

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for)
modification of allowance for)
funds prudently invested)
charges by SOUTH BROWARD)
UTILITY, INC. in Broward)
County.)
_____)

DOCKET NO. 921186-SU
ORDER NO. PSC-93-0136-FOF-SU
ISSUED: 01/26/93

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
SUSAN F. CLARK
J. TERRY DEASON
BETTY EASLEY
LUIS J. LAUREDO

ORDER SUSPENDING TARIFFS AND
DENYING REQUEST FOR INTERIM CHARGES

BY THE COMMISSION:

South Broward Utility, Inc., (SBU or utility) is a class B utility providing service to approximately 2,026 water and 1,633 wastewater customers in Broward County. The utility's 1991 income statement shows \$1,077,701 in combined annual operating revenues and a combined net operating loss of \$273,858.

On November 16, 1992, the utility filed an application for approval to modify its existing allowance for funds prudently invested (AFPI) wastewater charges along with tariff sheets reflecting the requested charges. SBU's current AFPI charges were approved by this Commission in Order No. 22844, issued April 23, 1990, in Docket No. 890360-WS. According to SBU's application, the proposed AFPI charges are designed to recover costs associated with expansion of its wastewater treatment plant.

SUSPENSION

Section 367.091(5), Florida Statutes, provides that rate schedules proposed by a utility shall become effective within sixty (60) days after filing unless this Commission first votes to

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withhold consent to implementation of the requested rates. This Order reflects our January 5, 1993, vote in this matter.

We have examined the tariffs, the application, and the information filed in support of the proposed AFPI charges. Upon review, we have questions which need to be answered prior to approving an AFPI charge, such as, when the subject plant was placed in service, whether prepaid contributions-in-aid-of-construction collected related to the plant, and how many equivalent residential connections will be recovered by the proposed charge.

Upon consideration of the above, we think it reasonable and necessary to require further explanation of the utility's filing and to obtain more information concerning same. Accordingly, we hereby withhold consent to the utility's implementation of its requested rates.

INTERIM AFPI CHARGES

In its application, SBU requests that this Commission enter an order "pursuant to Section 367.082 and Section 367.101, Florida Statutes (1991), authorizing the Company to charge and collect interim wastewater AFPI charges"

We note that §367.082, Florida Statutes, is designed for allowing interim rates only in conjunction with comprehensive earnings reviews. The information at hand in this case is insufficient for such a review. Further, although AFPI charges are paid for by future customers like service availability charges, we do not believe that AFPI charges are service availability charges as contemplated in §367.101, Florida Statutes.

Section 367.091(5), Florida Statutes, gives this Commission authority to withhold consent, upon justification, to all or portions of new rate schedules other than service availability and monthly service rate schedules. Above, we have suspended SBU's AFPI tariffs because we cannot at this time conclude that the utility's supporting calculations are correct, and, therefore, we cannot allow the tariffs to become effective.

In consideration of the above, SBU's request for interim rates is denied.

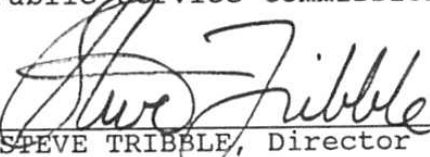
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Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that the rates and schedules proposed by South Broward Utility, Inc., are hereby suspended in accordance with §367.091(5), Florida Statutes. It is further

ORDERED that South Broward Utility, Inc.'s request for interim allowance for funds prudently invested wastewater charges pursuant to §§367.082 and 367.101, Florida Statutes, is hereby denied.

By ORDER of the Florida Public Service Commission this 26th day of January, 1993.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

MJF

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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.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; (2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) 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. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.