

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for a rate increase)	DOCKET NO. 900329-WS
in Citrus, Martin, Marion, and)	ORDER NO. 23034
Charlotte/Lee Counties by Southern)	ISSUED: 6-5-90
States Utilities, Inc.; in Collier)	
County by Marco Island Utilities)	
(Deltona) and Marco Shores Utilities)	
(Deltona); in Marion County by Citrus)	
Springs Utilities (United Florida) and)	
Marion Oaks Utilities (United Florida);)	
and in Washington County by Sunny Hills)	
Utilities (United Florida))	
)	

ORDER GRANTING REQUEST TO USE FORMULA METHOD AND
FOR WAIVER OF THIRTEEN-MONTH AVERAGE RULE REQUIREMENTS

By letter dated April 25, 1990, Southern States Utilities, Inc., Deltona Utilities, Inc., and United Florida Utilities, Inc. (Applicants) requested approval of a projected test year ending December, 1991, for proposed rate increases in Citrus, Charlotte/Lee, Collier, Marion, Martin, and Washington Counties. Their request was granted by the Chairman of this Commission by letter dated May 17, 1990.

In their letter of April 25, 1990, Applicants also requested a waiver of the thirteen-month average rate base requirements of Rule 25-30.437, Florida Administrative Code. Applicants have requested that they be allowed to calculate rate base based upon beginning and end of year average balances rather than thirteen-month average balances.

Applicants also requested permission to employ the formula, or the one-eighth of operation and maintenance expenses method, rather than the balance sheet method to calculate working capital.

According to the Applicants, the enhancement in the information provided by thirteen-month average balances and the balance sheet method is negligible compared to the incremental costs. Applicants contend that the simple average and formula methods will provide the most useful information at the least cost.

Although the simple average and formula methods lack the precision of the thirteen-month average and balance sheet methods, they are reliable and significantly less costly. Accordingly, Applicants' requests for a waiver of the

DOCUMENT NUMBER-DATE

04893 JUN -5 1990

FPSC-RECORDS/REPORTING

ORDER NO. 23034
DOCKET NO. 900329-WS
PAGE 2

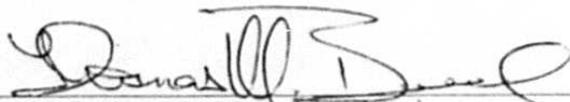
thirteen-month average rate base requirements of Rule 25-30.437, Florida Administrative Code, and to use the formula method to determine working capital, are hereby granted.

It is, therefore,

ORDERED by Commissioner Thomas M. Beard, as Prehearing Officer, that Applicants' request for a waiver of the thirteen-month average rate base requirements of Rule 25-30.437, Florida Administrative Code, is hereby granted. It is further

ORDERED that Applicants' request to use the formula method to calculate working capital is hereby granted.

By ORDER of Commissioner Thomas M. Beard, as Prehearing Officer, this 5th day of JUNE, 1990.


THOMAS M. BEARD, Commissioner
and Prehearing Officer

(S E A L)

RJP

200

ORDER NO. 23034
DOCKET NO. 900329-WS
PAGE 3

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 sewer 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.