

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for a limited)	DOCKET NO. 900298-WS
proceeding to recognize the increase)	ORDER NO.
in regulatory assessment fees by)	ISSUED: 23129
CLAY UTILITY COMPANY in Clay County.)	6-28-90
)	

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman
 THOMAS M. BEARD
 BETTY EASLEY
 GERALD L. GUNTER

NOTICE OF PROPOSED AGENCY ACTIONORDER GRANTING PETITION FOR LIMITED
 PROCEEDING RATE INCREASE

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 proceedings pursuant to Rule 25-22.029, Florida Administrative Code.

Clay Utility Company (Clay or utility) is a Class B utility that operates a water and wastewater system serving approximately 2,689 and 2,636 wastewater customers in Clay County.

On April 19, 1990, the utility filed a petition for a limited proceeding rate increase. On May 3, 1990, the utility filed an amendment to the limited proceeding petition to correct an error in its calculation. The petition requested authority to increase service rates to compensate for the increased regulatory assessment fee that becomes effective on July 1, 1990.

The utility also filed an executed stipulation agreeing to the review and refund procedures of Section 367.081(4)(d), Florida Statutes. Pursuant to this section of the statute, if

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within fifteen months after the filing of an annual report, we find that the utility exceeded the range of its last authorized rate of return on equity, we may order the utility to refund, with interest, the difference to the ratepayers and adjust rates accordingly. We accept the stipulation as providing adequate protection to Clay's customers since the utility agrees to refund, with interest, any overearnings resulting from the implementation of increased rates. A copy of the stipulation is attached to this Order as "Attachment 1" and by reference is incorporated herein.

The Commission acknowledged the utility's 1989 Price Index in WS File Number WS-89-0314, effective February 26, 1990. Clay has also filed a 1990 price index application, which is pending in WS File Number WS-90-0126. The 1990 index application has an anticipated effective date of July 20, 1990. The utility has delayed implementation of the 1989 index increase in order to implement it in conjunction with the 1990 index increase and the increase involved in this proceeding.

Pursuant to Section 367.113, Florida Statutes, the regulatory assessment fee will be increased from 2.5 percent to 4.5 percent of a utility's gross revenues generated after July 1, 1990. Section 367.0822, Florida Statutes, gives us authority to consider any matter in a limited proceeding, including an adjustment of rates. Clay's request for an increase in rates is based upon its need to generate sufficient revenue to pay the increased regulatory assessment fee.

The utility filed a schedule showing the calculation of the revenue adjustment needed to compensate for the increase in regulatory assessment fees. A 2.09 percent increase in rates was proposed as required to generate the necessary revenue. The initial revised tariff sheets filed with the petition contained a calculation error. Clay submitted revised tariff sheets which, as amended, show the current and proposed rates for residential and general service customers. We find that the 2.09 percent increase in rates is justified because Clay needs the additional revenue to pay the increased regulatory assessment fee on the gross revenues it receives after July 1, 1990. "Attachment 2," affixed to this order and by reference incorporated herein, contains the rates approved in this proceeding. These rates include the 1989 and 1990 price index increase.

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Based on the foregoing, it is therefore

ORDERED that Clay Utility Company's stipulation, attached hereto as Attachment 1, whereby the utility becomes subject to the review and refund provisions of Section 367.081(4)(d) is hereby approved. It is further

ORDERED by the Florida Public Service Commission that the petition of Clay Utility Company for a limited proceeding to increase rates to compensate for increased regulatory assessment fees is hereby granted. The rates approved are those shown in Attachment 2 of this Order, which by reference is incorporated herein. 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 at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the date set forth in the Notice of Further Proceedings below. It is further

ORDERED that the revised tariff sheets filed by Clay reflect the approved rates and are hereby approved. It is further

ORDERED that the rates and tariff sheets approved herein shall become effective when this Order becomes final and effective. It is further

ORDERED that, in the event no protest is timely filed, this docket shall be closed.

By Order of the Florida Public Service Commission
this 28th day of JUNE, 1990.



STEVE TRIBBLE, Director
Division of Records and Reporting

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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.

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 July 20, 1990.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date 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 the date described above, 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.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of Clay Utility Company for limited proceeding rate increase.)
Docket No. 900298-WS)
_____)

STIPULATION

This stipulation is offered by Clay Utility Company in recognition of the desire of the Florida Public Service Commission that any increase granted in the limited proceeding request of Clay Utility Company in Docket No. 900298-WS, be subject to the review and refund procedures outlined under the provisions of Section 367.081(4)(d), Florida Statutes.

WHEREAS, Clay Utility Company has requested a limited proceeding increase in rates based upon the increase in regulatory assessment fees effective July 1, 1990; and

WHEREAS, the Florida Public Service Commission desires that, as a precondition of granting any increase under the application filed by Clay Utility Company in Docket No. 900298-WS, the Utility agree to be bound by the refund provisions of Section 367.081(4)(d), Florida Statutes, as though the limited proceeding request filed by Clay Utility Company were a request for a pass-through increase; and

WHEREAS, Clay Utility Company is willing to provide a stipulation to be bound by the provisions of Section 367.081(4)(d), Florida Statutes, with regard to any increase granted under its limited proceeding request in Docket No. 900298-WS;

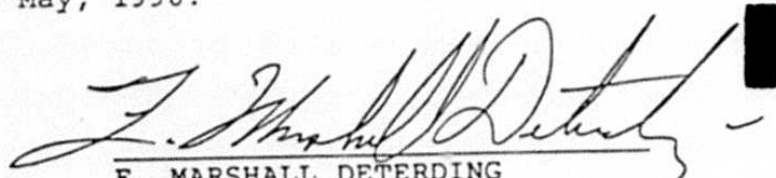
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ATTACHMENT 1
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NOW, THEREFORE, in consideration of the above facts, Clay Utility Company offers the following stipulation:

The Utility agrees to be bound by the provisions of Section 367.081(4)(d), Florida Statutes, with regard to any increase granted in Docket No. 900298-WS, in accordance with its request for a limited proceeding to recognize the increase in regulatory assessment fees effective beginning July 1, 1990, as though that request for limited proceeding rate increase were an allowable pass-through application.

Executed this 7th day of May, 1990.



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(904) 877-6555

Attorney and Authorized
Representative for Clay
Utility Company

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ATTACHMENT 2

Water Rates
Residential and General Service

<u>Meter Size</u>	<u>Approved Rates</u>
5/8" x 3/4"	\$ 4.96
1"	12.39
1-1/2"	24.80
2"	39.66
3"	79.33
4"	123.95
6"	247.91
Gallage Charge: Per 1,000 gallons	.81

Wastewater Rates
Residential Service

<u>Meter Size</u>	<u>Approved Rates</u>
All Sizes	\$ 11.92
Gallage Charge: Per 1,000 gallons	2.52

Wastewater Rates
General Service

<u>Meter Size</u>	<u>Approved Rates</u>
5/8" x 3/4"	\$ 11.92
1"	29.80
1-1/2"	59.62
2"	95.39
3"	190.77
4"	298.07
6"	596.15
Gallage Charge: Per 1,000 gallons	3.03