BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application to implement a backflow | DOCKET NO. 100038-WU maintenance program by Sunny Shores Water Co.

ORDER NO. PSC-10-0553-TRF-WU ISSUED: September 3, 2010

The following Commissioners participated in the disposition of this matter:

NANCY ARGENZIANO, Chairman LISA POLAK EDGAR NATHAN A. SKOP ART GRAHAM RONALD A. BRISÉ

ORDER APPROVING BACKFLOW MAINTENANCE TARIFF

BY THE COMMISSION:

BACKGROUND

Sunny Shores Water Co. (Sunny Shores) is a Class C utility that provides water service for approximately 264 customers in Manatee County. Sunny Shores' 2009 annual report shows operating revenue of \$72,343 and a net operating loss of \$358. The service area is located in the Southwest Florida Water Management District.

On January 20, 2010, Sunny Shores filed an application for approval of a new tariff allowing it to charge for the annual inspections and certification of backflow prevention devices required by Manatee County Resolution R-187-25 and the Department of Environmental Protection (DEP) Rules 62-555.330 and 62-555.360, Florida Administrative Code (F.A.C.). On March 29, 2010, we suspended operation of the tariff pending further review of the application.

As explained below, we approve the new Backflow Maintenance tariff. We have jurisdiction pursuant to Sections 367.091 and 367.101, Florida Statutes (F.S.).

DECISION

Sunny Shores' proposed tariff would implement a fee for the annual inspections and certification of backflow prevention devices, which are required to comply with Manatee County Resolution R-187-25 and DEP Rules 62-555.330 and 62-555.360, F.A.C. Sunny Shores has an approved Cross-Connection Control Program required by Manatee County and DEP. One of the items the program mandates is a backflow prevention device on all connections that may represent a source of contamination due to a lawn irrigation system. Sunny Shores' records show that 264 back flow devices have been installed and are in use within its service area. Sunny Shores was issued a deficiency notice by the Manatee County Health Department in

DOCUMEN' HI MPER-DATE

7461 SEP-3º

ORDER NO. PSC-10-0553-TRF-WU DOCKET NO. 100038-WU PAGE 2

December 2007, which noted that only 87 of the 264 backflow prevention assemblies were tested in 2007.

Customers are responsible for piping and appurtenances beyond a utility's water meter toward their residence. Rule 25-30.231, F.A.C., requires each utility to operate and maintain in safe and proper condition all of the facilities and equipment used in connection with the distribution, regulation, measurement and delivery of water service to the customer up to and including the point of delivery into the piping owned by the customer. Rule 25-30.210(7), F.A.C., defines Point of Delivery for a water system as the outlet connection of the meter for metered service at the point at which the utility's piping connects with the customer's piping. Backflow prevention devices are located within the customer's piping. Therefore, the cost of annual inspections and certification should be borne by the customer.

Sunny Shores states that a meeting was held in January 2008 with the Manatee County Backflow Division department head, representatives and customers of Sunny Shores Mobil Home Park and Sagamore Estates, and the owners of Sunny Shores Water Co. The meeting was called to explain that annual inspections of backflow prevention devices were mandatory. At the meeting, Sunny Shores indicated that it would give its customers options for compliance with the requirement, and would help with developing an annual inspection and certification program. It was also agreed that Sunny Shores would be responsible for the maintenance and annual inspections, because it would be able to provide the best cost to the customers, and it would assure that the initial installation and annual inspections would meet Manatee County Health Department and DEP requirements. Sunny Shores has contracted with a state certified plumber to perform the inspections at a cost of \$18.95 per inspection. Calls to two additional area plumbers confirmed that the fee is reasonable. Sunny Shores proposes to charge its customers \$4.74 (\$18.95/4) per quarter for each inspection.

We find that the proposed rate is reasonable, and we approve the tariff. Sunny Shores shall file a proposed customer notice to reflect the tariff sheet we have approved. The tariff shall be effective for service rendered on or after the stamped approval date of the new tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. The inspection program shall not be implemented until our staff has approved the proposed customer notice. Sunny Shores shall distribute the notice to the customers no later than with the first bill containing the new tariff sheet and shall provide proof of the date the notice was given no less than 10 days after the date of the notice.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the backflow maintenance inspection program tariff proposed by Sunny Shores Water Co. is approved. It is further

ORDERED that Sunny Shores shall file a proposed customer notice to reflect the tariff sheet we have approved. The inspection program shall not be implemented until our staff has approved the proposed customer notice. Sunny Shores shall distribute the notice to the

¹ Two plumbing companies in Manatee County quoted prices of \$98 and \$20 for inspecting a backflow prevention device.

ORDER NO. PSC-10-0553-TRF-WU DOCKET NO. 100038-WU PAGE 3

customers no later than with the first bill containing the new tariff sheet and shall provide proof of the date the notice was given no less than 10 days after the date of the notice. It is further

ORDERED that if a protest is filed within 21 days of issuance of the Order, the tariff shall remain in effect with any charges held subject to refund pending resolution of the protest. It is further

ORDERED that if no timely protest is filed, this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 3rd day of September, 2010.

ANN COLE

Commission Clerk

(SEAL)

MCB

NOTICE OF FURTHER PROCEEDINGS

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the proposed action files a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This

ORDER NO. PSC-10-0553-TRF-WU DOCKET NO. 100038-WU PAGE 4

petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on September 24, 2010.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.