

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation of possible overearnings in Volusia County by North Peninsula Utilities Corporation.

DOCKET NO. 960984-SU
ORDER NO. PSC-97-0643-FOF-SU
ISSUED: June 5, 1997

The following Commissioners participated in the disposition of this matter:

JULIA L. JOHNSON, Chairman
SUSAN F. CLARK
J. TERRY DEASON
JOE GARCIA
DIANE K. KIESLING

ORDER MODIFYING ORDER NO. PSC-97-0263-FOF-SU

BY THE COMMISSION:

Background

North Peninsula Utilities Corporation (North Peninsula or utility) is a Class C wastewater only utility providing wastewater service to approximately 480 customers in Volusia County. For the year ending December 31, 1995, the utility reported wastewater operating revenues of \$143,189 and a net operating income of \$22,459.

By Order No. PSC-96-1243-FOF-SU, issued October 7, 1996, in this docket, we ordered an investigation of possible overearnings to be initiated and required annual wastewater revenues of \$12,311 to be held subject to refund. The utility complied by placing \$6,381 of security in an escrow account with Barnett Bank. The \$6,381 represented \$6,156 of security and \$225 of interest, calculated in accordance with Rule 25-30.360, Florida Administrative Code, and projected a six-month time frame.

By Order No. PSC-97-0263-FOF-SU, issued March 11, 1997, in this docket, we ordered a rate reduction and required the utility to refund with interest calculated pursuant to Rule 25-30.360(4), Florida Administrative Code, the 1994, 1995, and 1996 price index and pass-through rate increases collected in 1995 and 1996, along with interim revenues which were held subject to refund. We ordered the utility to provide its customers with notice of the new rate, and to file a revised tariff sheet reflecting the approved

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rate reduction. Our staff has verified that the utility has sent the approved customer notice and has reduced its rate effective April 1, 1997. The staff has also received and placed the utility's new tariff sheet in the Commission tariff book.

Pursuant to Rule 25-30.360(2), Florida Administrative Code, "[r]efunds must be made within 90 days of the Commission's Order unless a different time frame is prescribed by the Commission." At the March 4, 1997, agenda conference, the utility requested that we allow it more than 90 days within which to refund the monies. Upon consideration of that request, by Order No. PSC-97-0263-FOF-SU, we found it appropriate to allow the utility to refund the required amounts, along with accrued interest, over a twelve-month time frame.

Request for Release of Escrow Funds

On April 21, 1997, the utility filed a letter stating that it has determined that the mechanics of a twelve-month refund would be burdensome, and requesting that we release the escrow account held by Barnett Bank, to allow it to instead make a one-time refund to customers by June 1, 1997.

By Order No. PSC-97-0263-FOF-SU, we ruled that the utility's escrow account was to be terminated upon our staff's verification that the refunds have been completed. We find it to be in the best interest of the utility and its customers for the utility to make a one-time refund of the total amount by June 1, 1997. Therefore, we hereby modify Order No. PSC-97-0263-FOF-SU to grant North Peninsula's request for release of the escrowed funds for that purpose. All interest earned by the escrow account shall be distributed to the customers. The utility is hereby advised that failure to make the required one-time refund to customers by June 1, 1997, may result in the initiation of a show cause action.

Order No. PSC-97-0263-FOF-SU is affirmed in all other respects.

This docket shall be closed administratively upon our staff's verification that the utility has completed the required refunds.

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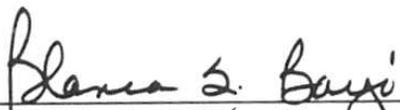
Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Order No. PSC-97-0263-FOF-SU is hereby modified as set forth in the body of this Order. It is further

ORDERED that Order No. PSC-97-0263-FOF-SU is hereby affirmed in all other respects. It is further

ORDERED that this docket shall be closed administratively upon our staff's verification that the refunds required by Order No. PSC-97-0263-FOF-SU have been made.

By ORDER of the Florida Public Service Commission, this 5th day of June, 1997.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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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 Director, Division of Records and Reporting, 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 Director, Division of Records and reporting 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.