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Public Service Commission
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COMMISSION CLERK
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DATE: August 25, 2005
TO: Braulio L. Baez, Chairman
FROM: Timothy J. Devlin, Director, Division of Economic Regulation
Mary Anne Helton, Attorney Supervisor, Office of the General Counsel
RE: Docket No. 050563-WU - Application of Park Water Company for an increase in water rates in Polk County - Test Year Approval

By letter dated August 18, 2005, Park Water Company (Park Water) has requested approval to use a historical base year ended December 31, 2004, for a water only rate case filing. The company has indicated the year 2004 is representative of current and future operations and is a representative period to measure the cost of service and to establish new rates. Further, the utility will file its application using the Proposed Agency Action provision in Section 367.081(8), Florida Statutes.

Park Water states that it will experience plant expansions in the future. Therefore, Park Water indicated that there will be pro forma plant adjustments, and related debt included in its application for an increase in water rates.

By Order No. PSC-00-1774-PAA-WU, issued September 27, 2000, the Commission addressed the utility's last general rate review. Staff believes that the requested test year will be representative because of the reasons stated above. Staff has reviewed the utility's annual reports for the calendar years 2002 through 2004. Based on our review, we believe that the requested test year should be approved. Park Water indicated that it will have the MFRs completed within 90 days of the test year approval.

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The test year letter filename is I:\PSC\ECR\WP\PARKWATER.LTR.DOC
c: Dr. Mary Bane, Executive Director
Betty Ashby
Charles H. Hill, Deputy Executive Director
Division of Economic Regulation (Willis, Rendell)
Office of the General Counsel (Helton)
Division of the Commission Clerk and Administrative Services
Sandy Moses

DOCUMENT NUMBER-DATE
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BRAULIO L. BAEZ
CHAIRMAN

STATE OF FLORIDA



CAPITAL CIRCLE OFFICE CENTER
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
(850) 413-6042

Public Service Commission

August 25, 2005

Joseph G. Hodakowski
Hodakowski & Hodakowski
349 Route 31, Suite 401
Flemington, NJ 08822

Re: Docket No. 050563-WU - Application for an increase in water rates by Park Water Company in Polk County

Dear Mr. Hodakowski:

We have received your letter dated August 18, 2005, requesting approval for Park Water Company (Park Water) to use a historical base year ended December 31, 2004, with pro forma plant adjustments, for final rates. It is my understanding that the utility will file its application using the Proposed Agency Action (PAA) provision in Section 367.081(8), Florida Statutes. The utility's test year request as outlined above is hereby approved. You should also be aware that if you do not elect to request the PAA process in your application, prefiled direct testimony must be filed with the minimum filing requirements (MFRs).

For administrative purposes only, Docket No. 050563-WU has been assigned to the forthcoming case. Your petition 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, testimony (if not requesting PAA), and the filing fee. I understand that the utility is prepared to file its MFRs within 90 days of the test year approval. Therefore, the MFRs should be received by November 21, 2005. Because of the difficulty in scheduling hearing dates, it is not anticipated that an extension of this filing will be granted.

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 completely filed. If not complete, the official filing date will be the date the complete corrections to the deficiencies are filed.

Mr. Joseph Hodakowski

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August 25, 2005

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, information not filed with the original application may not be considered.

Sincerely,

Braulio Baez
Chairman

BB:wtr

cc: Dr. Mary Bane, Executive Director
Betty Ashby
Charles H. Hill, Deputy Executive Director
Division of Economic Regulation (Willis, Rendell)
Office of the General Counsel (Helton)
Division of the Commission Clerk and Administrative Services
Harold McLean, Office of Public Counsel

Anthony Staiano, Park Water Company