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July 16, 2002

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard, Room 110
Tallahassee, Florida 32399-0850

VIA HAND DELIVERY

020761-WU
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Re: Florida Water Services Corporation's Proposed Revised Tariff, Volume I, Section IV, Second Revised Sheet No. 1.0, First Revised Sheet No. 3.2-A, Original Sheet No. 3.2-B and Original Sheet No. 3.2-C

To Whom it May Concern:

Enclosed herein please find Florida Water Services Corporation's ("Florida Water") proposed revisions to its previously filed water Tariff. The proposed revisions codify the company's longstanding individual metering policy. The enclosed proposed revised Tariff Sheets include, in Volume 1, Section IV, Second Revised Sheet No. 1.0, First Revised Sheet No. 3.2-A, Original Sheet No. 3.2-B and Original Sheet No. 3.2-C. Florida Water respectfully requests that the Commission approve the revisions to the Tariffs to recognize the environmental and conservation policies that mandate individual metering of multi-family and multi-unit structures.

In 1996, Florida Water implemented a policy mandating individual meters for all multi-residential housing. Florida Water adopted this practice as a water conservation measure and has implemented it throughout all of its service areas in Florida. Individual metering and other conservation measures are becoming increasingly important to Florida's consumers, utilities and regulatory authorities. It is becoming commonplace when obtaining water permits from the water management districts, for utilities to be required to demonstrate water conservation initiatives, and individual metering is viewed favorably as such an initiative. For example, the St. Johns River Water Management District recently issued a consumptive use permit ("CUP") premised upon the prohibition of master meters to supply potable water to any multi-family or a multi-unit structure (excluding hospitals or hotels) developed after April 11, 2000.

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On April 26, 2002, the Florida Department of Environmental Protection ("DEP") issued a water conservation initiative report that restated the importance of individual metering to address

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Florida's commitment to sound water conservation policies. The DEP stated that the primary advantage of metering is its known ability to improve water conservation. Individual residential water metering allows customers to see how much water they are using, and more importantly, how much they are saving by implementing conservation practices. It would further allow more equitable billing to customers when compared to master metering.

The DEP recommended that the programs and measures to require meters, sub-meters and other methods used to measure water use should be implemented at multiple levels. Specifically, DEP recommended that retail water utilities (such as Florida Water) should require water meters and sub-meters in appropriate settings as a *condition* of water service agreements.

Rule 25-6.049 of the Florida Administrative Code mandates individual electric metering by new commercial establishments, residential buildings, condominiums, cooperatives, marinas, and trailer, mobile home and recreational vehicle parks for which construction commenced after January 1, 1981. Unfortunately, there is currently no Administrative Rule in Florida mandating individual meters for water and wastewater utilities, although, legislation was proposed this year that supported a statewide mandate for individual metering for multi-residential housing. The legislation was not passed, but instead was scheduled for workshops later this year.

Based upon the clear environmental benefit derived from individually metered multi-residential units, Florida Water hereby proposes revisions to its Tariff which reflect the policy that it has had in place for many years.

Acknowledgment for the filing of this proposed Tariff is requested by Florida Water and this letter of transmittal is being sent in duplicate with a request that the duplicate be stamped. Thank you in advance for your assistance in this matter.

Sincerely,



Martin P. McDonnell

MPM/kl

Enclosures

cc: Troy Rendell, PSC Staff

SERVICE AVAILABILITY POLICY (Cont.)

(Continued from Section IV Sheet No. 3.1)

7. **Refusal of Service** The Company may refuse commencement of service to an Applicant for any of the following reasons:
- a. **Proposed Service is not lawful.** The proposed service is not lawful under the current Statutes and Rules of the Commission, or
 - b. **Conditions not yet met.** A condition of the Service Availability Policy, Service Contract, Developer's Agreement or Refundable Advance Agreement has not yet been met, or
 - c. **Adverse effects on existing customers.** The proposed service would adversely affect the quality or reliability of service to existing customers (e.g. capacity of existing Company facilities is insufficient), or
 - d. **Economic feasibility.** The proposed service is not economically feasible as defined in Chapter 25-30.515, Florida Administrative Code (Commission Rules), or
 - e. **Property outside certificated service area.** Property for which service is requested is outside of the Company's certificated service area and the Company has determined that extension of its certificated service area is not economically justified.
8. **Individual Metering**
- a. It is the Company's policy that individual meters shall be required for all new construction for:
 - (1) Residential homes, and
 - (2) Commercial, multifamily (apartments and condominiums) and industrial establishments.
 - (a) This classification includes each separate occupancy unit of commercial and industrial establishments, cooperatives, marinas, and trailer, mobile home and recreational vehicle parks.

(Continued to Section IV Sheet No. 3.2-B)

Effective Date:

By:


Tony Isaacs, Vice President
Customer Services

SERVICE AVAILABILITY POLICY (Cont.)

(Continued from Section IV Sheet No. 3.2-A)

- b. Individual meters shall not, however, be required for:
- (1) Those portions of a commercial establishment where the floor space dimensions or physical configuration of the units are subject to alteration, as evidenced by non-structural element partition walls, unless the Company determines that adequate provisions could be made to modify the metering to reflect accurately such alterations;
 - (2) Water used in specialized-use housing accommodations, such as hospitals, nursing homes, living facilities located on the same premises as, and operated in conjunction with, a nursing home or other healthcare facility providing at least the same level and types of services as a nursing home, convalescent homes, facilities certificated under Chapter 651, Florida Statutes, college dormitories, convents, sorority houses, fraternity houses, motels, hotels, and similar facilities;
 - (3) Separate specially-designated areas for overnight occupancy at trailer, mobile home and recreational vehicle parks and marinas where permanent residency is not established;
 - (4) New and existing time-share plans, provided that all of the occupancy units which are served by the master meter or meters are committed to a time-share plan as defined in Chapter 721, Florida Statutes, and none of the occupancy units are used for permanent occupancy.

In the case of the conversion of an existing structure (where ordered by the governing regulatory authority), the Customer must follow procedures established by the Company for making the change. In all cases, it is the financial responsibility of the Customer to provide for the metering in accordance with the Meter Agreement and/or the Company's tariff.

(Continued to Section IV Sheet No. 3.2-C)

Effective Date:

By:



Tony Isaacs, Vice President
Customer Services

SERVICE AVAILABILITY POLICY (Cont.)

(Continued from Section IV Sheet No. 3.2-B)

IV. SPECIAL PROVISIONS

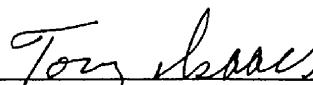
This section is the result of FPSC Docket No. 22307 and is applicable in the situations described herein. An outcome of Docket No. 22307 approving the transfer of ownership of Deltona Corporation's utility operations to Topeka Group Inc., (TGI) was the delineation of several service availability extension situations depending on the timing and terms of property sales contracts related to lots in the certificated area. The reason for such delineation by the Commission was to ensure that people who bought lots in long-term installment sales contracts, and to whom the Deltona Corporation implied that utilities would be provided as part of the real estate transaction would not be adversely affected by the transfer.

Policy provisions are separated into three categories: 1. Contracted lots sold by Deltona Corporation or its successors under contracts prior to September 1, 1989 which generally excluded from the sales price, the cost of extending mains and related utility facilities; 2. Unsold lots sold by Deltona Corporation under contracts after September 1, 1989 which generally include as part of the cost of extending mains and provisions for the buyer to pay a Utility Service Fee and; 3. Any properties not covered in sub-sections IV-1 or IV-2 including properties which are added to the certificated area as a result of territory expansions. These categories are described in more details as follows:

(Continued to Section IV Sheet No. 3.3)

Effective Date:

By:



Tony Isaacs, Vice President
Customer Services

SERVICE AVAILABILITY POLICY (Cont.)

(Continued from Section IV Sheet No. 3.2-B)

IV. SPECIAL PROVISIONS


This section is the result of FPSC Order No. 22307 in Docket No. 881501-WS and is applicable in the situations described herein. An outcome of Order No. 22307 approving the transfer of ownership of Deltona Corporation's utility operations to Topeka Group Inc. (TGI), was the delineation of several service availability extension situations depending on the timing and terms of property sales contracts related to lots in the certificated area. The reason for such delineation by the Commission was to ensure that people who bought lots in long-term installment sales contracts, and to whom the Deltona Corporation implied that utilities would be provided as part of the real estate transaction would not be adversely affected by the transfer.

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(Continued to Section IV Sheet No. 3.3)

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