

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of Wedgefield Utilities, Inc.)
for an Increase in Water Rates and Charges in)
Orange County, Florida)

DOCKET NO. 991437-WU

Filed: November 12, 1999

PETITION BY WEDGEFIELD UTILITIES, INC.
FOR INTERIM AND PERMANENT INCREASE
IN ITS WATER RATES AND CHARGES

Wedgefield Utilities, Inc., a Florida Corporation (hereinafter "Petitioner" or "Company"), being a Class "B" water and wastewater utility, hereby submits the following Application pursuant to Sections 367.081 and 367.082, Florida Statutes, and Rule 25-30.436, et. seq., Florida Administrative Code, to increase its rates and charges for water service, and in support thereof, states:

1. The exact name and address of the principal business office of the Petitioner is:

Wedgefield Utilities, Inc.
200 Weathersfield Avenue
Altamonte Springs, FL 32714

2. The name and address of the persons authorized to receive notices and communications in respect to this Petition are as follows:

Mr. Carl Wenz
Utilities, Inc.
2335 Sanders Road
Northbrook, IL 60062-6196
(847)498-6440 (Phone)
(847)498-6498 (Fax)

Ben Girtman, Esq.
1020 E. Lafayette St.
Suite 207
Tallahassee, FL 32301
(850)656-3232 (Phone)
(850)656-3233 (Fax)

3. Petitioner was incorporated in the State of Florida on January 23, 1996, and in a wholly owned subsidiary of Utilities, Inc., which was incorporated in the State of Illinois in 1965.

4. The Commission previously considered and set rate base for the water and wastewater systems in Docket No. 840368-WS, Order No. 15459 issued December 18, 1985, based on an application by the previous owner, Econ Utilities Corporation. In Docket No. 871208-WS, Order No. 20270, issued November 7, 1988, the Commission approved a stipulation authorizing Econ to increase rates in two steps. The last step became effective in 1991 simultaneously with the implementation of the 1991 pass-through and indexing increase.

In Order No. PSC-96-1241-FOF-WS issued October 7, 1996, the Commission issued its final agency action approving the transfer of the utility from Econ Utilities Corporation to Wedgefield Utilities, Inc. and ordering Wedgefield to continue to charge the rates and charges approved in Econ's tariff. On August 12, 1998, the Commission issued its final agency action approving rate base for purposes of transfer in Order No. PSC-98-1092-FOF-WS. Petitioner's present rates are those approved in Order No. PSC-96-1241-FOF-WS, as adjusted through Price Index Adjustments (Section 367.081(4)(a), Florida Statutes), the last of which was effective August 17, 1998.

5. Petitioner is engaged in business as a Class "B" water utility, pumping, distributing, and selling water to approximately 840 ERCs in the Wedgefield community in Orange County, Florida.

6. A copy of the application is available for customer inspection in the service area at:

Wedgefield Gulf Country Club
20550 Maxim Parkway
Orlando, FL 32833

A copy of the application is also available for customer inspection from Mr. Don Rasmussen, Vice President, Utilities, Inc. of Florida, at the following address:

Wedgefield Utilities, Inc.
200 Weathersfield Avenue
Altamonte Springs, FL 32714

7. Petitioner requests that the Commission process this application for rate relief using the Proposed Agency Action Procedure in Section 367.081(8), Florida Statutes.

8. Inadequate initial rates at the time of transfer, utility operating costs, plant replacement costs, and the need for plant expansion and improvement due to population growth and new regulations have contributed to an inadequate rate of return. Major water plant improvements in recent months include the replacement of an underground diesel fuel storage tank, the replacement of internal resin for water softeners and the acquisition of a parcel of land for the current water treatment plant. This purchase of land was approximately \$19,000 and was completed post-test year in September, 1999. Necessary pro forma adjustments have been made to the test year for known and measurable changes in expenses and rate base. Over 750 ERCs have been added and \$2 million in plant addition have been made since rate base was last set in 1985. All of these items have contributed to the projected inadequate rate of return.

9. By letter dated October 4, 1999 the Petitioner requested permission to use the 12-month period ending June 30, 1999 as the historical base year and test year for increasing rates and charges. The Commission Chairman has granted this request and assigned the proceeding Docket No. 991437.

10. Petitioner has earned a return on its investment of approximately 2.40% for

the adjusted 12-month period ending June 30, 1999, and this return does not provide reasonable compensation to the Company's stockholders and is not sufficient to attract new capital for Wedgefield Utilities, Inc.

11. Petitioner requests approval to increase its rates by the amount of \$121,067 per annum, which will allow a return of 8.32% on the allowable rate base.

12. In support of the increases in rates and charges, Petitioner attaches the following items and makes them part of this Petition:

- a. Filing Fee of \$2,000.00.
- b. Minimum Filing Requirements (Financial, Rate, Engineering Information, and Billing Analysis) for a Class B Water Utility, required by Rules 25-30.436, 25-30.437, 25.30.437(4) 25-30.438, and 25-30.4345 (16 copies). This also includes general information, and projection and allocation support details.
- c. Additional Engineering Information, required by Rule 35-30.440 (2 copies).
- d. Water Service Corporation, Distribution of Expenses, Year End 1998, required by Rule 25-30.436(4)(h) (3 copies).
- e. Proposed Tariff sheets for each service classification in which any change is proposed, required by Rule 25-30.4385 (original and 3 copies).
- f. Affidavit signed by an officer of the utility which states that the utility will comply with Rule 25-22.0407, Florida Administrative Code.

13. Because this Petition is submitted pursuant to Section 367.081(8), Florida

Statutes, no direct testimony is required pursuant to Rule 25-30.436(2), Florida Administrative Code.

14. The company also requests interim rate relief in accordance with Section 366.082, Florida Statutes.

WHEREFORE, Wedgefield Utilities, Inc. respectfully requests that on the basis of this Petition and the information herein that the Commission utilize the PAA procedure permitted by Section 367.081, Florida Statutes, and approve the Petitioner's request for interim and permanent increases in its water rates and charges in Orange County by an amount of approximately \$121,067 per annum.

RESPECTFULLY SUBMITTED, this 12th day of November, 1999.



Ben E. Girtman
FL Bar No. 186039
1020 E. Lafayette St.
Suite 207
Tallahassee, FL 32301

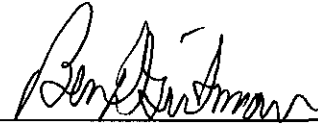
Attorney for
Wedgefield Utilities, Inc.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing petition to increase rates in Docket No. 991437-WU has been sent to the following by Hand Delivery (*) or by U.S. Mail this 12th day of November, 1999.

Patty Christensen Esq.,
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

The Honorable Mel Martinez
Chairman
Orange County Board of County Commissioners
201 S. Rosalind Ave.
Orlando, Fl 32802



Ben E. Girtman

BEN E. GIRTMAN

Attorney at Law

1020 East Lafayette Street
Suite 207
Tallahassee, Florida 32301-4552

Telephone: (850) 656-3232
(850) 656-3233
Facsimile: (850) 656-3233

Novel

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OPC
Ret + MFR

ORIGINAL

Ms. Blanca Bayo
Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 991437-WS, Application of Wedgefield Utilities, Inc. to Increase its Water Rates and Charges

Dear Ms. Bayo:

Enclosed for filing in the above referenced docket are the following documents:

~~13917-99~~

a. Petition by Wedgefield Utilities, Inc. for Interim and Permanent Rate Increase in its Water Rates and Charges. A copy of the Petition has been served on the Chairman of the Orange County Board of County Commissioners. The service area is in an unincorporated area of Orange County, so an additional copy is being placed at the Wedgefield Golf and Country Club. (Original and 15 copies)

~~13918-99~~

b. Check number 322093 in the amount of \$2,000 for the filing fee.

~~13919-99~~

c. The MFRs, which include the billing analysis and interim schedules. (16 copies)

~~13920-99~~

d. Additional Engineering Information required by Rule 25-30.440. (2 copies) (1 file, 1 WAW)

~~13921-99~~

e. The Affidavit of Compliance Regarding Notice. (Original and 15 copies)

f. Proposed interim and final tariff changes. (Original and 3 copies) (1 file, 1 sec, 2 WAW)

The map required by Rule 25-30.440(1) will be filed with the Commission under separate cover.

The proposed interim and final rates are the same, so only one set of proposed tariff changes is included. Only the tariff sheets which contain proposed changes are being filed.

- AFA Vandiver
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG 2
- MAS 5
- OPC Ret + MER
- PAI _____
- SEC _____
- WAW Wills
- OTH _____

Thank you for your assistance. If there are any questions, please let me know.

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

Sincerely yours,

Ben E. Girtman
Ben E. Girtman

Encls.

cc w/out encls: Mr. Carl Wenz



NOT VALID
AFTER 90 DAYS

56-1544
441

WATER SERVICE CORP.

DISBURSING ACCOUNT OF
UTILITIES INCORPORATED
2335 SANDERS ROAD
NORTHBROOK, IL 60062

BANK ONE COLUMBUS, NA
Circleville and Williamsport, Ohio Offices

NO. 322093

DATE 11/11/99 NET AMOUNT \$2,000.00

PAY *****TWO THOUSAND DOLLARS AND 00/100***** DOLLARS

0496

TO THE ORDER OF
FLORIDA PUBLIC SERVICE COMMISSION
CAPITAL CIRCLE OFFICE CENTER
2540 SHUMARD OAK BLVD
TALLAHASSEE, FL 32399-0850

John D. ...
AUTHORIZED SIGNATURE

Carl J. ...
AUTHORIZED SIGNATURE

⑈ 3 2 2 0 9 3 ⑈

CHECK NO. 322093

COMPANY NAME	REFERENCE NUMBER	INVOICE DATE	INVOICE NUMBER	NET AMOUNT
WEDGEFIELD UTILITIES, INC.		11/11/99		\$2,000.00
TOTAL				\$2,000.00