

ORIGINAL

STATE OF FLORIDA

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DIVISION OF LEGAL SERVICES
NOREEN S. DAVIS
DIRECTOR
(850) 413-6199

Public Service Commission

June 15, 2000

Mr. George S. Flint
Hartman & Associates, Inc.
201 East Pine Street, Suite 1000
Orlando, Florida 32801

Re: Zellwood Station Co-op, Inc.
(1) Inflationary Price Index Adjustment
(2) Request for Waiver of Regulatory Assessment Fees

Dear Mr. Flint:

We have received your letter to Mr. Dan Hoppe dated May 23, 2000, requesting implementation of a price index adjustment for 1998, 1999, and 2000 for Zellwood Station Co-op, Inc. (Zellwood).

Section 367.081(4)(a), Florida Statutes, states that a utility "may implement an increase or decrease in its rates based upon application of the indices to the amount of the major categories of operating costs incurred by the utility during the *immediately preceding calendar year*" (emphasis added). Moreover, Rule 25-30.420(1), Florida Administrative Code, states that the "[a]pplications for the newly established price index will be accepted from April 1 of the year the index is established through March 31 of the following year." Therefore, Zellwood may only apply for the 2000 price index of 1.36% and apply it to 1999 operating costs.

In your letter, you also requested waiver of 1999, 2000, and 2001 regulatory assessment fees (RAFs). Section 367.145(1), Florida Statutes, states that "[t]he commission shall set by rule a regulatory assessment fee that each utility must pay once a year" The Commission cannot waive this statutory mandate to collect RAFs. Consequently, Zellwood must remit RAFs for 1999, 2000, and 2001.

We have also received your letter dated May 31, 2000, requesting a refund of the amount paid for 1999 RAFs. As stated above, the Commission cannot waive the statutory mandate to collect RAFs, nor the penalties and interest thereon. Consequently, Zellwood still owes \$.14 for sewer and \$744.72 (which includes penalties and interest) for water.

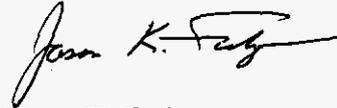
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Mr. L. Hall Robertson, Jr.
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Please be aware that the opinions contained herein are the informal opinions of the Division of Legal Services and in no way bind the Commission. Should you have additional questions, please feel free to contact me at (850) 413-6199.

Sincerely,



Jason K. Fudge
Staff Attorney

JKF/lw

cc: Division of Economic Regulation (Devlin, Iwenjiora)

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