

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for a staff-assisted) DOCKET NO. 900172-WS
rate case by PARADISE LAKES UTILITY, LTD.) ORDER NO. 23371
in Pasco County.) ISSUED: 8-20-90

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman
THOMAS M. BEARD
BETTY EASLEY
GERALD L. GUNTER
FRANK S. MESSERSMITH

ORDER APPROVING WITHDRAWAL OF REQUEST
FOR STAFF-ASSISTED RATE CASE

BY THE COMMISSION:

CASE BACKGROUND

Paradise Lakes Utility, Ltd. is a Class C utility which provides water and wastewater services to Paradise Lakes, a related naturist resort. The utility and service area are located in Land O' Lakes in southern Pasco County.

By Order No. 16859, issued November 18, 1986 we granted Paradise Lakes' their request for original certificates and authorized it to continue to collect its existing rates and charges. In the order, however, we recognized that the existing rates and charges were insufficient to cover estimated operational costs and that a rate case might be required. On September 22, 1987, the utility filed a request for a staff-assisted rate case. By Order No. 19276, issued May 3, 1988, the utility's rates were increased to provide compensatory rates. The utility's service availability charges were increased to fall within the guidelines of Rule 25-30.580, Florida Administrative Code, taking into consideration the projected cost of a gray-water reuse system and Phase III utility assets as well as Phase III customers. At that time, only Phases I and II of the resort were constructed and receiving utility services.

In 1989, the utility system was expanded to provide service to Phase III of the resort. Phase III includes 59 more condominiums, a second recreational area with four pools, 56 rental cabanas, a 90 seat bar, a 250 seat nightclub and an adjoining office and

DOCUMENT NUMBER-DATE

07489 AUG 20 1990

PSC-RECORDS/REPORTING

ORDER NO. 23371
DOCKET NO. 900172-WS
PAGE 2

registration desk for the cabanas. During 1989, the utility also constructed the gray-water reuse system.

The additional construction costs incurred by the utility since the last rate case were an unaudited \$50,491 for water and \$168,681 for wastewater. The utility believed that increased rates were warranted because of these expenditures. Therefore, on March 5, 1990 it filed a request for another staff-assisted rate case, thus initiating this proceeding. In conjunction with this proceeding, Commission staff reviewed the books and records of the utility and performed a field inspection of the service area and facilities. Phase III utility assets are now completed. It is estimated that Phase III of the resort will be completely occupied by the end of 1990. Therefore, staff performed an analysis of estimated rate bases, revenues and expenses at full occupancy, rather than using a historical test year.

Staff's analysis indicated that with the collection of the authorized service availability charges and the additional revenues from the Phase III customers, the utility will be close to a break-even position at full occupancy by late 1990. The results of this analysis were presented to the utility. Staff suggested that the utility avail itself of the provisions of the price index and pass-through provisions of Section 367.081, Florida Statutes, and re-examine its financial position after an entire year's activity at full occupancy. As a result of staff's recommendation, on June 13, 1990, the utility asked to withdraw its application for the staff-assisted rate case. The utility also requested a refund of the \$300 fee required to file a staff-assisted rate case.

Based on the facts as presented above, we find that the utility's request to withdraw its application for a staff-assisted rate case should be approved. However, because Commission staff expended considerable time in the field investigation and in the analysis of the utility's need for increased rates, we find that the utility's filing fee should be retained.

It is, therefore,

ORDERED by the Florida Public Service Commission that Paradise Lakes Utility, Ltd.'s request to withdraw its application for a staff-assisted rate case is hereby approved as set forth in the body of this Order. It is further

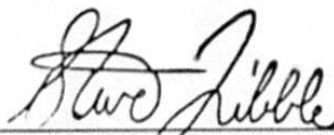
032

ORDER NO. 23371
DOCKET NO. 900172-WS
PAGE 3

ORDERED that the request by Paradise Lakes Utility, Ltd. for a refund of the \$300 filing fee for the staff-assisted rate case is hereby denied. It is further

ORDERED that this docket is hereby closed.

By ORDER of the Florida Public Service Commission this 20th day of AUGUST, 1990.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

ASD

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

ORDER NO. 23371
DOCKET NO. 900172-WS
PAGE 4

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.