

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of SOUTHERN STATES)	DOCKET NO. 850454-WU
UTILITIES, INC. for approval of)	ORDER NO. 21097
increased water rates in Clay County.)	ISSUED: 4-24-89

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, CHAIRMAN
 THOMAS M. BEARD
 BETTY EASLEY
 GERALD L. GUNTER
 JOHN T. HERNDON

ORDER RELEASING ESCROWED FUNDS
AND CLOSING DOCKET

BY THE COMMISSION:

Southern States Utilities, Inc. (Southern States or the utility), filed an application with this Commission for increased water rates for its Keystone Heights Division on December 18, 1985. Southern States had acquired the Keystone Heights system only a short time before. We approved the transfer of the Keystone Heights' Certificate by Order No. 15598, issued on January 28, 1986.

This system provides water service to approximately 936 customers in Clay County. By Order No. 16402, issued July 23, 1986, we authorized the utility to increase its rates to provide gross annual revenues of \$216,047 for the projected test year ending December 31, 1986. The projected test year reflected what the utility believed plant investment would be for system improvements which were necessary to bring the system into compliance with the Department of Environmental Regulation's requirements. Those improvements included distribution system enhancement projects which relocated and extended lines, tying-in of deadends, replacement of inoperative valves, and other items designed to improve the water service to the customers. In addition, the installation of a new 10,000 gallon hydropneumatic tank, repair of the existing elevated storage tank, renovation of a well, placement of an auxiliary generator and improvements to chlorination equipment, were also made. The cost of the proposed total adjustments to utility plant in service was \$551,804. In Order No. 16402, we also required all funds related to the improvements projects to be held in escrow pending our verification of completion of the improvements.

By our Order No. 18403, issued on November 9, 1987, we required the utility to complete the projects, reduce its rates, and remit a refund. Since there were construction problems with one of the projects we originally allowed by Order No. 18403, we allowed the utility additional time to substitute a line extension project. The project was originally authorized in Order No. 16402 and was to be modified with the installation of a water treatment plant. By Order No. 18403, we required all remaining unfinished projects to be

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completed by December 31, 1987. The cost of the substituted project was substantially less than the original project, thereby reducing the previously authorized gross annual revenue requirement to \$189,856. Order No. 18403 also allowed for a reduction in rates, with a refund of 12.58% of the collected revenues.

By Order No. 19206, issued April 22, 1988, we recognized Southern States' completion of the rate reduction and refund as required by Order No. 18403. Once we verified that approximately 31% of the investment provided for by Order No. 16402 (and modified by Order No. 18403) still remained to be completed, we issued Order No. 19206 authorizing the release of 69% of the escrowed funds related to the completed projects.

Due to difficulties in the rezoning of property necessary for the installation of the new water treatment plant, Southern States requested an eight-month extension towards the resolution of providing adequate service to the northern section of its service area. We granted this request in Order No. 19206. Subsequently, the utility chose the option to abandon the treatment plant project and return to the original plan of extending a water line to the northern area to help improve pressure.

We have held this docket open to monitor Southern States' progress and verify completion of the remaining projects. Since we verified, on February 22, 1989, that all of the projects have been completed, we find it appropriate to release the remaining funds held in escrow. Overall, the utility reported spending \$664,528 on the construction projects. The remaining money held in escrow pending the final completion of the construction projects as of January 31, 1989, including interest, totalled \$16,945. All money currently held in the escrow account shall be released to the utility and this docket is hereby closed.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that the funds remaining in escrow, as required by Order No. 16402, be released to Southern States Utilities, Inc., as set forth in the body of this Order. It is further

ORDERED that this docket is closed.

By ORDER of the Florida Public Service Commission,
 this 24th day of APRIL, 1989.


 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 Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.