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TELEPHONE (904) 222-2525
FAX (904) 222-5006

May 1, 1997

HAND-DELIVERED

Blanca S. Bayo, Director
Division of Records and Reporting
Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0870

970521-ws

Re: Application of Betmar Utilities, Inc. for a Limited Proceeding

Dear Ms. Bayo:

Enclosed for filing and distribution are the original and fifteen copies of a petition and the original and four copies of the Application of Betmar Utilities, Inc. for a Limited Proceeding. I will send you five more copies of the application next week. A check in the amount of \$2,000.00 for the application fee is also enclosed.

Please acknowledge receipt of the petition and application on the extra copies enclosed herein and return them to me. Thank you for your assistance.

Sincerely,


Vicki Gordon Kaufman

VGK/pw
Encls.

DOCUMENT NUMBER-DATE

04371 MAY-16

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for Limited)
Proceeding by Betmar Utilities, Inc.)
in Pasco County.)
_____)

Docket No. 970521-WS

Filed: May 1, 1997

APPLICATION OF BETMAR UTILITIES, INC. FOR A LIMITED PROCEEDING

Applicant, Betmar Utilities, Inc. (Betmar or Applicant), through its undersigned counsel, pursuant to section 367.0822, Florida Statutes, files this application for a limited proceeding to increase its Base Facility charges and Gallonage rates for water service provided to the public in Pasco County based upon the Department of Environmental Protection's (DEP) requirements that Betmar increase the hours that its water treatment plant operators are on duty and that it modify certain portions of its water supply and treatment facilities. Additionally, Betmar requests an increase in its Base Facility Charges and a decrease in its Gallonage rates for wastewater service in order to correct a calculation error inadvertently made by the Florida Public Service Commission (Commission) in its last rate case and to provide for an emergency stand-by generator. Applicant is a Class B water and wastewater utility as defined by rule 22-30.110(4), Florida Administrative Code.

1. The name and address of the Applicant is: Betmar Utilities, Inc.

Mailing Address: Post Office Box 370
Port Richey, Florida 34673

Physical Address: 9828 U.S. Highway 19
Port Richey, Florida 34673

2. All pleadings, correspondence and orders should be addressed to:

DOCUMENT NUMBER-DATE

04371 MAY-15

FPSC-RECORDS/REPORTING

Joseph A. McGlothlin
Vicki Gordon Kaufman
McWhirter, Reeves, McGlothlin, Davidson, Rief & Bakas
117 South Gadsden Street
Tallahassee, Florida 32301

3. Betmar is a water and wastewater utility as defined by section 367.021(12), Florida Statutes. Except as provided in section 367.081(4), Betmar's rates and charges may not be changed without Commission approval.

4. On November 27, 1996, Betmar entered into a Consent Order with DEP. This Order required that Betmar modify its water supply and treatment facilities. A copy of the Consent Order between Betmar and DEP is part of the application in Section I, Pages 7-15. Betmar seeks to recover the reasonable and necessary engineering, legal and consulting costs associated with the Order, the required modifications and the resultant rate changes.

5. The Consent Order also required Betmar to install an emergency generator, as required by rule 62-555.320(6), Florida Administrative Code, so that water service would not be interrupted in the event of a power failure. Since Betmar can no longer purchase emergency water from Pasco County and/or the City of Zephyrhills, in the event of a power outage Betmar would be unable to deliver water service to its customers. In addition, Betmar has leased a portable generator for its sewer lift stations to solve the same problem that the emergency water generator remedies; that is, if there should be a loss of power, the generator would permit Betmar to continue to provide wastewater service to its customers. Betmar seeks to recover the cost of leasing the generators and the ancillary costs associated with them

(i.e. insurance, etc.).

6. Finally, in Betmar's last rate case (Docket No. 941280-WS, Order No. PSC-95-1437-FOF-WS, issued November 27, 1995), an error in the total allowable O&M expense calculation was made. A formula error did not include a proposed reduction to the contract services expense. The detail of the correction is shown in Section III, Pages 135-136 of the application. The Staff adjustment has been recognized in this application and reduces the requested water and wastewater revenue increase.

7. Attached hereto is a bound booklet titled "Betmar Utilities, Inc., Limited Proceedings Application, Test Year Ended December 31, 1996," which includes the appropriate schedules and exhibits which provide an explanation of the requested changes. The General Section includes the Proposed Notice to Customer, Betmar's Affirmation, Proposed Revised Tariff Sheets and other information and documents related to this application.

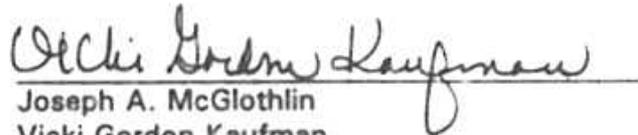
8. Rather than pursue a full rate case to make the limited adjustments described above, Betmar requests that these changes in rates be recognized in a limited proceeding pursuant to the Commission's authority in section 367.0822.

9. At this time, there are no known disputed issues of material fact in this matter.

10. Betmar has submitted with this application a check in the amount of \$2,000.00 as the required filing fee for this application in accordance with rule 25-30.020(2)(g), Florida Administrative Code.

11. Betmar requests that the Commission consider the information attached hereto and approve this application for limited proceeding and the rates calculated in Schedules attached hereto on a permanent basis in an expeditious manner.

WHEREFORE, Betmar requests that its application for a limited proceeding be granted.



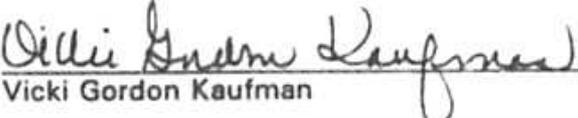
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Telephone: (904) 222-2525

Attorneys for Betmar Utilities, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of **Betmar's Application for Limited Proceeding** has been furnished to the following by (*) hand delivery or by U.S. Mail this **1st day of May, 1997**:

*Lila Jaber
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Gunter Building, Room 370
Tallahassee, FL 32399-0850



Vicki Gordon Kaufman