

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for Staff-) DOCKET NO. 920767-WS
Assisted Rate Case by INDIAN) ORDER NO. PSC-93-0958-FOF-WS
SPRINGS UTILITIES, INC. in) ISSUED: June 28, 1993
Citrus County.)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
JULIA L. JOHNSON

ORDER REINITIATING STAFF-ASSISTED RATE CASE

BY THE COMMISSION:

Indian Springs Utilities, Inc. (Indian Springs or utility) is a Class C water and wastewater facility located in Crystal River in Citrus County. The utility provides water service to 87 single family residences and wastewater service to 60 single family residences, a 37-unit apartment complex and a 102-room motel.

On June 29, 1990, Indian Springs filed an application for its first staff-assisted rate case. At that time, it was recognized that the water provided by the utility did occasionally have salt water intrusion due to the well's close proximity to the Gulf of Mexico. A permanent solution proposed in the rate case involved the utility interconnecting with the City of Crystal River (the City), or installing additional treatment facilities such as reverse osmosis. However, corrections were not required because of the expense involved and the effect it would have had on the rates. By Order No. 24211, issued March 11, 1991, the utility was granted an increase in its water and wastewater rates.

Subsequent to the last staff-assisted rate case, the Citrus County Health Department (CCHD) determined that unacceptable levels of bacteria exist in the utility's water. The CCHD has recommended that the utility find another water source. The utility has been negotiating with the City to interconnect to the City's water supply. Recognizing the increases in expenses that would result from the interconnection, the utility applied for the instant staff-assisted rate case.

The City and the utility were unable to timely reach an agreement for the price of the purchased water. The utility therefore requested that the instant proceeding be placed in

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monitor status to allow additional time to negotiate a contract. By Order No. PSC-93-0198-FOF-WS, issued February 9, 1993, this Commission placed the instant proceeding in monitor status for the four-month period ended May 19, 1993. The Order further provided that if the utility had not obtained a signed contract with the City to purchase water by the end of the monitor period, the current staff-assisted rate case application would be deemed withdrawn, and the docket be closed administratively.

By letter dated May 12, 1993, the utility requested that the instant staff-assisted rate case be removed from monitor status and continue accordingly. The utility has informed us that the utility would not be purchasing water from the City. Indian Springs plans to combat the water system's bacteria problem by superchlorinating its well on a periodic basis. This solution is acceptable to the CCHD.

It is not in the public interest to close this docket. Our investigation and preparation of reports was initiated earlier in this proceeding, and, based on our audit, the utility operated at a loss during the test period. In addition, the utility has incurred expenses associated with the expansion of its percolation ponds. Therefore, we find that the instant case should proceed in order to determine the appropriate rate relief for this utility.

Based on the foregoing, it is, therefore

ORDERED by the Florida Public Service Commission that Indian Springs Utilities, Inc.'s request to reinitiate the staff-assisted rate case be granted.

By ORDER of the Florida Public Service Commission this 28th day of June, 1993.



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.

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 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 after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Civil Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.