

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Initiation of Show Cause Proceedings against Kincaid Hills Water Company in Alachua County for violation of Rule 25-30.110, F.A.C., Records and Reports; Annual Reports; Rule 25-30.120, F.A.C., Regulatory Assessment Fees; Water and Wastewater Utilities; and of Order PSC-04-0615-FOF-WU.

DOCKET NO. 070580-WU
ORDER NO. PSC-08-0386-FOF-WU
ISSUED: June 10, 2008

The following Commissioners participated in the disposition of this matter:

MATTHEW M. CARTER II, Chairman
LISA POLAK EDGAR
KATRINA J. McMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

ORDER CLOSING DOCKET

BY THE COMMISSION:

Kincaid Hills Water Company (Kincaid or utility) is a Class C water utility located in Alachua County serving approximately 338 customers. According to the utility's 2007 Annual Report, total gross revenue was \$51,628 for the year, with an indicated net operating loss of \$5,971. Kincaid became subject to our jurisdiction and was granted a certificate of operation by Order No. PSC-93-1027-FOF-WU.¹

Until this year, Kincaid had filed only one annual report on time (1997) and had not timely paid its regulatory assessment fees (RAFs). For this year, the utility timely filed its 2007 Annual Report, but paid its 2007 RAFs three days late. Therefore, the utility was billed for an additional \$139.05 to reflect the statutory five percent penalty and one percent interest. The utility paid this amount on May 1, 2008.

Also, until 2007, the utility had never availed itself of any price-index or pass-through increases. Since June 2007, the utility has received two price-index increases and a pass-through.² Although the utility has applied for staff assisted rate cases twice, the utility withdrew both requests.

¹ Order issued July 13, 1993, in Docket No. 921195-WU, In re: Application for certificate to provide water service in Alachua County under grandfather rights by Kincaid Hills Water Company.

² The pass-through increase was for 4.5% so as to allow for the recovery of RAFs in the utility's rates from that point forward.

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FPSC-COMMISSION CLERK

This docket was opened to address the utility's failure to timely file annual reports and pay RAFs. Pursuant to Order No. PSC-08-0044-FOF-WU, issued January 22, 2008, in this docket, we directed that the delinquent regulatory assessment fees, plus penalties and interest, be submitted to the Department of Financial Services for permission to write off the amounts due as uncollectible. We also determined that the utility should be found to be eligible for a staff-assisted rate case, notwithstanding its failure to: (1) timely file annual reports; (2) pay RAFs, plus penalties and interest, for the years 2006 and before; and (3) comply with prior Commission orders. If the utility failed to timely file its 2007 Annual Report or pay the 2007 RAFs during the pendency of a staff-assisted rate case, we directed our staff to submit a recommendation as to whether the staff-assisted rate case should be closed. Further, the Order concluded that this docket shall remain open until the staff-assisted rate case was opened.

The utility has now advised that it does not plan to apply for a staff-assisted rate case at this time. Because Order No. PSC-08-0044-FOF-WU stated that this docket should remain open until the staff-assisted rate case was filed, our staff filed a recommendation requesting our approval to close the docket. We have jurisdiction pursuant to Sections 350.113, 367.0814, 367.145, and 367.161, F.S.

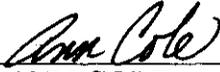
As stated above, Order No. PSC-08-0044-FOF-WU concluded "that this docket shall remain open until the staff assisted rate case is opened." However, the utility has now advised us that its customers are pleading with it not to further significantly increase rates. Because Kincaid has received a 4.5 percent pass-through increase for RAFs and two price index increases since June 2007, and anticipates future price indexes, the utility states that it believes it can meet its obligations to pay RAFs and maintain the utility without having to resort to a staff-assisted rate case.

Because the utility has now indicated that it does not intend to file for a staff-assisted rate case in the foreseeable future, there is no reason to keep this docket open. Moreover, the utility has paid its 2007 RAFs and timely filed its 2007 Annual Report. Therefore, there are no foreseeable actions to take place within the next year. Based on the above, this docket shall be closed.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that this docket shall be closed.

By ORDER of the Florida Public Service Commission this 10th day of June, 2008.



ANN COLE
Commission Clerk

(S E A L)

RRJ

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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.

Any party adversely affected by the Commission's final action in this matter may request:

- 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or
- 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, 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 after the issuance 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.