Commissioners: THOMAS M. BEARD, CHAIRMAN J. TERRY DEASON BETTY EASLEY MICHAEL WILSON



DIVISION OF WATER & SEWER CHARLES H. HILL, DIRECTOR (904) 488-8482

Public Service Commission

June 25, 1991



Mr. Steve P. Shirah Tomoka Water Works, Inc. Highway 40 at Twin Dr. Ormond Beach, Florida 32074

Dear Mr. Shirah:

Subject:

Docket No. 910072-WU, Application for a Limited Proceeding Rate Increase in Volusia County.

We have received the revised tariff sheets and proposed customer notice. This increase was filed under Section 367.0822, Florida Statutes, Limited Proceeding and not Section 367.081, Florida Statutes, which is the indexing provision of the statute. The proposed customer notice is for an index increase and is not sufficient.

The following proposed wording is suggested for the notice. A revised notice should be prepared and submitted to the Commission, at the same time the notice is mailed to the customers.

—Section 367.0822, Florida Statutes, allows the Commission upon petition of by —its own motion, to conduct a limited proceeding to consider, and act upon, any
matter within its jurisdiction, including any matter the resolution of which requires a utility to adjust its rates. The matter of rate of return must be a
component of the proceeding.
The Department of Environmental Regulation (DER) has required the utility to install an auxiliary generator, with automatic start-up capabilities. On
January 18 1991 the utility filed an application for a limited proceeding rate
increase. The application was completed on March 22, 1991. Since the operational cost increase has a substantial effect on the utility's ability to
recover its expenses and earn a fair rate of return on its investment from the existing rates, the utility filed its application under Section 367.0822, Florida
Statutes. The increase in rates as a result of this application will be 2.74%, monthly. These rates will be effective for bills for meter readings thirty (30)
- days on or after July 3, 1991.

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If you should have any questions, please contact your local utility office. Be sure to have your account number handy for quick reference.

If I can be of further assistance or if you have any further questions, please do not hesitate to contact me.

Sherri S. Meader

Sherri S. Meador Regulatory Analyst

/ssm

cc: Division of Legal Services (Frazier)
Division of Records and Reporting