



**The  
PEOPLES**

**WATER SERVICE COMPANY**

409 WASHINGTON AVENUE, SUITE 310, TOWSON, MARYLAND 21204

PHONE: 301/825-3722

FAX: 301/825-0015

June 25, 1992

**ORIGINAL  
FILE COPY**

Director, Division of Records and Reporting  
FLORIDA PUBLIC SERVICE COMMISSION  
101 East Gaines Street  
Tallahassee, Florida 32399-0850

RE: Docket No. 920289 - Application for Certificate to  
Provide Water Service in Escambia County under  
Grandfather Rights by The Peoples Water Service Company.

Dear Sir:

Enclosed are three (3) copies of responses to  
Mr. Rendell's questions from his letter dated June 3,  
1992. We trust everything regarding the Tariff is now in  
order.

Sincerely,

Sherlock S. Gillet, Jr.  
Vice President

ACK \_\_\_\_\_

AFA \_\_\_\_\_

APP \_\_\_\_\_

CAF \_\_\_\_\_

CMU \_\_\_\_\_

CTR \_\_\_\_\_

EAG \_\_\_\_\_

LEG 1 \_\_\_\_\_

LIN 6 \_\_\_\_\_

OPC \_\_\_\_\_

RCH \_\_\_\_\_

SEC \_\_\_\_\_

WAS \_\_\_\_\_

OTH \_\_\_\_\_

SGjr:lf

Enclosures

cc: Robert A. Emmanuel, Esquire  
J. W. Hellums, Jr., District Manager

DOCUMENT NUMBER-DATE

06864 JUN 26 1992

FPSC-RECORDS/REPORTING

THE PEOPLES WATER SERVICE COMPANY  
DOCKET NO. 920289-WU  
RESPONSE TO LETTER OF 6/3/92

## 1. MISCELLANEOUS SERVICE CHARGES

a) The violation reconnection charge was revised to \$50 in an attempt to recover the Company's costs.

b) The requested detailed breakdowns are as follows:

Initial Connection Fee

<u>Labor</u>		
Service Rep. \$7.00 per hour for 30 minutes		\$3.50
Serviceman \$11.00 per hour for 30 minutes		5.50
Payroll Burden (40%)		<u>3.60</u>
	Subtotal	\$12.60
<u>Equipment</u>		
Pick-up truck 14 miles round trip average @ \$0.50 per mile.		<u>7.00</u>
	Subtotal	\$19.60
Overhead/Supervision (25%)		<u>4.90</u>
	Total	\$24.50
		=====

Normal Reconnection Fee

<u>Labor</u>		
Service Rep. \$7.00 per hour for 30 minutes		\$3.50
Serviceman \$11.00 per hour for 30 minutes		5.50
Payroll Burden (40%)		<u>3.60</u>
	Subtotal	\$12.60
<u>Equipment</u>		
Pick-up truck 14 miles round trip average @ \$0.50 per mile.		<u>7.00</u>
	Subtotal	\$19.60
Overhead/Supervision (25%)		<u>4.90</u>
	Total	\$24.50
		=====

Violation Reconnection Fee

<u>Labor</u>		
Service Rep. \$7.00 per hour for 1 hour		\$7.00
Serviceman \$11.00 per hour for 1 hour		11.00
Payroll Burden (40%)		<u>7.20</u>
	Subtotal	\$25.20
<u>Equipment</u>		
Pick-up truck 14 miles round trip average @ \$0.50 per mile. (two trips)		<u>14.00</u>
	Subtotal	\$39.20
Overhead/Supervision (25%)		<u>9.80</u>
	Total	\$49.00
		=====

DOCUMENT NUMBER-DATE

06864 JUN 26 1992

FPSC-RECORDS/REPORTING

Premises Visit Fee

(in lieu of disconnection)

Labor		
Service Rep. \$7.00 per hour for 30 minutes		\$3.50
Serviceman \$11.00 per hour for 30 minutes		5.50
Payroll Burden (40%)		<u>3.60</u>
	Subtotal	\$12.60
Equipment		
Pick-up truck 14 miles round trip average @ \$0.50 per mile.		<u>7.00</u>
	Subtotal	\$19.60
Overhead/Supervision (25%)		<u>4.90</u>
	Total	\$24.50
		=====

c) The justification for approval of these requested amounts is that this is a grandfather application. To be "grand-fathered" means that the existing conditions are accepted. In addition, these rates reflect some of our direct costs and have been charged in the past.

As you know, there is no business that can recover its costs while charging these low fees. The reason for the fees being below open market levels (ie. plumbers, electricians, & appliance repairmen) is purely political; the elected officials will not allow realistic charges.

## 2. "THE COST HAS BEEN"

a) The Company is requesting approval of \$30.00 for backflow preventor testing for 3/4" and 1" devices and \$50.00 for larger backflow preventor testing. The testing cost is charged only when a testable device is tested. Most of our customers are 3/4" and 1" low hazard, residential services and will not be affected by this since the cartridge checks are not testable. This charge is primarily for commercial high hazard services.

b) The adequate language has been inserted on the enclosed Sheet 22.1 as suggested.

c) Proof verifying the above costs is as follows:

3/4" & 1" devices

Labor		
Backflow Technician \$11.00 per hour for 1 hour		\$11.00
Service Rep. \$7.00 per hour for 15 minutes		1.75
Payroll Burden (40%)		<u>5.10</u>
	Subtotal	\$17.85
Equipment		
Pick-up truck 14 miles round trip average @ \$0.50 per mile		<u>7.00</u>
	Subtotal	\$24.85
Overhead/Supervision (25%)		<u>6.21</u>
	Total	\$31.06
		=====

Over 1" devices

<b>Labor</b>		
Backflow Technician \$11.00/hr. for 1.25 hrs.		\$13.75
Helper \$7.45/hr. for 1.25 hrs.		9.31
Service Rep. \$7.00 per hour for 15 minutes		1.75
Payroll Burden (40%)		<u>9.92</u>
	Subtotal	\$34.73
<b>Equipment</b>		
Pick-up truck 14 miles round trip average		7.00
@ \$.50 per mile		<u>7.00</u>
	Subtotal	\$41.73
Overhead/Supervision (25%)		<u>10.43</u>
	Total	\$52.16
		=====

## 3. BACKFLOW PREVENTOR INSTALLATION

a) The charges on Sheet 23.2 are charged to new customers for installing the devices. The construction crew makes the tap and sets up the service but the certified Backflow Technician installs and initially calibrates the device. The additional installation charge related to backflow preventors is:

3/4" & 1" Residential devices

<b>Labor</b>		
Backflow Technician \$11.00/hr. for 1 hour		\$11.00
Payroll Burden (40%)		<u>4.40</u>
	Subtotal	\$15.40
<b>Equipment</b>		
Pick-up truck 14 miles round trip average		7.00
@ \$.50 per mile		<u>7.00</u>
	Subtotal	\$22.40
Overhead/Supervision (25%)		<u>5.60</u>
	Total	\$28.00
		=====

3/4" & 1" Commercial devices

<b>Labor</b>		
Backflow Technician \$11.00/hr for 2 hours		\$22.00
Laborer \$5.00/hr for 2 hours		10.00
Payroll Burden (40%)		<u>12.80</u>
	Subtotal	\$44.80
<b>Materials</b>		
Fittings, concrete, freeze proofing		247.00
<b>Equipment</b>		
Pick-up truck 14 miles round trip average		7.00
@ \$.50 per mile		<u>7.00</u>
Overhead/Supervision (25%)		<u>74.70</u>
	Total	\$373.50
		=====

1 1/2" & 2" Commercial devices

Labor		
Backflow Technician \$11.00/hr for 2 hours		\$22.00
Laborer \$5.00/hr for 2 hours		10.00
Payroll Burden (40%)		<u>12.80</u>
	Subtotal	\$44.80
Materials		
Fittings, concrete, freeze proofing		300.00
Equipment		
Pick-up truck 14 miles round trip average		
@ \$.50 per mile		7.00
Overhead/Supervision (25%)		<u>87.95</u>
	Total	\$439.75
		=====

b) These costs are charged to customers when the device is installed.

## 4. CUSTOMER CONNECTION CHARGE

a) Yes, this charge does include the meter installation. Sheet 23.0 has been revised as suggested and is enclosed.

b) Enclosed are copies of receipts that verify that these amounts have been charged in the past.

c) I am not sure where "equipment" is stated. If "materials" is the concern, shovels, tools, and, depreciation are not included.

d) No, once the customer connection charge has been paid, it is not charged again. In your example, the second customer would simply pay the applicable deposit and initial connection fee.

5. SHEET 23.1 - Heading reworded as suggested and Sheet 23.1 is enclosed.

6. Enclosed are copies of customer bills to verify requested grandfather charges.

7. No, a proposed agreement does not exist but could be easily drafted.

NAME OF COMPANY THE PEOPLES WATER SERVICE COMPANY

WATER TARIFF

SCHEDULE OF BACKFLOW PREVENTOR TESTING

Backflow Prevention Devices will be tested on a regular basis by Company personnel. The charge for testing is \$30.00 for 3/4" and 1" devices and \$50.00 for devices over 1".

EFFECTIVE DATE -

TYPE OF FILING - ORIGINAL GRANDFATHER APPLICATION

SHERLOCK S. GILLET JR.  
ISSUING OFFICER

VICE PRESIDENT  
TITLE

NAME OF COMPANY THE PEOPLES WATER SERVICE COMPANY

WATER TARIFF

SERVICE AVAILABILITY SCHEDULE OF FEES AND CHARGES

<u>DESCRIPTION</u>	<u>AMOUNT</u>	<u>REFER TO SERVICE AVAIL. POLICY SHEET NO./RULE NO.</u>
<u>Back-Flow Preventor Installation Fee</u>		
5/8" x 3/4" .....	\$ Actual Cost	See Sheet 23.2
1" .....	\$ Actual Cost	" " "
1 1/2" .....	\$ Actual Cost	" " "
2" .....	\$ Actual Cost	" " "
Over 2" .....	Actual Cost [1]	" " "
<u>Customer Connection (Tap-in) Charge</u>		
5/8" x 3/4" metered service .....	\$ 179.00 plus cost of materials	
1" metered service .....	\$ 315.00 plus cost of materials	
1 1/2" metered service .....	\$ 547.00 plus cost of materials	
2" metered service .....	\$ Actual Cost	
Over 2" metered service .....	Actual Cost [1]	
<u>Guaranteed Revenue Charge</u>		
<del>High Prepayment of Service Availability Charges:</del>		
<del>Residential per ERC/month ( _____ GPD) .....</del>	<del>\$</del>	
<del>All others per gallon/month .....</del>	<del>\$</del>	
<del>Without Prepayment of Service Availability Charges:</del>		
<del>Residential per ERC/month ( _____ GPD) .....</del>	<del>\$</del>	
<del>All others per gallon/month .....</del>	<del>\$</del>	
Inspection Fee .....	Actual Cost [1]	
<u>Main Extension Charge</u>		
<del>Residential per ERC ( _____ GPD) .....</del>	<del>\$</del>	
<del>All others per gallon .....</del>	<del>\$</del>	
or		Construction costs -
<del>Residential per lot ( _____ foot frontage) .....</del>	<del>\$</del>	Actual Cost
<del>All others per front foot .....</del>	<del>\$</del>	
<u>Meter Installation Fee</u>		Included in Customer Connection Charge
5/8" x 3/4" .....	\$	
1" .....	\$	
1 1/2" .....	\$	
2" .....	\$	
Over 2" .....	Actual Cost [1]	
Plan Review Charge .....	Actual Cost [1]	
<u>Plant Capacity Charge</u>		
Residential per ERC ( _____ GPD) .....	\$ 357 per ERC	See Sheet 23.1
<del>All others per gallon .....</del>	<del>\$</del>	
<u>System Capacity Charge</u>		
Residential per ERC ( _____ GPD) .....	\$	
<del>All others per gallon .....</del>	<del>\$</del>	

[1] Actual Cost is equal to the total cost incurred for services rendered by a customer.

EFFECTIVE DATE -

TYPE OF FILING - Original Grandfather Application

Sherlock S. Gillet, Jr.  
ISSUING OFFICER

Vice President

TITLE

## PEOPLES WATER SERVICE COMPANY

## DAILY CASH REPORT

WARRINGTON, FLORIDA

DATE: 05-08-92

DCR NO. : 06

ACCT NO.	DESCRIPTION	THIS DAY	THIS MONTH
1130-160	ACCOUNTS RECEIVABLE-CONSUMERS	5282.21	38852.01
2230-060	CONSUMER METER/SERVICE DEPOSIT	350.00	2485.00
2312-060	TAXES ON CIAC	404.00	3232.00
2550-260	TAXABLE CONTRIBUTIONS-322	659.00	5272.00
4030-160	RECOVERY OF PREV UNCOLLECTABLE	0.00	88.90
6140-060	RECONNECT FEES	220.00	1540.00
6140-160	TAPPING FEES M&S	179.00	1432.00
4260-060	MISC NON-OPERATIONAL REVENUE	0.00	30.00
4210-060	MICS. RENT REVENUES	0.00	1125.00
TOTAL RECEIPTS		7094.21	54056.91

DEPOSIT SLIPS ATTACHED AS FOLLOWS:	DATE	THIS DAY	THIS MONTH
TOTAL DEPOSITS			
038-1404-1	05-08-92	7094.21	54056.91
FIRST UNION BANK			

Christel Breitfeller  
CASHIER

Toni Patterson  
for  
MANAGER

THE PEOPLES WATER SERVICE COMPANY  
WARRINGTON, FLORIDA

40601

CONSUMER'S FEE RECEIPT

NAME Carpenter & Evans Builders, Inc.  
(NOT TRANSFERABLE)

CONTRACTOR \_\_\_\_\_

ADDRESS 3130 Bantarem Dr.

BLOCK No. LOT 5 BKH LOT No. \_\_\_\_\_

DATE 5-8-92 CONSUMER'S ACCOUNT No. \_\_\_\_\_

RECEIVED BY: CB/SS  
CASHIER

FEE PAID	AMOUNT	ACCT-NR
Tapping Fee	\$ 1242.00	255
Contribution For Main		255
Refund Agreement	6140.160 = 179.00	261
Re-Connect Fee	2550.260 = 699.00	614
Turn-On Fee	2312.060 = 404.00	614
Adjusted Account Collected		257
Statement Paid		
Misc. Charges Paid		
Other		
Misc. Bulk Water Sales		608
<b>TOTAL FEES PAID</b>	<b>\$ 1242.00</b>	

THIS RECEIPT NOT CONSIDERED IN PAYMENT OF REGULAR WATER ACCOUNTS.

## PEOPLES WATER SERVICE COMPANY

## D A I L Y C A S H R E P O R T

WARRINGTON, FLORIDA

DATE: 05-26-92

DCR NO. : 17

ACCT NO.	DESCRIPTION	THIS DAY	THIS MONTH
1130-160	ACCOUNTS RECEIVABLE-CONSUMERS	20403.79	150476.42
2230-060	CONSUMER METER/SERVICE *DEPOSIT	360.00	5250.00
2312-060	TAXES ON CIAC	404.00	4040.00
2550-260	TAXABLE CONTRIBUTIONS-322	659.00	6590.00
4030-160	RECOVERY OF PREV UNCOLLECTABLE	18.20	171.19
6140-060	RECONNECT FEES	140.00	2960.00
6140-160	TAPPING FEES M&S	179.00	1790.00
4260-060	MISC NON-OPERATIONAL REVENUE	0.00	215.19
4210-060	MICS. RENT REVENUES	0.00	1125.00
TOTAL RECEIPTS		22163.99	172617.80

DEPOSIT SLIPS ATTACHED AS FOLLOWS:	DATE	THIS DAY	THIS MONTH
TOTAL DEPOSITS			
038-1404-1	05-26-92	22163.99	172617.80
FIRST UNION BANK			

*Renee Wickerson*  
CASHIER

*Ten Patterson*  
for  
MANAGER

THE PEOPLES WATER SERVICE COMPANY  
WARRINGTON, FLORIDA

N<sup>o</sup> 40681

CONSUMER'S FEE RECEIPT

NAME: James Joseph Kane  
(NOT TRANSFERABLE)

CONTRACTOR \_\_\_\_\_

ADDRESS 3451 S Blue Angel Pkwy

BLOCK No. \_\_\_\_\_ LOT No. \_\_\_\_\_

DATE 5-21-92 CONSUMER'S ACCOUNT No. \_\_\_\_\_

RECEIVED BY: JB  
CASHIER

FEE PAID	AMOUNT	ACC'T NO.
Tapping Fee	1242 00	255
Contribution For Main		255
Refund Agreement	2312-060 = 404.00	261
Re-Connect Fee	2550-260 = 659.00	614
Turn-On Fee	6140-160 = 177.00	614
Adjusted Account Collected		257-1
Statement Paid		
Misc. Charges Paid		
Other		
Misc. Bulk Water Sales		608
TOTAL FEES PAID	1242 00	

THIS RECEIPT NOT CONSIDERED IN PAYMENT OF REGULAR WATER ACCOUNTS.

NAME OF COMPANY THE PEOPLES WATER SERVICE COMPANY

WATER TARIFF

PLANT CAPACITY CHARGE

THE AUTHORIZED IMPACT FEE SHALL BE CHARGED FOR ALL NEW SERVICES. THIS AUTHORIZED FEE IS BASED ON ONE (1) ERC. THUS, THE NUMBER OF ERCs ARE DETERMINED BY THE METER SIZE.

BELOW ARE THE ERC EQUIVALENCY RATES:

<u>METER SIZE</u>	<u>TYPE OF METER</u>	<u>EQUIVALENT FACTOR</u>
5/8"	DISPLACEMENT	1.0
3/4"	DISPLACEMENT	1.5
1"	DISPLACEMENT	2.5
1 1/2"	DISPLACEMENT OR TURBINE	5.0
2"	DISPLACEMENT, COMPOUND OR TURBINE	8.0
3"	DISPLACEMENT	15.0
3"	COMPOUND	16.0
3"	TURBINE	17.5
4"	DISPLACEMENT OR COMPOUND	25.0
4"	TURBINE	30.0
6"	DISPLACEMENT OR COMPOUND	50.0
6"	TURBINE	62.5
8"	COMPOUND	80.0
8"	TURBINE	90.0
10"	COMPOUND	115.0
10"	TURBINE	145.0
12"	TURBINE	215.0

EFFECTIVE DATE -

TYPE OF FILING - ORIGINAL GRANDFATHER CERTIFICATE

Sherlock S. Gillet Jr.  
Issuing Officer

Vice President  
Title

**THE PEOPLES WATER SERVICE COMPANY**  
P.O. BOX 4815 PENSACOLA, FL 32507-0815



FIRST CLASS MAIL  
U.S. POSTAGE RATE  
POST CARD RATE  
PAID 1 OZ.  
PERMIT NO. 291  
PRE-SORTED FIRST CLASS

ACCOUNT NO.	SERVICE FROM	SERVICE TO	BILLING DATE
0074000	04-01	05-01	05-06-92

CR-RT SORT  
CARRIER ROUTE 0712

PREVIOUS	PRESENT	GALLONS USED	AMOUNT	CODE
00028	00057	2900	8.52 W	

KING, THOMAS EUGENE  
1503 CAIRO ST

7.95 AR PENSACOLA, FL  
32507

A SMILE....  
THE FACE-LIFT  
THAT DOESN'T  
COST A CENT.

1503 CAIRO ST

FIRE PROTECTION		DUE DATE	
SPRINKLER SYSTEM	PRIVATE FIRE HYDRANT	BILL	NET BILL DUE WHEN RECEIVED
		16.47	16.47

DUE DATE	ACCOUNT NUMBER
05-18-92	04007400.0
BILL	NET BILL DUE WHEN RECEIVED
16.47	16.47

SEE REVERSE SIDE FOR CODES.  
TO RECEIVE PROPER CREDIT  
RETURN THIS STUB WITH PAYMENT.

**THE PEOPLES WATER SERVICE COMPANY**  
P.O. BOX 4815 PENSACOLA, FL 32507-0815



FIRST CLASS MAIL  
U.S. POSTAGE RATE  
POST CARD RATE  
PAID 1 OZ.  
PERMIT NO. 291  
PRE-SORTED FIRST CLASS

ACCOUNT NO.	SERVICE FROM	SERVICE TO	BILLING DATE
051350000	05-04	06-02	06-04-92

CR-RT SORT  
CARRIER ROUTE 0714

PREVIOUS	PRESENT	GALLONS USED	AMOUNT	CODE
00577	00508	3100	8.85 W	

MOSLEY, B S  
1815 BLAKELY AVE

PENSACOLA, FL  
32507-165

YOU CANNOT DO A KINDNESS  
TOO SOON, BECAUSE YOU  
NEVER KNOW HOW SOON IT  
WILL BE TOO LATE.

1815 BLAKELY AVE

FIRE PROTECTION		DUE DATE	
SPRINKLER SYSTEM	PRIVATE FIRE HYDRANT	BILL	NET BILL DUE WHEN RECEIVED
		8.85	8.85

DUE DATE	ACCOUNT NUMBER
06-16-92	05135000.1
BILL	NET BILL DUE WHEN RECEIVED
8.85	8.85

SEE REVERSE SIDE FOR CODES.  
TO RECEIVE PROPER CREDIT  
RETURN THIS STUB WITH PAYMENT.

**THE PEOPLES WATER SERVICE COMPANY**  
P.O. BOX 4815 PENSACOLA, FL 32507-0815



FIRST CLASS MAIL  
U.S. POSTAGE RATE  
POST CARD RATE  
PAID 1 OZ.  
PERMIT NO. 291  
PRE-SORTED FIRST CLASS

ACCOUNT NO.	SERVICE FROM	SERVICE TO	BILLING DATE
044004	04-01	05-04	05-06-92

CR-RT SORT  
CARRIER ROUTE 0714

PREVIOUS	PRESENT	GALLONS USED	AMOUNT	CODE
0207	10228	2100	8.52 W	

MIDDLETON, LORRIE  
923B BREMEN AVE  
BOX 6

10.02 AR PENSACOLA, FL  
32507

A SMILE....  
THE FACE-LIFT  
THAT DOESN'T  
COST A CENT.

923B BREMEN AVE

FIRE PROTECTION		DUE DATE	
SPRINKLER SYSTEM	PRIVATE FIRE HYDRANT	BILL	NET BILL DUE WHEN RECEIVED
		19.34	19.34

DUE DATE	ACCOUNT NUMBER
05-18-92	04110400.4
BILL	NET BILL DUE WHEN RECEIVED
19.34	19.34

SEE REVERSE SIDE FOR CODES.  
TO RECEIVE PROPER CREDIT  
RETURN THIS STUB WITH PAYMENT.

**THE PEOPLES WATER SERVICE COMPANY**  
P.O. BOX 4815 PENSACOLA, FL 32507-0815



FIRST CLASS MAIL  
U.S. POSTAGE RATE  
POST CARD RATE  
PAID 1 OZ.  
PERMIT NO. 291  
PRE-SORTED FIRST CLASS

ACCOUNT NO.	SERVICE FROM	SERVICE TO	BILLING DATE
060034002	04-02	05-04	05-06-92

CR-RT SORT  
CARRIER ROUTE 0701

PREVIOUS	PRESENT	GALLONS USED	AMOUNT	CODE
02968	02970	200	8.52 W	

WHITE, TERRY L  
47 W CARVER DR

PENSACOLA, FL  
32507

A SMILE....  
THE FACE-LIFT  
THAT DOESN'T  
COST A CENT.

47 W CARVER DR

FIRE PROTECTION		DUE DATE	
SPRINKLER SYSTEM	PRIVATE FIRE HYDRANT	BILL	NET BILL DUE WHEN RECEIVED
		8.52	8.52

DUE DATE	ACCOUNT NUMBER
05-18-92	06003400.2
BILL	NET BILL DUE WHEN RECEIVED
8.52	8.52

SEE REVERSE SIDE FOR CODES.  
TO RECEIVE PROPER CREDIT  
RETURN THIS STUB WITH PAYMENT.

NAME OF COMPANY THE PEOPLES WATER SERVICE COMPANY

WATER TARIFF

BACKFLOW PREVENTOR INSTALLATION FEE

## 1. Residential

Cost of Device

<u>Size</u>	<u>Degree of Hazard</u>	<u>Type of Device</u>	<u>Cost</u>
3/4"	Low	Cartridge Check	\$20.00
1"	Low	Cartridge Check	\$31.00

Installation

3/4"	\$20.00
1"	\$30.00

Use the costs below for larger or high hazard services.

## 2. Commercial

Cost of Device

3/4"	Low	Double Check	\$84.00
3/4"	High	RPZ	\$153.00
1"	Low	Double Check	\$90.00
1"	High	RPZ	\$172.00
1 1/2"	Low	Double Check	\$184.00
1 1/2"	High	RPZ	\$289.00
2"	Low	Double Check	\$211.00
2"	High	RPZ	\$346.00

Larger sizes quoted as needed.

Installation

3/4"	\$374.00
1"	\$374.00
1 1/2"	\$440.00
2"	\$440.00

Larger sizes quoted as needed.

The charge for the devices will change as the Company's costs change.

EFFECTIVE DATE -

TYPE OF FILING - ORIGINAL GRANDFATHER APPLICATION

SHERLOCK S. GILLET JR.  
ISSUING OFFICER  
VICE PRESIDENT  
TITLE

FLORIDA PUBLIC SERVICE COMMISSION

Fletcher Building  
101 East Gaines Street  
Tallahassee, Florida 32399-0850

M E M O R A N D U M

JULY 23, 1992

TO : DIRECTOR, DIVISION OF RECORDS AND REPORTING

FROM : DIVISION OF WATER AND WASTEWATER (RENDELL) *JP gw*  
DIVISION OF LEGAL SERVICES (KNOWLES) *JK*

RE : UTILITY: THE PEOPLES WATER SERVICE COMPANY  
DOCKET NO. 920289-WU  
COUNTY: ESCAMBIA  
CASE: APPLICATION FOR WATER CERTIFICATE UNDER  
GRANDFATHER RIGHTS

AGENDA: AUGUST 4, 1992 - CONTROVERSIAL - PARTIES MAY PARTICIPATE

CRITICAL DATES: AUGUST 10, 1992 - STATUTORY DEADLINE FOR A  
GRANDFATHER CERTIFICATE

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CASE BACKGROUND

On March 31, 1992, The Peoples Water Service Company (Peoples) filed its application for a water certificate under grandfather rights, pursuant to Section 367.171, Florida Statutes. Peoples is a large Class A water utility serving 9,023 residential, 445 general service customers, and 32 fire systems in Escambia County. The company began operation on May 24, 1937. Wastewater service is provided by Escambia County Utilities Authority (ECUA).

The Public Service Commission acknowledged jurisdiction of water and wastewater utilities in Escambia County on December 12, 1991, by Order No. 25593, when the county passed a resolution transferring jurisdiction.

DOCUMENT NUMBER-DATE  
08087 JUL 23 1992  
FPSC-RECORDS/REPORTING

**DISCUSSION OF ISSUES**

**ISSUE 1:** Should the application of The Peoples Water Service Company for a water certificate be granted?

**RECOMMENDATION:** Yes, The Peoples Water Service Company should be granted Water Certificate No. 543-W to serve the territory described in Attachment A. (RENDELL)

**STAFF ANALYSIS:** On March 31, 1992, The Peoples Water Service Company (Peoples or company or utility) filed its application for a grandfather water certificate to provide service in Escambia County. The company began operation on May 24, 1937, prior to this Commission receiving jurisdiction of Escambia County water and wastewater utilities. On May 13, 1992, the final deficiencies were met, thus establishing official filing date.

The application is in compliance with the governing statute, Section 367.171, Florida Statutes, and other pertinent statutes and administrative rules concerning an application for a grandfather certificate for an existing utility currently charging for service. The rules and statute do not require noticing for grandfather certificate applications. The application contains a check in the amount of \$2,250, which is the correct filing fee pursuant to Rule 25-30.020, Florida Administrative Code.

The applicant has provided evidence that the utility owns the land upon which the utility's facilities are located as required by Rule 25-30.035(6), Florida Administrative Code, in the form of a recorded warranty deed for the plant site.

Adequate service territory and system maps and a territory description have been provided as prescribed by Rule 25-30.035(9), (10), and (11), Florida Administrative Code. Peoples is currently serving territory authorized by Escambia County, as well as a small area which has been served for the past 3 to 4 years. A description of the territory requested by the applicant is appended to this memorandum as Attachment A.

Staff has contacted the Department of Environmental Regulation (DER) and learned that there are no outstanding notices of violation against the utility. It should be noted that Peoples consistently wins the DER water treatment plant of the year award.

Based on the above information, staff believes it is in the public interest to grant the application for a grandfather certificate. The utility consists of two systems; The Peoples Water Treatment System and The Peoples Water Distribution System.

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Accordingly, staff recommends that The Peoples Water Service Company be granted Certificate No. 543-W to serve the territory described in Attachment A.

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ATTACHMENT A

THE PEOPLES WATER SERVICE COMPANY

TERRITORY DESCRIPTION - ESCAMBIA COUNTY

Commence at the Northwest corner of Fraction Section 8, Township 3 South, Range 31 West, Escambia County, Florida, (Also, the Northeast Corner of Section 9, Township 3 South, Range 31 West) for the Point of Beginning (POB); Thence run South along the West line of Sections 8, 13, and 19 a distance of approximately 3 miles to the Northwest corner of Section 24; Thence run East along the North line of said Section 24 a distance of approximately 1 mile to the Northeast corner of Section 24, Thence South along the East line of Section 24 a distance of approximately 910 feet to the North Shore line of Big Lagoon and Pensacola Bay; Thence meander Easterly along said shore line a distance of approximately 17,950 feet to the East line of Section 17, Township 3 South, Range 31 West; Thence North along said East line of Section 17 a distance of approximately 2,194 feet to the Northeast corner of said Section 17; Thence West along the North line (Or S 76° W) a distance of approximately 4,092 feet to the Southwest corner of Section 27, Township 3 South, Range 31 West; Thence North 13° West along the West line of said Section 27 a distance of approximately 6,000 feet to the intersection of Sections 27, 15 and 3 and continuing North along the West line of Section 3 for a distance of approximately

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THE PEOPLES WATER SERVICE COMPANY

TERRITORY DESCRIPTION - ESCAMBIA COUNTY

2,200 feet to the North Shore line of Bayou Grande; Thence meander Easterly along the North Shore line of said Bayou Grande a distance of 9,500 feet to the point where Bayou Grande intersects with Township 2 South and Township 3 South; Thence meander Easterly along the North Shore line of said Bayou Grande / Pensacola Bay and an Easterly extension thereof a distance of approximately 33,200 feet to the center line of Bayou Chico; Thence North 47° West along the center line of Bayou Chico approximately 4,400 feet to the point where Bayou Chico branches to the North and West; Thence Northerly along the center line of the North branch of Bayou Chico North 9° West a distance of approximately 2,750 feet to the center of U.S. 98 (Also State Road Number 30 and Navy Boulevard); Thence continue North 2° West a distance of approximately 2,100 feet to where Bayou Chico branches to the East and West (This point also approximately 800 feet South of the South line of Section 34, Township 2 South, Range 30 West.); thence meander Westerly along the center line of said Bayou Chico approximately 4,800 feet along said center line to center line of State Road 295 / New Warrington Road (This intersection is approximately 200 feet South of the

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THE PEOPLES WATER SERVICE COMPANY

TERRITORY DESCRIPTION - ESCAMBIA COUNTY

South line of Section 34, Township 2 South, Range 30 West.); thence continuing Westerly along center line of Bayou Chico approximately 2,000 feet to the East line of Section 56, Township 2 South, Range 30 West; Thence South 4° West along the East line of Section 56 and a Southerly extension thereof for a distance of approximately 4,750 feet to the center line of U.S. 98 (Also State Road 30 and State Road 298 B); Thence Westerly along the center line of said road a distance of approximately 12,850 feet to the intersection of the West line of Section 21, Township 2 South, Range 31 West and State Road 727; Thence South along the West line of Section 21 a distance of approximately 700 feet; Thence due West a distance of approximately 1,100 feet, thus entering Section 22, Township 2 South, Range 31 West; Thence due South a distance of approximately 1,300 feet; Thence due East a distance of approximately 1,100 feet to the West line of Section 21; Thence due South along the West line of Section 21 a distance of approximately 2,700 feet to the Northeast corner of Section 32, Township 2 South, Range 31 West; Thence continue South a distance of approximately 1,500 feet along the East line of Section 32 to the North line of Jones Swamp; Thence South 64° West along the North line of Jones Swamp a

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ATTACHMENT A

THE PEOPLES WATER SERVICE COMPANY

TERRITORY DESCRIPTION - ESCAMBIA COUNTY

distance of approximately 1.2 miles to the East line of Section 31, Township 2 South, 31 Range West; Thence continue South 64° West, and a Southwesterly extension thereof along the North line of Jones Swamp a distance of approximately 4,170 feet to the North line of Section 5, Township 3 South, Range 31 West; thence continue West along the North line of Section 5 a distance of approximately 3,950 feet to the Northeast corner of Fraction Section 8; Thence continue West along the North line of Fraction Section 8 a distance of approximately 2,900 feet to the P.O.B.

**ISSUE 2:** What rates and charges should be approved for this utility?

**RECOMMENDATION:** The existing rates and charges as detailed in the staff analysis should be approved. (RENDELL)

**STAFF ANALYSIS:** The utility's present rates and charges are as follows:

**RESIDENTIAL SERVICE**

**RATE SCHEDULE RS**

I. **Basic Rate:**

First	3,000 gallons per month	\$8.52	
Next	7,000 gallons per month	\$3.33	per M gals.
Next	10,000 gallons per month	\$2.95	per M gals.
All over	20,000 gallons per month	\$2.85	per M gals.

II. **Minimum Charge:**

5/8" or 3/4" meter	\$ 8.52 per month for	3,000 gals
1" meter	\$19.51 per month for	6,300 gals
1 1/4" meter	\$27.83 per month for	8,800 gals

**MULTI RESIDENTIAL SERVICE**

**RATE SCHEDULE MS**

I. **Basic Rate:**

First	3,000 gallons per month	\$8.52	
Next	7,000 gallons per month	\$3.33	per M gals.
Next	10,000 gallons per month	\$2.95	per M gals.
All over	20,000 gallons per month	\$2.85	per M gals.

II. **Minimum Charge:**

5/8" or 3/4" meter	\$ 8.52 per month for	3,000 gals
1" meter	\$19.51 per month for	6,300 gals
1 1/4" meter	\$27.83 per month for	8,800 gals

**FIRE PROTECTION SERVICE**

Public Fire Protection: \$0.00 (N/C)

Sprinklers and Private Fire Protection:

2 inch connection	\$10.84
3 inch connection	\$13.03
4 inch connection	\$16.61
6 inch connection	\$26.02
8 inch connection	\$43.38
10 inch connection	\$65.04

Connections to sprinklers and private hydrants shall be for fire-fighting purposes only and no other use shall be permitted.

**MISCELLANEOUS SERVICE CHARGES**

Initial Connection Fee	\$20.00
Normal Connection Fee	\$20.00
Violation Reconnection Fee	\$50.00
Premises Visit Fee	\$20.00

**SERVICE AVAILABILITY CHARGES**

Back-Flow Preventor Installation Fee:

I. Residential:

	<u>Cost</u>	<u>Installation</u>
3/4"	\$20.00	\$20.00
1"	\$31.00	\$30.00

II. Commercial:

		<u>Cost</u>	<u>Installation</u>
3/4"	Low	\$ 84.00	\$374.00
3/4"	High	\$153.00	\$374.00
1"	Low	\$ 90.00	\$374.00
1"	High	\$172.00	\$374.00
1 1/2"	Low	\$184.00	\$440.00
1 1/2"	High	\$289.00	\$440.00
2"	Low	\$211.00	\$440.00
2"	High	\$346.00	\$440.00

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Back-flow Preventor Testing:

3/4"	\$30.00
1"	\$50.00

Backflow prevention devices will be tested on a regular basis by company personnel.

Customer Connection Charge and Meter Installation Fee:

5/8" x 3/4" metered service	\$179.00 plus cost of material
1" metered service	\$315.00 plus cost of material
1 1/2" metered service	\$547.00 plus cost of material

Main Extension Charge:

Actual Construction Costs

Plant Capacity Charge:

Residential \$375 per ERC

Peoples currently collects a residential deposit in the amount of \$40.00. The current rates and charges for The Peoples Water Service Company were established on June 4, 1991 by action of the Board of County Commissioners of Escambia County. The company has supplied a copy of the formal approval of a rate petition and rate schedule entered by the Board of County Commissioners.

Peoples charged gross-up on CIAC prior to the Commission receiving jurisdiction. Staff has removed references to this gross-up in the utility's proposed tariff for the grandfather certificate. Staff has informed the utility that a separate filing must be submitted before the gross-up on CIAC may be charged again.

The utility has filed a tariff which reflects the above rates and service availability policy. The effective date of the tariff should be the stamped approval date.

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**ISSUE 3:** Should The Peoples Water Service Company be granted the authority to enter into an agreement with the Escambia County Utility Authority (ECUA) to terminate water service to the existing water customers for non-payment of sewer bills?

**RECOMMENDATION:** No. Pursuant to Rule 25-30.320(2)(g), Florida Administrative Code, discontinuance of service for nonpayment of bills must be for service provided by the same or an affiliated utility. (RENDELL, KNOWLES)

**STAFF ANALYSIS:** In its letter dated May 21, 1992 (Document No. 5315), Peoples Water Service requested the Commission grant it the authority to enter into an agreement with the Escambia County Utility Authority (ECUA) to terminate water service to the existing water customers for non-payment of sewer bills. The ECUA currently operates the sewer system serving many of Peoples' existing water customers. Peoples contends that granting the utility authority to enter into this agreement to terminate service would help ECUA in their collections while minimizing the sewer ratepayers' expense by reducing ECUA's uncollectible accounts.

Pursuant to Rule 25-30.320(2)(g), Florida Administrative Code, discontinuance of service for nonpayment of bills must be for service provided by the same or an affiliated utility. Based on this rule, the request of Peoples should be denied. In recommending denial, staff is not addressing the merits of this arrangement. We are aware of at least one wastewater-only utility regulated by the PSC that has an agreement with a county government wherein the county has agreed to discontinue water service for nonpayment of wastewater service to the private utility. Further, we are aware of the difficulty and expense incurred by wastewater-only utilities in discontinuing service for nonpayment. However, in order to adequately evaluate this proposal, staff would need to review the proposed agreement addressing the legal aspects and authority of such an arrangement. No such agreement was filed in this docket. Peoples is not prohibited from submitting a tariff filing along with full justification at a later date requesting a waiver of the rule and approval of this arrangement.

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**ISSUE 4:** Should this docket be closed?

**RECOMMENDATION:** Yes. (KNOWLES)

**STAFF ANALYSIS:** No further action is required in this docket and it can be closed.

(PEOPLES.WTR)