

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of MAGNOLIA VALLEY	)	DOCKET NO. 891302-WS
SERVICES, INC. for a rate increase in	)	ORDER NO. 23161
Pasco County	)	ISSUED: 7-9-90
	)	

The following Commissioners participated in the disposition of this matter:

MICHAEL McK. WILSON, Chairman  
 THOMAS M. BEARD  
 BETTY EASLEY  
 GERALD L. GUNTER

ORDER ALLOWING WITHDRAWAL OF REQUEST  
FOR TEST YEAR APPROVAL

BY THE COMMISSION:

Magnolia Valley Services, Inc. (Magnolia Valley or utility) is a Class C water and wastewater utility in Pasco County. The utility provides service to 824 water and 810 wastewater customers. The utility's current rates were established by Commission Order No. 10043, issued June 3, 1981, and Order No. 10043-A, issued July 21, 1981. The utility's rates have not been adjusted since that time.

On November 10, 1989, Magnolia Valley requested test year approval for an increase in rates for its water and wastewater systems. On December 18, 1989, the test year request for an historic base year ended December 31, 1989, and a projected test year to end March 31, 1991 was approved. April 2, 1990 was set as the date for filing minimum filing requirements. The utility requested and was granted two thirty day extensions of time in which to file.

On June 1, 1990, Magnolia Valley notified the Commission that it wished to withdraw its application for test year approval. The utility explained that it had incurred capital costs in 1990 to construct additional wastewater facilities and to clean and seal a portion of its wastewater collection system. The utility stated that the approved test year would not reflect the true annualized cost of service resulting from these improvements or the deferred maintenance expenditures. Additionally, the utility had not completed steps to adjust its capital structure to reflect a more prudent debt to equity structure. The utility stated its intention to apply for approval of a test year that would better reflect its true annualized and normalized cost of service.

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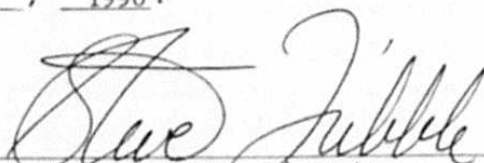
We find that the utility has provided sufficient reasons for us to approve the withdrawal of its request for test year approval. Because of developments that occurred after the utility filed its request for test year approval, the approved test year would not provide accurate information concerning the utility's cost of service.

It is, therefore,

ORDERED by the Florida Public Service Commission that the request of Magnolia Valley Services, Inc. to withdraw its request for test year approval is hereby granted. It is further

ORDERED that this docket be closed.

By ORDER of the Florida Public Service Commission  
this 9th day of July, 1990.

  
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STEVE TRIBBLE, Director  
Division of Records and Reporting

( S E A L )

ASD

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), 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.

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Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Director, Division of Records and Reporting within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, 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 sewer utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.