

Marguerite McLean

100128-WU

From: Ann Bassett [abassett@lawfla.com]
Sent: Monday, September 27, 2010 10:21 AM
To: Filings@psc.state.fl.us
Subject: Docket No. 100128-WU
Attachments: 2010-09-27, 100128, Lighthouse Petition for Waiver of rule.pdf

The person responsible for this electronic filing is:

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The Docket No. is 100128-WU Application for increase in water rates in Gulf County by Lighthouse Utilities Company, Inc.

This is being filed on behalf of Lighthouse Utilities Company, Inc.

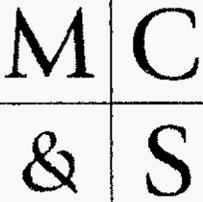
Total Number of Pages is 6

Lighthouse Utilities Company, Inc.'s Petition for Waiver of Rule

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9/27/2010

FILE NUMBER DATE
8047 SEP 27 2010
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September 27, 2010

BY ELECTRONIC FILING

Ms. Ann Cole, Commission Clerk
Office of Commission Clerk
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

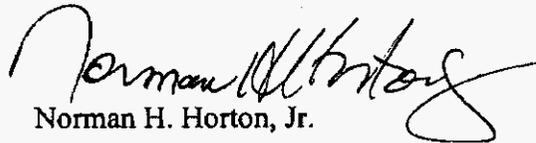
Re: Docket No. 100128-WU

Dear Ms. Cole:

Enclosed on behalf of Lighthouse Utilities Company, Inc. is an electronic version of Lighthouse Utilities Company, Inc.'s Petition for Waiver of Rule in the above-referenced docket.

Thank you for your assistance with this filing.

Sincerely,



Norman H. Horton, Jr.

NHH:amb

cc: Mr. Jay Rish
Mr. Ralph Roberson
Joint Administrative Procedures Committee

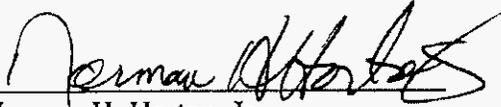
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been served on the following parties by Electronic Mail and/or U.S. Mail this 27th day of September, 2010.

Keino Young, Esq.
Office of the General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Office of Public Counsel
c/o The Florida Legislature
111 West Madison St., Room 812
Tallahassee, FL 32399-1400



Norman H. Horton, Jr.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for Increase in Water Rates)
in Gulf County by Lighthouse Utilities)
Company, Inc.)
_____)

Docket No. 100128-WU
Date Filed: September 27, 2010

PETITION FOR WAIVER OF RULE

COMES NOW, Lighthouse Utilities Company, Inc. ("Lighthouse" or "the Company"), through its undersigned and pursuant to Section 120.542, Florida Statutes, and Rule 25-30.001 and 28-104.001, Florida Administrative Code, requests a waiver of portions of the Minimum Filing Requirements ("MFR") schedules incorporated in Rule 25-30.437 and as basis would state:

- 1. The name and address of Petitioner is:

Lighthouse Utilities Company, Inc.
252 Marina Drive
Port St. Joe, Florida 32456

- 2. The names and mailing addresses of the persons authorized to receive notices and communications with respect to this Petition are:

Norman H. Horton, Jr.
Messer, Caparello & Self, P. A.
2618 Centennial Place
Tallahassee, FL 32308
(850) 222-0720

Mr. William J. Rish, Jr.
President
Lighthouse Utilities Company, Inc.
252 Marian Drive
Port St. Joe, FL 32456
(850) 227-7427

- 3. Lighthouse is a "utility" as that term is defined in Section 367.021(12), Florida Statutes, subject to the requirements of Chapter 367, Florida Statutes, and holds Certificate No. 491-W issued in 1987 when the Florida Public Service Commission ("FPSC" or "Commission") acquired jurisdiction over Lighthouse. Lighthouse provides water service to customers in the

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southern portions of Gulf County, Florida. The last, and only, base rate proceeding for Lighthouse was concluded in 1988.

4. On September 1, 2010, Lighthouse filed an application with the PSC for an increase in its rates and charges for water service. Accompanying the application were MFR schedules required by the Commission. Additional schedules were filed September 22, 2010.

5. With this petition, Lighthouse is seeking a waiver for this filing of portions of the MFR schedules incorporated in Rule 25-30.437, Florida Administrative Code, entitled Class B Water and/or Wastewater Utilities Financial, Rate and Engineering Minimum Filing Requirements. The rule, which implements Section 367.081, Florida Statutes, requires a rate application to be accompanied by MFRs which are a series of schedules that require information on a utility's accounting and engineering costs, rate structures and billing practices for a test year. The MFRs provide information used by the Commission in their analysis and consideration of the utility's request for a rate change. Specific instructions for completing the schedules are included on the forms but are not separately listed in the published rule.

6. The Company is not seeking a waiver of the schedules in whole, but, as explained herein, a waiver of the amount of information to be included on some of the schedules. Specifically, the schedules for which Lighthouse seeks a partial waiver are as follows:

- Schedule A-4 - Plant in Service Balances;
- Schedule A-8 - Accumulated Depreciation;
- Schedule A-11 - Contributions in Aid of Construction ("CIAC");
- Schedule A-13 - Accumulated Amortization of CIAC; and
- Schedule B-7 - Comparison of Current and Prior Operations and Maintenance ("O&M") Expense.

For the "A" schedules listed, the instructions require the Company to provide annual balances for each year back to the last rate case, 1988 for Lighthouse. The "B" schedule identified above

requires a comparison of current and prior test year O&M expense or current and five (5) year information if there has been no rate case. The schedule also requires an explanation of all differences not attributable to customer growth or CPU. The Company is requesting that the requirement to include balances back to the last rate case — 22 years of information — be waived and that the schedules as filed with information going back five (5) years be accepted.

7. Lighthouse is a small company with four (4) employees and approximately 1,380 customers. The Company does not have the personnel or resources to prepare the application and schedules associated with a rate application in-house and relies upon the assistance of outside professionals to perform this activity. Many of the records are not available electronically and would require manual review and it is estimated that the preparation of the schedules without the waiver would require an additional two (2) weeks to accomplish with the corresponding additional cost. To require the Company to revise the schedules to include balances for 22 years would be an economic hardship on the Company and its customers.

8. Lighthouse has filed the MFR schedules with the Commission and for all involved schedules has provided the test year and 5 prior years of data. It should be noted that as to Schedule B-7, had not Lighthouse had a rate proceeding when the Commission acquired jurisdiction in 1988, the schedule as filed would be compliant with the MFR instructions.

9. Granting the requested waiver would not impair Commission review of the application or diminish the information available to the Commission in analyzing this application. In a rate application review the Commission routinely conducts an audit of the Company and frequently obtains additional information and data through the use of data requests and, in some instances, formal discovery. In this docket, Lighthouse has already provided many pages of documents in response to data requests from the Staff and on site visits and audits are

scheduled. Lighthouse will make available to the Staff for review all records which it has for all accounts. Staff will have the ability to verify and track information and the Commission will have adequate information available to it upon which they can base a decision. While this process may require additional time of Staff to review records, it should be noted that even if Lighthouse provides schedules with 22 years of balances, these will be audited during the course of the review. Even if Lighthouse submits the balances for these accounts, their accuracy will be evaluated by Staff and the Commission.

10. The Commission has the authority to approve a waiver such as requested herein and has granted waivers to utilities in the past. See Order No. PSC-01-0255-PCO-GU in Docket No. 001447-GU and Order No. PSC-03-1112-PCO-EI in Docket No. 030438-EI for example. To grant the waiver would be in the public interest and Lighthouse requests that the waiver be approved and the schedules as filed be accepted.

Respectfully submitted this 27th day of September, 2010.


NORMAN H. HORTON, JR., ESQ.
Florida Bar No. 156386
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Attorneys for Lighthouse Utilities Company, Inc.