

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for a Staff-) DOCKET NO. 900967-SU
Assisted Rate Case in Citrus) ORDER NO. PSC-93-0515-FOF-SU
County for the Riverhaven System) ISSUED: 04/05/93
of HOMOSASSA UTILITIES, INC.)
_____)

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
THOMAS M. BEARD
SUSAN F. CLARK
JULIA L. JOHNSON
LUIS J. LAUREDO

ORDER EXTENDING FINE SUSPENSION

BY THE COMMISSION:

Homosassa Utilities, Inc., Riverhaven System, (HUI or utility) is a class "C" wastewater utility whose service area is located near the City of Homosassa in Citrus County, Florida. On December 7, 1990, HUI applied for the instant staff-assisted rate case and paid the appropriate filing fee. Pursuant to Section 367.0814, Florida Statutes, February 7, 1991, was established as the official date of filing. The test year for setting rates was the twelve-month period ended December 31, 1990. By proposed agency action (PAA) Order No. 24937, issued August 20, 1991, we proposed to allow the utility to collect rates designed to produce \$112,951 in annual wastewater revenues, an increase of \$23,646 (26.5%). The provisions of the PAA Order became final and effective when no timely protest was filed.

In Order No. 24937, we allowed in rate base \$161,855 in pro forma plant items, including a sand filter, improvements to the lift stations, and improvements to the percolation ponds. In conjunction with the proforma plant allowances, we ordered the following: that the portion of the rates attributable to the pro forma plant was to be held subject to refund with interest; that HUI must adhere to the September 1, 1991, deadline which the Florida Department of Environmental Regulation (DER) established for HUI to reobtain its operating permit; and that HUI must submit by February 20, 1992, a comprehensive study of available connection capacity and plans for plant expansion if expansion was required.

DOCUMENT NUMBER-DATE

03684 APR-58

FFOC-RECORDS/REPORTING

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By Order No. PSC-92-0192-FOF-SU, issued April 13, 1992, we ordered HUI to show cause why it should not be fined up to \$5,000 a day for failing to reobtain its DER operating permit and for not submitting the capacity study as required by Order No. 24937. HUI responded in writing to Order No. PSC-92-0192-FOF-SU with a letter dated May 4, 1992, wherein HUI stated it had offered to sell the system to a group of homeowners. HUI had not completed the ordered plant improvements or capacity study. Its response did not dispute those facts, nor did it raise any issues of material fact or request a hearing for the purpose of determining compliance.

By Order No. PSC-92-0542-FOF-SU, issued June 23, 1992, we imposed a \$5,000 fine on HUI but ordered that, in light of the potential transfer of the utility, the fine would be suspended for a period of six months. The Order provided that if by the end of the suspension period, the utility owner had made no significant progress towards selling the system or completing the improvements and capacity study, we would consider reinstating the fine.

On December 14, 1992, we were informed that HUI had been sold to a group of homeowners. Since learning of the homeowners' interest in purchasing the utility, our staff has been in contact with the group in order to try to ascertain the group's interest in and commitment to making the ordered plant improvements. The group's principal investor owns 90 lots in the service territory which cannot be connected to the utility's lines until the utility's operating permit is reobtained. DER has informally indicated that, in light of the change of ownership, a two-year temporary operating permit may be issued for the utility and that it is likely that existing deadlines will be extended.

The transfer of the utility must be approved by this Commission before the sale can be considered final. As yet, no application for approval of the transfer has been received. However, the new owners met with our staff and stated that they are in the process of preparing a transfer application and that they have every intention of completing the ordered plant improvements in order to reobtain an operating permit.

Our main concern in this case is that the utility reobtain its DER operating permit. We believe that this goal may be more likely met under new ownership, especially since DER has indicated that it is willing to work with the new owners toward obtaining a temporary operating permit and extending plant improvement deadlines.

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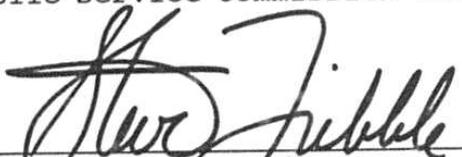
In consideration of our stated concern and the anticipated application for transfer, we shall suspend the previously imposed fine until such time as we consider HUI's transfer application and have more information regarding the DER requirements for the utility. We will then dispose of the fine. This docket shall therefore remain open.

Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that the fine previously imposed and suspended in Order No. PSC-92-0542-FOF-SU, issued June 23, 1992, is further suspended pending later disposition of same by this Commission. It is further

ORDERED that this docket shall remain open.

By ORDER of the Florida Public Service Commission this 5th day of April, 1993.



STEVE TRIBBLE, Director
Division of Records and Reporting

(S E A L)

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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.