

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition for limited proceeding)	DOCKET NO. 900517-WS
rate increase to recognize the increase)	ORDER NO. 23157
in regulatory assessment fees by)	ISSUED: 7-6-90
Lehigh Utilities, Inc. in Lee County.)	
_____)	

The following Commissioners participated in the disposition of this matter:

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

PROPOSED AGENCY ACTION

ORDER 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.

Lehigh Utilities, Inc., (Lehigh or utility) is a Class A utility that operates a water and wastewater system serving approximately 7,393 water customers and 5,852 wastewater customers in Lee County.

On May 29, 1990, the utility filed a petition for a limited proceeding rate increase. The petition requested authority to increase service rates to compensate for the increased regulatory assessment fee that becomes effective on July 1, 1990. Included with this petition, the utility 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 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

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protection to Lehigh'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 hereto, marked "Attachment 1," and by reference is incorporated herein.

Lehigh has also filed a 1990 price index and pass-through application. This application is pending in WS File Number WS-90-0179. Lehigh desires to have the increased rates resulting from the index and pass-through application and those requested here to go into effect at the same time.

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. Lehigh'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 for both water and wastewater was proposed as required to generate the necessary revenue. With its petition, Lehigh submitted tariff sheets which show the current and proposed rates for residential and general service water and wastewater customers, as well as proposed water rates for private fire protection. We find that the 2.09 percent increase in rates is justified because Lehigh 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 1990 price index and pass-through increases.

Based on the foregoing, it is therefore

ORDERED that Lehigh Utilities, Inc.'s executed 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

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ORDERED by the Florida Public Service Commission that the petition of Lehigh Utilities, Inc. 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 tariff sheets filed by Lehigh Utilities, Inc., reflect the approved rates and are hereby approved. 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 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 6th day of JULY, 1990.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

MF

by: Ray Flynn
Chief, Bureau of Records

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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 27, 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.

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ATTACHMENT 1
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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of Lehigh Utilities, Inc., for limited proceeding rate increase.)
)
) Docket No. 900517-WS
)
)

STIPULATION

This stipulation is offered by Lehigh Utilities, Inc., in recognition of the desire of the Florida Public Service Commission that any increase granted in the limited proceeding request of Lehigh Utilities, Inc., in Docket No. 900517-WS, be subject to the review and refund procedures outlined under the provisions of Section 367.081(4)(d), Florida Statutes.

WHEREAS, Lehigh Utilities, Inc., 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 Lehigh Utilities, Inc., in Docket No. 900517-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 Lehigh Utilities, Inc., were a request for a pass-through increase; and

WHEREAS, Lehigh Utilities, Inc., 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. 900517-WS;

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NOW, THEREFORE, in consideration of the above facts, Lehigh Utilities, Inc., 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. 900517-WS, in accordance with its request for a limited proceeding to recognize the increase in regulatory assessment fees effective beginning July 27, 1990, as though that request for limited proceeding rate increase were an allowable pass-through application.

Executed this 12th day of June, 1990.



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(904) 877-6555

Attorney and Authorized
Representative for Lehigh
Utilities, Inc.

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WATER
Residential and General Service

	<u>Approved Rates</u>
<u>Base Facility Charges:</u>	
5/8" x 3/4"	\$ 4.09
1"	10.22
1-1/2"	20.43
2"	32.69
3"	65.34
4"	102.09
6"	204.19
Gallonage charge per 1,000 gallons	\$ 2.89
 <u>Private Fire Protection</u>	
<u>Line size:</u>	
5/8" x 3/4"	\$ 48.46
2"	130.65
4"	408.35
6"	816.69
8"	1,306.70
10"	1,878.39
12"	3,511.79

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WASTEWATER

	<u>Approved Rates</u>
<u>Residential - all meter sizes</u>	
Base facility charge	\$ 5.40
Gallonage charge per 1,000 gallons (maximum 10,000 gallons)	\$ 2.63
<u>General Service</u>	
<u>Base facility charges:</u>	
5/8" x 3/4"	\$ 5.40
1"	13.52
1-1/2"	27.01
2"	43.21
3"	86.46
4"	135.08
6"	270.17
Gallonage charge per 1,000 gallons	\$ 2.63