

Commissioners:

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



DIVISION OF WATER &
WASTEWATER
CHARLES HILL
DIRECTOR
(904) 413-6900

ORIGINAL
FILE COPY

Public Service Commission

June 17, 1997

Mr. Kirby D. Morgan, President
Kirby D. Morgan, Inc.
P. O. Drawer 2939
Lake City, FL 32056

Re: Docket No. 961332-SU, Application for a Staff Assisted Rate Case in Columbia County by Kirby D. Morgan, Inc.

Dear Mr. Morgan:

On June 10, 1997, the Commission voted on staff's recommendation dated May 29, 1997. A Proposed Agency Action (PAA) order is scheduled to be issued twenty days from the date of the Commission's vote. If no protests have been filed by the end of the protest period, which is 21 days from the date the PAA order is issued, the rates and charges approved by this Commission will become final. However, the utility must first submit revised tariff pages for staff's approval before the utility will be allowed to implement the rate changes.

ACK _____ In addition, staff has reviewed the utility's tariff and finds that only the rate schedules
AFA _____ need to be revised. In order to expedite the tariff revision process, the Utility should file
APP _____ all revised tariff pages by July 1, 1997, in order to allow sufficient time for staff to verify the
CAF _____ accuracy of revised pages. I have enclosed blank copies of the tariff pages to be revised for
CMU _____ filing.

CTR _____ A copy of the customer notice informing the utility's customers of the Commission's
EAG _____ approved increases must also be submitted for staff's review and approval. This notice
LEG _____ should show effective dates. After Staff approves this notice, it must be mailed to customers
LIN _____ for receipt prior to consumption at the increased rates.

OPC _____
RCH _____
SEC 1 _____
WAS _____
OTH _____

DOCUMENT NUMBER-DATE

06089 JUN 17 97

Letter to Mr. Kirby D. Morgan
June 17, 1997
Page Two

Please mail the revised tariff pages and a copy of the proposed customer notice to:

Roli Okome
Division of Water and Wastewater
Florida Public Service Commission
Capital Circle Office Center, Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Enclosed is a copy of accumulated plant, depreciation, CIAC and amortization of CICA schedules reflecting year end balance at December 31, 1996. The Commission approved these balances for rate setting purposes in this rate case. Please reconcile your books with the Commission approved accumulated balances shown on the enclosed schedules.

If you have additional questions, please call me at (904) 413-6920.

Sincerely,



Roli Okome
Regulatory Analyst

RO:roo

Enclosure(s)

cc: Division of Records and Reporting
Division of Water and Wastewater (Hill, Bethea, Edwards)
Division of Legal Services (K. Johnson)

RIBBY D. MORGAN, INC.
 DOCRET NO. 801332-SU
 ACCUM. DEP FOR WASTEWATER

ACCOUNT	DESCRIPTION	ORIGINAL COST PER UTILITY 12/31/88	ACCUM. DEP. BALANCE PER UTILITY 12/31/88	RATES PER COMB. RULE	DEPR. 12/31/88	ACCUM. DEPR. 1988	ADDITIONS 1988	PLANT 1988	DEPR. 12/31/88	ACCUM. DEPR. 1988	ADDITIONS 1989	PLANT 1989	DEPR. 12/31/89	ACCUM. DEPR. 1989	ADDITIONS 1990	PLANT 1990	DEPR. 12/31/90	ACCUM. DEPR. 1990	ADDITIONS 1991	PLANT 1991	DEPR. 12/31/91
351	Organizational Costs	0	0	0.0250	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
354	Structures & Improvement	18,123	0	0.0370	335	335	0	18,123	671	1,008	0	18,123	671	1,008	32,347	50,470	1,209	2,275	0	50,470	1,497
360	Collection Sewers - Force	3,008	0	0.0370	56	56	0	3,008	111	197	0	3,008	111	197	0	3,008	111	278	0	3,008	1,111
361	Collection Sewers - Gravity	25,086	0	0.0250	328	328	0	25,086	652	878	0	25,086	652	878	38,351	62,437	1,107	2,085	0	62,437	1,591
362	Special Collecting Structures	64	0	0.0270	1	1	0	64	2	3	0	64	2	3	0	64	2	4	0	64	1
364	Flow Measuring Devices	328	0	0.2000	33	33	0	328	65	66	0	328	65	66	0	328	65	65	0	328	65
380	Treatment & Disposal Equipment	2,393	0	0.0987	80	80	0	2,393	181	241	0	2,393	181	241	68,995	2,393	160	399	0	2,393	160
		80,000	0		830	830	0	80,000	1,881	2,491	0	80,000	1,881	2,491	68,995	110,888	2,713	5,204	0	110,888	3,785

ACCOUNT	DESCRIPTION	ADDITIONS 1982	PLANT 1982	DEPR. 12/31/82	ACCUM. DEPR. 1982	ADDITIONS 1983	PLANT 1983	DEPR. 12/31/83	ACCUM. DEPR. 1983	ADDITIONS 1984	PLANT 1984	DEPR. 12/31/84	ACCUM. DEPR. 1984	ADDITIONS 1985	PLANT 1985	DEPR. 12/31/85	ACCUM. DEPR. 1985	ADDITIONS 1986	PLANT 1986	DEPR. 12/31/86	ACCUM. DEPR. 1986	
351	Organizational Costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
354	Structures & Improvement	0	50,470	1,867	4,142	0	50,470	1,867	6,010	35,350	85,820	2,821	8,831	0	85,820	3,175	11,708	0	85,820	3,175	11,708	
360	Collection Sewers - Force	0	3,008	111	390	0	3,008	111	501	0	3,008	111	612	0	3,008	111	723	0	3,008	111	723	
361	Collection Sewers - Gravity	0	62,437	1,591	3,648	0	62,437	1,591	5,207	48,983	109,390	2,148	7,354	0	109,390	2,735	10,089	0	109,390	2,735	10,089	
362	Special Collecting Structures	0	64	2	6	0	64	2	6	0	64	2	10	0	64	2	11	0	64	2	11	
364	Flow Measuring Devices	0	328	65	228	0	328	65	293	0	328	65	359	0	328	65	424	0	328	65	424	
380	Treatment & Disposal Equipment	0	2,393	160	830	0	2,393	160	718	0	2,393	160	878	0	2,393	160	1,047	0	2,393	160	1,047	
		0	110,888	3,785	8,970	0	110,888	3,785	12,738	82,363	201,001	5,007	17,743	0	201,001	5,007	201,001	0	201,001	5,007	201,001	

ACCOUNT	DESCRIPTION	ADDITIONS 1989	PLANT 1989	DEPR. 12/31/89	ACCUM. DEPR. 1989	ADDITIONS 1990	PLANT 1990	DEPR. 12/31/90	ACCUM. DEPR. 1990	ADDITIONS 1991	PLANT 1991	DEPR. 12/31/91	ACCUM. DEPR. 1991
351	Organizational Costs	0	0	0	0	0	0	0	0	0	0	0	0
354	Structures & Improvement	0	85,820	3,175	14,862	0	85,820	3,175	14,862	0	85,820	3,175	14,862
360	Collection Sewers - Force	0	3,008	111	635	0	3,008	111	635	0	3,008	111	635
361	Collection Sewers - Gravity	34,348	143,738	3,164	13,253	0	143,738	3,164	13,253	0	143,738	3,164	13,253
362	Services to Customers	0	64	2	13	0	64	2	13	0	64	2	13
364	Recycling Works	0	328	65	489	0	328	65	489	0	328	65	489
380	Treatment & Disposal Equipment	54,348	235,628	178	1,225	0	235,628	178	1,225	0	235,628	178	1,225
		54,348	235,628	6,898	30,298	0	235,628	6,898	30,298	0	235,628	6,898	30,298

KIRBY D. MORGAN, INC.
 DOCKET NO. 901332-SU
 CIAC FOR WASTEWATER

ACCOUNT	DESCRIPTION	ORIGINAL COST PER UTILITY		RATES PER COMM. PER UTILITY	AMORT. 12/31/86	ACCU. AMORT. 12/31/86	ADDITIONS 1989	CIAC 1989	AMORT. 12/31/89	ACCU. AMORT. 12/31/89	ADDITIONS 1990	CIAC 1990	AMORT. 12/31/90	ACCU. AMORT. 12/31/90	ADDITIONS 1991	CIAC 1991	AMORT. 12/31/91
		12/31/88	12/31/88														
300	Collection Sewers - Force	3,008	0	0.0370	56	56	0	3,008	111	111	0	3,008	111	111	0	3,008	111
301	Collection Sewers - Gravity	20,086	0	0.0250	326	326	0	20,086	652	652	0	62,437	1,107	2,065	0	62,437	1,561
302	Special Collecting Structures	64	0	0.0270	1	1	0	64	2	2	0	64	2	4	0	64	2
304	Flow Measuring Devices	326	0	0.2000	32	32	0	326	65	65	0	326	65	163	0	326	65
		29,484	0		415	415	0	29,484	830	830	0	65,835	1,265	2,530	0	65,835	1,759

ACCOUNT	DESCRIPTION	ADDITIONS 1992	CIAC 1992	AMORT. 12/31/92	ACCU. AMORT. 12/31/92	ADDITIONS 1993	CIAC 1993	AMORT. 12/31/93	ACCU. AMORT. 12/31/93	ADDITIONS 1994	CIAC 1994	AMORT. 12/31/94	ACCU. AMORT. 12/31/94	ADDITIONS 1995	CIAC 1995	AMORT. 12/31/95	ACCU. AMORT. 12/31/95
301	Collection Sewers - Gravity	0	62,437	1,561	3,048	0	62,437	1,561	5,207	46,953	109,390	2,148	7,354	0	109,390	2,735	10,089
302	Special Collecting Structures	0	64	2	8	0	64	2	8	0	64	2	10	0	64	2	11
304	Flow Measuring Devices	0	65,835	1,759	4,269	0	65,835	1,759	293	46,953	112,788	2,326	8,335	0	112,788	2,913	11,248

ACCOUNT	DESCRIPTION	ADDITIONS 1996	CIAC 1996	AMORT. 12/31/96	ACCU. AMORT. 12/31/96
301	Collection Sewers - Gravity	34,348	143,738	3,164	13,253
302	Services to Customers	0	64	2	13
304	Flow Measuring Devices	34,348	147,136	3,342	14,590

KIRBY D. MORGAN, INC.

Docket No. 961332-SU



NAME: Priscilla Edmark

ADDRESS: Rt. 23, Box 1456, Eastside Village, Lake City, FL
32025

Due to the large number of people who are on fixed incomes that reside in Eastside Village, the PSC needs to keep this in mind when setting new rates. Medicine, which almost everyone is taking, is very expensive and most insurance policies do not provide the service of reduced or fixed amounts that are accepted by the Pharmacy. Also, most villager are over the age of 65 and are on Medicare. Eastside Village By-laws state no one under the age of 55 can live in the Village.

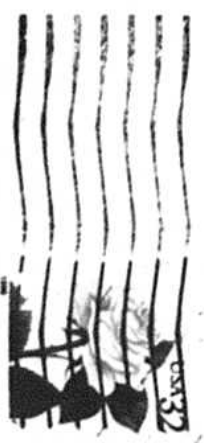
Kirby D. Morgan, Inc. is an office with only one secretary, who mostly does real estate. She may do some posting of sewer accounts on a computer, but no bills are sent out, no correspondence at all except perhaps a phone call when the villager has not paid their bill. Therefore, he has very little office expense for the sewer system. It was stated at the public meeting on April 15th, 1997, that the PSC had allowed Kirby D. Morgan, Inc. a \$10,000.00 office allowance. This is certainly not acceptable.

I do not believe he should have an earned return on his investment of 10.18%. Most people can not get a return of 10.18% on any kind of an investment today.

I would like to see the monthly Flat rate be less than the staffs Preliminary proposed rate of \$28.74.

I do hope you will reconsider your decision.

Imark
3, Box 1456
City, Fla. 32025



Florida Public Service Commission
Bureau of Consumer Information & Conservation
Education
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

32399-0850 01



Kirby D. Morgan, Inc

DOCKET NO. 961332-SU



Name Muriel & Joseph R. Lebeau

Address RT 23 Box 1457
Lake City 71 32025 8120

If you want to let the Public Service Commission know how you feel about this case, please fill out this comment form and return it by mail. It will be placed in the correspondence file of this docket.

CUSTOMER COMMENTS

We are both retired and are on Social Security a fixed income as most of us live here in East Side Village. As you know the Col amount of 2.9% increase does not keep up with most of everyday needs. Such as Home Ins. which is much higher than 2.9% Gas for auto and everyday living expenses. Now anything more than 2.9% is in excess of the cost of living and is not fair to us on fixed income. Please keep that in mind. We moved here in Eastside Village because we were led to believe it was a very inexpensive place to live, that is what we were told. And in the 3 years we have been here - everything has gone up at a much higher rate than the C.O.L.

Thank you
Mr & Mrs Joseph R. Lebeau

Fold and tape -- see back for address

JR Heberu

RT 23 Box 1467
Lake City, FL
32025-8120
CONSUMER AFFAIRS



Florida Public Service Commission
Bureau of Consumer Information and Conservation Education
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

32399 7019 01



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Kirby D. Morgan, Inc.

DOCKET NO. 961332-SU

Name IRENE + EDWARD C. L. LEBLANC

Address RT. 23 BOX 1365

LAKE CITY FL 32025

If you want to let the Public Service Commission know how you feel about this case, please fill out this comment form and return it by mail. It will be placed in the correspondence file of this docket.

CUSTOMER COMMENTS
LADIES + GENTLEMEN OF THE COMMISSION
SUB. KIRBY D. MORGAN INC
DOCKET # 961332-SU
I AM WRITING IN REGARDS TO THE SUBJECT,
WE RELOCATED TO EASTSIDE VILLAGE IN FEB OF 96 FROM
NORTHERN N. J.; SINCE THEN WE HAVE BEEN CONFRONTED
WITH MULTIPLE PROBLEMS CREATED BY MR. MORGAN. NOW
WE ADD ANOTHER VERY MAJOR PROBLEM.
"THE SPECIAL REPORT" HANDED OUT AT THE STAFF
MEETING ON APR. 15 th , LISTS "MR. MORGAN'S EXPENSE'S FOR
A YR. AT \$20,592 - (\$13 ⁰⁰ /mo.) THE STAFF RECOMMENDS
A FEE TO RAISE HIS REVENUE TO \$27,387 ⁰⁰ (A 133% INCREASE)
THIS FACTORS OUT TO A COST OF \$19.56/MO, NOT
\$1 28.74/MONTH.
THEN AS NEW HOMES ARE SOLD THE REVENUES WILL
CONTINUE TO RISE. AT A FULL CAPACITY OF 213 HOMES
ON THE SYSTEM THE GENERATION REVENUE AT \$13/M
WILL BE \$33,228 ⁰⁰ /YR. MORE THAN SUFFICIENT. TO COVER
OPERATING COSTS, MAINTANANCE + A REASONABLE RETURN ON

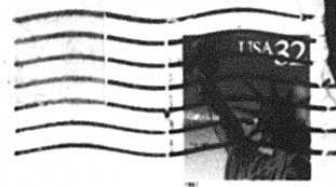
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MR. & MRS.

EDWARD C. L. LEBLAND

RT. 23 BX 1365

LAKE CITY FL 32025



Florida Public Service Commission
Bureau of Consumer Information and Conservation Education
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

32399-0850 01



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2

Kirby D. Morgan, Inc.

DOCKET NO. 961332-SU

Name _____

Address _____

RECEIVED
APR 30 1997
CONSUMER AFFAIRS

If you want to let the Public Service Commission know how you feel about this case, please fill out this comment form and return it by mail. It will be placed in the correspondence file of this docket.

CUSTOMER COMMENTS

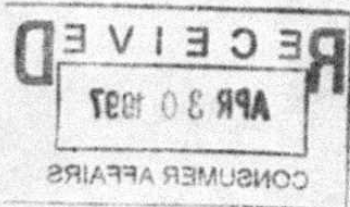
THE INVESTMENT.

YOUR FAVORABLE ASSISTANCE WITH THIS MATTER
IS MUCH APPRECIATED:

MR. & MRS. EDWARD L. LEBLANC
RT. 23 BOX 1365
LAKE CITY, FL 32025

Fold and tape -- see back for address

STAMP



Florida Public Service Commission
Bureau of Consumer Information and Conservation Education
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

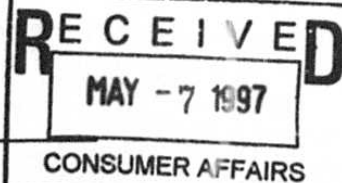
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Kirby D. Morgan, Inc.

DOCKET NO. 961332-SU



Name

Diana R. Butler

Address

R#23 Box 1430
Lake City, FL 32025

If you want to let the Public Service Commission know how you feel about this case, please fill out this comment form and return it by mail. It will be placed in the correspondence file of this docket.

CUSTOMER COMMENTS

5-1-1997

I am a single person; small lot, small house; one car; one check and facing things; medically going up. Food, utilities, flights to see family, etc.

My "cost of living" raise was eaten up by the raise in Medicare and medigap! My ability to work is gone because of health reasons.

I am looking for a raise of 133% or a 110% return on an imaginary investment, whichever comes first!
Really, be Real!

Thank you

Fold and tape -- see back for address