

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for certificates to operate a water and wastewater utility in Charlotte and DeSoto Counties by Lake Suzy Utilities, Inc.

DOCKET NO. 970657-WS

In re: Application for amendment of Certificates Nos. 570-W and 496-S to add territory in Charlotte County by Florida Water Services Corporation.

DOCKET NO. 980261-WS
ISSUED:

COMMISSION STAFF'S PREHEARING STATEMENT

Pursuant to Order No. PSC-98-1115-PCO-WS, issued August 20, 1998, the Commission Staff (Staff) files its prehearing statement as follows:

A. Witnesses

Staff does not intend to call any witnesses.

B. Exhibits

Staff does not intend to sponsor any exhibits, but reserves the right to use exhibits for the purpose of cross-examination.

C. Basic Position

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN 5
- OPC _____
- RCH _____
- SEC 1
- WAS _____
- OTH _____

The information gathered through discovery and prefiled testimony indicates, at this point, that Lake Suzy Utilities, Inc. (Lake Suzy) has the financial and technical ability to serve the requested territory. The information further indicates, that although Florida Water Services Corporation (FWSC) appears to have the financial ability to serve, it is unclear whether FWSC will have the capacity to serve the requested area. The final determination of whether it is in the public interest to grant either Lake Suzy's or FWSC's

DOCUMENT NUMBER-DATE

13466 DEC-1 88

FPSC-RECORDS/REPORTING

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application cannot be made until the evidence presented at hearing is analyzed.

D. Issues of Fact, Law and Policy

The following are issues identified by Staff and its positions on these issues. Staff's positions are preliminary, are based upon materials filed by the parties or obtained through discovery and are intended to inform the parties of Staff's preliminary positions. Staff's final positions will be based upon an analysis of the evidence presented at the hearing.

ISSUE 1: Are Lake Suzy's water and wastewater facilities and land functionally related to each other such that they constitute a single system whose service transverses county boundaries?

POSITION: Yes, Lake Suzy's wastewater facilities are functionally related to its water facilities, both operationally and administratively. These facilities will constitute a single system whose service transverses county boundaries if the Commission grants Lake Suzy's application.

ISSUE 2: Is there a need for service in the areas Lake Suzy and FWSC seek to add to their certificates and when will service be required?

POSITION: Yes, there is a need for service, and it appears that the need for service is immediate.

ISSUE 3: Does Lake Suzy/FWSC have the financial ability to serve the requested territory?

POSITION: Yes, it appears that both Lake Suzy and FWSC have the financial ability to serve the requested territory.

ISSUE 4: Does Lake Suzy/FWSC have the plant capacity/technical ability to serve the requested territory?

POSITION: Yes, Lake Suzy has both the capacity and technical ability to serve the requested territory. It appears that FWSC has the technical ability to serve the area, but it is unclear at this time if FWSC has the capacity to serve the area pursuant to its

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bulk service agreement with Charlotte County due to a financial, as well as a contract interpretation, dispute with Charlotte County. Furthermore, no other contractual arrangements for capacity via other bulk service agreements have been provided by FWSC at this time.

ISSUE 5: Does water and wastewater service exist from other sources within geographical proximity to the areas Lake Suzy/FWSC seek to add to their PSC certificates?

POSITION: Yes, Lake Suzy, FWSC, and Charlotte County Utilities are all service providers located within geographical proximity to the requested territory.

ISSUE 6: Would the granting to Lake Suzy/FWSC of the territory which they seek to add, result in an extension of a system which would be in competition with or a duplication of any other system or a portion of a system?

POSITION: No competition or duplication will exist regardless of which utility serves the territory because none of the utilities have any physical facilities in place in the disputed area. Because Lake Suzy improperly began serving one customer in the requested area without antecedent Commission approval, it would be improper to consider these facilities in making the competition/duplication analysis.

ISSUE 7: What are the applicable monthly service rates, AFPI charges and service availability charges that will apply to customers if served by FWSC, Lake Suzy, or Charlotte County Utilities?

POSITION: The applicable rates and charges for each utility are set forth below.

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<u>Lake Suzy Water Service Availability Charges</u> 5/8" x 3/4" Meter	
Description	Water
System Capacity Charge	Discontinued
Main Extension Charge	(1)
Meter Installation Charge	\$ 150.00
Water - Service Installation Charge per connection	N/A
Plant Capacity Charge	N/A
Allowance for Funds Prudently Invested Transmission/Distribution May, 1998	N/A
Total	\$ 150.00
(1) Lake Suzy's tariff allows the utility to require the developer to pay all costs of main extensions and upgrading of the utility's distribution system.	

<u>Lake Suzy Water Monthly Service Rates</u> 5/8" x 3/4" Meter	
Base Facility Charge	\$ 9.76
Gallage Charge per 1,000 gallons:	\$ 4.88
Typical Bills:	
0 gallons	\$ 9.76
5,000 gallons	\$ 34.16
10,000 gallons	\$ 58.56

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FWSC Service Availability Charges 5/8" x 3/4" Meter		
Description	Water	Wastewater
Main Extension Charge	\$ 446.00	\$ 480.00
Meter Installation Charge	\$ 90.00	N/A
Service Installation Charge Paved 6 inch (wastewater)	\$ 143.00	\$ 605.00
Plant Capacity Charge	\$ 700.00	\$1,300.00
Allowance for Funds Prudently Invested Transmission/Distribution May, 1998	\$ 107.00	\$ 34.00
Total	\$1,486.00	\$2,419.00

FWSC Monthly Service Rates 5/8" x 3/4" Meter		
Description	Water	Wastewater
Base Facility Charge	\$13.75	\$19.34
Gallage Charges per 1,000 gallons:	\$ 3.92	\$ 4.99
Typical Bills:	\$33.35	\$44.29
0 gallons	\$13.75	\$19.34
5,000 gallons	\$33.35	\$44.29
10,000 gallons	\$52.95	\$49.28 (6,000 GALLON CAP)

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<u>Charlotte County Service Availability Charges</u> 5/8" x 3/4" Meter (For Rates Effective November 1, 1998)		
Description	Water	Wastewater
Meter Installation Charge	\$ 220.00	N/A
Transmission Capacity	\$ 326.00	\$ 857.00
Distribution	\$ 305.00	N/A
Plant Capacity Charge	\$ 887.00	\$1,233.00
Collection	N/A	\$ 480.00
Guaranteed Revenues Capped on May, 1996	\$ 632.69	N/A
Guaranteed Revenues on May, 1998	N/A	\$ 528.00
Total	\$2,370.69	\$3,098.00
*Customers paying in full rather than utilizing time payment options receive a 10% cash discount on the wastewater connection fee charges.		

<u>Charlotte County Monthly Service Rates</u> 5/8" x 3/4" Meter		
Description	Water	Wastewater
Base Facility Charge	\$15.21	\$22.81
Customer Charge	\$ 2.91	\$ 2.91
Gallonge Charge per 1,000 gallons:	\$ 3.92	\$ 3.18
Typical Bills:		
0 gallons	\$18.12	\$25.72
5,000 gallons	\$37.72	\$41.62
10,000 gallons	\$57.32	\$57.52 (10,000 GALLON CAP)

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ISSUE 8: Is it in the public interest for the Commission to grant Lake Suzy's/FWSC's application?

POSITION: The determination of this issue is dependent upon the resolution of the other issues, and as such, staff has no position pending further development of the record.

ISSUE 9: If the Commission approves Lake Suzy's application, what is the appropriate date from which regulatory assessment fees are due?

POSITION: Regulatory assessment fees would be due from Lake Suzy from the date the utility began providing service in Charlotte County.

E. Stipulated Issues

There are no issues that have been stipulated at this time.

F. Pending Matters

There are no matters pending at this time.

G. Requirements That Cannot Be Complied With

There are no requirements of Order No. PSC-98-1115-PCO-WS that cannot be complied with at this time.


Bobbie L. Reyes, Senior Attorney

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the
Commission Staff's Prehearing Statement has been furnished by U.S.
Mail, this 1st day of December, 1998, to the following:

Charlotte County,
c/o John Marks, III, Esquire
215 S. Monroe St. #130
Tallahassee, FL 32301

Lake Suzy Utilities, Inc.
c/o Marty Friedman, Esquire
Rose, Sundstrom & Bentley
2548 Blairstone Pines Dr.
Tallahassee, FL 32301

Haus Development, Inc.
c/o Ms. Charlotte Sopko, Pres.
P.O. Box 3024
Port Charlotte, FL 33949

Florida Water Services Corp.
c/o Matthew J. Feil, Esquire
P.O. Box 609520
Orlando, FL 32860-9520

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