

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation into )  
appropriate rate level for water )  
service by JASMINE LAKES )  
UTILITIES CORPORATION )  
\_\_\_\_\_ )

DOCKET NO. 920010-WU  
ORDER NO. 25790  
ISSUED: 2/24/92

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman  
SUSAN F. CLARK  
J. TERRY DEASON  
BETTY EASLEY  
LUIS J. LAUREDO

ORDER PLACING REVENUES  
SUBJECT TO REFUND

BY THE COMMISSION:

BACKGROUND

Jasmine Lakes Utilities Corporation (Jasmine Lakes or utility), is a Class B utility providing water and wastewater service to over 1,500 residential customers of Jasmine Lakes subdivision and approximately 69 commercial customers in Port Richey, Florida. By Order No. 23728, issued November 7, 1990, this Commission approved the transfer of the utility's assets from Jasmine Lakes Service Corporation to Jasmine Lakes Utilities Corporation.

Jasmine Lakes purchases water from Pasco County for resale to its customers. In April, 1989, the price for this purchased water increased more than 18.5%, from \$1.99 per thousand gallons to \$2.37 per thousand gallons. On December 20, 1990, the utility filed an application for a limited proceeding rate increase for bulk water service based on Pasco County's increased bulk water rates. The utility requested an increase because the operational cost increase had a substantial effect on the utility's ability to recover its expenses and earn a fair rate of return on its investment. Further, the previous owner had failed to pass this increased cost on to its customers. By Order No. 24275, issued March 25, 1991, this Commission granted the utility a \$.37 water gallonage charge increase.

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On November 12, 1991, this Commission was informed by letter from the assistant county attorney of Pasco County that since August, 1990, Jasmine Lakes had refused to pay for any of the water it received from Pasco County claiming that Pasco County's rates discriminate against wholesale users. Pasco County initiated a civil suit against Jasmine Lakes which is pending in Pasco County Circuit Court regarding the disputed bulk water rates. This disputed amount, as of September 29, 1991, totalled \$251,628.85, including \$16,076.192 in interest.

The information provided in the utility's limited proceeding application granted by Order No. 24275, was based on the 12 months ending July 31, 1990. When the utility filed its application for a limited proceeding rate increase on December 20, 1990, approximately four months had lapsed since the utility had stopped paying Pasco County for purchased water. The utility did not indicate in its application that it was withholding payment to the County. This Commission, granted a revenue increase of \$36,933, by approving rates of \$3.33 per 1,000 gallons for water, which the utility has been charging its customers since April 16, 1991.

Because the rate increase granted by Order No. 24275 was to permit Jasmine Lakes to recover the increased cost of bulk water purchases from Pasco County, and the utility has refused to pay the County for the water and is in litigation regarding the disputed amount, we find it appropriate to place the revenue increase of \$36,933 granted in Order No. 24275 subject to refund as of February 4, 1992.

When the bulk water increase was initiated, the utility was purchasing 100% of its water from Pasco County. However, in September, 1990, the utility reactivated its own water system to blend well water with the water purchased from Pasco County. The utility considers the use of these wells a temporary measure. However, because it cannot be determined how long the utility will continue to use its wells, we have made an adjustment to recognize that the utility is not presently purchasing 100% of its water. This adjustment is reflected in the \$36,933 amount of revenues hereby placed subject to refund.

The utility shall provide a bond, letter of credit, or escrow agreement of \$40,630, which includes interest, as guarantee of any potential refund of the water revenues collected. Also, pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility

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shall provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that the \$36,933 revenue increase that Jasmine Lakes Utilities Corporation received in Order No. 24275, shall be made subject to refund on a prospective basis beginning February 4, 1992. It is further

ORDERED that Jasmine Lakes Utilities Corporation, shall provide a bond, letter of credit or escrow agreement of \$40,630 as guarantee of any potential refund of the water revenues collected. Also, pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility shall provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund. It is further

ORDERED that this docket shall remain open pending the resolution of all outstanding issues.

By ORDER of the Florida Public Service Commission, this 24th day of FEBRUARY, 1992.

  
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STEVE TRIBBLE Director  
Division of Records and Reporting

( S E A L )

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: 1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; 2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or 3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.