

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: June 6, 2024

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Lenberg) *EL*
Office of the General Counsel (Thompson) *JSC*

RE: Docket No. 20240058-WU – Request for tariff filing revisions for water system in Okaloosa County, by North Florida Community Water Systems.

AGENDA: 06/18/24 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 60-Day Suspension Date Waived by the Utility Until the 6/18/24 Agenda Conference

SPECIAL INSTRUCTIONS: None

Case Background

North Florida Community Water Systems, Inc. (NFCWS or utility) provides water and wastewater service to several counties including a system in Okaloosa County. The utility's Okaloosa County system provides water service to approximately 342 residential customers and 7 general service customers.¹ The utility has never had a rate case, but the rates were amended by a price index rate adjustment in 2023.

On April 5, 2024, pursuant to Section 367.091(5), Florida Statutes (F.S.), NFCWS filed a request to provide private fire protection charges and meter installation charges for meter sizes larger than 5/8 inch x 3/4 inch for the Okaloosa water system. According to the utility's current tariff,

¹ Number of customers as reported in 2023 Annual Report ending December 31, 2023.

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the utility has a meter installation charge for a 5/8 inch x 3/4 inch meter size. The utility's current meter installation charge was approved in Docket No. 20200155-WU.² The utility indicated in its application that it had a request by a general service customer to install two one-inch meter sizes in the Okaloosa County water system. On April 10, 2024, the utility waived the 60-day statutory deadline which allowed staff to be able to file a recommendation for the June 18, 2024 Agenda Conference.

This recommendation addresses the utility's request for private fire protection rates and meter installation charges for meter sizes larger than 5/8 inch x 3/4 inch meter sizes. The Commission has jurisdiction pursuant to Section 367.091, F.S.

² Order No. PSC-2020-0402-PAA-WU, issued October 26, 2020, in Docket No. 20200155-WU, *In re: Application for certificate to operate water utility in Okaloosa County and application for pass through increase of regulatory fees, by Okaloosa Waterworks, Inc.*

Discussion of Issues

Issue 1: Should NFCWS’s request for a new class of service for private fire protection rates be approved?

Recommendation: Yes. NFCWS’s request to establish a new class of service for private fire protection rates should be approved. Staff recommends that the utility’s revised proposed tariff sheet shown in Attachment A should be approved as filed. The approved tariff should be effective on the date of the Commission vote. Since there are no current customers affected by the tariff revision, no customer notices are required. (Lenberg)

Staff Analysis: Currently, NFCWS does not have private fire protection rates. Therefore, the utility is requesting fire protection rates for meter sizes of three inch to six inch. Pursuant to Rule 25-30.465, Florida Administrative Code (F.A.C.), the rate shall be one-twelfth the utility’s current base facility charge (BFC) for each meter size. Since the utility’s request is pursuant to Rule 25-30.465, F.A.C., staff recommends that the utility’s request should be approved. The requested private fire protection rates are shown below in Table 1-1.

Table 1-1
The Utility’s Current BFC Charges and Proposed Fire Protection Rates

Meter Size	Current BFC	Private Fire Protection Rate (1/12)
3”	\$541.76	\$45.15
4”	\$846.50	\$70.54
6”	\$1,693.00	\$141.08

Source: Utility’s current and proposed tariff

Conclusion

Staff recommends that NFCWS’s request to establish a new class of service for a private fire protection rate should be approved. Staff recommends that the utility’s revised proposed tariff sheet shown in Attachment A should be approved as filed. The approved tariff should be effective on the date of the Commission vote. Since there are no current customers affected by the tariff revision, no customer notices are required.

Issue 2: Should NFCWS's request to implement meter installation charges of actual cost for meter sizes larger than 5/8 inch x 3/4 inch be approved?

Recommendation: Yes. NFCWS's request to implement meter installation charges of actual cost for meter sizes larger than 5/8 inch x 3/4 inch should be approved. Staff recommends that the utility's revised proposed tariff shown in Attachment A should be approved as filed. Staff recommends that the approved charges be effective for connections made on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charge should not be implemented until staff has approved the proposed customer notice and the notice has been received by customers. The utility should provide notice to potential customers who have requested service within 12 calendar months prior to the month the application was filed and up until the order becomes final. The utility should provide proof of the date notice was given within 10 days of the date of the notice. (Lenberg)

Staff Analysis: In its application, NFCWS is requesting meter installation charges for all meter sizes larger than 5/8 inch x 3/4 inch at actual cost. The utility indicated that it had an inquiry by a customer to install two one-inch meters. The utility's existing meter installation charge for the 5/8 inch x 3/4 inch meter was approved in 2020.³ The Commission has approved meter installation charges at actual cost for meter sizes larger than 5/8 inch x 3/4 inch.⁴ The utility's proposed meter installation charge of actual cost for all meter sizes larger than 5/8 inch x 3/4 inch meters is reasonable and should be approved.

Conclusion

Based on the above, NFCWS's request to implement meter installation charges of actual cost for meter sizes larger than 5/8 inch x 3/4 inch should be approved. Staff recommends that the utility's revised proposed tariff shown in Attachment A should be approved as filed. Staff recommends that the approved charges be effective for connections made on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charge should not be implemented until staff has approved the proposed customer notice and the notice has been received by customers. The utility should provide notice to potential customers who have requested service within 12 calendar months prior to the month the application was filed and up until the order becomes final. The utility should provide proof of the date notice was given within 10 days of the date of the notice.

³Order No. PSC-2020-0402-PAA-WU, issued October 26, 2020, in Docket No. 20200155-WU, *In re: Application for certificate to operate water utility in Okaloosa County and application for pass through increase of regulatory assessment fees, by Okaloosa Waterworks, Inc.*

⁴ Order No. PSC-2024-0127-PAA-WS, issued April 23, 2024, in Docket No. 20230114-WS, *In re: Application for certificate to provide water utility in Volusia County, by Applegate Utility, LLC.*

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Issue 3: Should this docket be closed?

Recommendation: Yes. If a protest is filed within 21 days of the issuance of the Order, the tariff should remain in effect with the refund pending resolution of the protest, and the docket should remain open. If not timely protest is filed, the docket should be closed upon the issuance of a Consummating Order. (Thompson)

Staff Analysis: If a protest is filed within 21 days of the issuance of the Order, the tariff should remain in effect with the refund pending resolution of the protest, and the docket should remain open. If not timely protest is filed, the docket should be closed upon the issuance of a Consummating Order.

NORTH FLORIDA COMMUNITY WATER SYSTEMS, INC.
WATER TARIFF

ORIGINAL SHEET NO. 13.65

PRIVATE FIRE PROTECTION

RATE SCHEDULE (PFP)

Formerly Okaloosa Waterworks, Inc.
Okaloosa County

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - For private fire protection service to customers.
- LIMITATIONS - Subject to all of the Rules and Regulations of this tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD - Monthly
- RATE -
- | | |
|----|-----------|
| 3" | \$ 45.15 |
| 4" | \$ 70.54 |
| 6" | \$ 141.08 |
- MINIMUM CHARGE - Base Facility Charge
- TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.
- EFFECTIVE DATE - June 18, 2024
- TYPE OF FILING - Tariff Filing

Date: June 6, 2024

NORTH FLORIDA COMMUNITY WATER SYSTEMS, INC.
WATER TARIFF

FIRST REVISED SHEET NO. 19.5
CANCELS ORIGINAL SHEET NO. 19.5

SERVICE AVAILABILITY CHARGES

Formerly Okaloosa Waterworks, Inc.
Okaloosa County

Description

Customer Service Line Installation (Tap Fee) Charge

Tap Fee with Road Bore	\$2,000.00
Tap Fee without Road Bore	\$1,500.00

Meter Installation Charge

5/8" x 3/4"	\$ 353.00
All Other Meter Sizes	Actual Cost

EFFECTIVE DATE -

TYPE OF FILING -

Tariff Filing