

State of Florida



## Public Service Commission

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

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**DATE:** October 7, 2004

**TO:** Director, Division of the Commission Clerk & Administrative Services (Bayó)

**FROM:** Division of Economic Regulation (Merta)  
Office of the General Counsel (Vining, McAuliffe)

**RE:** Docket No. 040972-SU – Application for rate increase in Pinellas County by Ranch Mobile WWTP, Inc.

**AGENDA:** 10/19/04 – Regular Agenda – Decision on Suspension of Rates - Participation is at the Commissioners' Discretion

**CRITICAL DATES:** 60-Day Suspension Date: 10/29/04

**SPECIAL INSTRUCTIONS:** None

**FILE NAME AND LOCATION:** S:\PSC\ECR\WP\040972.RCM.DOC

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### Case Background

Ranch Mobile WWTP, Inc. (Ranch Mobile or utility) is a Class C utility which provides wastewater service to three customers who are mobile home parks. The utility purchases wastewater treatment services from the City of Largo.

This proceeding commenced on August 30, 2004, with the filing of a petition for a permanent rate increase by Ranch Mobile. The utility requested a 35.85% increase or \$66,489 in additional annual revenues. The utility based its request on a projected test year ending December 31, 2005. The Commission last granted Ranch Mobile a \$3,005 rate increase by Order No. 24888, issued August 7, 1991, in Docket No. 900246-SU, In re: Application for a staff-assisted rate case in Pinellas County by Ranch Mobile WWTP, Inc.

Pursuant to Section 367.081(8), Florida Statutes, the utility requested that the Commission process its petition for rate relief using Proposed Agency Action (PAA) procedures. Under that section, the Commission must enter its vote on the PAA within five months of the date on which a complete set of minimum filing requirements (MFRs) is filed with the

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Commission. The official date of filing is September 22, 2004. The Commission has jurisdiction over this request for a rate increase under Section 367.081, Florida Statutes.

The utility did not request interim rates. This recommendation addresses the suspension of Ranch Mobile's requested rates.

**Discussion of Issues**

**Issue 1:** Should the utility's proposed wastewater rates be suspended?

**Recommendation:** Yes. Ranch Mobile's proposed wastewater rates should be suspended. The docket should remain open pending the Commission's final action on the utility's requested rate increase. (Merta, Vining, McAuliffe)

**Staff Analysis:** Section 367.081(6), Florida Statutes, provides that the rates proposed by the utility shall become effective within sixty days after filing unless the Commission votes to withhold consent to implementation of the requested rates. Further, Section 367.081(8), Florida Statutes, permits the proposed rates to go into effect (secured and subject to refund) at the expiration of five months if: (1) the Commission has not acted upon the requested rate increase; or, (2) if the Commission's PAA action is protested by a party other than the utility.

Staff has reviewed the filing and has considered the proposed rates, the revenues generated thereby, and the information filed in support of the rate application. Staff recommends that it is reasonable and necessary to require further amplification and explanation of this data, and to require production of additional and/or corroborative data. This further examination will include on-site investigations by staff accountants and engineers. Based on the foregoing, staff recommends that it is appropriate to suspend the utility's proposed rate increase.

The docket should remain open pending the Commission's final action on the utility's requested rate increase.