

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of SAILFISH POINT)	DOCKET NO. 891114-WS
UTILITY CORPORATION for rate increase)	ORDER NO. 22155
in Martin County)	ISSUED: 11-6-89
)	

ORDER GRANTING REQUEST TO USE FORMULA METHOD AND FOR
WAIVER OF THIRTEEN-MONTH AVERAGE RULE REQUIREMENTS

By letter dated September 1, 1989, Sailfish Point Utility Corporation (Sailfish) requested approval of a test year ended June 30, 1989, for a proposed rate increase in Martin County. Its request was granted by the Chairman of this Commission by letter dated September 21, 1989.

In its letter of September 1, 1989, Sailfish also requested that it be allowed to calculate its rate base and capital structure using a beginning and end of year average balance rather than a thirteen-month average balance. Sailfish has, therefore, effectively requested a waiver of the thirteen-month average requirements of Rule 25-30.437, Florida Administrative Code.

By a subsequent letter of September 13, 1989, Sailfish requested that it be allowed to employ the formula (one-eighth of operation and maintenance expenses) method, rather than the balance sheet method, to calculate working capital.

Although the formula method of calculating working capital and the simple average method of calculating rate base and capital structure lack the precision of the balance sheet and thirteen-month average methods, they are reliable and are significantly less costly. Accordingly, Sailfish's request to use the formula method and for a waiver of the thirteen-month average requirements of Rule 25-30.437, Florida Administrative Code, is hereby granted.

It is, therefore,

ORDERED by Commissioner Thomas M. Beard, as Prehearing Officer, that Sailfish Point Utility Corporation's request to use the formula method to calculate working capital is hereby granted. It is further

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ORDERED that Sailfish Point Utility Corporation's request for a waiver of the thirteen-month average requirements of Rule 25-30.437, Florida Administrative Code, is hereby granted.

By ORDER of Commissioner Thomas M. Beard, as Prehearing Officer, this 6th day of NOVEMBER, 1989.


THOMAS M. BEARD, Commissioner and
Prehearing Officer

(S E A L)

RJP

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

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sewer 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.