

State of Florida



Public Service Commission

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DATE: APRIL 24, 2003

TO: DIRECTOR, DIVISION OF THE COMMISSION CLERK & ADMINISTRATIVE SERVICES (BAYÓ)

FROM: DIVISION OF ECONOMIC REGULATION (BOUTWELL, MERCHANT) OFFICE OF THE GENERAL COUNSEL (JAEGER)

RE: DOCKET NO. -020344-SU - APPLICATION FOR RATE INCREASE IN MONROE COUNTY BY KEY HAVEN UTILITY CORPORATION.

AGENDA: MAY 6, 2003 - REGULAR AGENDA - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\ECR\WP\ -020344.RCM

DOCUMENT NUMBER - DATE

03755 APR 24 8

FPSC-COMMISSION CLERK

CASE BACKGROUND

Key Haven Utility Corporation (Key Haven or utility) is a Class B wastewater utility providing service to 418 residential customers and one general service customer in Monroe County, Florida. On September 26, 2002, the utility satisfied the minimum filing requirements for a general rate increase, pursuant to Sections 367.081 and 367.082, Florida Statutes, and requested that the Commission process this case under the proposed agency action (PAA) procedure.

By Order No. PSC-02-1720-PCO-SU, issued December 9, 2002, the Commission approved an interim revenue requirement of \$296,454 on an annual basis. This resulted in an increase of \$55,347, or 22.96%, which was applied to the utility's existing flat rates. The interim increase is subject to refund with interest, pending the conclusion of this proceeding and is secured by an escrow account.

By Proposed Agency Action Order PSC-03-0351-PAA-SU (PAA Order), issued March 11, 2003, the Commission approved increased service rates and charges. However, that PAA Order determined that the revenues from the interim rates resulted in an immaterial amount of overearnings of .68%. By the PAA Order, the Commission directed the utility to credit this overearnings amount, plus interest, to their Contributions in Aid of Construction (CIAC) account. This Order also authorized the release and closing of the escrow account upon the issuance of a Consumating Order, barring a protest from a substantially affected party.

On April 1, 2003, the Office of Public Counsel (OPC) filed its timely protest of the PAA Order, pursuant to Section 120.80(13), Florida Statutes, and Rule 28-106.201, Florida Administrative Code. Based on this protest, the PAA Order did not become final, and a formal hearing was scheduled for July 8 and 9, 2003. However, on April 15, 2003, OPC filed a Notice of Withdrawal of Protest to Proposed Agency Action (Notice of Withdrawal) in Docket No. 020344-SU.

This recommendation is to acknowledge that filing. The Commission has jurisdiction pursuant to Section 367.081, Florida Statutes.

DOCKET NO. 020344-SU

DATE: April 24, 2003

DISCUSSION OF ISSUES

ISSUE 1: Should the OPC's Notice of Withdrawal of Protest to Proposed Agency Action Order No. PSC-03-0351-PAA-SU be acknowledged and that order become final?

RECOMMENDATION: Yes, the Withdrawal of Protest to Proposed Agency Action Order No. PSC-03-0351-PAA-SU should be acknowledged and the provisions of that order should be made final and effective on May 6, 2003. (BOUTWELL, JAEGER)

STAFF ANALYSIS: As stated in the case background, on April 1, 2003, the OPC filed its protest of PAA Order No. PSC-03-0351-PAA-SU. However, on April 15, 2003, the OPC filed its Notice of Withdrawal. Therefore, staff recommends that the Commission acknowledge OPC's Withdrawal of Protest and that the provisions of Order No. PSC-03-0351-PAA-SU be made final and effective on May 6, 2003.

DOCKET NO. 020344-SU

DATE: April 24, 2003

ISSUE 2: Should this docket be closed?

RECOMMENDATION: Yes, if the Commission approves Issue 1 of this recommendation, the escrow agreement should be cancelled, no further action is necessary in this docket, and the docket should be closed. (BOUTWELL, JAEGER)

STAFF ANALYSIS: If the Commission approves Issue 1 of this recommendation, the escrow agreement should be cancelled, no further action is necessary in this docket, and the docket should be closed.