

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request of Florida Public	)	DOCKET NO. 900926-EI
Utilities For Increases in Residential	)	ORDER NO. 24010
Customer Deposits for Marianna and	)	ISSUED: 1-22-91
Fernandina Beach Operating Divisions.	)	

The following Commissioners participated in the disposition of this matter:

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

ORDER INCREASING FPUC'S RESIDENTIAL CUSTOMER  
 DEPOSITS IN FERNANDINA BEACH AND MARIANNA

BY THE COMMISSION:

Current deposit levels for Marianna and Fernandina Beach, operating divisions of Florida Public Utilities Company (FPUC), were set in 1980. Since 1980, the base rate has substantially increased in both Marianna and Fernandina Beach. In addition, the rising cost of fuel is expected to continue. Both divisions purchase most of their power supply. Purchased power costs comprise approximately two-thirds of the total residential bill. Therefore, any upward movement of the cost of fuel has a significant impact on the total bill. Also, the usage per customer is increasing for both divisions.

	<u>TYPICAL BILL 1,000 KWH</u>	<u>TYPICAL BILL 1,000 KWH</u>
	<u>1980</u>	<u>1990</u>
FERNANDINA BEACH	\$75.53	\$82.54
MARIANNA	51.92	65.60

When a customer leaves the system with an outstanding balance, insufficient customer deposits result in increased uncollectibles in which all customers must share. It is important to attempt to keep uncollectibles to a minimum for small companies like FPUC. In FPUC's request for the deposit increase, the utility stated that

DOCUMENT NUMBER-DATE

00699 JAN 22 1991

REC-RECORDS/REPORTING

ORDER NO. 24010  
DOCKET NO. 900926-EI  
PAGE 2

based on its current average residential usage for the twelve months ending September 1990, two billing months suggest an appropriate initial deposit would be \$178 for Fernandina Beach and \$131 for Marianna.

Based on the increases granted by this Commission in base rates in 1988 for both divisions, and the increases anticipated in fuel prices, we approve the increase in the residential deposits for FPUC's Marianna and Fernandina Beach Operating Divisions. We find that FPUC's current residential deposit of \$115 in Fernandina Beach should be increased to \$180, and the current residential deposit of \$75 in Marianna should be increased to \$135.

Investor owned utilities are required to refund residential deposits after 23 months if the customer has a good payment record. Therefore, any increase in revenues would be temporary and subject to refund in most cases after 23 months. Where a refund is withheld for cause, pursuant to Rule 25-6.097, Florida Administrative Code, the utility keeps the deposit to cover possible defaults. This revenue is not in excess of the amount that the utility would normally expect to receive under approved rates. We find that these revenues should not be held subject to refund.

The effective date for the new residential deposits shall be January 1, 1991. Therefore, we find that the new residential deposit shall be applicable on all applications for initial service taken on or after January 1, 1991.

The Florida Supreme Court has mandated that parties affected by decisions made by this Commission must be allowed 21 days to protest. If no protest is received within 21 days, we find that this docket shall be closed.

Accordingly, it is

ORDERED by the Florida Public Service Commission that Florida Public Utilities Company's division in Fernandina Beach shall increase its residential customer deposit to \$180, and its division in Marianna shall increase its residential customer deposit to \$135. It is further


ORDERED that these increased deposit rates shall be effective January 1, 1991. It is further

ORDER NO. 24010  
DOCKET NO. 900926-EI  
PAGE 3

ORDERED that any revenues resulting from the deposit increase shall not be refunded. It is further

ORDERED that this Order shall become final unless an appropriate petition for formal proceeding is received by the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date indicated in the Notice of Further Proceedings or Judicial Review.

By ORDER of the Florida Public Service Commission, this 22nd day or JANUARY, 1991.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )  
MAP:bmi  
FPUCRES.BMI

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 Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This petition must be received by the Director, Division of Records and

ORDER NO. 24010  
DOCKET NO. 900926-EI  
PAGE 4

Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on February 12, 1991.

In the absence of such a petition, this Order shall become final on the day subsequent to the above date.

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 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 date this Order becomes final, 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.