

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for staff-assisted rate case in
Marion County by S & L Utilities, Inc.

DOCKET NO. 100471-SU
ORDER NO. PSC-14-0095-PAA-SU
ISSUED: February 6, 2014

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman
LISA POLAK EDGAR
RONALD A. BRISÉ
EDUARDO E. BALBIS
JULIE I. BROWN

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING REQUEST

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission (“Commission”) that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

Case Background

S & L Utilities, Inc., (S & L or Utility) is a Class C utility providing wastewater service to approximately 76 customers in Marion County. The Utility is located in the Southwest Florida Water Management District. In its 2012 Annual Report, S & L reported operating revenues of \$53,456 and operating expenses of \$58,042.

On December 22, 2010, S & L filed an application for a staff-assisted rate case. By Order No. PSC-11-0444-PAA-SU,¹ we approved Phase I and Phase II rates. The Phase II rates were to be implemented once the Utility had completed pro forma plant additions of \$55,997 for the replacement of two air blowers, videography of the lines in the collection system, and percolation pond cleaning. The Utility was given 12 months from the effective date of the Consummating Order to complete the plant additions. The 12-month period ended on November 1, 2012.

¹ Issued in this docket on October 7, 2011.

On January 8, 2013, the Utility indicated it had completed the videography of the lines and the percolation pond cleaning. However, the Utility had not replaced the two air blowers and requested an extension until November 1, 2013. By Order No. PSC-13-0137-PAA-SU,² we approved the Utility's extension request, revised the Phase II rates to reflect the pro forma plant additions had been completed, and approved Phase III rates that would become effective once the two air blowers were replaced.

By letter dated January 21, 2014, S & L indicated that it does not intend to replace the two air blowers and asked this Commission to not implement Phase III rates and to close the docket. We have the authority to consider this matter pursuant to Section 367.0814, Florida Statutes (F.S.).

Decision

By Order No. PSC-13-0137-PAA-SU, we approved a revised Phase II flat rate of \$67.31, which became effective on May 1, 2013. The Phase II flat rate included the costs associated with the completion of the percolation pond cleaning. The Utility also had completed the videography of the collection lines. However, there was no cost associated with the videography of the collection lines to the Utility because funding was provided by the Florida Rural Water Association. We granted the Utility an extension of time until November 1, 2013, to replace the two air blowers. A Phase III rate of \$69.07 was approved based on the expected costs of \$16,654 to replace the air blowers.

Prior to November 1, 2013, our staff contacted the Utility for a status report on the replacement of the two air blowers. By letter dated December 23, 2013, the Utility indicated that it is still unable to replace the two air blowers due to its current financial position and requested an extension of time to November 1, 2014, to replace the blowers. The Utility also indicated that the existing air blowers have been serviced and are performing at their proper function.

Our staff subsequently contacted the Utility to discuss the Utility's plans for financing the replacement of the air blowers and the expected completion date for such replacement. The Utility responded that one of the air blowers was completely rebuilt and the other is old but in proper working condition. The Utility filed a letter on January 21, 2014, indicating it does not intend to replace the air blowers at this time and requesting that the Phase III rates not be implemented and the docket be closed. The Utility also provided an email from its plant operator stating that both air blowers are working properly and do not need to be replaced at this time. According to the Florida Department of Environmental Protection, the replacement of the two blowers was not a requirement and the Utility is currently in compliance.

Upon review, the Utility's request to not implement Phase III rates and close the docket shall be granted. If no timely protest is filed by a substantially affected person, this docket shall be closed upon the issuance of a Consummating Order.

² Issued in this docket on March 22, 2013.

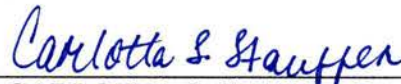
Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that S & L Utilities, Inc.'s request not to implement Phase III rates is hereby granted. It is further,

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission this 6th day of February, 2014.



CARLOTTA S. STAUFFER
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

CWM

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, 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 will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on February 27, 2014.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.