

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for a ) DOCKET NO. 900505-WS  
Staff-Assisted Rate Case in ) ORDER NO. PSC-92-0263-FOF-WS  
Bay County by SANDY CREEK ) ISSUED: 04/28/92  
UTILITIES, INC. )  
\_\_\_\_\_ )

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 REQUIRING SUBMISSION OF A REVISED  
PLAN FOR COMPLETION OF WATER AND  
WASTEWATER SYSTEM IMPROVEMENTS

BY THE COMMISSION:

BACKGROUND

Sandy Creek Utilities, Inc. ("Sandy Creek" or "utility") is a Class C water and wastewater utility located in Bay County. On May 21, 1990, the utility filed an application for a staff-assisted rate case (SARC) pursuant to Section 367.0814, Florida Statutes. By proposed agency action Order No. 24170, issued February 27, 1991, this Commission proposed to authorize increased revenues for the utility's water and wastewater systems.

The proposed agency action order was subsequently protested by customers of the utility. In addition, the Office of Public Counsel (OPC) intervened in the case. On July 17, 1991, an administrative hearing was held in Panama City before Commissioner Betty Easley. By Order No. 25373, issued on November 21, 1991, this Commission adopted the hearing officer's recommended order entered on September 18, 1991, and dispensed with exceptions filed by the OPC and the Staff of this Commission. In Order No. 25373, we directed the docket to remain open pending the receipt, review, and consideration of the required plan for water and wastewater improvements, required meter installation of five unmetered irrigation connections, and allowed the release of escrowed funds that were related to the implemented temporary rates.

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The escrowed funds have been released, and the unmetered connections have been metered. On February 19, 1992, the utility filed with the Commission the required plan for improvements.

REVISED PLAN TO BE SUBMITTED

The quality of service for Sandy Creek's water and wastewater systems was found to be unsatisfactory in Order No. 25373. Consequently, we ordered the utility to submit a plan for improving both the water and wastewater systems, along with cost estimates for the suggested improvements.

The major problem in the water system is the disruption of service which is caused by either electrical power outages or ruptures of water mains. In its plan, the utility suggests two improvements to reduce the outages. It proposes installing a stand-by generator at the water treatment plant with automatic start up capabilities. The cost estimate for this improvement is \$20,000. The second proposed improvement consists of installing gate valves in the mains so that when a break occurs it can be isolated without having to shut down the entire system. The estimated cost of this improvement is \$10,000. The utility anticipates making these improvements over the next two years as revenues are made available.

Since an existing generator is already available at the wastewater treatment plant, we believe that the utility should reconsider its plan to install a new generator at the water plant in favor of interconnecting the existing generator to the water facility. The utility shall resubmit a plan for water system improvements within eight months. This revised plan should address the alternative we suggested and describe other viable options along with their respective estimated costs.

In addition, by Order No. 25373, we required the utility to submit a plan for improvement to the wastewater collection system, along with cost estimates for those improvements. The plan was to address system design as well as the problem of excessive infiltration. The plan submitted by the utility only addresses in detail how the utility is going to identify the cause and the specific sources of infiltration and how much that would cost. However, the plan makes no commitment to a method for curing the infiltration problem, and it provides only rough cost estimates for the alternative solutions.

We believe that the utility's proposed study to identify the cause of the infiltration will be too costly and will take too much time to complete. The utility estimates that it will cost \$41,000 to perform the study, although \$20,000 could be saved if utility personnel perform daily meter readings during the course of the study. The time allocated for the study, if performed in the manner suggested by the utility's plan, is two years.

We believe the utility could reduce the cost of the study and the completion time by permanently installing run-hour meters on every septic tank pump, totalling approximately 90, and by reading the meters over the course of three months. By contrast, the utility plans to install only fifteen run-hour meters, read them for three months and then move them to other pumps. This is why the study will take up to twenty-four months to complete. The time frame allocated by the utility will not only result in unnecessary expenditures, but will also result in stale and therefore unreliable data. Our alternative plan should take between four and five months to complete at a cost of less than \$20,000. Moreover, permanently installing the run-hour meters will enable the utility to continue to monitor the pumps periodically and to identify future problems.

Because we do not find the utility's wastewater plan completely satisfactory, we hereby give the utility an additional eight months to submit a plan identifying the necessary improvements to its wastewater system, along with cost estimates for those improvements. The utility shall also consider the alternatives suggested herein.

The utility and our Staff are making efforts to work together on this matter. In order to determine how to improve the systems, the utility and this Commission must become educated about the systems' problems and the estimated costs to cure those problems, all of which should be detailed in the new plan to be submitted to us within eight months of the issuance of this Order.

This docket shall remain open pending this Commission's receipt and review of the utility's revised plans.

Based upon the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that Sandy Creek Utilities, Inc. shall submit a revised plan for water and

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wastewater improvements and the cost estimates for the needed improvements within eight months from the date of the issuance of this Order. It is further

ORDERED that this docket shall remain open until the utility has submitted a satisfactory revised plan.

BY ORDER of the Florida Public Service Commission, this 28th day of April, 1992.

  
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 the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) 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 sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and

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the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.