

**ORIGINAL
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MEMORANDUM

October 16, 1990

TO: CHAIRMAN WILSON
FROM: CHARLES H. HILL, DIRECTOR, DIVISION OF WATER AND SEWER **CH**
CATHERINE BEDELL, DIVISION OF LEGAL SERVICES **CB**
RE: DOCKET NO. 900816-WS, PETITION FOR A RATE INCREASE IN MARTIN COUNTY
BY SAILFISH POINT UTILITY CORPORATION

By letter dated October 8, 1990, the attorney for Sailfish Print Utility Corporation filed a request for approval of a test year pursuant to Rule 25-30.430, Florida Administrative Code. The utility requests a historic base year ended June 30, 1990, with a projected test year ended June 30, 1992. The utility has requested this test year because (1) by the end of the projected test year the company plans to complete the final additions to its water and wastewater treatment plants, which will increase the capacity by between 100,000 and 150,000 gallons per day for water and 125,000 gallons per day for wastewater; (2) the distribution and collection systems will be essentially completed and in service; and (3) the density of development is expected to be at or near the 80% buildout point for the service area.

Sailfish Point states that pro forma adjustments will be made to recognize used and useful factors, to recognize the PSC guideline depreciation rates, and to take into account any other adjustments that may be determined as necessary to reflect proper ratemaking considerations.

The utility's annual reports from 1986 through 1989 have been reviewed, and based on that review and the utility's letter, we believe that the twelve months ended June 30, 1992, will be a representative test year. Therefore, approval of the requested test year is recommended.

The utility should be prepared to justify any increases in costs over the five-year period prior to the test year which are higher than the increase in customer growth and inflation. The test year approval letter also includes a statement regarding submission of prefiled testimony as part of the MFRs if the utility plans to request a hearing.

CHH/AEM/aem

cc: Division of Water and Sewer (Merchant, Willis)
Division of Records and Reporting

- ACK _____
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DOCUMENT NUMBER-DATE
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PSC-RECORDS/REPORTING

STATE OF FLORIDA
Public Service Commission



Michael M. Wilson
CHAIRMAN

101 EAST GAINES STREET
TALLAHASSEE, FL 32399-0866
(904) 488-7001

October 18, 1990

Mr. Ben E. Girtman
1020 East Lafayette Street
Suite 207
Tallahassee, Florida 32301

RE: DOCKET NO. 900816-WS, PETITION FOR A RATE INCREASE IN MARTIN COUNTY
BY SAILFISH POINT UTILITY CORPORATION

Dear Mr. Girtman:

We have reviewed your letter of October 8, 1990, requesting approval of the projected test year ended June 30, 1992, using a historical base year ended June 30, 1990, for Sailfish Point Utility Corporation. The requested test year is approved.

For administrative purposes only, Docket No. 900816-WS has been assigned to the forthcoming case. Your petition will not be deemed filed until we have received the petition, revised tariff sheets, minimum filing requirements (MFRs) and the filing fee. If you plan to request that this case be processed using the formal hearing procedure rather than the Proposed Agency Process, you must also include prefiled testimony with your application. To minimize any regulatory lag that may occur, we request that you file the above no later than December 31, 1990. If you cannot meet this deadline, please request in writing an extension of time and state fully any extenuating circumstances.

The utility should be notified that it will be required to justify any increases in operating expenses which are greater than customer growth and inflation for the five-year period prior to the test year. The five-year time frame is required because the utility has not had a completed rate increase application before this Commission during that period.

Under the file and suspend law, the official date of filing for processing the request will be established when all the required data is filed if it is accepted as complete. If not complete, the official date of filing will be the filing date of the corrections to the deficiencies, if they are accepted. The utility is instructed to file all information it wishes the Commission to consider when arriving at a decision on its rate case application.

Mr. Ben E. Girtman
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with its original filing. Because of the time limitations contained in Section 367.081, Florida Statutes, and the lengthy auditing and investigations required, information not filed with the original application may not be considered and information filed after completion of staff's investigation will not be considered.

Sincerely,

Michael McK. Wilson
Chairman

MMW/AEM/aem

cc: Commissioners
Mr. Swafford
Mr. Talbott
Division of Records and Reporting
Division of Legal Services
Division of Water and Sewer (Marsh)
Office of Public Counsel