

FLORIDA PUBLIC SERVICE COMMISSION
Capital Circle Office Center • 2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

M E M O R A N D U M

January 23, 1997

TO: DIRECTOR, DIVISION OF RECORDS AND REPORTING (BAYO)

FROM: DIVISION OF WATER & WASTEWATER (WASHINGTON) *[Handwritten initials]*
DIVISION OF LEGAL SERVICES (K. JOHNSON) *[Handwritten initials]*

RE: DOCKET NO. 961498-WU - W.B.B. UTILITIES, INC. - PETITION
FOR REVISED SERVICE AVAILABILITY AND INITIAL AFPI CHARGES
COUNTY: LAKE

AGENDA: FEBRUARY 4, 1997 - REGULAR AGENDA - DECISION ON
SUSPENSION OF RATES - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: 60-DAY SUSPENSION DATE: FEBRUARY 16, 1997

SPECIAL INSTRUCTIONS: S:\PSC\WAW\WP\961498WU.RCM

CASE BACKGROUND

W.B.B. Utilities, Inc. (W.B.B. or utility) is a Class C utility providing water service in Lake county. According to its December 31, 1995 annual report, the utility was serving 27 residential customers. During the twelve months ending December 31, 1995, the utility recorded operating revenues of \$10,034 and its recorded operating income was (\$4,155).

On December 18, 1996, the utility filed an application for authority to increase its service availability charges and initiate AFPI charges per Rules 25-30.565 and 25-30.434, Florida Administrative Code, respectively. The utility's present service availability charges were established in Docket No. 930656-WU, Order No. PSC-94-0236-FOF-WU, issued March 3, 1994. The test year for this proceeding is January 1 through December 31, 1996.

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

DOCKET NO. 961498-WU
DATE: January 23, 1997

DISCUSSION OF ISSUES

ISSUE 1: Should W.B.B. Utilities, Inc.'s proposed tariff to increase its service availability charges and initiate AFPI charges be suspended?

RECOMMENDATION: Yes, W.B.B. Utilities, Inc.'s proposed tariff to increase its service availability charges and initiate AFPI charges should be suspended pending further investigation by staff. (WASHINGTON, K.JOHNSON)

STAFF ANALYSIS: Pursuant to Section 367.091(5), Florida Statutes, the rate schedules proposed by the utility shall become effective within sixty (60) days after filing, unless the Commission votes to withhold consent to implementation of the requested rates.

The utility has requested approval of service availability charges of \$925 (main extension) and \$828 (system capacity) per ERC. The current charges are \$294 and \$282 per ERC for main extension and system capacity, respectively. Requested AFPI charges were calculated to cover non-used and useful plant using the PSC formulas and a 5-year cap for necessary upgrade of the system. The utility states that upgrading of the system was required to accommodate 48 additional ERCs.

Staff has reviewed the filing and has considered the proposed rates, the incremental CIAC thereby generated, and the information filed in support of the application. We believe it is reasonable and necessary to require further amplification and explanation of this data and to require production of corroborative information, if necessary. Our review of the utility's application will include further examination by staff accountants, engineers, and rate specialists. Therefore, staff recommends that the proposed tariffs to increase service availability charges and implement AFPI charges for W.B.B. Utilities, Inc. be suspended.