BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of McGraw Water System for a 1989 Pass-Through Rate Adjustment in Orange County. DOCKET NO. 900033-WU ORDER NO. 22563 ISSUED: 2-15-90

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman THOMAS M. BEARD BETTY EASLEY GERALD L. GUNTER JOHN T. HERNDON

NOTICE OF PROPOSED AGENCY ACTION ORDER AUTHORIZING RATE INCREASE THROUGH LIMITED PROCEEDING

BY THE COMMISSION:

Notice is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for formal proceeding pursuant to Rule 25-22.029, Florida Administrative Code.

Background

On November 14, 1989, McGraw Water System (McGraw or Utility) filed a request for authority to increase the water rates to its customers, pursuant to Section 367.081(4)(b), Florida Statutes, and Rule 25-10.179, Florida Administrative Code. The application, as filed, was deficient. McGraw completed its application on December 28, 1989.

McGraw purchases all of its water from Zellwood Water Users, Inc. (Zellwood), a nonprofit organization. Since Zellwood is neither a governmental agency nor a utility regulated by this Commission, the pass-through provisions of Section 367.081(4), Florida Statutes, do not apply. However, in Docket No. 851080-WU, McGraw requested and was granted authority to adjust its rates to reflect the increased cost of water purchased from Zellwood. Order No. 15637 stated that:

. . . it is in the best interest of all parties concerned to allow this small utility to recover the increased cost of its purchased water.

DOCUMENT NUMBER-DATE

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We continue to believe that it is in the best interest of all parties for the utility to recover the increase in the cost of purchased water. Therefore, we find it appropriate to treat McGraw's request as a limited proceeding and allow its water rates to be increased as set forth below.

Rates

Based upon documentation submitted by the Utility for the most recent 12-month period of December 1988 through November 1989, we have prepared the following computation:

Cost of Water at New Rates	\$8,029
Less Cost of Water at Old Rates	5,335
Increased Cost of Purchased Water	\$2,694
Divide by Expansion Factor for Regulatory Assessment Fee	.975
Increase in Revenues	\$2,763
Divide by Gallons Sold	9,366
Increase in Cost Per 1,000 Gallons	\$0.295

Rates which will allow the Utility to recognize this adjustment are as follows:

WATER

Residential Service Monthly Rate

	Existing	New
Base Facility Charge	\$ 3.07	\$ 3.07
Gallonage Charge, Per 1,000 Gallons	\$.68	\$.98

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It is, therefore,

ORDERED by the Florida Public Service Commission that the request of McGraw Water System, Post Office Box 865, Zellwood, Florida 32798-0865, to increase its water rates is hereby granted as set forth in the body of this Order. It is further

ORDERED that McGraw Water System shall notify all affected customers in writing of the increase prior to its implementation. It is further

ORDERED that McGraw Water System shall implement the increase after the effective date of this Order. The increase shall be effective for service rendered on or after that date. It is further

ORDERED that the new rates shall not be effective until revised tariff pages reflecting the new rates are filed and approved by this Commission and the time for filing protests to this Order has passed. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition in the form provided by Rule 25-22.36, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event that this Order becomes final, this docket shall be closed.

By ORDER of the Florida Public Service Commission, this 15th day of February , 1990 .

STEVE TRIBBLE Director

Division of Records and Reporting

(SEAL)

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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.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting at his office at 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on _____March 8, 1990 _____.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code, and as reflected in a subsequent order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by 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 of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.