

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for staff-) DOCKET NO. 920767-WS
assisted rate case in INDIAN) ORDER NO. PSC-94-0748-FOF-WS
SPRINGS UTILITIES, INC. in) ISSUED: June 17, 1994
Citrus County.)
_____)

The following Commissioners participated in the disposition of this matter:

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

ORDER GRANTING MOTION TO EXTEND TIME

BY THE COMMISSION:

BACKGROUND

Indian Springs Utilities, Inc. (Indian Springs, ISU 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 106-room motel. The Eyster family purchased the Indian Springs Water System in November 1977, and has operated the system since that time. On August 2, 1983, Indian Springs filed its application for a certificate to operate a water utility in Citrus County. By Order No. 13385, issued June 6, 1984, Indian Springs was granted Certificate No. 429-W.

The utility acquired a certificate to supply wastewater service in 1988. On July 24, 1987, NASI, Inc., and ISU filed a joint application for a transfer of NASI's wastewater certificate. By Order No. 18907, issued February 22, 1988, the transfer of Certificate No. 136-S from NASI, Inc., to ISU was approved.

On June 29, 1990, ISU filed an application for a 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

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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. Mr. James Eyster of the utility initiated negotiations 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 have been unable to reach an agreement for the price of the purchased water. The utility requested that this proceeding be placed in monitor status to allow additional time to negotiate a contract between the two parties. By Order No. PSC-93-0198-FOF-WS, issued February 9, 1993, we placed the proceeding in monitor status for the 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, Mr. Eyster informed our staff that the utility would not be purchasing water from the City. In addition, the utility's letter requested that the instant staff-assisted rate case continue, rather than have the docket closed administratively. By Order No. 93-0958-FOF-WS, issued June 28, 1993, we reinstated the utility's staff assisted rate case.

On December 23, 1993, we issued Order No. PSC-93-1823-FOF-WS, approving Indian Springs' request for an increase in water and wastewater rates and ordering the utility to obtain a signed contract for an alternative water source. By that Order, we also granted temporary rates in the event of a protest and required the utility to provide security in the form of an escrow account. We imposed a \$2,000 fine upon the utility for the water system's unsatisfactory quality of service, but allowed the fine to be permanently suspended if the utility found an alternate water source within three months of the effective date of the Order. On January 25, 1994, we issued Order No. PSC-93-1823A-FOF-WS, which amended Order No. PSC-93-1823-FOF-WS to reflect that the provisions concerning the utility's finding an alternative water source were issued as final action, not as proposed agency action. Three individuals filed objections to the proposed agency action. On May 13, 1994, we received notice of withdrawals for all of the

protests. On April 18, 1994, the utility filed a motion requesting additional time to find an alternative water source. This motion is addressed below.

MOTION TO EXTEND TIME

On April 18, 1994, Indian Springs filed a Motion to Extend Time For a Contract for Alternative Water Source, requesting additional time to fulfill the requirements of Order No. PSC-93-1823-FOF-WS. Indian Springs stated that because a proposed annexation of the utility's territory to the City of Crystal River was voted down, additional time would be necessary to obtain an alternative water source. The utility further stated that it needed the additional time to establish a task force to study the possible sources and hold a public meeting. In its motion, the utility requested sixty additional days to accomplish this goal. At a recent noticed meeting between our staff, the utility and the Office of Public Counsel, the utility stated that it would be able to meet a July 5, 1994, deadline.

We believe that Indian Springs has demonstrated a good faith effort to comply with the terms of Order No. PSC-93-1823-FOF-WS. The utility has sought several possible alternatives, and given our staff reports of its progress. We therefore find it appropriate to grant Indian Springs additional time to enter into a contract for an alternative water source. The new deadline shall be July 5, 1994.

However, we must also note that it is imperative that the utility understand that an alternative water source must be secured as soon as possible. The current well has a history of unsatisfactory bacterial content, and should be taken off line. While Indian Springs has made efforts to comply with the Order, further effort is obviously necessary to secure the alternative water source. We would have serious doubts about approving another extension of time if the utility has not found another water source by July 5, 1994.

This docket shall remain open pending the monitoring of the utility's progress in obtaining an alternative water source as required by Order No. PSC-93-1823-FOF-WS.

Based on the foregoing, it is, therefore,


ORDERED by the Florida Public Service Commission that Indian Springs Utilities, Inc.'s motion for an extension of time to find an alternative water source is hereby granted. It is further

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ORDERED that Indian Springs Utilities, Inc. shall secure a contract for an alternative water source on or before July 5, 1994, and shall notify Commission staff that a contract has been secured. It is further

ORDERED that this docket shall remain open.

By ORDER of the Florida Public Service Commission, this 17th day of June, 1994.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

MEO/LAJ

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.