

State of Florida



Public Service Commission

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RECORDS AND REPORTING

DATE: AUGUST 19, 1999

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

FROM: DIVISION OF WATER AND WASTEWATER (REDEMANN) *BBM RRR JFW*
DIVISION OF LEGAL SERVICES (FUDGE) *JF JS*

RE: DOCKET NO. 990940-WS - APPLICATION FOR AMENDMENT OF CERTIFICATES NOS. 136-W AND 97-S TO ADD AND DELETE TERRITORY IN PASCO COUNTY BY ALOHA UTILITIES, INC.

AGENDA: 08/31/1999 - REGULAR AGENDA - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\WAW\WP\990940.RCM

CASE BACKGROUND

Aloha Utilities, Inc. (Aloha or utility) is a class A water and wastewater utility located in Pasco County. The utility consists of two divisions (Aloha Gardens and Seven Springs). Both divisions have water and wastewater systems. At the end of the year 1998, the utility served a total of 11,432 water customers, and 10,892 wastewater customers. According to the utility's 1998 annual report, its total annual revenues were \$5,387,217 and the net operating income was \$351,009.

On July 19, 1999, Aloha applied for an amendment of Certificates Nos. 136-W and 97-S to add and delete territory in Pasco County. The utility is exchanging territory with Pasco County (County), so that Aloha and the County can better serve a planned unit development in Pasco County. This amendment will add 113 equivalent residential connections (ERCs) for water and wastewater and delete about 98 ERCs for water and wastewater.

DOCUMENT NUMBER-DATE

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The Commission has given staff the authority to administratively approve applications for amendment when no objections have been filed and the application is without controversy. This case is being brought to the Commission because of the request by the utility for approval of a refund for overpayment of the filing fees, which is addressed in Issue 1.

It is the Division of Water and Wastewater's practice to bring all deletions of territory to the Commission for decision, mainly because they are unusual. However, in this case, there does not appear to be any controversy in the exchange of territory, and no customers will be without service. Therefore, staff will process the utility's application administratively when it is complete unless an objection is received or the Department of Community Affairs (DCA) submits comments that need to be addressed.

There currently exists a Memorandum of Understanding (MOU) between the Commission and the DCA, which was entered on June 5, 1998. Pursuant to this MOU, the PSC provides the DCA with copies of applications for original certificates and amendments of territory. In return, the DCA provides information on the need for service and compliance with local comprehensive plans as it relates to each application.

DISCUSSION OF ISSUES

ISSUE 1: Did the utility submit excess filing fees, and if so, should the excess filing fees be refunded?

RECOMMENDATION: Yes, the utility submitted an excess of \$3,900 in filing fees and this amount should be refunded to the law firm representing the utility which paid the application fee on behalf of the utility. (REDEMANN)

STAFF ANALYSIS: On July 19, 1999, the law firm which represents the utility paid a filing fee of \$4,500 for the filing of the amendment and deletion application. On August 6, 1999, and August 12, 1999 the firm filed letters requesting a refund of \$3,900. The utility is adding 113 ERCs for water and wastewater, and the utility is deleting 98 ERCs for water and wastewater. According to Rule 25-30.020, Florida Administrative Code, a separate fee shall apply for water and wastewater service. The correct filing fee for

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the additional area is \$200 for water, and \$200 for wastewater, and the correct filing fee for the deletion of the water area is \$100, and \$100 for wastewater. As stated earlier, the application contains a check in the amount of \$4,500, therefore a refund of \$3,900 ($\$4,500 - (\$200 + \$200 + \$100 + \$100) = \$3,900$) should be made to the law firm representing the utility.

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ISSUE 2: Should this docket be closed?

RECOMMENDATION: No. This docket should remain open to process the amendment application administratively when the application is complete. If an objection is received or the Department of Community Affairs (DCA) submits comments that need to be addressed, staff will file a recommendation to the Commission for final decision. (FUDGE, REDEMANN)

STAFF ANALYSIS: There currently exists a MOU between the Commission and the DCA, which was entered on June 5, 1998. Pursuant to this MOU, the PSC provides the DCA with copies of applications for original certificates and amendments of territory. In return, the DCA provides information on the need for service and compliance with local comprehensive plans as it relates to each application.

This docket should remain open to process the amendment application administratively when the application is complete. If an objection is received or the DCA submits comments that need to be addressed, staff will file a recommendation to the Commission for final decision.