

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Request for approval of implementation of security deposits for water and wastewater systems in Pasco County by Paradise Lakes Utility, L.L.C.

DOCKET NO. 060431-WS
ORDER NO. PSC-06-0872-TRF-WS
ISSUED: October 23, 2006

The following Commissioners participated in the disposition of this matter:

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

ORDER APPROVING IMPLEMENTATION OF SECURITY DEPOSITS
FOR PARADISE UTILITIES, INC.

BY THE COMMISSION:

Paradise Lakes Utility, L.L.C. ("Paradise Lakes or "utility") is a Commission certificated, Class C water and wastewater utility serving approximately 432 water and wastewater customers in Pasco County. On June 2, 2006, the utility filed an application requesting approval to implement security deposits for water and wastewater systems in Pasco County. On September 12, 2006 the utility filed a revised set of tariff sheets. The utility does not currently require customers to submit a security deposit prior to it providing service to the customer. The Commission has jurisdiction pursuant to Section 367.091, Florida Statutes, (F.S.), and Rule 25-30.311, Florida Administrative Code.

The purpose of customer deposits is to establish credit with the utility. Deposits are to be paid by new utility customers. Rule 25-30.311, Florida Administrative Code, authorizes a utility to establish security deposits by tariff and provides guidelines for collecting, administering, and refunding customer deposits. The rule also authorizes customer deposits to be calculated using an average charge. The revised tariff sheets comply with the Rule 25-30.311(7), Florida Administrative Code.

The original petition sought approval of tariff sheets that were in excess of those authorized by Rule 25-30.311(7), Florida Administrative Code. The utility has some common management staff with another utility owned by the same shareholders -- Mad Hatter Utility, Inc. (MHU). The MHU system has three separate water and wastewater systems, which provide service in Pasco County and surround the Paradise Lakes' system. Paradise Lakes Utility originally sought approval of deposits that were in the same amount as the MHU customers. Paradise Lakes stated the purpose of the deposit amount was to minimize the administrative burden on the utility so that all of the systems operated by MHU had a standard set of customer

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deposits. The utility's original request, which are based on MHU's average monthly bill, was more than twice the monthly bill for Paradise Lakes. Therefore, staff did not believe the utility's request was consistent with Rule 25-30.311, Florida Administrative Code (F.A.C.). Staff discussed this concern with the utility, and on September 12, 2006, the utility revised its proposed tariff sheets. Those revised tariff sheets, First Revised Sheet No. 16.0 and First Revised Sheet No. 15.0 filed on September 12, 2006, are the subject of this order.

Both the revised tariff sheets will comply with the other provisions of the Florida Administrative Code dealing with customer security deposits for water and wastewater. After a customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the utility is required to refund the customer's deposit pursuant to Rule 25-30.311(5), Florida Administrative Code. The utility is required to pay interest on customer deposit pursuant to Rule 25-30.311(4), Florida Administrative Code.

We find that the First Revised Sheet No. 16.0 and First Revised Sheet No. 15.0 of Paradise Lakes Utility, Inc., filed on September 12, 2006, shall be approved as filed. The revised tariff sheets shall be effective for connections made on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(2), Florida Administrative Code, after our staff has verified that the customer notice is adequate and has been provided to customers. Paradise Lakes shall provide proof that customers have received notice within 10 days after the date of the notice.

Based on the foregoing, it is

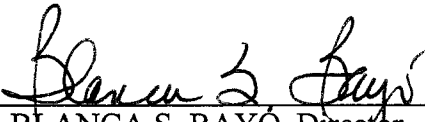
ORDERED by the Florida Public Service Commission that the Revised Request by Paradise Lakes Utility, Inc. for approval of security deposits for its water and wastewater system is granted. It is further

ORDERED that the utility shall file a proposed customer notice consistent with this decisions. The tariff revision shall be effective for connections made on or after the stamped approval date of the tariff after our staff has verified that the customer notice is adequate and has been provided to customers. Paradise Lakes shall provide proof that customers have received notice within 10 days after the date of the notice. It is further

ORDERED that if a protest is filed within 21 days of issuance of the Order, the tariff shall remain in effect with any charges held subject to refund pending resolution of the protest. It is further

ORDERED that if no timely protest is filed, this docket shall be closed upon the issuance of a Consummating Order.

By ORDER of the Florida Public Service Commission this 23rd day of October, 2006.



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

(S E A L)

LCB

NOTICE OF FURTHER PROCEEDINGS

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.

The Commission's decision on this tariff is interim in nature and will become final, unless a person whose substantial interests are affected by the proposed action files a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on November 13, 2006.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating 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.