State of 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-

DATE: MARCH 18, 1999

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

FROM: DIVISION OF WATER AND WASTEWATER (CASEY, EDWARDS)
DIVISION OF LEGAL SERVICES (FERGUSON)

RE: DOCKET NO. 980726-WU - APPLICATION FOR STAFF-ASSISTED RATE CASE IN PASCO COUNTY BY DIXIE GROVES ESTATES, INC.
COUNTY: PASCO

AGENDA: MARCH 30, 1999 - REGULAR AGENDA - INTERESTED PERSONS MAY PARTICIPATE

CRITICAL DATES: NONE

SPECIAL INSTRUCTIONS: NONE

FILE NAME AND LOCATION: S:\PSC\WAW\WP\980726.RCM

CASE BACKGROUND

On June 9, 1998, Dixie Groves Estates, Inc. (Dixie Groves or utility) submitted an application for a staff-assisted rate case. Proposed Agency Action (PAA) Order No. PSC-99-0243-FOF-WU, was issued on February 9, 1999, granting new rates and charges for the utility.

On March 1, 1999, a customer of Dixie Groves, Ms. Ruth Broecker, filed a petition with signatures of other customers protesting PAA Order No. PSC-99-0243-FOF-WU, pursuant to Rules 25-22.029(4) and 25-22.036(7)(a) and (f), Florida Administrative Code, and this docket was set for hearing. The customer basically alleged that the utility's rate increase was too high. Staff contacted the customer on two separate occasions to obtain clarification as to whether she and the petition's signatories were protesting this matter and requesting that it be set for hearing. The customer indicated to staff via telephone and subsequently in writing that she and the signatories did not want a hearing in this

matter but wanted the Commission to know that they were displeased with the rate increase.

On March 15, 1999, the customer filed a letter stating that she did not want this matter set for hearing, and thereby was withdrawing her protest. This recommendation addresses the custome s withdrawal of her protest and making Order No. PSC-99-0243-FOF-WU final and effective.

DISCUSSION OF ISSUES

ISSUE 1: Should Ms. Broecker's Withdrawal of Protest of the proposed agency action by Order No. PSC-99-0243-FOF-WU be acknowledged and that order become final?

RECOMMENDATION: Yes, the Withdrawal of Protest of the proposed agency action by Order No. PSC-99-0243-FOF-WU should be acknowledged and that order should be made final and effective on March 30, 1999. (FERGUSON)

STAFF ANALYSIS: As stated in the case background, on March 15, 1999, Ms. Broecker, a customer of Dixie Groves, filed a Withdrawal of Protest of Proposed Agency Action Order No. PSC-99-0243-FOF-WU. Staff recommends that the Commission acknowledge the customer's Withdrawal of Protest and that Order No. PSC-99-0243-FOF-WU be made final and effective on March 30, 1999.

ISSUE 2: What is the appropriate disposition of the escrow agreement made between the Huntington National Bank in Pasco County, the Florida Public Service Commission, and Dixie Groves Estates, Inc., and what is the appropriate disposition of the funds being held in the escrow account?

RECOMMENDATION: The escrow agreement made between the Huntington National Bank in Pasco County, the Florida Public Service Commission, and Dixie Groves Estates, Inc. should be canceled. All funds in the escrow account, along with any interest earned by the escrow account, should revert to the utility. (FERGUSON, CASEY)

STAFF ANALYSIS: In the event of protest, Order No. PSC-99-0243-FOF-WU, issued February 9, 1999, allowed the utility to implement the PAA rates as temporary rates subject to refund, if the utility first provided security. In accordance with that Order, the utility submitted for approval an escrow agreement made between the Huntington National Bank in Pasco County, the Florida Public Service Commission, and Dixie Groves Estates, Inc. The Commission approved that agreement on March 10, 1999.

If the Commission acknowledges the withdrawal of the protest, and the finality of Order No. PSC-99-0243-FOF-WU, the escrow agreement should be canceled, and all funds in the escrow account, along with any interest earned by the escrow account, should revert to the utility.

ISSUE 3: Should this docket be closed?

RECOMMENDATION: Yes, if the Commission approves Issue 1 of this recommendation, no further action is necessary in this docket and the docket should be closed. (FERGUSON)

STAFF ANALYSIS: If the Commission approves Issue 1 of this recommendation, no further action is necessary in this docket and the docket should be closed.