

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Investigation of Rates ) DOCKET NO. 960011-WS  
of Indiantown Company, Inc. in ) ORDER NO. PSC-96-1204-FOF-WS  
Martin County for Possible ) ISSUED: September 23, 1996  
Overearnings )  
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The following Commissioners participated in the disposition of this matter:

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

ORDER EXTENDING TIME FRAME FOR MAKING REFUNDS

BY THE COMMISSION:

BACKGROUND

Indiantown Company, Inc. (Indiantown or utility) is a Class B utility providing water and wastewater service to approximately 1,677 water and 1,585 wastewater customers in Martin County. Earlier in this docket, by Order No. PSC-96-0657-FOF-WS, issued May 10, 1996, we established the utility's 1994 rate base. We required the utility to refund with interest the 1994 water price index adjustment and to reduce rates to remove the effect of the 1994 water price index. On July 26, 1996, the utility filed revised tariff sheets to be effective July 19, 1996. On July 31, 1996, the utility, having earlier asked for staff assistance in calculating the refunds, wrote to the Director, Division of Water and Wastewater, proposing a simplified calculation. Our staff agreed to assist the utility with the required calculations. Because our staff could not provide this assistance without the utility's violation of Rule 25-30.360(2), Florida Administrative Code, on August 19, 1996, the utility filed a Motion for Waiver (motion).

In Order No. PSC-96-0657-FOF-WS, we found Indiantown's 1994 return on equity (ROE) to have been 50.77% for the water system, above its then-maximum authorized ROE of 17.35%. Accordingly, we determined excessive revenue for 1994 to have been \$110,834. We also found Indiantown's 1994 ROE for the wastewater system to have been 17.29%, within its authorized range.

In July 1994, Indiantown implemented water and wastewater price indexes pursuant to Section 367.082(4), Florida Statutes. Those rate adjustments increased water revenues by \$8,713, about

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2.05% annually, and wastewater revenues by \$8,651, about 1.86% annually. Pursuant to Section 367.081(4)(d), Florida Statutes, we may order a utility to refund, with interest, a price index if, within 15 months after the filing of a utility's annual report, we find that the utility exceeded the range of its last authorized rate of return on equity. In Order No. PSC-96-0657-FOF-WS, we determined that Indiantown earned a 77.59% return on water rate base, and, thus, found it appropriate that the index adjustment collected in 1994 for the water system, having contributed to overearnings, be refunded with interest. We further found it appropriate to require refund with interest of the portion of revenues collected in 1995 and 1996 attributable to the 1994 price index adjustment.

Rule 25-30.360(2), Florida Administrative Code, requires that refunds be made within 90 days of our order. Order No. PSC-96-0657-FOF-WS became final on May 31, 1996. Hence, the utility was under a requirement to make the refunds by August 30, 1996. On July 31, 1996, after several discussions with our staff, the utility formally asked for staff assistance in making the refunds calculations. The utility stated that it does not have the resources to comply with the refunds order without the assistance of staff or some simplification of the calculations. As noted earlier, our staff agreed to assist the utility in carrying out the refunds calculations. Pursuant to Rule 25-30.360(4)(2), Florida Administrative Code, upon request of the utility, staff shall provide applicable interest figures and assistance in calculations. As already noted, because staff could not complete the necessary calculations in time to permit the refunds to be made by the required date, the utility filed a motion for a waiver of the time requirement. The utility requested the waiver be effective until November 1, 1996, and proposed to include interest to the date of the refund.

Rule 25-30.360(2), Florida Administrative Code, requires that "[r]efunds must be made within 90 days of the Commission's order unless a different time frame is prescribed by the Commission." Accordingly, we find it appropriate to permit the utility until November 1, 1996, to make the refunds pursuant to Order No. PSC-96-0657-FOF-WS, with interest to the date of the refunds.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the time frame in which Indiantown Company, Inc., is to make refunds pursuant to Order No. PSC-96-0657-FOF-WS shall be extended as described herein. It is further

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ORDERED that Indiantown Company, Inc. shall make the refunds with interest to the date of the refunds.

By ORDER of the Florida Public Service Commission, this 23rd day of September, 1996.

BLANCA S. BAYÓ, Director  
Division of Records and Reporting

by: Kay Flynn  
Chief, Bureau of Records

( S E A L )

CJP

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 25-22.0376, 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.