

ORIGINAL

STATE OF FLORIDA

LILA A. JABER
CHAIRMAN



CAPITAL CIRCLE OFFICE CENTER
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Tallahassee, FL 32399-0850
(850) 413-6044

Public Service Commission

July 16, 2003

Mr. Martin S. Friedman
Rose, Sundstrom & Bentley LLP
600 S. North Lake Blvd., Suite 160
Altamonte Springs, Florida 32701

Re: Docket No. 030443-WS, Application for rate increase in Pasco County by Labrador Utilities, Inc.

Dear Mr. Friedman:

We have received your letter dated June 16, 2003, requesting test year approval for Labrador Utilities, Inc. (Labrador or utility). Labrador has requested an historical test year ending June 30, 2003, for interim rate purposes and December 31, 2003, for final rate purposes. The utility has asked that it be allowed to file its interim application on or before October 30, 2003, and its minimum filing requirements (MFRs) for final rate purposes on or before June 30, 2004. Further, you state that the utility will file its application using the Proposed Agency Action (PAA) provision in Section 367.081(8), Florida Statutes. Your test year request, as outlined above, is approved.

For administrative purposes only, Docket No. 030443-WS has been assigned to the forthcoming case. Your petition for final rates will be deemed filed on the date that the Division of the Commission Clerk and Administrative Services receives the complete petition, revised tariff sheets, the MFRs, and the filing fee. To minimize any regulatory lag that may occur, we request that you file the above by no later than June 30, 2004, for final rate purposes. Your request to file your interim petition by October 30, 2003, is also approved. Please note that the official date of filing for processing the final rate petition will not be established when the interim application is filed.

Under the file and suspend law, the time period for processing the request will begin on the date that all of the required data is filed. If not complete, the official filing date will be the date the complete corrections to the MFR deficiencies are filed. Please note that many schedules included in the MFRs are designed with a column titled "Balance Per Books." This column must reflect the balances on the General Ledger and be reconciled with the balances reported in the utility's Annual Report on file with the Commission. This requirement is applicable to all primary account balances as required by the NARUC Uniform System of Accounts. Pursuant to Rule 25-30.110(2), Florida Administrative Code, all data that the Commission requests and requires to be submitted determining a utility's rates shall be consistent with and reconcilable with the utility's annual report

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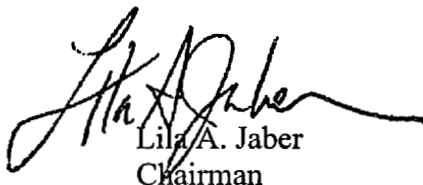
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to the Commission.

In addition, the utility should satisfactorily document that it has recorded all adjustments to the utility's general ledger and accounts that have been ordered by the Commission in any prior proceeding relating to this system. If adjustments were ordered for prior periods that have any impact on subsequent years, the related adjustments shall also be made to reflect the impact for the appropriate period up to and including the approved test year. Further, the utility should be prepared to justify its requested test year operation and maintenance expenses, particularly those which have increased above the level of customer growth and inflation for the year ended five years prior to the test year.

The utility is instructed to file all information it wishes the Commission to consider when arriving at a decision on its rate case application with its original filing. Because of the time limitations contained in Section 367.081, Florida Statutes, and the lengthy auditing and investigation required, there is a possibility that information filed at a later time will not be considered.

Sincerely,



Lila A. Jaber
Chairman

LAJ:tj

cc: Mary Andrews Bane, Executive Director
Division of the Commission Clerk and Administrative Services ✓
Division of Economic Regulation (Willis, Merchant, Joyce)
Office of the General Counsel (Keating)
Division of Auditing and Safety (Vandiver)