

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for Staff- ) DOCKET NO. 900025-WS  
Assisted Rate Case in Pasco ) ORDER NO. PSC-93-1733-FOF-WS  
County by SHADY OAKS MOBILE- ) ISSUED: 12-01-93  
MODULAR ESTATES, INC. )  
\_\_\_\_\_ )

The following Commissioners participated in the disposition of this matter:

SUSAN F. CLARK  
JULIA L. JOHNSON

FINAL ORDER ALLOWING UTILITY TO COLLECT CURRENT RATES  
IN EVENT OF PROTEST

AND

NOTICE OF PROPOSED AGENCY ACTION  
ORDER REDUCING RATES TO REFLECT REMOVAL OF PROFORMA PLANT  
NOT CONSTRUCTED AND PREVENTATIVE MAINTENANCE NOT SPENT  
AND REQUIRING REFUND OF ESCROW

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein, except for the allowance of the current rates to remain in effect in the event of a protest, is preliminary in nature and will become final unless a person whose interests are adversely affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

BACKGROUND

Shady Oaks Mobile-Modular Estates, Inc. (Shady Oaks or utility) is a Class C water and wastewater utility located in Pasco County. Based on information contained in the utility's 1992 annual report, the water system generated operating revenues of \$21,899 and incurred operating expenses of \$35,756, resulting in a net operating loss of \$13,857. The wastewater system generated operating revenues of \$43,467 and incurred operating expenses of \$38,899, resulting in a net operating income of \$4,568.

DOCUMENT NUMBER-DATE

12825 DEC-18

FPSC-RECORDS REPORTING

On March 7, 1989, the utility signed a Consent Final Judgment with the Department of Environmental Protection (DEP). The utility agreed to construct an additional effluent disposal system, to eliminate discharge from the plant, and to establish a new percolation pond. The utility agreed to submit an application for a construction permit within 60 days of the date of the order.

On January 10, 1990, Shady Oaks applied for the instant staff-assisted rate case. On February 8, 1991, the Commission issued proposed agency action Order No. 24084, which approved a rate increase and required the utility to do the following:

- 1) File a request for acknowledgement of a restructure and a name change;
- 2) Bring the quality of service to a satisfactory level;
- 3) Spend at least 85 percent of the allowance for preventative maintenance, or submit a written schedule showing what monthly maintenance will be implemented, along with a statement of the reasons such funds were not spent for preventative maintenance;
- 4) Install meters for all of its customers; and
- 5) Escrow a certain portion of the monthly rates.

The utility was also authorized to charge flat rates for six months, at the end of which time the base facility charge rate structure became effective. In that case, the base facility charge rates automatically became effective on October 1, 1991.

On March 1, 1991, several utility customers timely filed a protest to Order No. 24084. In their protest, the customers objected to the location of the percolation pond proposed by the utility. Because we have no jurisdiction to dictate the location of the proposed percolation pond, by Order No. 24409, issued April 22, 1991, we dismissed the protest and revived Order No. 24084, making it final and effective.

On June 24, 1991, in response to a suit filed by the homeowners, Judge Lynn Tepper with the Circuit Court of the Sixth Judicial Circuit in and for Pasco County, Florida, granted an emergency temporary injunction enjoining and restraining the utility from charging or attempting to collect the new utility rates.

On July 5, 1991, Judge Wayne L. Cobb with the Circuit Court of the Sixth Judicial Circuit in and for Pasco County, Florida, issued an Order to Show Cause why Shady Oaks should not be punished for contempt of Court for willfully and deliberately violating a 1983 order of the Court that prohibited the utility from charging more than \$25 per month as a service maintenance fee (which included the provision of water and wastewater service). The July 5, 1991 order further enjoined the utility from collecting the utility rates established by this Commission and ordered that the \$25 per month service maintenance fee be tendered to the Clerk of the Circuit Court. In August 1991, both injunctions were lifted and the utility was able to begin collecting revenues.

The utility never applied for its construction permit as required by the Consent Final Judgment. Therefore, on July 8, 1991, as a result of a stipulated settlement of a motion for contempt brought against the utility by DEP, Judge Lynn Tepper ordered the utility to interconnect its wastewater system with Pasco County, rather than construct new disposal facilities. The utility was given six months from the date of the order to complete the interconnection. The utility has failed to interconnect its wastewater system to Pasco County; therefore, it is in violation of a court order. In addition, the utility was operating without a permit from DEP.

On November 4, 1991, the Commission issued Order No. 25296, which determined the utility's noncompliance with Order No. 24084. Order No. 25296 required the utility to:

- 1) Submit all necessary information for changing its certificated name, or revert to operating under its currently certificated name;
- 2) Immediately place in the escrow account all funds necessary to bring said account to its proper balance;
- 3) Install water meters for all of its customers; and
- 4) Improve the quality of service and interconnect with the Pasco County wastewater treatment system;

Because numerous customers did not pay their utility bills as a result of a court dispute over the utility's rates, Order No. 25296 allowed the utility to charge the flat rates for an additional five months. Beginning in December 1991, the utility once again began charging flat rates.

On May 14, 1992, the Commission issued two additional orders in this case. By Order No. PSC-92-0367-FOF-WS, the Commission imposed a \$2,000 fine that had been previously suspended, and ordered the utility to show cause why it should not be fined for each item of noncompliance found in Orders Nos. 24084 and 25296. At the utility's request, these matters were set for hearing. By Order No. PSC-92-0356-FOF-WS, the Commission ordered the utility to issue credits to those customers who had paid a delinquent purchased power bill for the utility.

In June 1992, the utility completed the installation of all of the required water meters. By Order No. PSC-92-0723-FOF-WS, issued July 28, 1992, the Commission ordered the utility to implement the base facility and gallonage charge rates that had been approved in Order No. 24084. The utility implemented the new rates effective September 25, 1992.

In July 1992, the utility requested that the escrow requirements set forth in Orders Nos. 24084 and 25296 be suspended for a period of several months. By Order No. PSC-92-1116-FOF-WS, issued October 5, 1992, the Commission denied the utility's request to suspend the escrow account requirements. On October 26, 1992, the utility timely filed a protest to that Order.

A hearing regarding the utility's noncompliance with Orders Nos. 24084 and 25296 was held on January 7, 1993 in Zephyrhills, Florida. The utility, although it requested the hearing, did not attend the hearing. By Order No. PSC-93-0542-FOF-WS, issued April 9, 1993, the Commission:

- 1) Fined the utility in the amount of its rate base;
- 2) Ordered that a proceeding be initiated to reduce the utility's rates by the amount of pro forma plant not constructed and the amount of preventative maintenance not spent; and
- 3) Ordered that revocation proceedings be initiated.

The utility filed a Motion for Reconsideration of Order No. PSC-93-0542-FOF-WS. However, the utility's Motion for Reconsideration was denied by Order No. PSC-93-1396-FOF-WS, issued September 27, 1993. In accordance with Order No. PSC-93-0542-FOF-WS, Docket No. 930944-WS has been opened to initiate proceedings to revoke the utility's water and wastewater certificates.

In preparation for the prehearing relating to the escrow requirements, Commission staff met with the utility in an attempt to resolve certain concerns of the utility. Specifically, the utility contended that it was unable to meet its escrow requirements due to a shortfall in revenues collected. This Commission agreed to have staff review the utility's contended revenue shortfall within the context of the proceeding to reduce the utility's rates. Consequently, the utility withdrew its escrow-related protest. Therefore, the prehearing and hearing relating to the escrow accounts were cancelled by Order No. PSC-93-0777-PCO-WS, issued May 20, 1993.

This Order addresses the reduction of the utility's rates by the amount of pro forma plant not constructed and the amount of preventative maintenance not spent, and the appropriate disposition of all escrow-related monies.

#### RATE BASE

Our calculation of the appropriate rate base for the purpose of this proceeding is depicted on Schedule No. 1, and our adjustments are itemized on Schedule No. 1-A. Those adjustments which are self-explanatory or which are essentially mechanical in nature are reflected on those schedules without further discussion in the body of this Order. The major adjustments are discussed below.

In accordance with Order No. PSC-93-0542-FOF-WS, we have made several adjustments to the pro forma allowances reflected in Order No. 24084.

#### Water System

By Order No. 24084, we approved a \$29,812 balance for the water system. This balance included an allowance of \$18,500 in plant in service for the pro forma installation of water meters, and an allowance of \$1,092 for the additional accumulated depreciation associated with those meters. The water meters were installed in June 1992. Based upon our review of the contracts associated with the meter installations, the actual cost of the water meters was \$21,530. Therefore, we find that an adjustment of \$3,030 (\$21,530 - \$18,500) to plant in service reflecting the additional cost of the meters, and a corresponding adjustment of \$179 to the accumulated depreciation account, is appropriate. In

consideration of the foregoing, the appropriate rate base balance for water is \$32,663.

#### Wastewater System

By Order No. 24084, we approved a \$204,157 balance for the wastewater system. This balance included a net pro forma allowance of \$173,397, itemized as follows: 1) \$127,265 for pro forma plant additions; 2) \$50,841 for a pro forma land addition; and 3) \$4,709 for the additional accumulated depreciation associated with the pro forma plant in service allowance. Because the utility failed to construct any of the pro forma additions allowed by Order No. 24084, pursuant to Order No. PSC-93-0542-FOF-WS, we find it appropriate to remove the aforementioned items from the rate base calculation. In consideration of the foregoing, the appropriate rate base balance for wastewater is \$30,760.

#### REDUCTION IN RATES

We believe that reducing the utility's rates based on a strict adherence to Order No. PSC-93-0542-FOF-WS would jeopardize the financial viability of the utility. Therefore, in arriving at our adjustments and finding below, we have reviewed the utility's revenues, expenses, and consumption data for the most recent 12-month period available, which is June 1992 through May 1993. A discussion of the adjustments to revenues and expenses follows.

#### Operating Revenues

For the period of June 1992 through May 1993, the utility's revenues were \$18,960 for the water system and \$36,144 for the wastewater system. These amounts are less than the corresponding amounts of \$32,639 and \$62,779, respectively, that were contemplated in Order No. 24084.

This revenue shortfall is attributable to conversion from a flat rate structure to a base facility and gallonage rate structure. Since the utility did not have metered consumption at the time the rates were set in Order No. 24084, we had estimated the annual consumption based on standard engineering criteria. However, the actual consumption is approximately 1/2 less than what was projected, which has led to the utility collecting less revenues than was anticipated. For purposes of calculating the rate reduction for this Order, we find that the appropriate revenues are \$18,960 for water and \$36,144 for wastewater.



### Operating Expenses

We believe it is inappropriate to review the utility's revenues or cash inflows without also reviewing the utility's expenses or cash outflows. Therefore, we reviewed the utility's expenses for the period of June 1992 through May 1993, and made numerous adjustments to those amounts recorded by the utility. A discussion of the adjustments follows.

#### Operation and Maintenance (O&M) Expenses

The utility recorded water system expenses of \$21,568 and wastewater system expenses of \$30,075 during the period, for a combined systems total of \$51,643. We examined each O&M expense account, and compared the utility's allocations to those approved in Order No. 24084. There were numerous adjustments that were necessary to be consistent with the allocations in that Order. In addition, we have reviewed and reclassified all expenses related to prior periods, and disallowed all nonutility expenses.

Based upon a review of these expenses, we believe it is appropriate to reclassify a combined systems total of \$20,811 of these expenses as either nonutility or prior period expenses. We also made other adjustments and reclassifications to the various O&M expense accounts, most notably to the salaries accounts for the respective systems.

The utility recorded salaries of employees and officers of \$7,418 for the water system and \$7,388 for the wastewater system during the period. However, these amounts reflect the net, rather than gross, salaries amounts. We have adjusted these totals to reflect the proper gross salaries for each system.

In addition, the utility also recorded a combined systems total of \$5,716 as owner's draws. The majority of this amount (90 percent) represents checks that were made out either to cash or to Mr. Sims, the owner of the utility. We find that it is appropriate to reclassify the entire amount classified as owner's draws to salaries for both the water and wastewater systems.

The adjustments and reclassification result in salaries expenses of \$10,576 for the water system and \$9,946 for the wastewater system. However, the total salaries for both employees and officers allowed in Order No. 24084 are \$6,000 for the water system and \$4,800 for the wastewater system. Therefore, we have

reduced the total salaries amounts recorded by the utility by a total of \$9,722 to reflect the allowances in Order No. 24084.

As a result of the adjustments and reclassifications to the various O&M accounts, the resulting O&M expense balances are \$14,418 for the water system and \$12,796 for the wastewater system. Based on information obtained from the utility, these balances, which are less than the balances in Order No. 24084 even if all preventative maintenance allowances are excluded, do not include any preventative maintenance expenses. Therefore, no further adjustments were made to these expenses.

Depreciation Expense (Net of CIAC Amortization)

The amount allowed in Order No. 24084 for depreciation expense, net of CIAC amortization, for the water system is \$1,533. As discussed earlier, we found it appropriate to increase the water system plant in service balance by \$3,030 to reflect the additional cost of meters not reflected in Order No. 24084. Depreciation expense for the water system as reflected in Order No. 24084 must also be increased by \$179 to reflect the corresponding expense associated with the additional meters allowance. The resulting depreciation expense for the water system is \$1,712.

The amount allowed in Order No. 24084 for depreciation expense, net of CIAC amortization, for the wastewater system is \$6,233. As discussed earlier, we found it appropriate that the wastewater system plant in service balance be reduced by \$127,265 to remove pro forma plant additions not yet constructed. Therefore, depreciation expense for the wastewater system as reflected in Order No. 24084 must also be decreased by \$4,709 to reflect the corresponding expense associated with the reduction to plant in service. The resulting depreciation expense for the wastewater system is \$1,524.

Amortization Expense

In Order No. 24084, it was contemplated that the utility would retire the land associated with the existing percolation pond, and would recognize an amortized gain of \$2,386 for rate setting purposes. However, since the utility has neither constructed new facilities nor retired its existing facilities, we have removed the gain from the revenue requirement calculation.



Taxes Other Than Income Taxes

The amount allowed in Order No. 24084 for taxes other than income taxes for the water system was \$2,090. We removed the regulatory assessment fees associated with the revenue requirement reflected in the Order, and added the corresponding fees associated with our approved revenues. Therefore, the appropriate balance for the water system is \$1,474.

The amount allowed in Order No. 24084 for taxes other than income taxes for the wastewater system was \$5,318. We removed the regulatory assessment fees associated with the revenue requirement reflected in the Order, and added the corresponding fees associated with our approved revenues. After reducing the balance by the amount of fees associated with our revenue reduction, the appropriate taxes other than income taxes balance for the wastewater system is \$1,728.

REVENUE REQUIREMENT

Based upon our review of the utility's books and records and based upon the adjustments discussed above, we find that the appropriate revenue requirements are \$18,960 for water and \$22,366 for wastewater. The revenue requirement for the water system will allow the utility the opportunity to recover its utility-related operating expenses and earn a 4.15 percent return on its investment. Furthermore, the revenue requirement for the wastewater system will allow the utility the opportunity to recover its utility-related operating expenses and earn a 20.54 percent return on its investment. The revenue requirements for the respective systems, on a combined basis, will allow the utility the opportunity to recover its utility-related operating expenses and earn its authorized return of 12.10 percent.

RATES AND CHARGES

Consistent with the use of current revenues and expenses during the most recent 12-month period, we find it appropriate that the rates be based on factored equivalent residential connections (ERCs) and actual gallons sold to customers during the same period. Approximately 67 percent (or \$12,642) of the water revenue requirement is associated with the fixed costs of providing service. These fixed costs are recovered through the base facility

charge based on the annualized number of factored ERCs or 2,172 ERCs. The remaining 33 percent (or \$6,317) of the water revenue requirement represents the variable costs of providing service, which are recovered through the consumption charge based on 6,497,300 gallons sold during the 12-month period.

Approximately 50 percent (or \$11,100) of the wastewater revenue requirement is associated with the fixed costs of providing service. These fixed costs are recovered through the base facility charge based on the annualized number of factored ERCs or 2,148 ERCs. The remaining 50 percent (or \$11,266) of the wastewater revenue requirement represents the variable costs of providing service, which are recovered through the consumption charge based on 4,802,875 gallons treated during the 12-month period.

Based on the foregoing, we find that the appropriate rates are base facility and gallonage charges of \$5.82 and \$0.97, respectively, for the water system, and corresponding charges of \$5.17 and \$2.35, respectively, for the wastewater system. Our approved rates and charges are set forth below.

MONTHLY RATES - WATER

Residential and General Service

	<u>Current Rates</u>	<u>Commission Approved Rates</u>
<u>Base Facility Charge:</u>		
<u>Meter Sizes:</u>		
5/8" x 3/4"	\$ 6.34	\$ 5.82
3/4"	9.51	8.73
1"	14.84	14.55
1 1/2"	29.01	29.10
2"	46.02	46.56
3"	91.36	93.13
4"	142.36	142.52
6"	284.05	291.03
 <u>Consumption Charge:</u>		
Per 1,000 Gallons	\$ 1.39	\$ 0.97

MONTHLY RATES - WASTEWATER

Residential and General Service

<u>Base Facility Charge:</u>	<u>Current Rates</u>	<u>Commission Approved Rates</u>
<u>Meter Sizes:</u>		
5/8" x 3/4"	\$ 12.50	\$ 5.17
3/4"	18.75	7.75
1"	31.08	12.92
1 1/2"	62.02	25.84
2"	99.15	41.34
3"	198.16	82.68
4"	309.55	129.20
6"	618.96	258.39
<u>Consumption Charge:</u>		
Per 1,000 Gallons		
Residential		
(6,000 gal. max)	\$ 2.63	\$ 2.35
General Service	3.15	2.81

ESCROW ACCOUNT

The balance in the escrow account as of June 30, 1993 is \$9,434, and the appropriate balance in the escrow account as of that date is \$30,450. Because we do not have the information from the utility necessary to calculate the appropriate balance in the escrow account as of the date of our vote on October 19, 1993, the utility shall, within 30 days of the effective date of this order, provide us with all of the documents necessary to calculate the appropriate balance in the escrow account as of October 19, 1993.

An analysis of the escrow account as of June 30, 1993, is shown on Schedule No. 2.

Disposition of Escrow Account

As shown on Schedule No. 2, the utility has failed to maintain the escrow account at its proper balance. As ordered earlier, the utility shall provide our Staff with all documents necessary to calculate the appropriate balance in the escrow account (and the

total related underfunding of the escrow account) as of October 19, 1993. Due to the underfunding of the escrow account, we find that it is appropriate that the utility refund to its customers the entire balance of all monies currently in the escrow account within 30 days of the effective date of this order.

The total calculated underfunding of the escrow account, less the pro rata share of the escrow requirement relating to the pro forma water meters, shall be refunded to the utility's customers in the form of credits on the customers' bills. The refund shall be paid with interest, calculated pursuant to Rule 25-30.360(4), Florida Administrative Code. The pro rata share of the escrow requirement relating to the pro forma water meters shall be credited to the utility to recognize the portion of the escrow requirement relating to the pro forma water meters. Since all pro forma items have been removed from the rates, there is no longer a need to escrow funds. Therefore, the appropriate escrow requirement on a prospective basis is \$0.

Although we lack the information necessary to calculate the appropriate balance in the escrow account as of October 19, 1993, we estimate that the additional underfunding in the escrow account for the period of July 1993 to October 19, 1993, is approximately \$3,000. Therefore, an estimate of the total underfunding in the escrow account is approximately \$24,000 (\$21,016 from Schedule No. 2 + \$3,000). However, as discussed earlier, the pro rata share of the escrow requirement relating to the pro forma water meters shall be credited to the utility to recognize the portion of the escrow requirement relating to the pro forma water meters. This will slightly reduce the total amount to be refunded to the customers.

The net operating income for the combined systems is \$7,674 (\$1,356 for the water system and \$6,318 for the wastewater system). We find that the utility shall apply all of its net operating income to the customer refunds. Based on the total estimated amount the escrow account is underfunded and the net operating income available to apply toward refunds, we find that the appropriate length of time for the utility to refund is 36 months ( $\$24,000 / \$7,674 * 12$ ).

In order for our Staff to adequately monitor these refunds, the utility shall file monthly reports with the Commission, due no later than 20 days after each monthly billing. These reports shall indicate the actual consumption for each customer for the most recent period, the amount credited to each customer for the most

recent period, and the resulting amount actually billed to each customer. These reports shall be filed each month until the appropriate total refund associated with the escrow underfunding has been made.

EFFECTIVE DATES

This Order proposes a decrease in water and wastewater rates. A timely protest might delay what may be a justified rate decrease resulting in an unrefundable overcharge to the customers. Therefore, in the event of a protest, the current rates shall remain in effect pending the resolution of the protest. The portion of the current rates in excess of the rates proposed herein shall be held subject to refund, with interest, on a temporary basis, pending the resolution of the protest. If the proposed rates are approved, the portion of the current rates collected by the utility in excess of the proposed rates shall be subject to the refund provisions discussed below.

The utility shall be authorized to continue collecting the current rates upon the Staff's approval of security for both the potential refund and a copy of the proposed customer notice. The security shall be in the form of a bond in the amount of \$9,380. The bond shall contain wording to the effect that it will be terminated only under the following conditions:

- 1) The Commission denies the rate decrease; or
- 2) If the Commission approves the decrease, the utility shall refund the amount collected that is attributable to the decrease.

In no instance should the maintenance and administrative costs associated with the refund be borne by the customers. These costs are the responsibility of, and should be borne by, the utility. An account of all monies received should be maintained by the utility. This account must specify by whom and on whose behalf such monies were paid. If a refund is ultimately required, it shall be paid with interest calculated pursuant to Rule 25-30.360(4), Florida Administrative Code.

The utility shall maintain a record of the amount of the security provided, and the amount of revenues that are subject to refund. After the decreased rates are in effect, the utility should file reports with the Division of Water and Wastewater no

later than 20 days after each monthly billing. These reports shall indicate the amount of revenue collected under the current rates as well as what would have been collected under the decreased rates.

In the event no protest is received, the revised rates shall be effective for meter readings taken 30 days on or after the stamped approval date on the revised tariff sheets. Tariff sheets will not be approved until Staff verifies that the tariff sheets are consistent with the Commission's decision, and that the proposed customer notice is adequate.

This docket shall remain open pending receipt of all the documentation necessary to calculate the appropriate balance in the escrow account as of October 19, 1993, and also to allow Staff time to monitor the refunds.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that each of the findings made in the body of this Order is hereby approved in every respect. It is further

ORDERED that all matters contained in the body of this Order and in Schedules attached hereto are by reference incorporated herein. It is further

ORDERED that Shady Oaks Mobile-Modular Estates, Inc.'s rates shall be reduced to the extent set forth herein, to reflect removal of pro forma plant not constructed and preventative maintenance not spent. It is further

ORDERED that Shady Oaks Mobile-Modular Estates, Inc., shall, within 30 days of the effective date of this order, provide the Commission Staff with all of the documents necessary to calculate the appropriate balance in the escrow account as of October 19, 1993. It is further

ORDERED that Shady Oaks Mobile-Modular Estates, Inc., refund to its customers the entire balance of all monies currently in the escrow account within 30 days of the effective date of this order. It is further

ORDERED that the total calculated underfunding of the escrow account, less the pro rata share of the escrow requirement relating to the pro forma water meters, shall be refunded to the utility's



customers in the form of credits on the customers' bills. The pro rata share of the escrow requirement relating to the pro forma water meters shall be credited to the utility to recognize the portion of the escrow requirement relating to the pro forma water meters. It is further

ORDERED that the refund shall be paid with interest, calculated pursuant to Rule 25-30.360(4), Florida Administrative Code. It is further

ORDERED that Shady Oaks Mobile-Modular Estates, Inc., shall file monthly reports with the Commission, due no later than 20 days after each monthly billing. These reports shall indicate the actual consumption for each customer for the most recent period, the amount credited to each customer for the most recent period, and the resulting amount actually billed to each customer. These reports shall be filed each month until the appropriate total refund associated with the escrow underfunding has been made. It is further

ORDERED that the provisions of this Order, are issued as proposed agency action, except for the allowance of the current rates to remain in effect in the event of a protest and with the difference in the proposed rates and the current rates held subject to refund, shall become final and effective 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, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that, in the event of a protest, the current rates shall remain in effect pending the resolution of the protest. The portion of the current rates in excess of the rates proposed herein shall be held subject to refund, with interest, on a temporary basis, pending the resolution of the protest. If the proposed rates are approved, the portion of the current rates collected by the utility in excess of the proposed rates shall be subject to the refund provisions discussed herein. It is further

ORDERED that, in the event of a protest, Shady Oaks Mobile-Modular Estates, Inc., shall be authorized to continue collecting the current rates upon the Staff's approval of security for both the potential refund and a copy of the proposed customer notice.

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The security shall be in the form of a bond in the amount of \$9,380. It is further

ORDERED that in the event no protest is received, the revised rates shall be effective for meter readings taken 30 days on or after the stamped approval date on the revised tariff sheets. It is further

ORDERED that the tariff sheets will be approved upon Staff's verification that the tariff sheets are consistent with the Commission's decision, that the proper security for refund has been provided, and that the proposed customer notice is adequate. It is further

ORDERED that this docket remain open pending receipt of all the documentation necessary to calculate the appropriate balance in the escrow account as of October 19, 1993, and also to allow Staff time to monitor the refunds.

By ORDER of the Florida Public Service Commission, this 1st day of December, 1993.

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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

LAJ/dr

by: Kay Flynn  
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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The action proposed herein, except for the allowance of the current rates to remain in effect in the event of a protest, 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 December 22, 1993.

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.

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 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 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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SCHEDULE NO. 1  
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SHADY OAKS MOBILE-MODULAR ESTATES, INC.  
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 TEST YEAR ENDED JUNE 30, 1990

--- WATER SYSTEM ---

Account Title =====	Pro Forma Test Year per Order No. 24084 =====	Adjustments to Commission- Approved Balance =====		Adjusted Balance per Commission =====
Depreciable Plant in Service	56,372	3,030	A	59,402
Land and Land Rights	730	0		730
Plant Held for Future Use	0	0		0
Contributions in Aid of Construction (CIAC)	(26,103)	0		(26,103)
Accumulated Depreciation	(10,028)	(179)	C	(10,207)
Accumulated Amortization of CIAC	5,665	0		5,665
Working Capital Allowance	3,176	0		3,176
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	29,812	2,851		32,663
	=====	=====		=====

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SCHEDULE NO. 1  
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SHADY OAKS MOBILE--MODULAR ESTATES, INC.  
 DOCKET NO. 900025-WS  
 TEST YEAR ENDED JUNE 30, 1990

--- WASTEWATER SYSTEM ---

Account Title =====	Pro Forma Test Year per Order No. 24084 =====	Adjustments to Commission-- Approved Balance =====	Adjusted Balance per Commission =====
Depreciable Plant in Service	230,811	(127,265) A	103,546
Land and Land Rights	53,907	(50,841) B	3,066
Plant Held for Future Use	0	0	0
Contributions in Aid of Construction (CIAC)	(58,956)	0	(58,956)
Accumulated Depreciation	(40,701)	4,709 C	(35,992)
Accumulated Amortization of CIAC	15,483	0	15,483
Working Capital Allowance	3,613	0	3,613
	-----	-----	-----
	204,157	(173,397)	30,760
	=====	=====	=====

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SCHEDULE NO. 1A

SHADY OAKS MOBILE-MODULAR ESTATES, INC.  
 DOCKET NO. 900025-WS  
 TEST YEAR ENDED JUNE 30, 1990

ADJUSTMENTS TO RATE BASE

	WATER =====	WASTEWATER =====
A. DEPRECIABLE PLANT IN SERVICE: -----		
1. Reflect the additional cost of meters in excess of allowance in Order No. 24084	3,030	
2. Remove pro forma plant not constructed pursuant to Order No. PSC-93-0542-FOF-WS		(127,265)
B. LAND AND LAND RIGHTS: -----		
1. Remove pro forma land associated with pro forma plant not constructed pursuant to Order No. PSC-93-0542-FOF-WS		(50,841)
C. ACCUMULATED DEPRECIATION: -----		
1. Reflect additional accumulated depreciation associated with additional allowance for meters	(179)	
2. Remove accumulated depreciation associated with pro forma plant not constructed		4,709
	-----	-----
TOTAL RATE BASE ADJUSTMENTS:	2,851	(173,397)
	=====	=====



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SCHEDULE NO. 2

SHADY OAKS MOBILE-MODULAR ESTATES, INC.  
 DOCKET NO. 900025-WS  
 TEST YEAR ENDED JUNE 30, 1990

ANALYSIS OF BALANCE  
 IN ESCROW ACCOUNT

Month/Year	Revenues Collected	Revenues Subject to Escrow	Appropriate Total Amount in Escrow	Actual Ending Monthly Balance in Escrow	Amount Over (Under) Escrowed
=====	=====	=====	=====	=====	=====
31-Mar-91	4,176	1,332	393	284	(109)
30-Apr-91	792	731	609	635	26
31-May-91	695	646	800	891	92
30-Jun-91	797	776	1,031	1,136	106
31-Jul-91	668	656	1,226	1,201	(25)
31-Aug-91	4,710	4,683	2,611	1,205	(1,406)
30-Sep-91	4,859	4,840	4,044	1,208	(2,836)
31-Oct-91	3,070	1,590	4,515	1,211	(3,304)
30-Nov-91	3,092	387	4,629	1,214	(3,415)
31-Dec-91	6,307	5,287	6,192	2,093	(4,100)
31-Jan-92	7,433	7,221	8,328	3,443	(4,884)
29-Feb-92	6,849	6,621	10,285	4,750	(5,535)
31-Mar-92	6,888	6,778	12,294	5,611	(6,683)
30-Apr-92	6,554	6,554	14,230	7,417	(6,813)
31-May-92	4,921	4,921	15,477	8,289	(7,188)
30-Jun-92	3,718	3,718	16,424	9,213	(7,211)
31-Jul-92	3,417	3,417	17,287	9,280	(8,007)
31-Aug-92	3,503	3,503	18,175	9,296	(8,879)
30-Sep-92	3,804	3,804	19,138	9,310	(9,827)
31-Oct-92	3,570	0	19,137	9,324	(9,813)
30-Nov-92	5,533	2,503	20,124	9,338	(10,786)
31-Dec-92	4,918	1,859	20,955	9,352	(11,603)
31-Jan-93	5,393	2,371	21,880	9,365	(12,515)
28-Feb-93	8,835	5,745	23,819	9,379	(14,439)
31-Mar-93	13,673	10,944	27,079	9,393	(17,686)
30-Apr-93	4,997	3,099	28,376	9,407	(18,969)
31-May-93	5,708	2,872	29,604	9,421	(20,183)
30-Jun-93	4,964	1,977	30,450	9,434	(21,016)
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	133,846	98,833			