

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Application for a rate increase)  
in natural gas operations by Florida )  
Public Utilities Company. )

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DOCKET NO. 900151-GU  
Date Filed: 12/12/90

**PREHEARING STATEMENT OF  
CITY OF LAKE WORTH UTILITIES**

The City of Lake Worth Utilities ("Lake Worth") hereby submits its Prehearing Statement in the above-captioned docket.

A. **WITNESSES.** Lake Worth at this time does not contemplate sponsoring any witnesses.

B. **EXHIBITS.** None.

C. **STATEMENT OF BASIC POSITION.** Lake Worth is uncertain as to whether or not the proposed rate increase for the Large Volume Interruptible Service ("LVIS") rate class is justified. Lake Worth questions the amount of the allocation by Florida Public Utilities ("FPU") for the proposed environmental testing and remediation costs associated with the clean up of FPU's old manufactured gas-

plant sites at West Palm Beach and Sanford. As proposed by FPU, the total clean up costs of \$2,396,000 (preliminary estimates) will be over a 10-year period resulting in a \$239,600 charge in the proposed rates. The \$239,600 is allocated using the commodity costs allocator (therms sold) which results in Lake Worth receiving 43.78 percent or \$103,028 of these total environmental clean-up costs. This \$103,028 charged to Lake Worth is approximately 71% of the total \$144,000 rate increase to the LVIS rate class.

ACK \_\_\_\_\_  
AFA 1  
APP \_\_\_\_\_  
CAF \_\_\_\_\_  
CMU \_\_\_\_\_  
CTR \_\_\_\_\_  
**EAG** \_\_\_\_\_  
LEG 1  
LIN 6  
OPR \_\_\_\_\_  
RCH \_\_\_\_\_  
SEC 1  
WAS \_\_\_\_\_  
OTR \_\_\_\_\_

**DOCUMENT NUMBER-DATE  
10990 DEC 12 1990  
FPSC-RECORDS/REPORTING**

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D. FACTS AT ISSUE.

ISSUE 1: What is the fair rate of return for FPU's stockholders?

No position at this time.

ISSUE 2: Are the annual charges proposed by FPU for an allowance for environmental matters justified?

Lake Worth questions the allocation of the annual charges for environmental matters and has no position at this time as to whether or not they are justified.

ISSUE 3: Which classes of service should be increased to recover the relief granted?

Lake Worth questions the amount of the rate increase to the Large Volume customer class (LVIS) but has no position at this time as to whether or not it is justified.

E. QUESTIONS OF LAW AT ISSUE. None known at this time.

F. POLICY QUESTIONS AT ISSUE.


1. Should the rate increase requested by FPU be granted by the Florida Public Service Commission?

No position at this time.

G. STIPULATED ISSUES. None known at this time.

H. PENDING MOTIONS. None known at this time.

RESPECTFULLY SUBMITTED this 12th day of December 1990.

  
Frederick M. Bryant, Esquire  
Moore, Williams, Bryant, Peebles  
& Gautier, P.A.  
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original and 15 copies of CITY OF LAKE WORTH'S PREHEARING STATEMENT have been filed with Mr. Steve Tribble, Director, Records and Reporting, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, FL 32301, on this 12th day of December 1990; a copy hand delivered to Michael Palecki, Staff Attorney, Florida Public Service Commission, 101 East Gaines Street, Tallahassee, FL 32301; and a copy furnished by U. S. Mail to William E. Eaton, Jr., Esquire, Suite 301 Flagler Court Building, 215 Fifth Street, West Palm Beach, FL 33401, this 12th day of December 1990.

  
FREDERICK M. BRYANT