

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Application for increase in water rates in
Polk County by Park Water Company Inc.

DOCKET NO. 050563-WU
ORDER NO. PSC-06-0038-PCO-WU
ISSUED: January 12, 2006

The following Commissioners participated in the disposition of this matter:

LISA POLAK EDGAR, Chairman
J. TERRY DEASON
ISILIO ARRIAGA
KATRINA J. TEW
MATTHEW M. CARTER, II

ORDER SUSPENDING PROPOSED RATE INCREASE

BY THE COMMISSION:

Background

Park Water Company, Inc. (Park Water or utility) is a Class B utility providing water service to approximately 783 customers in Polk County. Water rates were last established for this utility by Order No. PSC-00-1774-PAA-WU, issued September 27, 2000, in Docket No. 991627-WU, In re: Application for rate increase in Polk County by Park Water Company, Inc. Consummating Order No. PSC-00-1957-CO-WU, issued October 23, 2000, made Order No. PSC-00-1774-PAA-WU final and effective.

On November 21, 2005, Park Water filed its Application for a Rate Increase. After review of the Minimum Filing Requirements (MFRs), our staff determined that the MFRs contained a large number of deficiencies that will require extensive revisions by the utility. These revisions will not be received until after the statutory 60-day limit to suspend the requested rate increase; therefore, the official filing date has not been established. The utility requested that the application be processed using the Commission's proposed agency action (PAA) procedure and did not request interim rates. The test year established for final rates is the historical twelve-month period ended December 31, 2004.

The utility requested final rates designed to generate annual water revenues of \$839,082. This represents a revenue increase of \$600,000 (250.96%).

This Order addresses the suspension of Park Water's requested rate increase. We have jurisdiction pursuant to Section 367.081, Florida Statutes (F.S.).

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FPSC-COMMISSION CLERK

Suspension Of Requested Water Rate Increase

Section 367.081(6), F.S., provides that this Commission may, for good cause, withhold consent to the implementation of the requested rates by a vote to that effect within 60 days after the date the rate request is filed. Further, Section 367.081(8), F.S., permits the proposed rates to go into effect (secured and subject to refund) at the expiration of five months from the official date of filing if: (1) we have not acted upon the requested rate increase; or (2) if our PAA action is protested by a party other than the utility.

Upon review of the filing and consideration of the information filed in support of the rate application, we find that it is necessary to require further investigation of this information, including on-site investigations by staff accountants and engineers. Therefore, the utility's proposed rate increase is suspended.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Park Water Company, Inc.'s proposed water rate increase is suspended. It is further

ORDERED that this docket shall remain open pending our final action on the utility's requested rate increase.

By ORDER of the Florida Public Service Commission this 12th day of January, 2006.

BLANCA S. BAYÓ, Director
Division of the Commission Clerk
and Administrative Services

By:



Kay Flynn, Chief
Bureau of Records

(S E A L)

RRJ

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), 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.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

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 25-22.0376, 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 wastewater utility. A motion for reconsideration shall be filed with the Director, Division of the Commission Clerk and Administrative Services, 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.