

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Application for rate increase in Pasco
County by Labrador Utilities, Inc.

DOCKET NO. 030443-WS
ORDER NO. PSC-04-0879-PCO-WS
ISSUED: September 8, 2004

The following Commissioners participated in the disposition of this matter:

BRAULIO L. BAEZ, Chairman
J. TERRY DEASON
RUDOLPH "RUDY" BRADLEY
CHARLES M. DAVIDSON

ORDER SUSPENDING PROPOSED FINAL RATES

BY THE COMMISSION:

Labrador Utilities, Inc. ("Labrador" or "utility") is a Class B water and wastewater utility located approximately one mile east of Zephyrhills, in Pasco County. The utility is located within the Southwest Florida Water Management District, but the utility's service territory is not in a water use caution area. The utility provides service to 894 lots in Forest Lake Estates Mobile Home Park and to Forest Lakes R.V. Resort. For the year ended December 31, 2003, the utility's total revenues were \$181,836, with a total net operating loss of \$162,305.

By Order No. PSC-03-0638-PAA-WS, issued May 27, 2003, in Docket No. 020484-WS, In re: Application for transfer of facilities and Certificates Nos. 616-W and 530-S from Labrador Services, Inc. to Labrador Utilities, Inc. in Pasco County, this Commission approved a certificate transfer to Labrador Utilities, Inc. By Order No. PSC-04-0200-PCO-WS, issued February 24, 2004, in this current docket, we approved an interim rate increase of \$141,117 (or 267.67%) for water and \$146,292 (or 117.95%) for wastewater based on the historical test year ended June 30, 2003.

On June 30, 2004, the utility filed its application for a final rate increase pursuant to Sections 367.081 and 367.082, Florida Statutes. However, the information submitted did not satisfy the minimum filing requirements (MFRs) for a general rate increase. Subsequently, on August 2, 2004, the utility satisfied the MFRs, and that date was designated as the official date of filing, pursuant to Section 367.083, Florida Statutes. The utility has requested that we process this case under our proposed agency action (PAA) procedures. Labrador has requested water and wastewater revenues of \$199,958 and \$389,475, respectively. This permanent annual revenue request represents an increase of \$144,477 (or 260.41%) for water and \$260,380 (or

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201.70%) for wastewater. The test year for purposes of setting final rates is the historical test year ended December 31, 2003.

Section 367.081(6), Florida Statutes, 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), Florida Statutes, permits the proposed rates to go into effect (secured and subject to refund) at the expiration of five months if: (1) the Commission has not acted upon the requested rate increase; or (2) if the Commission's PAA action is protested by a party other than the utility.

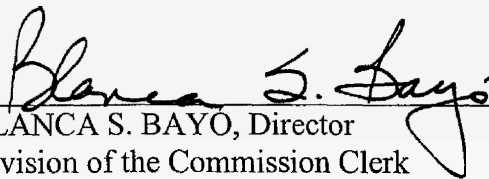
We have reviewed the filing and considered the proposed final rates, the revenues to be generated thereby, and the information filed in support of the rate application. We find that it is reasonable and necessary to require further explanation regarding this data and to require production of additional and/or corroborative data. This further examination will include on-site investigations by accountants and engineers from our staff. Based on the foregoing, we find good cause to suspend the utility's proposed rate increase.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Labrador Utilities, Inc.'s proposed final rates are hereby suspended. It is further

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

By ORDER of the Florida Public Service Commission this 8th day of September, 2004.


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

(SEAL)

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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.