

State of Florida



Public Service Commission

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

DATE: August 18, 1997
TO: Julia L. Johnson, Chairman
FROM: Charles H. Hill, Director, Division of Water and Wastewater
Lila Jaber, Bureau Chief, Division of Legal Services
RE: Docket No. 971065-SU, Application of Mid-County Services, Inc.
for an Increase in Wastewater Rates in Pinellas County - Test Year
Approval

By letter dated August 5, 1997, Mid-County Services, Inc. (MCSI) has requested approval to use an historic test year ended December 31, 1996. The company has indicated that they will also be requesting an interim increase using the same test year.

MCSI states the reason for filing this case is that the current rates being charged will not provide a fair rate of return on their investment. The major reason for the rate increase appears to be the relocation of sanitary sewer lines. Although some of the line relocations will not be completed until 1997, MCSI intends to proforma them into rate base as they are not revenue producing plant additions. The company believes that this is the most economical method of recovering the relocation costs since they do not add capacity.

Staff believes, given the circumstances, 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 1994 through 1996. Based on our review, we believe that the requested test year should be approved. Receipt of the application by November 21, 1997, will be acceptable.

The test year letter filename is S:\PSC\WAW\WP\MCSI.MWW

c: Dr. Mary Bane, Deputy Executive Director/Technical
Division of Water and Wastewater (Willis, Crouch, Merchant, Rendell)
Division of Legal Services
Division of Records and Reporting
Nanette Fisher

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

STATE OF FLORIDA

JULIA L. JOHNSON
CHAIRMAN



CAPITAL CIRCLE OFFICE CENTER
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0854
(850) 413-6044

Public Service Commission

August 19, 1997

Mr. Frank P. Garcia
Mid-County Services, Inc.
2335 Sanders Road
Northbrook, Illinois 60062-6196

RE: Docket No. 971065-SU, Application of Mid-County Services, Inc. for Increased Wastewater Rates in Pinellas County - Test Year Approval

Dear Mr. Garcia:

We have received your letter dated August 5, 1997, requesting approval to use an historic test year ended December 31, 1996. Your letter also indicates that you wish to use the same year for interim rate purposes. Your test year request as outlined above is hereby approved. You should also be aware that prefiled direct testimony must be filed with the minimum filing requirements if you do not elect to request the proposed agency action process.

For administrative purposes only, Docket No. 971065-SU has been assigned to the forthcoming case. Your petition will be deemed filed on the date that the Division of Records and Reporting receives the complete petition, revised tariff sheets, the minimum filing requirements, testimony (if not requesting PAA) and the filing fee. To minimize any regulatory lag that may occur, we request that you file the above no later than November 21, 1997. Because of the difficulty in scheduling hearing dates it is not anticipated that an extension of this filing date 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. 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. Lastly, the utility should be prepared to justify all increased operation and maintenance expenses, particularly those in excess of customer growth and inflation since the utility's last rate case.

Mr. Frank P. Garcia
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Sincerely,

Julia L. Johnson
Chairman

cc: Commissioners
Mr. Talbott
Dr. Bane
Nanette Fisher
Division of Records and Reporting
Division of Legal Services (Jaber)
Division of Water and Wastewater (Willis)
Jack Shreve, Office of Public Counsel
Richard Melson