

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for staff-assisted rate case in Lake County by Pennbrooke Utilities, Inc.

DOCKET NO. 001382-WS  
ORDER NO. PSC-02-1228-PCO-WS  
ISSUED: September 9, 2002

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON  
BRAULIO L. BAEZ  
MICHAEL A. PALECKI

ORDER GRANTING REQUEST FOR EXTENSION OF TIME TO COMPLETE PRO  
FORMA ADDITION TO PLANT

BY THE COMMISSION:

BACKGROUND

Pennbrooke Utilities, Inc. (Pennbrooke or utility) is a water and wastewater utility located in Lake County. The utility is a subsidiary of Leisure Communities Ltd., which is the company developing the service area. During the historic test year ending September 30, 2000, the utility provided service to approximately 670 residential customers, a golf course, and a restaurant. The utility's service area is a retirement community built around a golf course in the West Lake County area. The majority of the residents are seasonal and reside in the community only a portion of the year. All the residents' homes are individually metered.

On September 12, 2000, the utility filed an application for a staff-assisted rate case. By Order No. PSC-01-1246-PAA-WS, issued June 4, 2001, we approved an increase in the utility's rates and charges. A portion of the rate base approved included pro forma additions to the plant. The Order required the utility to complete the pro forma additions within 12 months of the effective date of the Order. The utility completed all the pro forma additions with the exception of the installation of a new hydro pneumatic tank. The utility provided our staff with the cost verification for the items completed. By letter dated July 31, 2002, the utility requested an extension of time to complete the installation of the new hydro pneumatic tank.

DOCUMENT NUMBER DATE

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FPSC-COMMISSION CLERK

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We have jurisdiction pursuant to Section 367.0814, Florida Statutes.

REQUEST FOR EXTENSION OF TIME

As stated above, the utility was given 12 months from the effective date of Order No. PSC-01-1246-PAA-WS to complete certain pro forma additions to its plant. After the 12 month period expired, our staff engineer visited the utility to verify the completion of these pro forma additions. During this visit, our staff engineer discovered that the utility had not installed the new hydro pneumatic tank that was a part of the pro forma additions approved by the Order. The tank was requested by the utility to account for future growth, and the cost of the tank was included in the calculation of the utility's rates.

According to the utility, Pennbrooke hired an engineer to begin the process of installing the tank. At the time of our staff engineer's visit, the utility's engineering analysis was not complete and it was not clear to our staff engineer whether the utility would install the tank. He instructed the utility that it should request an extension of time if additional time was necessary to install the tank.

Our staff filed a recommendation on July 23, 2002, for the August 6, 2002, agenda conference, recommending that the utility's rates be reduced to remove the cost of the pro forma plant not completed. However, by letter dated July 31, 2002, the utility responded to the staff recommendation, stating that the utility's engineering analysis was just recently completed. The utility stated that its engineer recommended that the utility proceed with the installation of the hydro pneumatic tank and that it intends to follow its engineer's recommendation.

The utility stated two reasons for the delayed engineering evaluation: (1) its engineer was assigned to study a low pressure problem in the community and recommend a solution, and (2) the utility was in the process of studying whether to remodel the water distribution system and the treatment plant. The utility states that it expects to complete the remaining plant improvement by November 30, 2002.

In the letter, the utility requested an extension of time, until November 30, 2002, to complete the installation of the hydro pneumatic tank. Because the utility has completed all of the other required pro forma additions and has a plan to complete the installation of the hydro pneumatic tank, we find that the utility's request for extension of time is reasonable, and it is hereby granted. If the utility fails to complete the pro forma addition by November 30, 2002, our staff will bring a recommendation for our consideration addressing the reduction in rates associated with the pro forma addition.

DOCKET TO REMAIN OPEN

This docket shall remain open to allow the utility additional time to complete the pro forma plant addition. If the utility completes the pro forma plant addition by November 30, 2002, this docket shall be closed administratively upon our staff's verification that the new hydro pneumatic tank has been installed.

Based on the foregoing, it is

ORDERED that Pennbrooke Utilities, Inc.'s request for extension of time to complete the pro forma addition to its plant is hereby granted. It is further

ORDERED that Pennbrooke Utilities, Inc., shall have until November 30, 2002, to complete the installation of the new hydro pneumatic tank. It is further

ORDERED that this docket shall remain open to allow the utility additional time to complete the pro forma plant addition. If the utility completes the pro forma plant addition by November 30, 2002, this docket shall be closed administratively upon Commission staff's verification that the new hydro pneumatic tank has been installed.

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By ORDER of the Florida Public Service Commission this 9th day  
of September, 2002.

BLANCA S. BAYÓ, Director  
Division of the Commission Clerk  
and Administrative Services

By: Kay Flynn  
Kay Flynn, Chief  
Bureau of Records and Hearing  
Services

( S E A L )

SMC

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

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Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code, if issued by a Prehearing Officer; (2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of the Commission Clerk and Administrative Services, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.