



# Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

## -M-E-M-O-R-A-N-D-U-M-

RECORDS AND REPORTING

99 NOV - 3 PM 4: 19

RECEIVED-FPSC

**DATE:** NOVEMBER 4, 1999

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

**FROM:** DIVISION OF WATER AND WASTEWATER (CHU) *MC*  
DIVISION OF LEGAL SERVICES (CROSSMAN) *PS of Amy*

**RE:** DOCKET NO. 990763-WU - TARIFF FILING BY FLORALINO PROPERTIES, INC. REQUESTING APPROVAL OF PREMISES VISIT CHARGE FOR VISITS REQUESTED BY CUSTOMERS IN PASCO COUNTY.

COUNTY: PASCO

**AGENDA:** 11/16/99 - REGULAR AGENDA - TARIFF FILING - INTERESTED PERSONS MAY PARTICIPATE

**CRITICAL DATES:** 8-MONTH EFFECTIVE DATE: 02/14/00

**SPECIAL INSTRUCTIONS:** NONE

**FILE NAME AND LOCATION:** S:\PSC\WAW\WP\990763.RCM

### CASE BACKGROUND

Floralino Properties, Inc. (Floralino or utility) is a Class C water-only utility, providing service to approximately 730 customers in Pasco County. The utility's existing rates were approved in a staff-assisted rate case proceeding by Order No. PSC-95-0142-FOF-WU, issued January 31, 1995, in Docket No. 940558-WU. According to its 1997 Annual Report for the twelve month period ending December 31, 1997, the utility recorded operating revenues of \$128,805 and operating expenses of \$127,313, resulting in operating income of \$1,492. The utility's service area consists of three subdivisions: Colonial Manor, Colonial Manor Annex, and Eastwood Acres and also the Holiday Mall. The utility's service area is located in a water use caution area within the jurisdiction of the Southwest Florida Water Management District.

DOCUMENT NUMBER-DATE

13499 NOV-3

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On June 14, 1999, the utility filed a proposed tariff sheet requesting approval of a premises visit charge for visits requested by customers. The charge is proposed to be levied whenever a water customer requests that the water service be shut off for a short duration in order for the customer to make repairs to the customer's own water system.

By Order No. PSC-99-1605-PCO-WU, issued on August 16, 1999, the Commission suspended the proposed tariff pending cost justification from the utility for the proposed amount of the premises visit charge. Staff received the cost justification from the utility on August 9, 1999.

In the proposed tariff sheet filed on June 14, 1999, the utility stated that "this charge would be levied whenever a water customer of Colonial Manor Water System requests that their water service be shut off for a short duration..." As stated earlier, the utility has three subdivisions: Colonial Manor, Colonial Manor Annex, Eastwood Acres and Holiday Mall. When staff inquired whether the utility is applying the charge for Colonial Manor subdivision or for the whole service area, the utility stated that it used "Colonial Manor" in the broad sense to refer to the whole service area, and the utility truly meant to apply the charge for the whole service area. On October 1, 1999, the utility filed an amended tariff sheet clarifying that the proposed premises visit charge applies for all customers of the utility.

**DISCUSSION OF ISSUES**

**ISSUE 1:** Should the utility's amended tariff sheet filed on October 1, 1999, to collect a premises visit charge for visits requested by customers be approved?

**RECOMMENDATION:** Yes, the utility's First Revised Sheet No. 20.3, filed on October 1, 1999 containing the premises visit charge for visits requested by customers should be approved. The new charge should become effective for service rendered on or after the stamped approval date of the tariff sheet, pursuant to Rule 25-30.475, Florida Administrative Code, provided customers have received notice. (CHU, CROSSMAN)

**STAFF ANALYSIS:** Rule 25-30.345(3), Florida Administrative Code, permits utilities to assess charges for miscellaneous services. Specifically, "A utility may have other customer service charges. These are specified in the utility's tariff."

The purpose of such charges is to provide a means by which the utility can recover its costs of providing miscellaneous services from those customers who require the services. Costs are therefore borne by the cost causer rather than by the general body of ratepayers.

On June 14, 1999, the utility filed a proposed tariff sheet requesting approval of a premises visit charge for visits requested by customers. The charge is proposed to be levied whenever a water customer requests that the water service be shut off for a short duration in order for the customer to make repairs to the customer's own water system.

The utility proposed a fee of \$25 for the premises visit requested by customers because it requires two trips to facilitate the customer's request. One trip is needed to shut water off and one trip is needed to turn water service back on. The proposed \$25 fee is to recover the costs associated with the two trips. The fee will be levied when a customer requests a premise visit service. Based on the cost justification provided by the utility, the costs associated with this service include secretarial costs of \$14.50, field visit costs of \$12.10, and a regulatory assessment fee of \$1.13 (\$25 x 4.5%) for a total of \$27.73. The secretarial costs cover the time spent on the telephone with customers regarding the request, documenting and preparing a work order for the scheduled appointment, and bookkeeping. The field visit costs cover the review of the work order for the scheduled visit, travel to and

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from the customer's residence, turning off the water, and turning the water back on. Staff believes that the proposed charge is well justified and should be approved.

Approving this charge is also consistent with the Commission's past practice. By Order No. 23968, issued January 8, 1991, in Docket No. 900789-WS, and by Order No. 23281, issued July 31, 1990, in Docket No. 900219-WS, the Commission approved similar requests a for "service problem identification charge". This charge is assessed when a customer requests that the utility inspect a problem and the utility discovers that there is either not a problem, or that the problem is not the responsibility of the utility. The charge may also be assessed when a customer requests that the utility reread a meter and the utility discovers that the meter was read correctly the first time.

Based on the above analysis, staff recommends that the proposed premises visit charge of \$25 for visits requested by customers should be approved. The charge should be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475, Florida Administrative Code, provided customers have received notice.

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**ISSUE 2:** Should this docket be closed?

**RECOMMENDATION:** Yes, if no protest is filed by a substantially affected person within 21 days, this docket should be closed upon the issuance of a consummating order. If a timely protest is filed, the tariff should remain in effect with any increased revenues held subject to refund pending resolution of the protest.  
(CHU, CROSSMAN)

**STAFF ANALYSIS:** Yes, if no protest is filed by a substantially affected person within 21 days, this docket should be closed upon the issuance of a consummating order. If a timely protest is filed, the tariff should remain in effect with any increased revenues held subject to refund pending resolution of the protest.