

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for a rate) DOCKET NO. 930912-WS
increase in Osceola/Polk) ORDER NO. PSC-94-0262-FOF-WS
Counties by POINCIANA UTILITIES,) ISSUED: March 8, 1994
INC.)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
JULIA L. JOHNSON
DIANE K. KIESLING
LUIS J. LAUREDO

ORDER SUSPENDING PROPOSED RATES

BY THE COMMISSION:

Poinciana Utilities, Inc. (Poinciana or utility) is a Class A utility providing water and wastewater services to approximately 4,127 water and 3,946 wastewater customers in Poinciana, Florida. The utility is located in the South Florida Water Management District, which has been designated as a critical use area for water. As of July 31, 1993, the water and wastewater systems had approximately 4,732 and 4,321 equivalent residential connections (ERCs), respectively. For the twelve months ending July 31, 1993, the utility recorded operating revenues of \$794,610 for water service and \$1,326,868 for wastewater service. Operating income of \$107,285 and \$174,571 for that same period was recorded for the respective water and wastewater systems.

On December 20, 1993, the utility filed an application for approval of a permanent rate increase pursuant to Section 367.081, Florida Statutes. The utility initially filed a request that its rate request be processed pursuant to proposed agency action procedures. However, the utility later notified our staff that its request for a proposed agency action was incorrect and refiled its application. This occurred on January 7, 1994, which was established as the official filing date for this rate proceeding. The utility's last rate case was in Docket No. 920200-WS (Order No. PSC-93-023-FOF-WS, issued February 9, 1993).

Poinciana has requested final water rates designed to generate annual revenues for water and wastewater of \$892,991 and \$1,728,027, respectively. These revenues exceed the test year revenues for water by \$98,381 (12.3%) and for wastewater by \$401,159 (30.2%). These requested final rates are sufficient to recover a 6.97% rate of return for water and wastewater. The utility did not request interim rates.

DOCKET NO. 930912-WS

02216 MAR-84

PSC-REC'D-REGISTRATION

ORDER NO. PSC-94-0262-FOF-WS
DOCKET NO. 930912-WS
PAGE 2

Section 367.081 (6), Florida Statutes, provides that the rate schedules proposed by the utility shall become effective within sixty (60) days after filing, unless the Commission votes to withhold consent to the implementation of the rates requested.

We have reviewed the filing and considered the proposed rates, the amount of the additional revenues sought thereunder and the supporting data which has been submitted. The utility has made substantial plant additions since its last rate case. A detailed investigation will be necessary to fully analyze the additions to rate base, capital structure and operating statements. We find that it is reasonable and necessary to require further amplification, explanation and cross-examination of the data filed by the utility, as well as additional corroborative data. In consideration of these factors, we find that it is appropriate to suspend the proposed rate schedules.

Based upon the foregoing, it is

ORDERED by the Florida Public Service Commission that the rate schedules proposed by Poinciana Utilities, Inc., are hereby suspended pursuant to Section 367.081(6), Florida Statutes.

By ORDER of the Florida Public Service Commission, this 8th day of March, 1994.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

MEO

by: Kay Ferguson

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.

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.