

State of Florida



Public Service Commission
-M-E-M-O-R-A-N-D-U-M-

DATE: June 14, 2002
TO: Division of Commission Clerk and Administrative Services (Blanco, Moses)
FROM: Troy Rendell, Division of Economic Regulation
Samantha Cibula, Office of General Counsel *S.M.C.*
RE: Docket No. 001682-WU - Staff Assisted Rate Case by Consolidated Water Works, Inc.
in Columbia County

In Order No. PSC-01-1988-PAA-WU, issued October 8, 2001, in Docket No. 001682-WU, the Commission ordered Consolidated Water Works, Inc. (Consolidated) to install proforma plant consisting of a 4-inch flow meters, one 6-inch well, a new hydropneumatic tank, painting for two tanks, a new chlorine pump, new meters for residential connections, new fencing, and locking doors for two of the plants. The utility replaced 50 inoperable residential meters but must still replace 64 additional residential meters. The Order indicated that the remaining pro forma plant additions shall be installed and operational within six months of the effective date of this Order.

The Order further indicated that Consolidated is currently operating under a Consent Order from the DEP and does not have a good record of proper financial management nor good maintenance practices. Also, a number of items that were to be corrected pursuant to Order No. 15124 have not been corrected to date. For this reason, 11.18% of revenues was ordered to be placed in escrow in order to ensure that monies are available for the needed capital improvements. Further, the Order indicated that the escrow requirement shall remain in effect until the requirements set forth in the DEP Consent Order are met and all additional pro forma items are purchased and properly installed.

Staff engineer has conducted two separate site visits to verify the plant addition. In conjunction with the Florida Department of Environmental Protection, staff has verified that all proforma plant improvements, as well as all DEP requirements have been met.

Therefore, pursuant to the Commission order, the escrow account may be released, and the docket may be closed administratively.

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OK
SMC
6/14/02

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