

FLORIDA PUBLIC SERVICE COMMISSION
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MEMORANDUM

JULY 2, 1997

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

FROM: DIVISION OF WATER & WASTEWATER (AUSTIN, WALDEN) SA
DIVISION OF LEGAL SERVICES (BRUBAKER) Be

RE: DOCKET NO. 970659-WU - FLORIDA CITIES WATER COMPANY -
REQUEST FOR APPROVAL OF TARIFFS CONCERNING INSTALLATION
OF SERVICE METER AND CROSS-CONNECTION CONTROL DEVICE FOR
PRIVATE FIRE PROTECTION SERVICE CUSTOMERS

COUNTY: LEE COUNTY

AGENDA: 07/15/97 - REGULAR AGENDA - SUSPENSION OF TARIFFS -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 60-DAY SUSPENSION DATE: 07/29/97

SPECIAL INSTRUCTIONS: S:\PSC\WAW\WP\970659WU.RCM

DOCUMENT NUMBER DATE

06680 JUL-25

PRINTING

DOCKET NO. 970659-WU
DATE: JULY 2, 1997

CASE BACKGROUND

Florida Cities Water Company, Lee County Division (FCWC or utility) is a Class A utility that provides water service for about 17,000 customers in Ft. Myers, Florida. In 1995, FCWC's reported revenues for water service were \$8,599,649, and the corresponding income amount was \$2,516,782. The utility's service area has been designated a critical use area by the South Florida Water Management District.

On March 18, 1997, staff received a letter from a developer concerning FCWC policy with regards to the installation of service meters and cross connection control devices on private fire protection. FCWC policy is that the developer is responsible for the cost incurred from the installation of the service meters and cross connection control devices on private fire protection. The developer does not believe that the total cost should be his responsibility. The developer believes that the FCWC should at least make the private fire protection accessible by performing the tap from the main. Since the tap from the main has limited use and would not be beneficial to the general body of rate payers, FCWC believes it should not incur any cost in relation to private fire protection. FCWC indicated that having the developer incur the cost of the installation for private fire protection has been its policy for 10-12 years. However, in staff's review of the utility's tariff, it did not have a tariff page addressing the service availability charges for the private fire protection class. This raised a concern.

In order to address this concern, staff requested that the utility file proposed tariff sheets with regards to the private fire protection class pursuant to Rule 25-9.005(4) and (5), Florida Administrative Code, and Section 367.091, Florida Statutes. On May 29, 1997, staff received the tariff sheets. This recommendation addresses the suspension of the proposed tariff sheets pending further investigation by staff.

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DISCUSSION OF ISSUES

ISSUE 1: Should the Florida Cities Water Company's proposed tariffs filed to clarify that the developer/applicant is responsible for the installation of the service meter and cross connection control devices on private fire protection services for residential service be suspended?

RECOMMENDATION: Yes, Florida Cities Water Company's proposed tariffs to clarify that the developer/applicant is responsible for the installation of the service meter and cross connection control devices on private fire protection services should be suspending pending further investigation by staff. (AUSTIN)

STAFF ANALYSIS: Pursuant to Section 367.091(5), Florida Statutes, the tariff sheets proposed by the utility shall become effective within sixty (60) days after filing, unless the Commission votes to withhold consent of the request.

Section 367.091(5), Florida Statutes, states that 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 reason or statement of good cause for withholding that consent. If the Commission does not withhold consent, the proposed tariff may be assumed in effect after 60 days.

Staff has reviewed the filing and has considered the information filed by the utility. We believe it is reasonable and necessary to require further amplification and explanation of this data and to require production of corroborative information, if necessary. Our review of the utility's filing will include further examination by staff's engineers and rate specialists. Therefore, staff recommends that the proposed tariffs to clarify that the developer/applicant is responsible for the installation of the service meter and cross connection control devices on private fire protection services for Florida Cities Water Company be suspended.