

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of SOUTHERN STATES UTILITIES, INC. for AFUDC rates for certain systems in Orange, Seminole, Duval, Putnam, Marion, Clay, and Lake Counties.)	DOCKET NO. 881593-WS
)	ORDER NO. 20916
)	ISSUED: 3-20-89
)	
)	

The following Commissioners participated in the disposition of this matter:

- THOMAS M. BEARD
- BETTY EASLEY
- GERALD L. GUNTER
- JOHN T. HERNDON

PROPOSED AGENCY ACTION

ORDER APPROVING AND DENYING AFUDC RATES FOR SOUTHERN STATES UTILITIES, INC.

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for formal proceeding pursuant to Rule 25-22.029, Florida Administrative Code.

BACKGROUND

On December 23, 1988, Southern States Utilities, Inc. (SSUI) filed its petition for approval of an Allowance for Funds Used During Construction (AFUDC) rate for its utility systems in Orange, Seminole, Duval, Putnam, Marion, Clay and Lake Counties. SSUI's petition did not meet the minimum filing requirements of Rule 25-30.116, Florida Administrative Code, and the utility was so informed. Subsequently, on January 5, 1989, SSUI filed additional information which satisfied the above filing requirements, and that date was established as the official filing date for SSUI's petition.

Rule 25-30.116(2)(a), Florida Administrative Code, among other things, provides that an applicable AFUDC rate shall be determined by calculating the utility's most recent twelve-month average embedded cost of capital, as derived from all sources of capital, and adjusted using adjustments used by the Commission in the utility's last rate case. SSUI has historically followed the practice of including all of its utilities within a certain system group, or a particular county, in one rate case proceeding. Thus, a separate calculation is required for each group of SSUI's utilities contained within a certain system or county to derive an appropriate AFUDC rate for such utilities. Using this methodology, SSUI is seeking our approval of an AFUDC rate for its various utility groups. We find that the following proposed AFUDC rates are reasonable and these are, hereby, approved.

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APPROVED AFUDC RATES

<u>UTILITY</u>	<u>ANNUAL AFUDC RATE</u>
University Shores W&S System	10.00 percent
Chuluota W&S System	10.29 percent
Beacon Hills W&S System	9.85 percent
Keystone Heights W&S System	10.29 percent
South Forty W&S System	10.04 percent
Citrus Park Water and Salt Springs W&S System	10.09 percent
Citrus Park Sewer System	9.78 percent
Woodmere Water System	8.24 percent
Woodmere Sewer System	9.40 percent
Silver Lakes Estates W&S System	9.59 percent

We further find that the above utilities shall be permitted to accrue AFUDC rates on their books for any authorized project commenced on or after December 1, 1988. The approved rates shall not be retroactively applied to projects commenced prior to this date.

SSUI's petition also requested our approval of an AFUDC rate for the River Park Sewer System in Putnam County, which SSUI is in the process of purchasing. Since SSUI has not completed its purchase of the utility, we find SSUI's request for an AFUDC rate to be premature. It is, therefore, denied.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Southern States Utilities, Inc.'s petition for approval of AFUDC rates for its various utilities is approved, in part, as set forth in the body of this Order. It is further

ORDERED that the effective date for the accrual of AFUDC by the utilities is December 1, 1988, and that the approved AFUDC rate shall not be retroactively applied to projects commenced prior to this date. It is further

ORDERED that Southern States Utilities, Inc. petition for approval of an AFUDC rate for River Park Sewer System is hereby denied for the reasons set forth in the body of this Order. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final unless an appropriate petition in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on April 10, 1989. It is further

ORDERED that this docket shall be closed if no timely protests are received.

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By ORDER of the Florida Public Service Commission
this 20th day of MARCH, 1989.


STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

JRF

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.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on April 10, 1989. In the absence of such a petition, this order shall become effective April 11, 1989 as provided by Rule 25-22.029(6), Florida Administrative Code, and as reflected in a subsequent order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on April 11, 1989, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by 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 the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date 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.