

NANCY ARGENZIANO  
CHAIRMAN

STATE OF FLORIDA



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Public Service Commission

July 16, 2010

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COMMISSION  
CLERK

F. Marshall Deterding  
Rose, Sundstrom & Bentley, LLP  
2548 Blairstone Pines Drive  
Tallahassee, Florida 32301

**Re: Docket No. 100337-WS – Application for increase in water and wastewater rates in Pasco County by Mad Hatter Utility, Inc. and Paradise Lakes Utility, LLC.**

Dear Mr. Deterding:

The Florida Public Service Commission received your June 18, 2010, letter regarding a proposed rate case by Mad Hatter Utility, Inc. and Paradise Lakes Utility, LLC (collectively known as "the Companies"). In that letter, the Companies requested to use a historic test year ended December 31, 2009, for establishing final rates. According to your letter, it is also the intent, because of common ownership, to combine both companies under a uniform rate.

You state the Companies will file their application using the Proposed Agency Action provision in Section 367.081(8), Florida Statutes (F.S.). Pursuant to Rule 25-30.430, F.A.C., the Companies' test year request as outlined above is hereby approved for purposes of filing their Minimum Filing Requirements (MFRs). Docket No. 100337-WS has been assigned to the forthcoming case. Your petition will be deemed filed on the date the Office of Commission Clerk receives the complete petition, the MFRs, and the filing fee. To process this case expeditiously, we request that you file the above no later than November 19, 2010.

Pursuant to Section 367.083, F.S., the official filing date will be the date that complete corrections to deficiencies, if any, are filed. Please note that many schedules included in the MFRs are designed with a column titled "Balance Per Books." This column must reflect the balances on the general ledger, and be reconciled with the balances reported in the Companies' Annual Reports on file with the Commission. This requirement is applicable to all primary account balances as required by the NARUC Uniform System of Accounts. Pursuant to Rule 25-30.110(2), F.A.C., all data the Commission requests and requires to be submitted in determining a utility's rates "shall be consistent with and reconcilable with the utility's annual report to the Commission."

In addition, the Companies should satisfactorily document that they have recorded all adjustments to the Companies' general ledgers and accounts that have been ordered by the Commission in any prior proceeding relating to these systems. If adjustments were ordered for prior periods that impact subsequent years, the related adjustments shall also be made to reflect the impact for the appropriate period up to and including the approved test year. Further, the Companies should be prepared to justify their requested test year operation and maintenance expenses, particularly those


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which have increased above the level of customer growth and inflation for the year ended five years prior to the test year.

The Companies are instructed to file all information they wish the Commission to consider when arriving at a decision on its rate case application with their original filing. Because of the time limitations contained in Section 367.081, F.S., and the lengthy auditing and investigation required, the Commission may disregard any information not filed with the original application. Approval of the test year for filing purposes does not mean that an issue regarding the appropriateness of the test period could not be raised at any time during the proceeding. If you have any questions, please contact Bart Fletcher at (850) 413-7017 or bart.fletcher@psc.state.fl.us.

Sincerely,



Nancy Argenziano  
Chairman

cc: Mr. Tim Devlin, Executive Director  
Mr. S. Curtis Kiser, General Counsel  
Division of Economic Regulation (Willis, Bulecza-Banks, Maurey, Fletcher, Daniel, Stallcup)  
Office of the General Counsel (Crawford, Helton)  
Office of Commission Clerk (Docket No. 100337-WS)  
Mr. J.R. Kelly, Office of Public Counsel