

State of Florida

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DIVISION OF WATER &
WASTEWATER
CHARLES HILL,
DIRECTOR
(904) 488-8482

Public Service Commission

April 20, 1992

ORIGINAL
FILE COPY

Mr. J. W. Hellums, Jr.
905 Lownde Avenue
Pensacola, FL 32507

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

Dear Mr. Hellums:

Staff has reviewed the application for certificate to provide water service in Escambia County under the grandfather provision. It is my understanding that you are working with Richard P. Redeman, of staff, concerning a deficiency in the company's territory description. This deficiency must be satisfied before we can complete the processing of the application.

Additional information is also necessary in order to proceed with the analysis of your case. As discussed during our telephone conversation of April 16, there are numerous problems with the tariff that was proposed by your company. Since these discrepancies would be too voluminous to address within the context of this letter, staff has attached a summary of its concerns relating to Peoples' proposed tariff. I will expect to hear from you after you have had an opportunity to review the concerns. I believe that, by sending you a summary of these concerns, we will better be able to discuss them. Although the problems in your proposed tariff do not constitute a "deficiency" in your application, these items will need to be corrected as soon as possible, so that we may proceed with the approval of your certificate and tariff.

I have attached two examples of Commission approved service availability policies from two other regulated water utilities' tariffs. These attachments are only to serve as a guide to help your company condense its proposed tariff. One of staff's concerns relates to the request for gross-up on CIAC. As I mentioned during our telephone conversation, this request will have to be addressed in another docket. I have attached Commission Order No. 23541, dated October 1, 1990, concerning the gross-up of CIAC. The underlying finding, as stated on page 26, is as follows:

"Ordered that no utility may gross-up CIAC without first obtaining the

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FPSC-RECORDS/REPORTING

Mr. J.W. Hellems, Jr.
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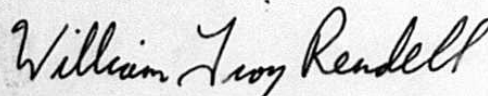
approval of this Commission. It is further

Ordered that any utility that is currently grossing-up CIAC shall file a petition, in accordance with the provisions of this Order, for continued authority to gross-up...."

Therefore, a separate petition will need to be filed with the Division of Records and Reporting requesting the approval of CIAC gross-up. Order No. 23541 outlines the necessary information to be filed in order to demonstrate the need for the gross-up of CIAC. Based on the above, all references relating to the gross-up of CIAC should be removed from the proposed grandfather tariff. Should you have any questions concerning this matter of CIAC gross-up, please contact Sherri Meador, of staff, at (904) 488-8482. I anticipate the approval of the grandfather certificate will be completed prior to the completion of the anticipated CIAC gross-up request, therefore, if the Commission approves the gross-up of CIAC, the company may amend its tariff at a later date.

The official filing date of the application shall be the date that the deficiencies are satisfied pursuant to Rule 25-30.032(3), F.A.C. However, so that we may process the application in a timely manner, please provide the requested information concerning the territory description and tariffs no later than May 22, 1992. After you have had an opportunity to review the concerns attached, please contact me at (904) 488-8482.

Sincerely,



William Troy Rendell
Regulatory Analyst

Attachments

cc: Lila Jaber
Division of Records and Reporting

Vice
10381

PEOPLES WATER SERVICE COMPANY
DOCKET NO. 920289-WU
STAFF'S LIST OF CONCERNS

- 1) PROPOSED TARIFF PAGE 3.1 - TERRITORY DESCRIPTION IS WRONG (LETTER DATED APRIL 20, 1992 FROM RICHARD P. REDEMAN)
- 2) PROPOSED TARIFF PAGE 4.0 - REFER TO RATE SCHEDULES 16.0 AND 17.0 (NOT 4.1), TAKE OUT PAGE 4.1
- 3) PROPOSED TARIFF PAGE 6.0 & 6.1 - TAKE OUT REFERENCES TO 14.1 THROUGH 14.19
- 4) PROPOSED TARIFF PAGE 14.0 - LEAVE BLANK
MOVE 14.1 THROUGH 14.19 AND RENUMBER AS 31.0 THROUGH 31.19 (IF ALL PAGES ARE NECESSARY)
THESE PAGES WILL BE DISCUSSED LATER IN THEIR APPROPRIATE ORDER
- 5) PROPOSED TARIFF PAGES 16.0, 17.0, AND 19.0 - PLACE APPROPRIATE RATES ON THE APPROPRIATE RATE SCHEDULES USING PROPOSED TARIFF PAGE 4.1 (CUT AND PASTE)
 - MAY TAKE OUT THE "BASE FACILITY CHARGE" IF MORE ROOM IS NEEDED
 - EXPLAIN THE "BASIC RATE" VERSUS THE "MINIMUM RATE" - NOT CLEAR HOW THE RATE SCHEDULE WORKS
- 6) PROPOSED TARIFF PAGE 19.0 - MAY WANT TO SPECIFY ZERO COST FOR PUBLIC FIRE HYDRANTS UP TO 334 - (IF THIS IS WHAT IS MEANT BY STATEMENT ON PROPOSED TARIFF PAGE 4.1)
- 7) PROPOSED TARIFF PAGE 22.0 - HAVE SEPARATE, REWORDED SCHEDULE FOR BACKFLOW PREVENTION CHARGE SIMILAR TO PROPOSED TARIFF PAGE 21.0
 - IS PEOPLES CURRENTLY TESTING AND CHARGING FOR BACKFLOW PREVENTION DEVICES?
 - SPECIFY THE ACTUAL COST OF TESTING. PEOPLES SHOULD HAVE PAST EXPERIENCES ON ACTUAL COSTS
- 8) PROPOSED TARIFF PAGES 23.0 AND 23.1 - EXPLAIN THE IMPACT FEE
 - WHAT DOES THE IMPACT FEE REPRESENT? (What is included?)
(Is this plant capacity only or also main extension, may need to break out.)
- 9) PROPOSED TARIFF PAGE 23.0 - EXPLAIN CUSTOMER TAP-IN CHARGE
 - WHAT DOES THE DOLLAR AMOUNTS REPRESENT? (What is included?)
 - WHAT DOES THE "COST OF MATERIAL" REPRESENT? (What is included?)
- 10) PROPOSED TARIFF PAGE 23.0 - NEED TO SPECIFY BACK-FLOW PREVENTOR INSTALLATION FEES SIMILAR TO CUSTOMER CONNECTION.
 - IS PEOPLES CURRENTLY CHARGING FOR INSTALLATION OF BACKFLOW PREVENTION DEVICES?
 - SPECIFY THE ACTUAL COST OF DEVICES AND INSTALLATION. PEOPLES SHOULD HAVE PAST EXPERIENCES ON ACTUAL COSTS
- 11) PROPOSED TARIFF PAGE 14.3 (WHICH SHOULD BE 31.3) - WHAT DOES THE PROHIBITION ON NO WATER RESOLD MEAN

- WHAT IS MEANT BY PROHIBITING RESELLING?
 - WHEN IS RESELLING ALLOWED AND WHEN IS IT DISALLOWED?
 - MAY WANT TO INCLUDE INSPECTION OF DEVELOPER INSTALLED LINES BY PEOPLES WATER COMPANY WITHIN A 48 HOUR PERIOD
- 12) PROPOSED TARIFF PAGES 14.3 THROUGH 14.4 - CONDENSE POLICY
 - SUGGESTED CUT OFF AFTER NUMBER 3
 - HAVE REFERENCE TO SEPARATE COMPANY SPECIFICATIONS (NUMBER 4)
 - SPECIFICATIONS MAY CHANGE AND THEREFORE WILL NOT HAVE TO REVISE TARIFFS FOR EACH CHANGE.
 - 13) PROPOSED TARIFF PAGES 14.5, 14.6, AND 14.8 (WHICH MAY BE 31.5, 31.6, & 31.8)
 - PAGES 14.5 - 14.6 SHOULD BE TAKEN OUT OF TARIFF
 - TAKE OUT REFERENCES TO CIAC GROSS UPS - THIS WILL NEED TO BE HANDLED IN SEPARATE DOCKET SO THE STAFF MAY REVIEW - COPY OF ORDER ATTACHED
 - 14) PROPOSED TARIFF PAGE 14.7 - 14.9 - IF THESE ARE JUST FORMS THAT SHOULD BE SIGNED BY CUSTOMER/DEVELOPER RELATING TO PAGES 14.3 - 14.4, THEY SHOULD BE TAKEN OUT AND REFERENCES TO THEM CAN BE INCLUDED IN PAGES 14.3 - 14.4.
IF NOT:
 - TAKE OUT NUMBERS 1 THROUGH 5 - THESE HAVE ALREADY BEEN STATED
 - NUMBERS 12, 14, 15, & 18 ARE COMPANY SPECIFICATIONS AND SHOULD ONLY BE REFERRED TO - SPECIFICATIONS MAY CHANGE AND THEREFORE WILL NOT HAVE TO REVISE TARIFFS FOR EACH CHANGE.
 - 15) PROPOSED TARIFF PAGE 14.9 - EXPLAIN THE \$5,000 PENALTY ON UNAUTHORIZED TAP INS
 - WE HAVE A RULE FOR UNAUTHORIZED USAGE AND WILL NOT APPROVE THIS PROPOSED PENALTY. PENALTIES SHOULD BE PURSUED THROUGH THE COURT SYSTEM
 - 16) PROPOSED TARIFF PAGES 14.10 THROUGH 14.19 - THESE SHOULD BE GREATLY CONDENSED.
 - STAFF SUGGESTS STOPPING AFTER SECTION II. ON PAGE 14.10. THE REST OF THE PAGES COULD BE REFERRED TO, MOST OF WHICH ARE COMPANY SPECIFICATIONS. SECTION VI. IS ACCEPTABLE TO STAFF AS BEING INCLUDED.
 - 17) PROPOSED TARIFF PAGE 14.11 - # IV, A, (3) & (4) NOT NUMBERED (MINOR CORRECTION)
 - 18) PROPOSED TARIFF PAGES 14.20 THROUGH 14.34 SHOULD BE GREATLY CONDENSED.
 - 19) ECUA (ESCAMBIA COUNTY UTILITY AUTHORITY) REQUEST FOR DISCONTINUANCE OF WATER SERVICE FOR NONPAYMENT OF SEWER SERVICE
 - MAY WANT TO REQUEST WITHIN THIS DOCKET
 - WILL INCLUDE AS SEPARATE ISSUE
 - WE HAVE UTILITIES IN SIMILAR CIRCUMSTANCES IN REVERSE ROLES.