

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for) DOCKET NO. 951497-SU
purchased wastewater treatment) ORDER NO. PSC-95-1574-FOF-SU
pass-through rate adjustment in) ISSUED: December 20, 1995
Bay County by Forest Shores)
Utilities, Inc.)
_____)

The following Commissioners participated in the disposition of this matter:

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

ORDER APPROVING TARIFF

BY THE COMMISSION:

BACKGROUND

Forest Shores Utilities, Inc. (Forest Shores or utility) is a Class C wastewater utility, located in Bay County. Forest Shores provides wastewater service to 137 customers. It purchases wastewater treatment from the City of Callaway (City) and passes on the cost to its customers.

On November 17, 1995, the utility filed a request for a pass-through increase pursuant to Section 367.081(4)(b), Florida Statutes. In its application, Forest Shores submitted a copy of a letter from the City dated November 8, 1995. This letter states that, effective December 1, 1995, the City will increase the charge for purchased wastewater treatment. In its letter to us, Forest Shores stated that it did not receive the letter from the City until November 16, 1995. Therefore, Forest Shores requested that this case be expedited, so the increase in the cost of purchased wastewater treatment can be passed on to the users and not absorbed by the utility around the time the increase becomes effective. However, Section 367.081(4)(b), Florida Statutes, states that no rates can be "increased or decreased without hearing, upon verified notice to the Commission 45 days prior to its implementation. . ." Therefore, if we were to process this case under this Statute, the new rates could not be implemented before January 1, 1996.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

Due to the exigent circumstances in this case, including the late notice from the City, Forest Shores' application shall be processed as a tariff filing under Section 367.091, Florida Statutes. The tariff provision proposed by the utility, included in its original application, includes an increase for purchased wastewater treatment cost charged by the City.

Forest Shores' existing purchased wastewater cost is \$2,612.43 per month. Effective December 1, 1995, the cost will be \$3,512.68 per month. This results in an increase of \$900.25 per month, and \$10,803 annually. When this amount is grossed up to include regulatory assessment fees, the annual increase is \$11,312. The utility bills bi-monthly and the existing rates are \$59.31 per customer. Its annualized revenue based on existing rates is \$48,753.

The proposed increase in revenue will not cause Forest Shores to overearn. Therefore, we find it appropriate to approve Forest Shores' request to increase its bi-monthly rate from \$59.31 to \$73.07. The new charge contained in the revised tariff sheet shall become effective for service rendered on or after the stamped approval date on the revised tariff sheet pursuant to Rule 25-30.475(1), Florida Administrative Code, provided customers have received notice. The rates may not be implemented until proper notice has been received by the customers. The utility shall provide proof of the date notice was given within 10 days after the date of the notice. In the event a protest is filed within 21 days of the issuance of the Order, this tariff shall remain in effect with any increase held subject to refund pending resolution of the protest. If no timely protest is filed, this docket shall be closed upon expiration of the protest period.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that the proposed revised tariff sheet submitted by Forest Shores Utilities, Inc. is hereby approved. It is further

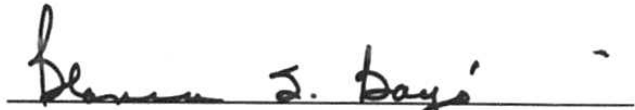
ORDERED that the new charge contained in the revised tariff sheet shall become effective on or after the stamped approval date of the revised tariff sheet, pursuant to Rule 25-30.475, Florida Administrative Code, provided the customers have received notice. It is further

ORDERED that in the event that a protest is filed within 21 days of the issuance of this Order, this tariff shall remain in effect with any increases held subject to refund pending the resolution of the protest. It is further

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ORDERED that in the event no timely protest is filed, then this docket shall be closed upon expiration of the protest period.

By ORDER of the Florida Public Service Commission, this 20th day of December, 1995.

A handwritten signature in black ink, appearing to read "Blanca S. Bayó", is written over a horizontal line.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

(S E A L)

MSN

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.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the action proposed files a petition for a formal proceeding, as provided by Rule 25-22.036(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a)(d) and (e), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on January 10, 1996.

In the absence of such a petition, this order shall become final on the day subsequent to the above date.

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 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 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 of the date this Order becomes final, 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.