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October 22, 1996

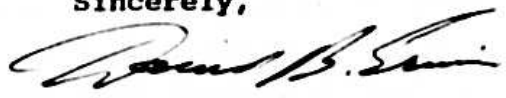
Ms. Blanco Bayo  
Director, Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Investigation of Rates of Indiantown Company, Inc. in  
Martin County for Possible Overearnings  
Docket No. 960011-WS

Dear Ms. Bayo:

Enclosed please find the original and 15 copies of  
Indiantown Company, Inc.'s Petition for Waiver of Rule and for  
Extension of Time to Make Refunds in the above captioned docket.  
Copies have been provided to parties of record.

Sincerely,



David B. Erwin

ACK \_\_\_\_\_  
AFA \_\_\_\_\_  
APP \_\_\_\_\_  
CAF \_\_\_\_\_  
CMU \_\_\_\_\_  
CTR \_\_\_\_\_  
EAG \_\_\_\_\_  
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RCH \_\_\_\_\_  
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DBE:akh  
Enclosures  
cc: Bill Fowler  
Elizabeth Gentry

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FWSO-ALL CALLS ARE BEING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Investigation of Rates )  
of Indiantown Company, Inc. in )  
Martin County for Possible )  
Overearnings )

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Docket No. 960011-WS

Filed: October 22, 1996

PETITION FOR WAIVER OF  
RULE AND FOR EXTENSION  
OF TIME TO MAKE REFUNDS

Indiantown Company, Inc. (IC), through its attorney, petitions for a waiver of that portion of Rule 25-30.360, F.A.C., that requires computation of the refund in this docket on a "per customer" basis, and IC also requests an extension of time to make the refund that is longer than that granted by Order No. PSC-96-1204-FOF-WS; in support IC states as follows:

1. IC does not take issue with the Commission determination to require a refund to remove the effect of a 1994 water price index.

2. IC agrees that strict adherence to Rule 25-30.360, F.A.C., will provide a refund to each customer of the precise amount due each customer, but IC submits that strict compliance with the rule will create an unreasonable administrative burden on the company that is not justified.

3. The rule requires a monthly interest calculation on a per customer basis for a period in excess of two years for a customer base that has varying usage. IC recognized early in the process that the refund would be difficult to calculate and sought informally to be allowed to use a simplified method for calculating the refunds. (See attached letter to Chuck Hill,

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FPC-RECORDS/REGISTRY

dated July 31, 1996.) The request could not be granted short of a formal petition to the Commission, so IC requested Staff assistance to calculate the interest aspect of the refund.

4. Staff agreed to do the interest calculations, and Staff has done so. In fact, the interest calculation appears to have been a time consuming task for staff that was accomplished after a great deal of effort on the part of both IC and the Staff. Staff provided the results of its efforts to the undersigned on October 17, 1996, and the work product consisted of six disks of information and a sample in hard copy of the information contained on the disks. The sample in hard copy is attached hereto to give an idea of the complexity of the exercise.

5. The work by Staff would now permit IC personnel to determine the exact amount of refund and which customer is entitled to a refund. There is, however, an enormous amount of work yet to be done. IC believes that in order to complete the refund process, IC will have to make at least 40,000 more calculations and input these manually.

6. IC submits that it can not physically accomplish the task by November 1, 1996, the time allowed by Order No. PSC-96-1204-FOF-WS.

7. IC submits that it is not realistic to require a refund of the precise nature contemplated by the rule, nor is it even desirable to do so under any kind of cost/benefit basis, even if the time frame to accomplish the refund were more reasonable.

8. IC submits that there are other ways to accomplish an

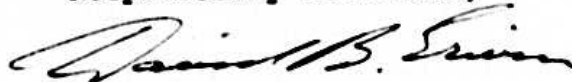
appropriate refund. Two of these ways are hereinafter suggested:

a. Compute the total refund with interest, as already done by Staff; divide that amount by the number of customers being served on the date of the Commission's refund order; credit the bill of each customer on the system on the date of Order No. PSC-96-1204-FOF-WS.

b. Require a credit to IC's contributions in aid of construction of the full amount of the refund plus interest. This would equally benefit all existing customers and would inure to the benefit of future customers by reducing rate base.

9. Strict compliance with Rule 25-30.360, F.A.C., is possible, but at an unjustifiably high cost in a matter involving very little monetary difference between a precisely accurate refund and a good faith effort to approximate the small overcharge experienced by each customer.

Respectfully submitted,



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**CERTIFICATE OF SERVICE**  
**DOCKET NO. 960011-WS**

I HEREBY CERTIFY that a copy of the foregoing has been sent by U. S. Mail or hand-delivery this 22nd day of October, 1996, to the following parties of record:

Charles Hill, Director  
Division of Water & Wastewater  
FL Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Charles Pellegrini  
Legal Services  
FL Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

  
David B. Erwin

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