

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request by Deltona Utilities,)	DOCKET NO. 880561-WS
Inc. for approval of AFUDC rates for)	
Marco Island and Marco Shores Utilities)	ORDER NO. 23851
in Collier County, Deltona Utilities in)	
Volusia County and Spring Hill Utilities))	ISSUED: 12-10-90
in Hernando County)	
_____)	

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 REVISING AFUDC RATES
AND CLOSING DOCKET

BY THE COMMISSION:

By Order No. 19604, issued July 1, 1988, this Commission established Allowance for Funds Used During Construction (AFUDC) rates for Marco Island Utilities, Marco Shores Utilities, Deltona Lakes Utilities, and Spring Hill Utilities. The respective rates were 13.47 percent, 13.47 percent, 13.85 percent, and 13.85 percent. In calculating these rates, we reduced the 16.1 percent cost of debt shown in the AFUDC filing, to the 14.25 percent cost of debt we allowed in the Marco Island rate case, Docket No. 850151-WS, as expressed in Order No. 17600. Marco Island Utilities appealed Order No. 17600 to the First District Court of Appeals. In Order No. 19604, we stated that we would adjust the AFUDC rates approved therein if the Court's decision caused the cost of debt we approved to change. We would also adjust all AFUDC amounts accrued since the effective date of the AFUDC rates. The rates were effective for eligible projects as of January 1, 1988. The docket remained open pending the outcome of the appeal.

On August 28, 1990, the Court reversed the Commission's decision on the cost of debt and remanded the case to the Commission for further proceedings. The Commission readdressed the cost of debt issue in Order No. 23841, issued December 7, 1990 and found the appropriate cost to be 16.1 percent. Accordingly, we

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have recalculated the AFUDC rates. The appropriate rate is 14.54 percent for Marco Island Utilities and Marco Shores Utilities, and 14.92 percent for Deltona Lakes Utilities and Spring Hill Utilities. Schedule No. 1 attached to this Order and by reference incorporated herein, reflects our calculations of the AFUDC rates.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the AFUDC rates established in Order No. 19604 are revised as set forth in the body of this Order. It is further

ORDERED that this docket is hereby closed.

By Order of the Florida Public Service Commission this 10th day of DECEMBER, 1990.

STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

NSD

by: Kay Flizon
Chief, Bureau of Records

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.

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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.

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Deltona Utilities, Inc.
Approved AFUDC Rates
As of December 31, 1987

Schedule No. 1
Docket No. 880561-WS

Class of Capital	Deltona Utilities, Inc.	Commission Adjustments	Adjusted Capital Structure	Percent of Capital	Cost Rates	Weighted Cost	Discounted Monthly Rate
MARCO ISLAND & MARCO SHORES							
Common Equity	18,954,845		18,954,845	36.47%	13.96%(2)	5.09%	
Long Term Debt	30,000,000		30,000,000	57.72%	16.10%	9.29%	
Notes Payable	73,111		73,111	0.14%	8.82%	0.01%	
Customer Deposits	950,082		950,082	1.83%	8.00%	0.15%	
Tax Credits - Zero Cost	2,000,567		2,000,567	3.85%	0.00%	0.00%	
Deferred Income Taxes	(117,530)	117,530 (1)	0	0.00%	0.00%	0.00%	
Total	51,861,075	117,530	51,978,605	100.00%		14.54%	1.210998%
DELTONA LAKES & SPRING HILL							
Common Equity	18,954,845		18,954,845	36.47%	15.00%(3)	5.47%	
Long Term Debt	30,000,000		30,000,000	57.72%	16.10%	9.29%	
Notes Payable	73,111		73,111	0.14%	8.82%	0.01%	
Customer Deposits	950,082		950,082	1.83%	8.00%	0.15%	
Tax Credits - Zero Cost	2,000,567		2,000,567	3.85%	0.00%	0.00%	
Deferred Income Taxes	(117,530)	117,530 (1)	0	0.00%	0.00%	0.00%	
Total	51,861,075	117,530	51,978,605	100.00%		14.92%	1.242560%

- Notes: (1) Net debit deferred taxes are not appropriately reflected in the capital structure.
(2) Cost of equity was established in Order No. 17600, Dkt. No. 850151-WS for Marco Island and the cost of equity for Marco Shores was calculated using current leverage graph, Order No. 16975, 860006-WS
(3) Cost of equity established in Order No. 18661, Dkt. No. 871206-PU