

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for limited)	DOCKET NO. 901000-WU
proceeding increase in water rates)	
in Pasco County by JASMINE LAKES)	ORDER NO. 24275
UTILITIES CORPORATION)	
_____)	ISSUED: 3/25/91

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
 J. TERRY DEASON
 GERALD L. GUNTER
 MICHAEL MCK. WILSON

NOTICE OF PROPOSED AGENCY ACTIONORDER GRANTING LIMITED PROCEEDING INCREASEIN WATER RATES

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature, and as such, will become final unless a person whose interests are substantially affected files a petition for a formal proceeding pursuant to Rule 25-22.029, Florida Administrative Code.

CASE BACKGROUND

Jasmine Lakes Utilities Corporation (Jasmine Lakes or utility), formerly Jasmine Lakes Service Corporation, is a Class B utility providing water and wastewater services to over 1,500 residential customers of Jasmine Lakes subdivision and approximately 69 commercial customers in Port Richey, Florida. By Order No. 23728, issued November 7, 1990, the Commission approved the transfer of utility assets from Jasmine Lakes Service Corporation to Jasmine Lakes Utilities Corporation. On December 20, 1990, Jasmine Lakes filed an application for a limited proceeding rate increase for water service provided to the public, based upon an increase in bulk water rates charged the utility by Pasco County beginning in April 1989. The previous owner failed to pass this increased cost through to its customers.

DOCUMENT NUMBER-DATE

02904 MAR 25 1991

-PSC-RECORDS/REPORTING

ORDER NO. 24275
DOCKET NO. 901000-WS
PAGE 2

Under Section 367.081(4)(b), Florida Statutes, the utility is now barred from recognizing this increased cost through the statutory pass-through mechanism because the increase was initiated more than twelve months before this filing. Since the operational cost increase has a substantial effect on the utility's ability to recover its expenses and earn a fair rate of return on its investment from its existing rates, the utility seeks relief in a limited proceeding under Section 367.0822, Florida Statutes. By Order No. 24103, issued February 14, 1991, the Commission suspended the proposed rates.

LIMITED PROCEEDING WATER RATE INCREASE

The petition for a limited proceeding was filed in accordance with the requirements of Rule 25-22.036(7), Florida Administrative Code. December 20, 1990 was established as the official filing date.

The utility purchases water from Pasco County for resale to its customers. In April 1989, the price of purchased water increased more than 18.5 percent, from \$1.99 per thousand gallons to \$2.37 per thousand gallons. The utility was purchasing 100 percent of its water from Pasco County when the increase was initiated. Beginning in September 1990, the utility reactivated its own water system to blend well water with the water purchased from the county. Jasmine Lakes views the use of its wells as a temporary measure; however, since at present it is not clear how long the utility will continue to use its wells, we must assume that the wells will be used indefinitely. We have made an appropriate adjustment to recognize that the utility is not presently purchasing 100 percent of its water.

The information provided in the original application was based on the twelve months ended June 30, 1990. We calculated the increased cost in bulk water to be the difference in the cost of purchased water at the new rate and the cost of purchased water at the old rate. We further reduced the increased cost of purchased water by 16 percent to reflect the amount of water presently being pumped from the utility's wells. We then divided the increased cost by the expansion factor to determine the required revenue increase. We divided the revenue increase by gallons of water sold to determine the dollar increase in the gallonage charge.

ORDER NO. 24275
 DOCKET NO. 901000-WS
 PAGE 3

Originally the utility requested an across-the-board percentage increase in water rates reflecting the increased charges by Pasco County without accounting for water pumped from the utility's own wells. Upon being informed that in a pure pass-through addressing purchased water increases only, the increases are applied to gallonage charges only, and that an adjustment had to be made for water pumped from its wells, the utility agreed the adjustment was necessary and filed revised schedules to reflect that adjustment. We therefore approve the increase requested in the petition as amended by the revised schedules.

The calculation of the limited proceeding rate increase is presented below:

ACTUAL WATER COSTS AT NEW RATE	\$ 261,876
LESS PURCHASED WATER COSTS AT OLD RATE	- 219,887
INCREASE IN PURCHASED WATER COSTS	\$ 41,989
ADJUSTMENT TO REFLECT PURCHASED WATER DECREASE OF 16%	<u>(6,718)</u>
ADJUSTED INCREASE IN PURCHASED WATER COSTS	35,271
DIVIDE BY EXPANSION FACTOR FOR REG. FEE	<u>+ .955</u>
TOTAL REVENUE INCREASE	36,933
DIVIDE BY GALLONS WATER SOLD	<u>+ 99,041</u>
DOLLAR CHANGE TO GALLONAGE CHARGE ONLY	<u>\$ 0.37</u>

Accordingly, we find it appropriate to increase annual revenues by \$36,933. The rates, set forth below, are designed to recover the additional revenues. We find the increase in the gallonage charge to be fair, just, and reasonable.

ORDER NO. 24275
 DOCKET NO. 901000-WS
 PAGE 4

WATER

General Service

<u>Meter Size</u>	<u>Utility Present Rates</u>	<u>Approved Rates</u>
5/8" x 3/4"	\$ 2.96	\$ 2.96
1"	7.42	7.42
1-1/2"	14.84	14.84
2"	23.39	23.39
3"	47.40	47.40
4"	74.06	74.06
6"	148.12	148.12
Gallage charge per 1,000 gallons	2.96	3.33

Residential Service

<u>Meter Size</u>	<u>Utility Present Rates</u>	<u>Approved Rates</u>
5/8" x 3/4"	\$ 2.96	\$ 2.96
1"	7.42	7.42
Gallage charge per 1,000 gallons	2.96	3.33

EFFECTIVE DATE FOR RATE INCREASE

The newly approved rates are effective for meter readings taken on or after thirty days from the stamped approval date on the revised tariffs to be filed by the utility. The revised tariff sheets will be approved upon our staff's verification that the tariffs are consistent with our decision in this Order, the protest period has expired, and the proposed customer notice is adequate.

It is therefore

ORDER NO. 24275
DOCKET NO. 901000-WS
PAGE 5


ORDERED by the Florida Public Service Commission that the provisions of this Order, issued as proposed agency action, shall become final unless an appropriate petition in the form provided by Rule 25-22.029, Florida Administrative Code, is received by the Director, Division of Records and Reporting, at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the date set forth in the Notice of Further Proceedings below. It is further

ORDERED that the petition for a limited proceeding water rate increase by Jasmine Lakes Utilities Corporation is granted to the extent set forth in the body of this Order. It is further

ORDERED that the limited proceeding water rate increase approved herein shall be effective for meter readings taken on or after thirty days from the stamped approval date on the revised tariff sheets. It is further

ORDERED that in the event no timely protest to this Order is received, this docket shall be closed.

By Order of the Florida Public Service Commission this 25th day of MARCH, 1991.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

NSD

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

ORDER NO. 24275
DOCKET NO. 901000-WS
PAGE 6

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.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on April 15, 1991.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by 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 of the effective date 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.