BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for approval of increase in water rates in Nassau County by Florida Public Utilities Company (Fernandina Beach System). DOCKET NO. 990535-WU ORDER NO. PSC-99-2113-PCO-WU ISSUED: October 25, 1999

The following Commissioners participated in the disposition of this matter:

JOE GARCIA, Chairman J. TERRY DEASON SUSAN F. CLARK E. LEON JACOBS, JR.

ORDER SUSPENDING PROPOSED RATES

BY THE COMMISSION:

Florida Public Utilities Company (FPUC or utility) provides electric, gas and water service to various areas in Florida. The Fernandina Beach division in Nassau County, furnished electricity and water service to approximately 12,500 electric customers and 6,400 water customers as of December 31, 1998. In its 1998 annual report, the utility recorded operating revenues of \$2,160,904 for its water service and a net operating income of \$442,115. The Fernandina Beach division is the sole division within the company providing water service. Water rates were last established for this utility by Order No. 17441, issued April 20, 1987, in Docket No. 860662-WU.

On July 19, 1999, FPUC filed its Application for a Rate Increase in Nassau County. However, there were several deficiencies in the Minimum Filing Requirements. These deficiencies were corrected, and August 6, 1999 was established as the official filing date. The utility requested that this application be processed using our Proposed Agency Action (PAA) procedure, and did not request interim rates. The utility's rate case is based on the projected test year ending December 31, 2000, with a historical base year of December 31, 1998.

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Section 367.081(6), Florida Statutes, provides that the rates proposed by the utility shall become effective within sixty (60) days after filing unless we vote to withhold consent to implementation of the requested rates. Further, Section 367.081(8), Florida Statutes, states that the utility may implement its requested rates, under bond and subject to refund, at the expiration of five months if: (1) we have not acted upon the requested rate increase or (2) if our proposed agency action is protested by a party other than the utility.

We have reviewed the filing and have considered the proposed rates, the revenues thereby generated, and the information filed in support of the rate application. We believe that further amplification and explanation regarding this data and production of additional and/or corroborative data is reasonable and necessary. We therefore find it appropriate to suspend the utility's proposed final rates. Accordingly, this docket shall remain open until we take final action on the utility's requested permanent rate adjustment.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the rates proposed by Florida Public Utilities Company are suspended in accordance with Section 367.081(6), Florida Statutes. It is further

ORDERED that this docket shall remain open.

By ORDER of the Florida Public Service Commission this <u>25th</u> day of <u>October</u>, <u>1999</u>.

BLANCA S. BAYÓ, Director Division of Records and Reporting

(S E A L)

RRJ

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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.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

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 25-22.0376, 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.

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<u>MEMORANDUM</u>

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October 25, 1999

RECORDS AND REPORTING

TO: DIVISION OF RECORDS AND REPORTING

FROM: DIVISION OF LEGAL SERVICES (JAEGER)

RE: DOCKET NO. 990535-WU - REQUEST FOR APPROVAL OF INCREASE IN WATER RATES IN NASSAU COUNTY BY FLORIDA PUBLIC UTILITIES COMPANY (FERNANDINA BEACH SYSTEM).

2/13- PCD

Attached is an ORDER SUSPENDING PROPOSED RATES, to be issued in the above-referenced docket.

(Number of pages in order - 3)

RRJ/lw/dr

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Attachment

cc: Division of Water and Wastewater (Crouch, McRoy, Merchant, Williams, Willis)

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