Florida Administrative Code (F.A.C.), and request for Commission approval of a proposed agreement between the utility and the City of Jacksonville whereby each entity would discontinue water service to customers who were delinquent in payment for wastewater service provided by the other entity.

Two unrelated dockets are currently pending for this utility. The first docket is 971596-WS, Petition for Limited Proceeding Regarding Other Postretirement Employee Benefits and Petition for Variance from or Waiver of Rule 25-14.012, F.A.C. That docket is currently pending but should have no bearing on this docket. The second docket is 980214-WS, Application for Rate Increase. UWF has filed a test year approval request, but has not filed Minimum Filing Requirements (MFRs) at this time.

In order to process the application and the petition, staff needs time to thoroughly review the utility's justification for the waiver or variance. Therefore, staff has prepared the following recommendation.

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DISCUSSION OF ISSUES

ISSUE 1: Should UWF's proposed tariffs reflecting implementation of the proposed agreement for discontinuation of water services be suspended?

RECOMMENDATION: Yes, UWF's proposed tariffs should be suspended pending further investigation by staff. (KYLE, MERCHANT)

STAFF ANALYSIS: Pursuant to Section 367.091(5), Florida Statutes, 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 that consent. If the Commission does not withhold consent, the proposed tariffs may be assumed in effect after 60 days.

Staff has reviewed the filing and has considered the utility's proposal. Since this utility has filed a proposal requiring a waiver of or variance from Rule 25-30.320(2)(g), F.A.C., which will be presented to the Commission for action at the April 7, 1998 agenda, staff recommends that the proposed tariffs be suspended allowing time to thoroughly review the utility's justification for the waiver or variance.