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DEPOSIT DATE

BEFORE THE PUBLIC SERVICE COMMISSION

661 JUL 13 2006

In re: Initiation of show cause proceedings against Alturas Utilities, L.L.C. for apparent violation of Rule 25-30.251(2), F.A.C., Record and Report of Interruptions.

DOCKET NO. 060074-WU
ORDER NO. PSC-06-0532-SC-WU
ISSUED: June 26, 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

COMMISSION
CLERK

06 JUL 13 AM 8:34

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ORDER TO SHOW CAUSE

BY THE COMMISSION:

Background

Alturas Utilities, L.L.C. (Alturas or utility) is a Class C water utility providing water service in Polk County to approximately 50 residential and 12 general service customers. Alturas was issued Certificate No. 628-W by Order No. PSC-05-0309-PAA-WS, issued March 21, 2005,¹ upon Commission approval of a transfer of the utility from Keen Sales, Rentals and Utilities, Inc. (Keen). That Order shows that Alturas contracted with Keen for two years of transitional management and operations assistance, and that during this time, staff in the Keen office would provide the bookkeeping services for the utility and the contract operator for the Keen systems would perform the system repairs, maintenance, and testing. According to its 2004 Annual Report, Alturas had water revenues of \$21,537 and a net operating income of \$6,035.

On at least six separate occasions in 2005, Alturas failed to notify the Commission of interruptions in service which affected 10 percent or more of its customers, in apparent violation of Rule 25-30.251(2), Florida Administrative Code. Our Division of Regulatory Compliance and Consumer Assistance received two customer complaints to this effect, one of which included a petition signed by 26 Alturas customers requesting that this Commission investigate the frequent water outages. The complaints were reassigned to the Division of Economic Regulation for investigation.

We have jurisdiction pursuant to Sections 367.011, 367.121, and 367.161, Florida Statutes.

¹ In Re: Application for transfer of portion of Certificate No. 582-W by Keen Sales, Rentals and Utilities, Inc. to Alturas Utilities, L.L.C., in Polk County (consummated by Order No. PSC-05-0399-CO-WU, issued April 18, 2005).

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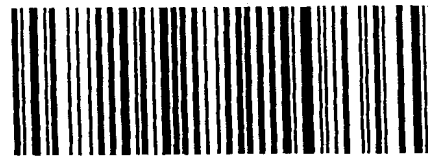
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FPSC-COMMISSION CLERK

Keen Sales, Rentals and Utilities, Inc.

685 Dyson Road
Haines City, FL 33844



7005 1820 0005 0022 8772

**RETURN RECEIPT
REQUESTED**

Director, Div. of the Commission
Clerk + Admin. Serv.
2540 Shumard Oak Blvd.

Tallahassee, FL 32399-0850

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