

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for a limited)	DOCKET NO. 910072-WU
proceeding rate increase in Volusia)	ORDER NO. 24657
County by TOMOKA WATER WORKS, INC.)	ISSUED: 6/11/91
_____)	

The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman
 J. TERRY DEASON
 BETTY EASLEY
 GERALD L. GUNTER
 MICHAEL MCK. WILSON

NOTICE OF PROPOSED AGENCY ACTION

ORDER GRANTING PETITION FOR
LIMITED PROCEEDING INCREASE
IN WATER RATES

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for formal proceedings pursuant to Rule 25-22.029, Florida Administrative Code.

Tomoka Water Works, Inc. (utility) is a Class C water utility operating in Volusia County. The utility has approximately 255 water customers. Based on the 1989 Annual Report on file with the Commission, the utility reported operating revenue of \$27,344 for 1989 with an operating loss of \$5,176. In the utility's last rate case, by Order No. 21674, issued August 3, 1989, the Commission authorized the utility a return on equity of 12.19%, with an overall rate of return of 11.85%.

The Department of Environmental Regulation (DER) has required the utility to install an auxiliary generator, with automatic start-up capabilities. On January 18, 1991, the utility filed an application for a limited proceeding rate increase for water

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service provided to the public. By letter dated January 30, 1991, the utility was notified of several deficiencies in its application. On March 22, 1991, the utility filed additional data that corrected the deficiencies. As a result, March 22, 1991, was established as the official filing date for the utility's petition for a limited proceeding. Since the operational cost increase has a substantial effect on the utility's ability to recover its expenses and earn a fair rate of return on its investment from its existing rates, the utility seeks relief in a limited proceeding under Section 367.0822, Florida Statutes.

As part of the petition for a limited proceeding, the utility submitted invoices detailing the cost of the generator installed to correct the deficiency identified by DER. On April 8, 1991, the utility provided additional invoices supporting the power costs to operate the generator. The invoices indicated that the utility paid for: one used generator and the delivery of the used generator; two hours of professional electrical consultation; the labor in forming a slab for the generator as well as to move and set up the generator; concrete needed to form the slab; labor to finish the concrete for the generator; materials and labor to connect the generator; the refinishing and painting of the gas tanks for the generator; the removal and replacement of the fence at the pump house in order to install the generator; and PVC piping, use of three and one-half hours of water truck air compressor pump, twelve bags of cement and the fee for Volusia County Permit No. 900606037. The utility also submitted three invoices representing the amount of gas that the generator used monthly. Upon review of the invoices, we find the costs to be reasonable.

The utility requested an increase of \$1,119 in annual revenue, which results in an increase to rates of 2.74%. Upon consideration of the information before us, we approve the increase requested in the petition.

The rates, set forth below, are designed to recover the additional revenues approved herein. We find the increased rates to be fair, just, and reasonable. Further, the utility must file revised tariffs which reflect the approved rates contained herein and a proposed customer notice.

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WATER

RESIDENTIAL AND GENERAL SERVICE RATES
MONTHLY RATES

<u>METER SIZE</u>	<u>EXISTING RATE</u>	<u>APPROVED RATE</u>
5/8" x 3/4"	\$ 3.57	\$ 3.67
1"	8.93	9.17
1-1/2"	17.86	18.35
2"	28.57	29.35
Gallage Charge: Per 1,000 Gallons	\$ 1.05	\$ 1.08

The newly approved rates are effective for meter readings taken on or after thirty (30) days from the stamped approval date on the revised tariff. The revised tariff will be approved upon our staff's verification that the tariffs are consistent with our decision in this Order, the protest period has expired, and the proposed customer notice is adequate.

It is therefore,

ORDERED by the Florida Public Service Commission that the provisions of this Order, issued as proposed agency action, shall become final unless an appropriate petition in the form provided by Rule 25-22.029, Florida Administrative Code, is received by the Director, Division of Records and Reporting, at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the date set forth in the Notice of Further Proceedings below. It is further

ORDERED that the petition for a limited proceeding water rate increase by Tomoka Water Works, Inc. is granted. It is further

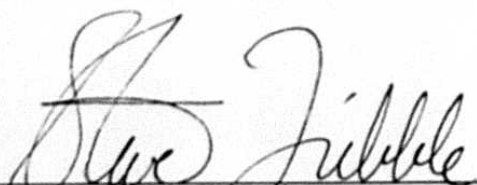
ORDERED that the increased water rates approved herein shall be effective for meter readings taken on or after thirty (30) days from the stamped approval date on the revised tariff sheets. It is further

ORDERED that the revised tariff sheets will be stamped approved if verified by staff as being consistent with the Commission's decision and upon review of the customer notice. It is further

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ORDERED that in the event no timely protest to this Order is received, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this
11th day of JUNE, 1991.



STEVE TRIBBLE, Director
Division of Records and Reporting

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on July 2, 1991.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.