

## BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for a limited )	DOCKET NO. 911146-SU
proceeding to increase wastewater )	
service rates for Aloha Gardens )	ORDER NO. 25682
wastewater system in Pasco County by )	
ALOHA UTILITIES, INC. )	ISSUED: 2/3/92
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The following Commissioners participated in the disposition of this matter:

THOMAS M. BEARD, Chairman  
 SUSAN F. CLARK  
 J. TERRY DEASON  
 BETTY EASLEY

ORDER SUSPENDING PROPOSED RATES

BY THE COMMISSION:

BACKGROUND

Aloha Utilities, Inc. (Aloha or utility) is a Class A water and wastewater utility operating in Pasco County. The utility consists of the Aloha Gardens water and wastewater systems and the Seven Springs water and wastewater systems. Based on the 1990 Annual Report on file with the Commission, the total annual revenue for all systems in 1990 was \$2,706,870 and the net income was \$81,967. Of these amounts, the revenue collected for the wastewater systems was \$1,359,999 with a net operating income of \$101,505. The income for the wastewater system was higher than the combined income for water and wastewater due to a reported loss of \$19,538 for the water systems. The utility serves a total of 9,120 water customers and 8,653 wastewater customers. The Aloha Gardens wastewater system, which is the only system under consideration in this limited proceeding, has approximately 2,824 wastewater customers, and based on information filed in its request for a limited proceeding had 1990 revenues of \$472,629 and a net income of \$100,564.

Aloha Gardens wastewater treatment plant and effluent disposal system are under a Consent Order, issued May 26, 1988, for failure to comply with Florida Department of Environmental Regulation's (DER) environmental standards. On July 17, 1991, an Amendment to the Consent Final Judgment was issued by the Pasco County Circuit Court to update the Judgment to reflect changed circumstances. Under the amended Consent Order, Aloha is required to abandon the use of the Aloha Gardens percolation ponds, although it may provide for retention of inactive ponds for emergency

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disposal purposes. The court's amended Order also required Aloha to enter into a bulk wastewater service agreement with Pasco County to divert all the flow from the Aloha Gardens plant to the County's system. Aloha was given a deadline of January 1, 1992, or as soon as the County had the available capacity, to interconnect with the county's lines.

The utility's rates were last adjusted in a 1990 pass-through and price index, effective on November 17, 1990. The utility's most recent rate case for this system resulted in a rate increase by Order No. 9278, issued on March 11, 1980. Between these two proceedings, Aloha has obtained several pass-throughs and price indexes. On June 4, 1991, Aloha received test year approval for a rate case for the Aloha Gardens wastewater system being processed in Docket No. 910540-SU. The minimum filing requirements for the rate case were filed January 15, 1992.

On November 20, 1991, Aloha filed this limited proceeding for increased costs incurred as a result of the required interconnection of the Aloha Gardens wastewater collection system to the sewer system of Pasco County. In an effort to gain timely approval of the limited proceeding rates, the utility state it is willing to collect the rates subject to refund. The utility states that it does not intend to request interim rates to which it would otherwise be entitled in its rate filing.

Section 367.091 (5), Florida Statutes, provides that the rate schedules proposed by the utility shall become effective by operation of the law within sixty (60) days after filing unless the Commission issues an order withholding consent to the operation of the proposed rates requested. Further, the above-referenced statute permits the proposed rates to go into effect eight (8) months after filing unless final action has been taken by the Commission.

#### SUSPENSION

We have reviewed the filing and found that the utility has failed to file some of the necessary data with which to process the case. In addition, several areas of concern regarding the interconnect have not been addressed at all. We are unable to determine from the filing or the utility's 1990 annual report which current operation and maintenance expenses for treatment and disposal of the Aloha Gardens system will be eliminated due to the

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interconnection with Pasco County. Further, we have been unable to verify the interconnect costs and the cost of the plant to be retired from the filing. In addition, the abandonment loss and resulting depreciation and amortization cannot be determined. We have considered the proposed rates, the amount of the additional revenues sought thereunder and the supporting data which has been submitted. Accordingly, we find it is reasonable and necessary to require further amplification and explanation of the data filed by the utility.

In consideration of the above, we find it appropriate to suspend the utility's proposed rates pending further investigation.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the the proposed rate schedules filed by Aloha Utilities, Inc. are hereby suspended.

By ORDER of the Florida Public Service Commission, this 3rd  
day of FEBRUARY, 1992.

  
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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

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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 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.