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State of Florida



# Public Service Commission

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

COMMISSION  
CLERK

**DATE:** July 5, 2006

**TO:** Blanca S. Bayó, Commission Clerk and Administrative Services Director

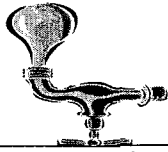
**FROM:** *J* Jay B. Revell, Regulatory Analyst III, Division of Economic Regulation

**RE:** Docket No. 050563-WU - Application for an increase in water rates by Park Water Company, Inc.

Enclosed is the utility's June 19, 2006 authorization to extend the deadline by 45 days, which allows the decision on final rates to be moved to the September 19, 2006 Agenda Conference. Please place this document in the case file for this docket.

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- COM \_\_\_\_\_
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DOCUMENT NUMBER-DATE  
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Park Water Company  
25 1st Avenue North  
Lake Wales, FL 33859

June 19, 2006

Florida Public Service Commission  
Attn: Troy Rendell  
Division of Economic Regulation  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Dear Mr. Rendell:

As a result of new information Park Water is requesting a revision of the 2004 historic test year revenue. Consideration of the following information will allow for the utmost fairness in deriving the proper rate structure for our company. I grant the commission a 45 day extension if necessary to review this new information. I waive our company's rights to have a hearing on August 15<sup>th</sup> if the time is necessary for further review. I do appreciate the effort in expediting this review.

I have attached two spreadsheets that detail two major changes to our customer structure. I will discuss each briefly to give background.

1. Warner Southern College is a large percentage commercial customer of the Park Water Company. They have contacted us regarding their intention to no longer use our water service for irrigation purposes. They have signed contracts and pulled permits for two irrigation wells. They expect completion of those wells to occur before August 1, 2006. We have reviewed historic 2004 numbers and were able to identify all irrigation usage by the college from potable usage. The data came straight from water meters. The information was then processed and converted to dollars. Park Water Company would have lost \$29,142.25 in revenue had the wells been in place in 2004.
2. The City of Lake Wales has been a temporary customer for us since their well went dry. We allowed them to connect a two inch meter to our water main and service Candle Light Mobile Home Park. The connection was temporary and when they had a water main available, they would start servicing the park again. They have gone through the bidding process and will begin construction within 2 months and will take over service by October 2006. This will be a total loss of revenue for our 2" commercial service of \$9,829.38 in 2004, the Test Year figures.

I ask that the commission review this data and reflect changes in our Historic Test Year of 2004. I have contacted both customers and have included in this mailing the contact information of the knowledgeable parties. Please contact Tony Staiano, Park Water Company President, for further inquiries regarding this matter.

Sincerely,

Tony Staiano

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