

FLORIDA PUBLIC SERVICE COMMISSION
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Tallahassee, Florida 32399-0850

MEMORANDUM

JUNE 12, 1997

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4:30

FPSC - Records/Reporting

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF WATER & WASTEWATER (DAVIS, DEWBERRY)
DIVISION OF LEGAL SERVICES (CYRUS-WILLIAMS)

RE: DOCKET NO. 960799-WS - LAKE SUZY UTILITIES, INC. -
APPLICATION FOR STAFF ASSISTED RATE CASE
COUNTY: DESOTO

AGENDA: JUNE 24, 1997 - REGULAR AGENDA - PROPOSED AGENCY ACTION -
INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE - 15-MONTH STATUTORY TIME FRAME WAIVED

SPECIAL INSTRUCTIONS: THIS RECOMMENDATION ADDRESSES A
CORRECTION OF ONE ISSUE THAT WAS
PREVIOUSLY APPROVED BY THE COMMISSION AND
SHOULD BE HEARD BY THE FULL COMMISSION

LOCATION OF FILE: I:\PSC\WAW\WP\960799WS.RCM

CASE BACKGROUND

On April 14, 1997, the Commission approved Allowance for Funds Prudently Invested (AFPI) charges for Lake Suzy Utilities, Inc. as part of the utility's staff assisted rate case. The approved charges are those listed in staff's recommendation dated April 2, 1997. On May 12, 1997 Proposed Agency Action (PAA) Order No. PSC-97-0540-FOF-WS was issued listing the Commission approved AFPI charges.

The utility submitted a customer notice for staff's approval. After staff's approval, the notice was mailed to customers. The utility also submitted revised tariff sheets consistent with Order No. PSC-97-0540-FOF-WS. During the tariff revision, it was discovered that the AFPI charges listed in the staff recommendation and subsequently in the PAA Order are incorrect for the period July through December 1997. AFPI charges have been recalculated and corrections are shown on the revised Schedule No. 5.

DOCUMENT NUMBER-DATE

05824 JUN 11 97

FPSC-RECORDS/REPORTING

DOCKET NO. 960799-WS
DATE: JUNE 12, 1997

DISCUSSION OF ISSUES

ISSUE 1: Should AFPI charges that were approved by Order No. PSC-97-0540-FOF-WS, issued May 12, 1997, be recalculated and approved by the Commission to reflect the correct charges for the period July through December 1997, and if so, what are the correct charges?

RECOMMENDATION: Yes, the AFPI charges approved by Order No. PSC-97-0540-FOF-WS, issued May 12, 1997, should be recalculated and approved by the Commission to reflect the correct charges for the period July through December 1997. The correct charges should be those shown on the revised Schedule No. 5. (DEWBERRY)

STAFF ANALYSIS: By PAA Order no. PSC-97-0540-FOF-WS, issued May 12, 1997, the Commission approved AFPI charges for Lake Suzy Utilities, Inc. These charges are listed on Schedule No. 5. After the Order was issued it was discovered that the AFPI charges listed for the period July through December 1997 are incorrect. Staff has recalculated these charges which are shown on the revised Schedule No. 5.

The protest period for the PAA order ended June 2, 1997. There were no protests and all rates and charges became final on June 3, 1997. The utility has not charged the AFPI charges that were listed incorrectly. Staff recommends that AFPI charges approved in Order No. PSC-97-0540-FOF-WS, issued May 12, 1997, be recalculated and approved by the Commission to reflect the correct charges for the period July through December 1997 as shown on the revised Schedule No. 5.

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ISSUE 2: What is the appropriate effective date of the corrected AFPI charges for wastewater?

RECOMMENDATION: The corrected AFPI charges for wastewater should be effective the date of the Commission's vote provided revised tariff sheets have been approved and future customers have been noticed pursuant to Rule 25-22.0408, Florida Administrative Code. A notice should be provided to all persons in the service area who have filed a written request for service or who have been provided a written estimate for service within the 12 calendar months prior to the month the application was filed. Tariff sheets should be approved upon staff's verification that tariff sheets are consistent with the Commission's decision and the customer notice is adequate. (DEWBERRY, CYRUS-WILLIAMS)

STAFF ANALYSIS: The AFPI charges for wastewater approved by PAA Order No. PSC-97-0540-FOF-WS, issued May 12, 1997, became final and effective June 3, 1997. The charges listed in this order for the period July through December 1997 are incorrect. Staff has recalculated the AFPI charges for the period July through December 1997. The corrected charges are less than the charges approved in the PAA Order issued May 12, 1997. Staff recommends that the corrected AFPI charges should be effective the date of the Commission's vote, provided revised tariff sheets have been approved and future customers have been noticed pursuant to Rule 25-22.0408, Florida Administrative Code. A notice should be provided to all persons in the service area who have filed a written request for service or who have been provided a written estimate for service within the 12 calendar months prior to the month the application was filed. Tariff sheets will be approved upon staff's verification that tariff sheets are consistent with the Commission's decision and the customer notice is adequate.

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ISSUE 3: Should this docket be closed?

RECOMMENDATION: Yes, upon the expiration of the protest period, if no timely protest is received from a substantially affected person within 21 days from the issuance of the Order, this docket should be closed administratively. (DAVIS, DEWBERRY, CYRUS-WILLIAMS)

STAFF ANALYSIS: Upon expiration of the protest period, if no timely protest is received from a substantially affected person within 21 days from the issuance of the Order, this docket should be closed administratively.

COMPANY: Lake Suzy Utilities, Inc.
 SEWER TREATMENT PLANT
 TEST YEAR ENDED JUNE 30, 1996

REVISED JUNE 12, 1997
 SCHEDULE NO. 5
 DOCKET NO. 960799-WS

Allowance for Funds Prudently Invested
 Schedule of Charges:

	1996	1997	1998	1999	2000	2001	2002
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January		106.13	290.87	485.40	694.04	918.16	1,014.33
February		121.29	306.43	502.08	711.94	937.40	1,014.33
March		136.45	321.99	518.75	729.83	956.63	1,014.33
April		151.61	337.55	535.43	747.73	975.86	1,014.33
May		166.77	353.12	552.10	765.62	995.10	1,014.33
June		181.93	368.68	568.77	783.52	1,014.33	1,014.33
July	15.16	197.49 *	385.35	586.67	802.75	1,014.33	1,014.33
August	30.32	213.05 *	402.03	604.57	821.99	1,014.33	1,014.33
September	45.48	228.62 *	418.70	622.46	841.22	1,014.33	1,014.33
October	60.64	244.18 *	435.38	640.36	860.46	1,014.33	1,014.33
November	75.80	259.74 *	452.05	658.25	879.69	1,014.33	1,014.33
December	90.96	275.30 *	468.73	676.15	898.93	1,014.33	1,014.33

* Corrected Charges