

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Request for Staff-) DOCKET NO. 920767-WS
Assisted Rate Case by INDIAN) ORDER NO. PSC-94-0878-FOF-WS
SPRINGS UTILITIES, INC. in) ISSUED: July 19, 1994
Citrus County.)
_____)

The following Commissioners participated in the disposition of this matter:

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

ORDER MAKING ORDER NO. PSC-93-1823-FOF-WS
FINAL, WITH AN EFFECTIVE DATE OF JULY 5, 1994

BY THE COMMISSION:

Indian Springs Utilities, Inc. (Indian Springs or utility) is a Class C water and wastewater facility located in Crystal River in Citrus County. The utility provides water service to 87 single family residences and wastewater service to 60 single family residences, a 37-unit apartment complex and a 106-room motel. The Eyster family purchased Indian Springs water system in November 1977, and has operated the system since that time. On August 2, 1983, Indian Springs filed its application for a certificate to operate a water utility in Citrus County. By Order No. 13385, issued June 6, 1984, Indian Springs was granted Certificate No. 429-W.

The utility acquired a certificate to supply wastewater service in 1988. On July 24, 1987, NASI, Inc., and Indian Springs filed a joint application for a transfer of NASI's wastewater certificate. By Order No. 18907, issued February 22, 1988, the transfer of Certificate No. 136-S from NASI, Inc., to Indian Springs was approved.

On June 29, 1990, Indian Springs filed an application for a staff-assisted rate case. At that time, it was recognized that the water provided by the utility did occasionally have salt water intrusion due to the well's close proximity to the Gulf of Mexico. A permanent solution proposed in the rate case involved the utility interconnecting with the City of Crystal River (the City), or installing additional treatment facilities such as reverse osmosis. However, corrections were not required because of the expense involved and the effect it would have had on the rates. By Order No. 24211, issued March 11, 1991, the utility was granted an increase in its water and wastewater rates.

07210 JUL 1994

FILED IN CASE NO. 94-0878

Subsequent to the last staff-assisted rate case, the Citrus County Health Department (CCHD) determined that unacceptable levels of bacteria exist in the utility's water. The CCHD has recommended that the utility find another water source. Mr. James Eyster of the utility was negotiating with the City to interconnect to the City's water supply. Recognizing the increases in expenses that would result from the interconnection, the utility applied for the instant staff-assisted rate case.

The City and the utility were unable to timely reach an agreement for the price of the purchased water. The utility therefore requested that the instant proceeding be placed in monitor status to allow additional time to negotiate a contract between the two parties. By Order No. PSC-93-0198-FOF-WS, issued February 9, 1993, this Commission placed the instant proceeding in monitor status for the period ended May 19, 1993. The Order further provided that if the utility had not obtained a signed contract with the City to purchase water by the end of the monitor period, the current staff-assisted rate case application would be deemed withdrawn, and that the docket be closed administratively.

By letter dated May 12, 1993, we were informed that the utility would not be purchasing water from the City. In addition, the utility's letter requested that the instant staff-assisted rate case continue, rather than have the docket closed administratively. By Order No. PSC-93-0958-FOF-WS, issued June 28, 1993, we reinstated the utility's staff-assisted rate case.

On December 23, 1993, the Commission issued proposed agency action Order No. PSC-93-1823-FOF-WS approving Indian Springs' request for an increase in water and wastewater rates and granting temporary rates in the event of a protest. In the same order, the Commission found that the quality of service provided by Indian Springs for both water and wastewater is unsatisfactory. Because the utility's water has excessive levels of bacteria, the Commission, by final action, ordered the utility to find an alternative water source. Even further, in an effort to ensure that the utility diligently pursue finding another source for water, the Commission ordered that the revenue increase associated with the water system be held in an escrow account until the utility obtains a contract for another water source.

On January 7, 1994, January 10, 1994, and January 12, 1994, the Commission received three different protests from three utility customers. As authorized by this Commission, the utility collected all increased rates, subject to refund. An escrow account was also established for the collection of wastewater revenues.

ORDER NO. PSC-94-0878-FOF-WS
DOCKET NO. 920767-WS
PAGE 3

The customers represented to our Staff that the crux of their protest was the concern over finding an adequate water source. Although the Office of Public Counsel (OPC) has never officially intervened in this docket, OPC has worked closely with these customers in an effort to resolve this matter. On May 13, 1994, the three customers withdrew their protests.

By Order No. PSC-94-0748-FOF-WS, issued June 17, 1994, the Commission granted the utility's request for an extension of time, until July 5, 1994, to find an alternative water source. At this time, we are not aware of any developments with respect to the water source. However, since the protests have been withdrawn, the need for a hearing is no longer necessary. Upon consideration of the foregoing, we find it appropriate to make Order No. PSC-93-1823-FOF-WS final, with an effective date of July 5, 1994. Since the protests have been withdrawn, the wastewater escrow monies may be released. However, consistent with the provisions of Order No. PSC-93-1823-FOF-WS, the water escrow monies may not be released until the utility obtains a signed contract for an alternative water source.

This docket shall remain open pending completion of the other requirements of Order No. PSC-93-1823-FOF-WS.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that Order No. PSC-93-1823-FOF-WS shall be made final, with an effective date of July 5, 1994. It is further

ORDERED that the wastewater escrow monies may be released. It is further

ORDERED that this docket shall remain open pending completion of the other requirements of Order No. PSC-93-1823-FOF-WS.

By ORDER of the Florida Public Service Commission, this 19th day of July, 1994.

BLANCA S. BAYÓ, Director
Division of Records and Reporting

by: Kay J. Lyons
Chief, Bureau of Records

(S E A L)
LAJ

ORDER NO. PSC-94-0878-FOF-WS
DOCKET NO. 920767-WS
PAGE 4

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 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 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 or sewer 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 Civil Procedure. The notice of appeal must be in the form specified in Rule 9.900 (a), Florida Rules of Appellate Procedure.