

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for a rate)
 increase in Lee County by FFEC-)
 SIX, LTD.)
 _____)

DOCKET NO. 900521-WS
 ORDER NO. 25327
 ISSUED: 11/12/91

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
 SUSAN F. CLARK
 J. TERRY DEASON
 BETTY EASLEY
 MICHAEL MCK. WILSON

CORRECTIVE ORDER

Order No. 24999, in Docket No. 900521-WS issued September 3, 1991, concluded the instant rate case filed by FFEC-Six, Ltd. (utility). In that Order, final rates were authorized for the utility's water and wastewater systems. These final rates were calculated to achieve the approved revenue requirements which were greater than the interim revenue requirements authorized by the Commission in Order No. 24128, issued February 18, 1991. Thus, no refund of the interim revenues was authorized. Docket No. 900521-WS was closed.

Subsequently, upon inquiry by the president of the homeowner's association, our staff reviewed the process for determining refunds, whereupon it was discovered that a step had been omitted. Docket No. 900521-WS was re-opened to address this matter.

Upon review, we have determined that the interim rates had not been applied to the projected test year bills and consumption to determine the amount of revenues to be generated on an annual basis. When that step was completed, it showed that a refund was required.

When interim revenues are calculated, they are based on a historic test year. Rates are then increased by a percentage factor to achieve those revenues. However, when final revenues are based on a projected test year, as was the case in this proceeding, interim rates should be applied to projected bills and consumption in order to determine if a refund is required when the final revenue requirement has been developed.

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Based on the projected test year ending December 31, 1990, interim rates would have generated \$341,667 and \$417,182 for the water and wastewater systems, respectively. The final rates authorized will generate \$330,034 for the water system and \$378,233 for the wastewater system. Therefore, we find that a refund of 3.4 percent and 9.3 percent is required for the water and wastewater systems, respectively. The refund should be made with interest, in accordance with Rule 25-30.360(4), Florida Administrative Code.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that FFEC-Six, Ltd. shall perform the refund of interim water and wastewater rates as set forth in the body of this Order. It is further

ORDERED that this docket shall be closed upon Staff's verification that the required refund has been made.

By ORDER of the Florida Public Service Commission, this 12th day of NOVEMBER, 1991.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

NSD

by: Kay J. Jagan
Chief, Bureau of Records

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.

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Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or wastewater 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 after the issuance 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.