

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application of Utilities, Inc.) Docket No. 940917-WS
of Florida for Increased Rates in)
Orange, Seminole and Pasco Counties) Filed: November 17, 1994

APPLICATION FOR GENERAL AND INTERIM RATE INCREASE

UTILITIES, INC. OF FLORIDA ("UIF" or "Utility"), by and through its undersigned attorneys, and pursuant to Chapters 120 and 367, Florida Statutes, files this application for increased rates for its water systems in Orange and Seminole Counties and for its Orangewood water system in Pasco County, and for increased rates for its wastewater systems in Seminole County. In support thereof, UIF states:

GENERAL

1. The exact name of the Utility and its principal business address are as follows:

Utilities, Inc. of Florida
2335 Sanders Road
Northbrook, IL 60062

2. The persons entitled to receive notices, orders and other pleadings in this proceeding are:

Richard D. Melson
Hopping Boyd Green & Sams
P.O. Box 6526
Tallahassee, FL 32314

with a copy to:

Patricia M. Cuddie
Utilities, Inc.
2335 Sanders Road
Northbrook, IL 60062

3. The following general information is provided in accordance with Rule 25-30.436(1), Florida Administrative Code:

(a) Utilities, Inc. of Florida is a Florida corporation, incorporated on October 15, 1975. One hundred percent (100%) of the Utility's stock is owned by Utilities, Inc., whose address is 2335 Sanders Road, Northbrook, Illinois 60062.

(b) The last Commission action considering rates for these systems was an indexing and pass-through increase effective August 13, 1994. The last Commission order in a general rate increase proceeding for the Utility's system in Orange and Seminole Counties was Order No. 10049 entered June 9, 1981 in Docket No. 800395-WS. The last Commission order in a general rate increase proceeding for the Utility's Orangewood system in Pasco County was Order No. 21552 entered July 17, 1989 in Docket No. 881321-WU.

(d) UIF's application is available for customer inspection during normal business hours at the following addresses:

Utilities, Inc. of Florida
200 Weathersfield Avenue
Altamonte Springs, Florida 32714

Orlando Public Library
101 E. Central Boulevard
Orlando, Florida 32801

Seminole County Public Library
Central Branch
215 N. Oxford Road
Casselberry, Florida 32707

Pasco County Library
Hudson Branch Library
8012 Library Road
Hudson, Florida 34867

(e) An affidavit signed by an officer of the Utility stating that the Utility will comply with Rule 25-22.0407, F.A.C. is attached as Exhibit A.

RATE APPLICATION

4. The Utility's Orange and Seminole County operations, and its Orangewood operations in Pasco County, are not receiving rates which are just, reasonable, and compensatory. These operations are earning below a reasonable rate of return. The requested increase is necessary to provide the Utility with the opportunity to earn a fair rate of return on its investment in property used and useful in the public service.

5. By letter dated September 20, 1994, Chairman Deason approved the Utility's request for a historical test year ended December 31, 1993 for both interim and permanent rate relief for the water systems in Orange and Seminole Counties, and the Orangewood system in Pasco County. That approval was amended to include the wastewater systems in Seminole County by letter dated September 30, 1994.

6. Water and wastewater service provided by the Utility meets or exceeds the requirements of Section 367.111, F.S.

7. UIF is unaware of any deviation from the policies, procedures and guidelines prescribed by the Commission in its

rules, or in the Utility's last rate case, except as otherwise specifically noted herein.

8. Attached hereto and made a part hereof are Exhibits which provide the financial, rate and engineering information required under Chapter 25-30, F.A.C.

9. Permanent Rates. The Utility requests authority to permanently increase its rates to provide gross operating revenues from its water systems in Orange and Seminole Counties, its Orangewood water system in Pasco County, and its wastewater systems in Seminole County, based on the test year ending December 31, 1993, as set forth in the following table:

PERMANENT RATE REQUEST

SYSTEM	REQUESTED REVENUES	REVENUE INCREASE	% INCREASE
Orange County Water	\$ 101,014	\$ 17,491	20.9%
Seminole County Water	\$ 615,969	\$ 75,811	14.0%
Seminole County Wastewater	\$ 406,894	\$ 36,930	10.0%
Orangewood Water (Pasco County)	\$ 112,412	\$ 17,830	18.9%

10. Interim Rates.

(a) Revenue Request. The Utility also requests authority to increase its rates on an interim basis to provide gross operating revenues from its water systems in Orange and Seminole Counties, and its Orangewood water system in Pasco County, based on the test year ending December 31, 1993, as set

forth in the following table. The Utility is not seeking interim wastewater rates in Seminole County.

INTERIM RATE REQUEST

SYSTEM	REQUESTED REVENUES	REVENUE INCREASE	% INCREASE
Orange County Water	\$ 97,091	\$ 13,567	16.2%
Seminole County Water	\$ 572,981	\$ 32,823	6.1%
Orangewood Water (Pasco County)	\$ 104,569	\$ 9,987	10.6%

(b) Basis for Interim Revenue Request. The low end of the last authorized range of return on common equity is 15.0% for the systems in Orange and Seminole Counties and 11.69% for the Orangewood system in Pasco County. In calculating its interim revenue request, the Utility used the lower 10.89% rate of return on equity indicated by the current leverage graph to avoid potentially producing an interim revenue request that would be greater than its final revenue request. However, the Utility is not requesting that interim rates be set to produce a 10.89% return on equity. Instead, the Utility is requesting that interim rates be set to produce the interim revenues set forth in the table above, so long as those revenues do not cause the Utility to exceed the low end of the range of return on equity established for these systems in the prior rate orders.

(c) Corporate Undertaking. In order to secure the potential refund of interim rates, UIF proposes to submit its own

corporate undertaking, guaranteed by a corporate undertaking of its parent company, Utilities, Inc.

11. The requested permanent rate increases will provide the Utility with an opportunity to earn an overall return of 8.63%, and a return on equity of 10.89%, on its operations in Orange and Seminole Counties and on its Orangewood operations in Pasco County.

12. AFUDC Rate. In addition to the requested increase in revenues, the Utility seeks approval of an allowance for funds used during construction (AFUDC) rate equal to the Utility's overall weighted cost of capital.

13. PAA Process. The Utility requests that this case be processed as a proposed agency action pursuant to Section 367.081(8), Florida Statutes.

14. A copy of this petition for rate increase (without the attached MFRs) will be mailed to the Chairpersons of the Board of County Commissioners of Orange, Seminole and Pasco Counties, and the Mayors of the Cities of Altamonte Springs and Lake Mary, as required by Rule 25-22.0407(2), F.A.C.

WHEREFORE, Utilities, Inc. of Florida respectfully requests that the Commission:

(a) Find that the Commission has jurisdiction to grant the relief requested by this application.

(b) Process the rate case under the Commission's proposed agency action procedure.

(c) Within 60 days of this filing, issue an order authorizing the Utility to collect interim revenues in the amounts set forth in paragraph 10, above, with the difference between interim rates and previously authorized rates to be subject to refund and collected pursuant to corporate undertakings by Utilities, Inc. of Florida and its parent, Utilities, Inc.

(d) Within 5 months of this filing, issue an order authorizing the utility to charge permanent water rates in Orange County that will produce not less than \$101,014 gross operating revenues from water service, based upon the number of customers and their use of these services in the test year ending December 31, 1993.

(e) Within 5 months of this filing, issue an order authorizing the utility to charge permanent water and wastewater rates in Seminole County that will produce not less than \$615,969 gross operating revenues from water service and not less than \$406,894 gross operating revenues from wastewater service, based upon the number of customers and their use of these services in the test year ending December 31, 1993.

(f) Within 5 months of this filing, issue an order authorizing the utility to charge permanent water rates for its Orangewood system in Pasco County that will produce not less than \$112,412 gross operating revenues from water service, based upon the number of customers and their use of these services in the test year ending December 31, 1993.

(g) Find that 8.63% is a fair rate of return for the Utility's operations in Orange and Seminole Counties and its Orangewood system in Pasco County, including a 10.89% rate of return on equity.

(h) Approve an AFUDC rate for these operating divisions equal to the Utility's overall weighted cost of capital of 8.63%.

(i) Grant such other relief as deemed necessary and appropriate in this case.

RESPECTFULLY SUBMITTED this 17th day of November, 1994.

HOPPING BOYD GREEN & SAMS

By: Richard D. Melson
Richard D. Melson
P.O. Box 6526
Tallahassee, Florida 32301
(904) 222-7500

Attorneys for
Utilities, Inc. of Florida

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing (without exhibits) has been sent to the following this 17th day of November, 1993.

by hand-delivery

Lila Jaber
Division of Legal Services
Room 226
Florida Public Service Commission
101 East Gaines Street
Tallahassee, FL 32301

Bob Pierson
Division of Legal Services
Room 226
Florida Public Service Commission
101 East Gaines Street
Tallahassee, FL 32301

Bob D. Pierson

Attorney

In Re: Application for a Rate
Increase by Utilities, Inc. of Florida in
Seminole County, Orange County, and
Orangewood (Pasco County)

)
)
) Docket No. 940917-WS
)
)

) Filed: November 14, 1994
)

AFFIDAVIT

STATE OF ILLINOIS :

COUNTY OF COOK :

BEFORE ME, the undersigned authority, duly authorized by law to administer oaths and to take acknowledgments, on this day personally appeared Carl J. Wenz, who, after being duly sworn on oath, deposes and says:

1. That the Affiant is the Vice President, Regulatory Matters of Utilities, Inc. of Florida.
2. That Utilities, Inc. of Florida will comply with the notice and other requirements of Rule 25-22.0407, Florida Administrative Code.

FURTHER AFFIANT SAYETH NOT.

Carl J. Wenz
AFFIANT

SWORN TO AND SUBSCRIBED BEFORE ME on this 14th day of November, 1994 by
Carl J. Wenz, who is personally known to me.

Victoria Hansen
NOTARY PUBLIC

MY COMMISSION EXPIRES: 9-10-96



HOPPING BOYD GREEN & SAMS

ATTORNEYS AND COUNSELORS

**123 SOUTH CALHOUN STREET
POST OFFICE BOX 6526**

TALLAHASSEE, FLORIDA 32314

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FAX (904) 224-8551

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LISA K. RUSHTON
R. SCOTT RUTH
JULIE R. STEINMEYER**

**OF COUNSEL
CARLOS ALVAREZ
W. ROBERT FOKES**

November 17, 1994

**BY CERTIFIED MAIL/RETURN
RECEIPT REQUESTED**

**Ms. Linda Chapin, Chairperson
Board of County Commissioners of
Orange County
201 South Rosalind Avenue
Orlando, FL 32801**

**Ms. Ann Hildebrand, Chairperson
Board of County Commissioners
of Pasco County
7530 Little Road
New Port Richey, FL 34554**

**Mr. Dick Vander Weide, Chairman
Board of County Commissioners of
Seminole County
County Services Building
1101 East 1st Street
Sanford, FL 32771**

**Honorable Mayor Dudley Bates
City of Altamonte Springs
225 Newburyport Avenue
Altamonte Springs, FL 32701-
3697**

**Honorable Mayor Lowry Rockett
City of Lake Mary
100 West Lake Mary Blvd.
Lake Mary, FL 32746**

**Re: Application of Utilities, Inc. of Florida for a Rate
Increase in Orange, Seminole and Pasco Counties**

Ladies and Gentlemen:

**Enclosed for your information under Rule 25-22.0407(2),
Florida Administrative Code, is a copy (without exhibits) of the
Application for Permanent and Interim Rate Increase in water and
wastewater rates filed by Utilities, Inc. of Florida with the
Florida Public Service Commission.**

**When the minimum filing requirements (MFRs) that accompany the
application are accepted by the Florida Public Service Commission,
a copy can be obtained from the undersigned upon request.**

Very truly yours,

Richard D. Melson

Richard D. Melson

**RDM/clh
Enclosure**

EXHIBIT "B"

HOPPING BOYD GREEN & SAMS

ATTORNEYS AND COUNSELORS

123 SOUTH CALHOUN STREET

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Writer's Direct Dial No.

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November 17, 1994

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OF COUNSEL
CARLOS ALVAREZ
W. ROBERT FOKES

BY HAND DELIVERY

Ms. Blanca S. Bayó
Director, Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, FL 32399

DEPOSIT TREAS. REC. DATE

080

NOV 18 '94

Re: Utilities Inc. of Florida -- Docket No. 940917-WS
Application for Permanent and Interim Rate Increases

Dear Ms. Bayó:

Enclosed for filing on behalf of Utilities, Inc. of Florida are the following documents in connection with its application for a rate increase.

1. Original and 15 copies each of:
 - a) the application for general and interim rate increase, including as attachments
 - i) the affidavit required by Rule 25-30.436(f);
 - ii) a copy of the notice furnished to the chief executive officers of the governing bodies of the counties and municipalities within which the utility's service areas are located, as required by Rule 25-22.0407(2);
 - b) three bound volumes (one for Orange County, one for Seminole County, and one for the Orangewood system in Pasco County) of the financial, rate and engineering MFRs, including both permanent and interim rate schedules.

Ms. Bayó
Docket No. 940917-WS
November 17, 1994
Page 2

2. Two copies each of the following separately bound volumes:
 - a) the billing analysis required by Rule 25-30.437(4);
 - b) five books of the additional engineering information required by Rule 25-30.440;
 - c) the additional information required by Rule 25-30.4415; and
 - d) the proposed interim and permanent tariff sheets.
3. One copy of the maps required by Rule 25-30.440(1).
4. Three copies of the additional cost allocation schedules required by Rule 25-30.436(h).
5. Two checks totaling \$5,500 (a Water Service Corporation check for \$4,500 and a Hopping Boyd check for \$1,000) in payment of the applicable filing fees (\$3,500 for the water systems and \$2,000 for the wastewater systems).

If you have any questions regarding this filing, please give me a call.

Very truly yours,



Richard D. Melson

RDM/mee
Enclosures

cc (w/o encl): Lila Jaber
Bob Pierson
Marshall Willis
Patricia Cuddie

HOPPING BOYD GREEN & SAMS

ATTORNEYS AND COUNSELORS

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BY HAND DELIVERY

Ms. Blanca S. Bayó
Director, Division of Records and Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, FL 32399

DEPOSIT TREAS. REC. DATE

DOB

NOV 18 '94

Re: Utilities Inc. of Florida -- Docket No. 940917-WS
Application for Permanent and Interim Rate Increases

Dear Ms. Bayó:

Enclosed for filing on behalf of Utilities, Inc. of Florida

WATER SERVICE CORP.

DISBURSING ACCOUNT OF
UTILITIES INCORPORATED
2335 SANDERS ROAD
NORTHBROOK, IL 60062

BANK ONE COLUMBUS, NA
Circleville and Williamsport, Ohio Offices

NOT VALID AFTER 90 DAYS

58-1544

NO. 171934

DATE 11/14/94 NET AMOUNT **\$4,500.00

PAY **FOUR THOUSAND FIVE HUNDRED AND 00/100 ***** DOLLARS

V00496

Florida Public Service Commission

HOPPING BOYD GREEN & SAMS

123 SOUTH CALHOUN STREET

P.O. BOX 6526

TALLAHASSEE, FLORIDA 32314



020-001
315 S. CALHOUN STREET
TALLAHASSEE, FLORIDA

014772

NO. 014772

DATE 11/18/94

VENDOR NO. PSC

PAY ONE THOUSAND AND 00/100 DOLLARS*****

AMOUNT *****1,000.00

TO THE ORDER OF Public Service Commission
Fletcher Building

Tallahassee, FL 32314

DOCUMENT NUMBER-DATE

11627 NOV 17 94

GENERAL ACCOUNT

[Signature]