

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for a staff-) DOCKET NO. 900761-WS  
assisted rate case in Citrus ) ORDER NO. PSC-92-0209-FOF-WS  
County by LAKE UTILITIES, LTD. ) ISSUED: 4/14/92  
\_\_\_\_\_)

The following Commissioners participated in the disposition of this matter:

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

ORDER TO SHOW CAUSE

BY THE COMMISSION:

By Order No. 24750, issued July 2, 1991, we required Lake Utilities, Ltd. to complete certain water plant improvements within six months of the date of the Order. This deadline expired January 2, 1992. Specifically, the Order required the following to be completed:

Expansion of the water treatment plant to insure delivery of no less than 600 gallons per minute during peak hour demands by adding a 2,500 gallon hydropneumatic tank; installation of a 20,000 gallon storage tank; and installation of two high service pumps with a capacity of 300 gallons per minute.

For these required water plant improvements, we included \$36,000 in rate base as pro-forma plant. That portion of the rate increase relating to the pro-forma plant was required to be escrowed pending completion of the improvements. As of January 31, 1992, the utility had billed \$3,326.97 in revenue related to the pro-forma plant. According to banking records, the utility has deposited \$2,679.47 into escrow as of January 10, 1992.

By letter dated January 17, 1992, the utility explained that it was unable to obtain financing for the plant improvements. After considering the utility's response, we find that the utility has failed to establish that it has made a good faith effort to obtain financing. Accordingly, pursuant to 367.161, Florida Statutes, we find it appropriate to order the utility to show cause why it should not be fined up to \$5,000 a day for failure to comply with Order No. 24750.

DOCUMENT NUMBER-DATE

03684 APR 14 1992

FPSC-RECORDS/REPORTING

In responding to the show cause, the utility shall specifically identify, in writing, the methods of financing considered, each attempt made to obtain financing and the name of each institution or potential source of financing contacted. All documentation of these efforts, including any rejection letters, shall also be included. Further, the utility shall explain why its owners have not provided capital for expansion.

By Order No. 24750, the utility was also ordered to complete wastewater plant improvements by January 2, 1993. These improvements included expansion of wastewater plant from 20,000 to 30,000 gallons per day and upgrading the existing ponds. Given the utility's failure to complete the water plant improvements, we are also concerned about whether the utility intends to comply with the Order concerning the wastewater plant upgrades which are due next year. Therefore, we also find it appropriate to require the utility to include in its response to this Order to Show Cause a written report of its plans to comply with Order No. 24750 regarding wastewater plant improvements.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Lake Utilities, Ltd. shall show cause, in writing, why it should not be fined up to \$5,000 per day, pursuant to Section 367.161, Florida Statutes, for its failure to comply with Order No. 24750. It is further

ORDERED that the response of Lake Utilities, Ltd. shall specifically identify the methods of financing considered, each attempt made to obtain financing and the name of each institution or potential source of financing contacted; include documentation of these efforts, including any rejection letters; and explain why its owners have not provided capital for expansion. It is further

ORDERED that the response of Lake Utilities, Ltd. shall include a report of its plans to comply with Order No. 24750 regarding wastewater plant improvements. It is further

ORDERED that the written response of Lake Utilities, Ltd. must be received by the Director of the Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32299-0870, by the close of business on May 4, 1992. It is further

ORDER NO. PSC-92-0209-FOF-WS  
DOCKET NO. 900761-WS  
PAGE 3

ORDERED that the response of Lake Utilities, Ltd. must contain specific allegations of fact and law. It is further

ORDERED that the opportunity of Lake Utilities, Ltd. to file a written response shall constitute its opportunity to be heard prior to final determination of the appropriate fine to be imposed by this Commission, pursuant to Section 367.161, Florida Statutes. It is further

ORDERED that failure to file a timely response to this show cause order shall constitute an admission of the facts alleged in the body of this Order and a waiver of any right to a hearing. It is further

ORDERED that in the event that Lake Utilities, Ltd. files a written response which raises material questions of fact and requests a hearing pursuant to Section 120.57, Florida Statutes, further proceedings may be scheduled before a final determination on these matters is made.

By ORDER of the Florida Public Service Commission, this 14th day of April, 1992.



STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

CB