

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for a staff-) DOCKET NO. 940974-WU
assisted rate case in Putnam) ORDER NO. PSC-95-0043-FOF-WU
County by LANDIS ENTERPRISES,) ISSUED: January 10, 1995
INC.)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
JOE GARCIA
JULIA L. JOHNSON
DIANE K. KIESLING

ORDER DENYING EMERGENCY RATE RELIEF

BY THE COMMISSION:

BACKGROUND

On September 14, 1994, Water Spectrum, Inc. (WSI) filed a staff assisted rate case for Landis Enterprises, Inc.'s (LEI's) Port Buena Vista Water System (PBV). On October 4, 1994, LEI filed a petition for interim rates for PBV.

PBV is a Class C water utility serving 59 residential customers and 1 general service customer in Putnam County. On February 26, 1992, PBV filed an application for a water certificate pursuant to Section 367.045, Florida Statutes. On October 27, 1992, with its certificate application pending, PBV filed a notice of abandonment. PBV later withdrew the notice of abandonment, but filed another on January 14, 1993. LEI was appointed receiver for PBV, and on June 3, 1993, it purchased the utility. The Commission approved PBV's application for a water certificate by Order No. PSC-94-0804-FOF-WU, issued June 29, 1994. PBV reported revenues of \$14,299 and an operating loss of \$16,816 in its 1993 annual report.

EMERGENCY RATES

Interim rates are not available in a staff-assisted rate case proceeding. However, we consider LEI's petition to be one requesting emergency rate relief. We find it appropriate to deny

DOCUMENT NUMBER-DATE

00282 JAN 10 95

FPSC-RECORDS/REPORTING

the petition. Although we will consider permitting emergency temporary rates for a utility in receivership, we do not ordinarily consider such rates in staff-assisted rate cases in order to encourage the utilities to timely seek rate relief. See, e.g., Order No. PSC-93-1844-FOF-WS, Order Granting Emergency Rates and Charges, In Re: Application for Staff-Assisted Rate Case in Marion County by ASTOR WEST, INC., 93 FSPC 12:528, December 28, 1993. Whether emergency temporary rates are appropriate is a determination we make on a case-by-case basis; however, we typically disallow such rates because of a lack of audited data. See, e.g., Order No. PSC-93-0633-FOF-SU, Order Granting Emergency Temporary Rates and Placing Docket in Monitor Status, In Re: Application for Staff-Assisted Rate Case by L.C.M. Sewer Authority in Lee County, 93 FSPC 4:608, April 22, 1993. We will permit a utility to collect emergency temporary rates, subject to refund, in order to preserve the public health, safety, and welfare. See, e.g., Order No. 25711, Order Granting Emergency Temporary Wastewater Rate Increase, Subject to Refund, and Establishing Provisions for Deposit and Release of Escrow Funds, In Re: Petition for Emergency Limited Proceedings on Wastewater Service in Pasco County by MAD HATTER UTILITY, INC., 92 FSPC 2:276, February 12, 1992.

In its petition, LEI adopts the contention of the previous owner of PBV that the utility's rates are severely inadequate to operate and maintain the water system and to complete capital improvements demanded by the Department of Environmental Protection. According to PBV's 1993 Annual Report, the utility operated at a loss in that year. The utility's initial rates were grandfathered in by Order No. PSC-93-1550-FOF-WU, issued October 21, 1993. The Commission granted the utility a rate adjustment, pursuant to Section 367.081(4)(a), Florida Statutes, through the 1994 Price Index, which became effective on November 12, 1994.

Should the Commission's analysis support the allowance of emergency temporary rates, these rates would be designed to equate revenues, grossed-up for regulatory assessment fees, with operating and maintenance costs. LEI provided 14 months of financial data for revenues and operating and maintenance costs for the period ended August 1994. Giving effect to the typical operating and maintenance costs of a comparable utility, to this utility's revenue based on the number of its customers in 1993, and to the current tariff rates, we conclude that PBV is able to cover its operating and maintenance costs at current revenue levels. The utility is capable of earning annual revenues of \$15,034. Its annual operating and maintenance costs have been approximated to be \$12,800, with an allowance for administration of \$5,800, which is equitable for a utility of this size. The analysis supporting our

ORDER NO. PSC-95-0043-FOF-WU
DOCKET NO. 940974-WU
PAGE 3

conclusion is contained in Schedule 1, attached to and incorporated into this Order by reference. We, therefore, find it appropriate to deny PBV emergency temporary rates.

Based on the foregoing, it is therefore

ORDERED by the Florida Public Service Commission that the petition of Landis Enterprises, Inc. for interim rates or for emergency rate relief for Port Buena Vista Water System is hereby denied. It is further

ORDERED that each of the findings made in the body of this Order is hereby approved in every respect. It is further

ORDERED that all matters contained in the Schedule attached hereto are by reference incorporated herein. It is further

ORDERED that this docket shall remain open for the completion of the staff-assisted rate case.

By ORDER of the Florida Public Service Commission, this 10th day of January, 1995.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay DeLeon
Chief, Bureau of Records

(S E A L)

CJP

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 and/or wastewater 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.

CALCULATION OF REVENUE TO COVER
 OPERATION AND MAINTENANCE EXPENSES
 SCHEDULE 1

	PER UTILITY FILING	COMMISSION ADJUSTMENTS	NOTES	ADJUSTED REVENUE AND O & M
REVENUE	11,350.00	3,683.60	A	15,033.60
PURCHASED POWER	1,390.48	0.00	C	1,390.48
LAB EXPENSES	215.00	0.00	C	215.00
CHEMICALS	533.82	0.00	C	533.82
CONTRACT SERVICES-MAINTENANCE	0.00	0.00	C	0.00
CONTRACT SERVICES-OPERATIONS	3,465.00	0.00	C	3,465.00
CONTRACT SERVICES-REPAIRS	86.64	0.00	C	86.64
MISCELLANEOUS EXPENSE	218.70	0.00	C	218.70
ADMINISTRATION COST	0.00	1,900.00	B	1,900.00
MANAGEMENT	0.00	3,900.00	B	3,900.00
MATERIALS & SUPPLIES	560.84	0.00	C	560.84
REGULATORY COMMISSION EXPENSE	0.00	50.00		50.00
OPERATION & MAINTENANCE EXPENSE	6,470.48	5,800.00		12,270.48
O & M GROSSED UP FOR REGULATORY ASSESSMENT FEES				12,848.67
REVENUE				15,033.60
REVENUE EXCESS OVER O&M EXPENSES \$				2,184.93
REVENUE EXCESS OVER O&M EXPENSES %				14.53%

NOTES: A RECALCULATED REVENUE ADJUSTMENT PER CURRENT RATES
 B TRUE TO AMOUNT ALLOWED IN LAKE ALTO RECOMMENDATION
 C AMOUNT PER UTILITY FILING

MANAGEMENT	\$25.00	PER HOUR COSTS
	3	HOURS PER WEEK
	\$75.00	COST PER WEEK
	52	WEEKS
	\$3,900.00	
ADMINISTRATION COST	\$83.33	PER MONTH COSTS RENT
	12	MONTHS
	\$1,000.00	RENT
	\$25.00	PHONE
	12	MONTHS
	\$300.00	PHONE
	\$50.00	ELECTRICITY
	12	MONTHS
	\$600.00	ELECTRICITY
	\$1,900.00	TOTAL

ORDER NO. PSC-95-0043-FOF-WU
DOCKET NO. 940974-WU
PAGE 6

CALCULATION OF REVENUE TO COVER
OPERATION AND MAINTENANCE EXPENSES
SCHEDULE 1

MATERIALS & SUPPLIES	\$0.35	STAMP & ENVELOP
	12	MONTHS
	\$4.20	COST PER WEEK
	60	CUSTOMERS
	\$252.00	STAMP COSTS
	\$308.84	MISCELLANEOUS
	\$560.84	TOTAL
REVENUE CALCULATION		
	\$20.88	CURRENT RATES
	60.00	CUSTOMERS
	\$1,252.80	MONTHLY INCOME
	12.00	ANNUALIZE
	\$15,033.60	RECALC INCOME
	11,350.00	REPORTED INCOME
	\$3,683.60	DIFFERENCE