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Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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COMMISSION
CLERK

-M-E-M-O-R-A-N-D-U-M-

DATE: August 27, 2004

TO: Braulio L. Baez, Chairman

FROM: Timothy J. Devlin, Director, Division of Economic Regulation *TD*
Mary Anne Helton, Attorney Supervisor, Office of the General Counsel *MAH*

RE: Docket No. 040972-SU - Application of Ranch Mobile WWTP, Inc. for an increase in wastewater rate in Pasco County - Test Year Approval

By letter dated August 23, 2004, Ranch Mobile WWTP, Inc. (Ranch Mobile) has requested approval to use a historical base year ended December 31, 2003 and a projected test year ended December 31, 2004 for a wastewater only rate case filing. The company has indicated it will experience increased plant costs in the future. Further, the utility will file its application using the Proposed Agency Action provision in Section 367.081(8), Florida Statutes.

Ranch Mobile's annual revenues are above \$150,000 and therefore the utility does not meet the statutory threshold for a staff assisted rate case. Ranch Mobile states that it will experience plant costs in 2003 and 2004 due to a sewer line rehabilitation capital project. Actual cost incurred in 2003 was \$42,974; with projected costs in 2004 of \$304,318. Further, the City of Largo has adjusted a rate increase upward, effective October 1, 2004 for all service billed.

By Order No. 24888, issued August 7, 1991, the Commission approved the utility's present rates and charges. Staff believes that the requested test year will be representative because of the reasons stated above. Staff has reviewed the utility's annual reports for the calendar years 2002 through 2003. Based on our review, we believe that the requested test year should be approved. Receipt of the application upon approval of the test year will be acceptable.

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The test year letter filename is I:\PSC\WAW\WP\RANCHMOBILE.DOC

Charles H. Hill, Deputy Executive Director/Technical
Division of Economic Regulation (Willis, Rendell)
Office of the General Counsel (Helton)
Division of Commission Clerk and Administrative Services
Sandy Moses

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

BRAULIO L. BAEZ
CHAIRMAN

STATE OF FLORIDA



CAPITAL CIRCLE OFFICE CENTER
2540 Shumard Oak
Boulevard
Tallahassee, FL 32399-0850
(850) 413-6042

Public Service Commission

August 27, 2004

Charles A. Wilson, C.P.A., P.A.
2364 Sunset Point Road
Clearwater, FL 33765

Re: Application for an increase in wastewater rates by Ranch Mobile WWTP, Inc. in Pasco County

Dear Mr. Wilson:

We have received your letter dated August 23, 2004, requesting approval for Ranch Mobile WWTP, Inc. (Ranch Mobile) to use an historical base year ended December 31, 2003 and a projected test year ended December 31, 2004 for final rates. It is my understanding that the utility will file its application using the Proposed Agency Action (PAA) provision in Section 367.081(8), Florida Statutes. The utility's test year request as outlined above is hereby approved. You should also be aware that if you do not elect to request the PAA process in your application, prefiled direct testimony must be filed with the minimum filing requirements (MFRs).

For administrative purposes only, Docket No. 040972-SU has been assigned to the forthcoming case. Your petition will be deemed filed on the date that the Division of Commission Clerk and Administrative Services receives the complete petition, revised tariff sheets, the MFRs, testimony (if not requesting PAA), and the filing fee. I understand that the utility is prepared to file its MFRs upon test year approval. Therefore, the MFRs should be received by September 10, 2004. Because of the difficulty in scheduling hearing dates, it is not anticipated that an extension of this filing will be granted.

Under the file and suspend law, the time period for processing the request will begin on the date that all of the required data is completely filed. If not complete, the official filing date will be the date the complete corrections to the deficiencies are filed.

Charles A. Wilson, C.P.A., P.A.
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August 27, 2004

The utility is instructed to file all information it wishes the Commission to consider when arriving at a decision on its rate case application with its original filing. Because of the time limitations contained in Section 367.081, Florida Statutes, and the lengthy auditing and investigation required, information not filed with the original application may not be considered.

Sincerely,

Braulio Baez
Chairman

BB:wtr

cc: Dr. Mary Bane
Charles H. Hill
Division of Economic Regulation (Willis, Rendell)
Office of the General Counsel (Helton)
Division of Commission Clerk and Administrative Services
Harold McLean, Office of Public Counsel