

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for a Rate ) DOCKET NO. 920148-WS  
Increase in Pasco County by ) ORDER NO. PSC-93-0519-FOF-WS  
JASMINE LAKES UTILITIES ) ISSUED: 04/06/93  
CORPORATION. )  
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The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman  
THOMAS M. BEARD  
LUIS J. LAUREDO

ORDER ACKNOWLEDGING JASMINE LAKES UTILITIES  
CORPORATION'S NOTICE TO IMPLEMENT RATES APPROVED  
IN PAA ORDER NO. PSC-93-0027-FOF-WS ON AN INTERIM BASIS,  
SUBJECT TO REFUND, AND PROVIDING FOR INCREASED SECURITY

BY THE COMMISSION:

Jasmine Lakes Utilities Corporation (Jasmine Lakes or utility) is a Class B utility located in Pasco County, Florida. As of September 4, 1992, Jasmine Lakes was serving 1,561 water customers and 1,550 wastewater customers. In 1991, the water system had actual operating revenues of \$341,585 and a net loss of \$15,548. The wastewater system had actual operating revenues of \$125,979 and a net loss of \$90,370.

On June 22, 1992, the utility filed an application for approval of interim and permanent rate increases pursuant to Sections 367.081 and 367.082, Florida Statutes. The utility requested that its application be processed using the Proposed Agency Action (PAA) procedure pursuant to Section 367.081(8), Florida Statutes. The minimum filing requirements were found to be deficient. These deficiencies were corrected and the official filing date was established as July 17, 1992. The utility's present rate of return was established in Order No. 9484, issued August 5, 1980. The utility's application for increased rates is based on the twelve-month historic test year ended December 31, 1991.

The utility requested interim revenues of \$389,640 for water and \$290,839 for wastewater. These amounts exceed test year revenues by \$37,191, or 10.55 percent, and \$164,861, or 130.86 percent, for water and wastewater, respectively. The utility

DOCUMENT NUMBER-DATE  
03704 APR-93  
P. SC-RECORDS/REPORTING

requested permanent revenues of \$520,486 for water and \$389,640 for wastewater. These amounts exceed test year revenues by \$168,037, or 47.68 percent, for water and by \$310,082, or 246.14 percent, for wastewater.

By Order No. PSC-92-1120-FOF-WS, issued October 6, 1992, we granted interim rate increases of \$38,968 for water and \$164,860 for wastewater, subject to refund. On January 5, 1993, by PAA Order No. PSC-93-0027-FOF-WS, we proposed final revenue increases of \$510,279 for water and \$388,685 for wastewater. These final revenue requirements represent increases of \$159,015, or 45.27 percent, for water and \$262,702, or 208.53 percent, for wastewater.

On January 25, 1993, Mr. Merle Baker filed an objection to the PAA Order and requested that the matter be set for formal hearing. Subsequently, on January 26, 1993, the Office of Public Counsel also protested the Order. An administrative hearing is scheduled for June 28 and 29, 1993.

#### Utility's Notice to Implement PAA Rates

On February 3, 1993, the utility filed a Notice with this Commission of its intent to implement the rates contained in Order No. PSC-93-0027-FOF-WS in accordance with Section 367.081(8), Florida Statutes. The utility also submitted tariff sheets, a proposed customer notice, and discussed the type of security that it will provide for the increase.

Section 367.081(8), Florida Statutes, provides that at the expiration of five months following the official filing date, if this Commission has not taken action or, if the Commission's action is protested by a party other than the utility, the utility may place its requested rates into effect under bond, escrow, or corporate undertaking subject to refund, upon notice to this Commission and upon filing the appropriate tariffs.

Although the utility has the right to implement its requested final rates, in its Notice the utility has elected to implement the rates in PAA Order No. PSC-93-0027-FOF-WS. These rates are lower than the rates requested by the utility in the minimum filing requirements (MFRs).

Based upon our review of the tariff sheets, customer notice, and security provided by the utility, we believe that the utility has met the requirements of Section 367.081(8), Florida Statutes. The tariff sheets are hereby effective for meters read on or after March 7, 1993. This date is approximately 30 days from the date when the utility noticed this Commission of its intent to implement the rates contained in Order No. PSC-93-0027-FOF-WS.

Therefore, based on the foregoing, we hereby acknowledge the utility's implementation of the rates set forth in Order No. PSC-93-0027-FOF-WS on an interim basis, subject to refund, pending the outcome of this rate proceeding.

#### Proper Security

Section 367.081(8), Florida Statutes, allows the utility to place its requested rates into effect under bond, escrow, or corporate undertaking subject to refund. In addition, 367.081(6), Florida Statutes, specifies that the utility shall keep accurate, detailed accounts of all amounts received under bond, escrow, or corporate undertaking subject to refund, specifying by whom and in whose behalf such amounts were paid.

Order No. PSC-92-1120-FOF-WS, issued October 6, 1992, approved an interim increase for Jasmine Lakes, subject to refund. However in that Order we determined that the utility could not support a corporate undertaking for the amount of the increase. Thus, the Order specified that the increase should be guaranteed through a bond, letter of credit, or escrow agreement. The utility elected to secure the increase through an escrow agreement. The Order specified that if the security provided was an escrow agreement, the utility should deposit \$18,103 into the escrow account each month as security for the interim rate increase.

The utility stated in its Notice that it will maintain the existing escrow account from the interim rate increase and will deposit all revenues above those previously authorized for the utility into that escrow account pending the outcome of this proceeding. Further, the utility asserts that it will continue to submit the monthly reports showing the amount of revenues collected and escrowed as a result of this increase.

On January 1, 1992, Docket No. 920010-WU was opened to investigate the appropriate rate level for water service by the

utility. This investigation involves the utility's nonpayment of purchased water costs to Pasco County. That proceeding is in monitor status as a result of legal action between Pasco County and the utility. Two orders have been issued in that docket requiring the utility to escrow monies subject to refund. By Order No. PSC-92-1120-FOF-WS, in which we granted the utility interim rates, we required that the security related to the instant proceeding should be in addition to and separate from the monies required to be escrowed by Orders Nos. 25790 and PSC-92-0260-FOF-WS, issued in Docket No. 920010-WU. The utility has complied with this security requirement.

Due to the utility's proposed implementation of the PAA Order rates, the level of security for a potential refund must be increased. Therefore, we find it appropriate to increase the security to reflect the additional revenues collected under the PAA rates. The utility shall escrow the difference between the present rates and the new PAA interim rates into the existing interim escrow account each month. The increased amount to be escrowed is approximately \$37,454 per month. The utility shall continue to escrow these monies separately from the monies escrowed in Docket No. 920010-WU.

Additionally, pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility shall provide a report by the 20th of each month indicating the monthly and total revenue collected subject to refund.

Based upon the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that Jasmine Lakes Utilities Corporation's Notice to implement those rates set forth in Order No. PSC-93-0027-FOF-WS, on an interim basis, subject to refund, pending the outcome of this rate proceeding, is hereby granted as set forth in the body of this Order. It is further

ORDERED that the rates approved herein shall be effective for meters read on or after March 7, 1993. It is further

ORDERED that Jasmine Lakes Utilities Corporation shall escrow the difference between the present rates and the new PAA interim rates and the utility shall continue to escrow these monies separately from the monies escrowed in Docket No. 920010-WU. In addition, pursuant to Rule 25-30.360(6), Florida Administrative Code, the utility shall provide a report by the 20th of each month

ORDER NO. PSC-93-0519-FOF-WS  
DOCKET NO. 920148-WS  
PAGE 5

indicating the monthly and total revenue collected subject to refund. It is further

ORDERED that this docket shall remain open pending the outcome of this proceeding.

By ORDER of the Florida Public Service Commission this 6th day of April, 1993.

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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

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by: Kay Fein  
Chief, Bureau of Records

ORDER NO. PSC-93-0519-FOF-WS  
DOCKET NO. 920148-WS  
PAGE 6

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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 this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.038(2), Florida Administrative Code, if issued by a Prehearing Officer; (2) reconsideration within 15 days pursuant to Rule 25-22.060, Florida Administrative Code, if issued by the Commission; or (3) 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 or wastewater utility. A motion for reconsideration shall be filed with the Director, Division of Records and Reporting, in the form prescribed by Rule 25-22.060, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.