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Public Service Commission

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COMMISSION
CLERK

-M-E-M-O-R-A-N-D-U-M-

DATE: June 8, 2006

TO: Director, Division of the Commission Clerk & Administrative Services (Bayó)

FROM: Division of Economic Regulation (Joyce, Rendell)
Office of the General Counsel (Gervasi)

[Handwritten signatures and initials: Joyce, Rendell, Gervasi, JWS]

RE: Docket No. 060397-WU – Application for revised tariff sheets, new service availability policy, and new refundable advance agreement, by Placid Lakes Utilities, Inc.
County: Highlands

AGENDA: 06/20/06 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 07/17/06 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\060397.RCM.DOC

Case Background

Placid Lakes Utilities, Inc. (Placid Lakes or utility) is a Class B water-only utility in Highlands County. The system serves approximately 1,815 water customers. The utility's service area is located in a water use caution area in the Southwest Florida Water Management District (SWFWMD). Placid Lakes is a wholly-owned subsidiary of Lake Placid Holding Company (LPHC), the primary developer of the Placid Lakes subdivision. In its annual report, the utility reported net operating revenues of \$542,545 and a net operating income of \$63,048.

By letter dated May 2, 2006, Placid Lakes filed an application for revised tariff sheets, a new Service Availability Policy, and a new Refundable Advance Agreement.

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Docket No. 060397-WU

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This recommendation addresses the suspension of Placid Lakes' proposed revised tariff sheets, new Service Availability Policy, and new Refundable Advance Agreement. The Commission has jurisdiction pursuant to Sections 367.081 and 367.091, Florida Statutes.

Discussion of Issues

Issue 1: Should Placid Lakes' proposed tariff changes be suspended?

Recommendation: Yes. Placid Lakes' proposed tariff changes should be suspended. (Joyce, Gervasi)

Staff Analysis: Section 367.091(6), Florida Statutes, provides that the Commission "may withhold consent to the operation of any or all portions of the new rate schedules, by vote to that effect within 60 days giving a reason or statement of good cause for withholding its consent. The Commission shall render its final decision on the application within 8 months after the official day of filing."

Staff has reviewed the filing and has considered the information filed in support of the tariff changes. Staff recommends that it is necessary to require further investigation of this information. Based on the foregoing, staff recommends that it is appropriate to suspend the utility's proposed new rate schedules.

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Issue 2: Should this docket be closed?

Recommendation: No. The docket should remain open pending the Commission's final action on the utility's requested tariff changes. (Joyce, Gervasi)

Staff Analysis: The docket should remain open pending the Commission's final action on the utility's requested tariff changes.