

FLORIDA PUBLIC SERVICE COMMISSION  
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MEMORANDUM

SEPTEMBER 11, 1997

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF WATER & WASTEWATER (GALLOWAY, FUCHS, RENDELL)  
DIVISION OF LEGAL SERVICES (FERGUSON)

RE: UTILITY: GULF UTILITY COMPANY  
DOCKET NO: ~~971041-WS~~  
COUNTY: LEE COUNTY  
CASE: PETITION FOR INCREASED SERVICE AVAILABILITY CHARGES

AGENDA: SEPTEMBER 23, 1997 - REGULAR AGENDA - DECISION ON  
SUSPENSION OF CHARGES INTERESTED PERSONS MAY  
PARTICIPATE

CRITICAL DATES: 60-DAY SUSPENSION DATE: OCTOBER 4, 1997

SPECIAL INSTRUCTIONS: NONE

FILE NAME: I:\PSC\WAW\WP\971041.RCM

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

DOCKET NO. 971041-WS  
September 11, 1997

CASE BACKGROUND

Gulf Utility Company (Gulf or utility) is a Class A utility which serves approximately 7,254 water customers and 2,584 wastewater customers in Lee County, Florida, according to its 1996 Annual Report. The utility also reported in its 1996 Annual Report, water revenues in the amount of \$2,153,240 and wastewater revenues in the amount of \$1,250,181. The utility is located in a water use caution area as designated by the South Florida Water Management District.

By Order No. PSC-96-0501-FOF-WS, issued April 11, 1996, an overearnings investigation was initiated by the Commission holding water revenues subject to refund. On June 27, 1996, Gulf filed an application for an increase in wastewater rates, approval of a decrease in water rates, and approval of service availability charges. Both the overearnings docket and the rate proceeding docket were combined.

By Order No. PSC-97-0847-FOF-WS, issued July 15, 1997, the Commission approved an increase in wastewater revenues of 10.06% and a decrease in water revenues of 10.64%. By the same order, the Commission approved plant capacity charges for the water and wastewater systems in the amount of \$550 and \$800, respectively.

On July 30, 1997, the utility filed a Motion for Reconsideration of Order No. PSC-97-0847-FOF-WS. Staff will file its recommendation regarding Gulf's motion on September 25, 1997.

On August 5, 1997, the utility filed the present application requesting approval of a jack and bore charge, as part of their service availability policy. In its application, the utility states that "Gulf's current jack and bore rig is unable to perform many service installations due to the width of pavement that has to be crossed." The utility further states that some of these services have been contracted out at a loss to Gulf. Therefore, Gulf is proposing the charge be included in its tariff.

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ISSUE 1: Should Gulf Utility Company's proposed tariff to increase its service availability charges be suspended?

RECOMMENDATION: Yes, Gulf Utility Company's proposed tariff to include jack and bore service availability charges should be suspended pending further investigation by staff. (GALLOWAY, FERGUSON)

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 implementation 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 a 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 utility's proposed charges, and the information filed in support of the application. 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 application will include further examination by staff engineers, and rate specialists. Therefore, staff recommends that the proposed tariff to increase service availability charges for a jack and bore charge for Gulf Utility Company should be suspended.