

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of Florida Public Utilities)
Company, Fernandina Beach - Water)
Division, to increase its rates and charges)
_____)

Docket 990535-WU
Dated: July 19, 1999

ORIGINAL

**FLORIDA PUBLIC UTILITIES COMPANY'S
PETITION TO INCREASE ITS RATES AND CHARGES**

Florida Public Utilities Company, a Florida Corporation (hereinafter "Petitioner" or "Company"), being a Class "A" water utility, hereby presents the following Application pursuant to Section 367.081 and 367.0816, Florida Statutes, and Rule 25-30.436, et. seq., Florida Administrative Code, to increase its rates and charges for water service, and in support thereof, states:

1. The exact name and address of the principal business office of the Petitioner is:

Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, FL 33401

2. The name and address of the persons authorized to receive notices and communications in respect to this Petition are as follows:

George M. Bachman, Controller and
Assistant Treasurer
Florida Public Utilities Company
401 South Dixie Highway
West Palm Beach, FL 33401

Norman H. Horton, Jr., Esquire
Messer, Caparello & Self, P.A.
P.O. Box 1876
Tallahassee, FL 32302-1876
(850)222-0720 (Telephone)
(850)224-4359 (Telecopier)

3. Petitioner was incorporated by letters patent by the State of Florida on March 6, 1924 under the name of Palm Beach Gas Company. By subsequent amendment the name was changed to Florida Public Utilities Company on October 24, 1927. On April 25, 1929 the company was

DOCUMENT NUMBER-DATE

08535 JUL 19 99

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incorporated under the 1925 Florida Corporation Law and is continuing its corporate existence pursuant to the Florida Business Corporation Act. The stock ownership of the Company is detailed in Schedule G-3 attached hereto.

4. Petitioner's present water rates have been in effect since May 31, 1999 when petitioner received \$10,509 in annual rate relief through the Price Index Rate Adjustment (Section 367.081(4)(a), Florida Statutes). The last increase by means of a full rate adjustment proceeding was Commission Docket No. 860662-WU, Order No. 17441, issued April 20, 1987, and revenues were increased \$306,977.

5. Petitioner through its Fernandina Beach - Water Division is engaged in business as a Class "A" water utility pumping, distributing, and selling water to approximately 7,000 customers in the City of Fernandina Beach and surrounding areas in the County of Nassau, State of Florida.

6. A copy of the application is available for customer inspection from Patrick Foster, Fernandina Beach Division Manager, of the following address:

Florida Public Utilities Company
911 South 8th Street
Fernandina Beach, FL 32034

7. Petitioner requests that the Commission process this application for rate relief using the Proposed Agency Action provision in Section 367.081(8), Florida Statutes.

8. Increased utility operating costs, increased plant replacement costs, and the need for plant expansion and improvement projects due to significant population growth and new regulations (such as recent significant improvements to our #2 water works high service pump and building) have contributed to an inadequate rate of return. Additional significant system improvements

continue to be underway and are expected to be complete in 1999. The largest project involves improvements to our #1 Waterworks and is expected to cost over \$1,000,000. Also, in 2000 construction of a Water Plant #3 at the airport is expected to cost over \$1,000,000. All of these items have contributed to the projected inadequate rate of return.

9. The Petitioner requested in April 1999 permission to use the 12-month period ending December 31, 1998 as the historical base year projected to the twelve-month period ending December 31, 2000 as the test year for increasing rates and charges. The Chairman of the Commission has granted this request and assigned the proceeding Docket No. 990535-WU.

10. Petitioner is projected to earn a proforma return on its investment of approximately 4.65% as of December 31, 2000, and this return does not provide reasonable compensation to the Company's stockholders and is not sufficient to attract new capital.

11. Petitioner requests approval to increase its rates by the amount of \$649,855 per annum, which will allow a return of 9.10% on the allowable rate base.

12. In support of the increases in rates and charges, Petitioner attaches the following items and makes them part of this Petition:

- a. Filing Fee of \$4,500.
- b. Volume 1 - Minimum Filing Requirements (Financial, Rate and Engineering Information) for a Class A Water Utility required by Rule 25-30.436, 25-30.437, 25-30.438, and 25-30.4345 (16 copies). This also includes general information, and projection and allocation support details.
- c. Volume 2 - Additional Engineering Information required by Rule 25-30.440 (2 copies).

d. Volume 3 - Billing Analysis Schedules required by Rule 25-30.437(4) (2 copies).

e. Proposed Tariff sheets for each service classification in which any change is proposed as required by Rule 25-30.4385 (an original and 3 copies).

f. Affidavit signed by an officer of the utility that states the utility will comply with Rule 25-22.0407, Florida Administrative Code.

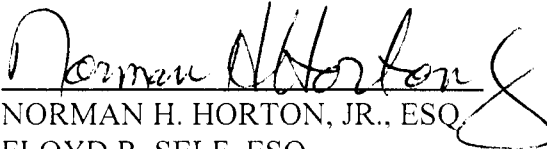
13. Since this Petition is submitted pursuant to Section 367.081(8), Florida Statutes, no direct testimony is required pursuant to Rule 25-30.436(2), Florida Administrative Code.

14. The company does not request interim relief in accordance with Section 366.071, Florida Statutes.

WHEREFORE, Florida Public Utilities Company respectfully requests that on the basis of this Petition and the information herein that the Commission utilize the PAA process permitted by Section 367.081, Florida Statutes, and approve the Petitioner's request for permanent increase in its water rates and charges in Nassau County by an amount of approximately \$649,855 per annum.

Respectfully submitted this 19th day of July, 1999.

MESSER, CAPARELLO & SELF, P.A.
215 S. Monroe Street, Suite 701
Post Office Box 1876
Tallahassee, FL 32302-1876
(850) 222-0720


NORMAN H. HORTON, JR., ESQ.
FLOYD R. SELF, ESQ.

Attorneys for Florida Public Utilities Company

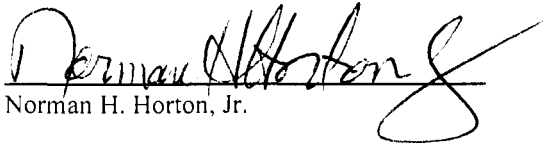
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that true and correct copies of the Florida Public Utilities Company's Petition to Increase its Rates and Charges in Docket No. 990535-WU have been served upon the following parties by Hand Delivery (*) and/or U. S. Mail this 19th day of July, 1999.

Ralph Jaeger, Esq.*
Division of Legal Services, Room 370
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

The Honorable Ron Sapp
Mayor of Fernandina Beach
City of Fernandina Beach
P.O. Box 668
Fernandina Beach, FL 32035-0668

The Honorable Pete Cooper
Chairman
Nassau County Board of County Commissioners
P.O. Box 1010
Yulee, FL 32097


Norman H. Horton, Jr.

Law Offices
Messer, Caparello & Self
 A Professional Association

215 South Monroe Street, Suite 701
 Post Office Box 1876

DEPOSIT DATE Tallahassee, Florida 32302-1876
D170 JUL 19 1999 Telephone: (850) 222-0720
 Telecopiers: (850) 224-4359; (850) 425-1942
 Internet: www.lawfla.com

July 19, 1999

BY HAND DELIVERY

Ms. Blanca Bayo, Director
 Division of Records and Reporting
 Room 110, Easley Building
 Florida Public Service Commission
 2540 Shumard Oak Blvd.
 Tallahassee, Florida 32399-0850

Re: Docket No. 990535-WU

Dear Ms. Bayo:

(08535-99)

Enclosed for filing in the above captioned docket are an original and fifteen copies of Florida Public Utilities Company's Petition to Increase its Rates and Charges in the above-referenced docket. A copy of the petition has been served on the Mayor of Fernandina Beach and the Chairman of the Nassau County Board of County Commissioners.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

FLORIDA PUBLIC UTILITIES CO.
 P.O. BOX 3395 WEST PALM BEACH, FLORIDA 33402-3395

CHECK NUMBER **121483** 63-115
 631

(VOID IF NOT CASHED IN 90 DAYS)

VENDOR NO.	DATE	AMOUNT
2171	7/15/1999	\$ *****4,500.00

PAY Four Thousand Five Hundred and 00/100 Dollars

TO THE ORDER OF
 FLORIDA PUBLIC SERVICE
 2540 SHUMARD OAK BOULEVARD
 TALLAHASSEE FL 32301

FLORIDA PUBLIC UTILITIES COMPANY

John J. English
Debra M. Burkma

SUNTRUST BANK, MID FLORIDA, N.A.
 WINTER HAVEN, FLORIDA

THE BACK OF THIS DOCUMENT CONTAINS A FLORIDA PUBLIC UTILITIES FACSIMILE WATERMARK • HOLD AT AN ANGLE TO VIEW • VOID IF NOT PRESENT

121483

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A Professional Association

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D170 **JUL 19 1999** Telephone: (850) 222-0720
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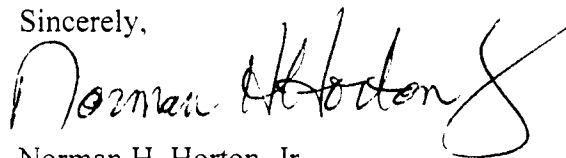
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Thank you for your assistance with this filing.

Sincerely,



Norman H. Horton, Jr.

NHH/amb

Enclosure

cc: Mr. George Bachman
Parties of Record



FLORIDA PUBLIC UTILITIES COMPANY
 P.O. BOX 3395 WEST PALM BEACH, FLORIDA 33402-3395

Check No 121483

Check Date 7/15/1999

PAYMENT ADVICE

CR071499 7/14/1999
 Message : FILING FEE RATE CASE \$4500

DESCRIPTION	DEBIT	CREDIT	AMOUNT PAID
	4,500.00	.00	4,500.00
Total	4,500.00	.00	4,500.00

DETACH BEFORE DEPOSITING

FLORIDA PUBLIC UTILITIES CO.

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121483

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 2540 SHUMARD OAK BOULEVARD
 TALLAHASSEE FL 32301

FLORIDA PUBLIC UTILITIES COMPANY

John J. English
Greg M. Palma

COMMERCIAL BANK (MEMBER FDIC) NEW YORK
 WITH ITS HEADQUARTERS IN FLORIDA

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⑈ 121483 ⑈

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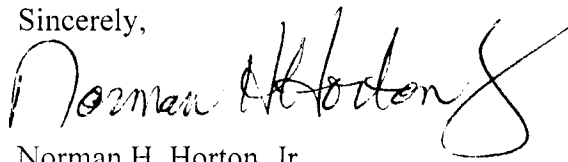
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Norman H. Horton, Jr.

AFA 1 of 8535, 8536, 8540
APP _____
CAF _____
CMU _____
CTR _____
EAG _____
LEG 1 of 8535, 8536, 8540
MAS 5 cc: Mr. George Bachman
OPC 1 Parties of Record
RRR _____
SEC 1
VAVW _____
OTH _____

Petition
DOCUMENT NUMBER-DATE

08535 JUL 19 99

RECORDS AND REPORTING

Volume 1 08536-99
Volume 2 08537-99
Volume 3 08538-99
tariffs 08539-99
affidavit 08540-99