

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in water and wastewater rates in Pasco County by Mad Hatter Utility, Inc. | DOCKET NO. 100337-WS
| ORDER NO. PSC-11-0550-PCO-WS
| ISSUED: December 5, 2011

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman
LISA POLAK EDGAR
RONALD A. BRISÉ
EDUARDO E. BALBIS
JULIE I. BROWN

ORDER SUSPENDING PROPOSED RATES

BY THE COMMISSION:

Background

Mad Hatter Utility, Inc. (Mad Hatter or Utility) is a Class A utility providing water and wastewater service to approximately 3,570 water and 3,012 wastewater customers in Pasco County. Water and wastewater rates were last established for this Utility in its 1993 rate case.¹

On October 26, 2011, Mad Hatter filed its application for a rate increase at issue in the instant docket. Our staff is currently in the process of reviewing the minimum filing requirements (MFRs) for any possible deficiencies. The Utility requested that the application be processed using the Proposed Agency Action (PAA) procedure. The test year established for final rates is the 13-month average period ended December 31, 2010. The Utility requested final revenue increases of \$1,750,375 (233.24 percent) for water and \$513,919 (42.05 percent) for wastewater. Mad Hatter has not requested interim rates.

This Order addresses the suspension of Mad Hatter's requested final rates. We have jurisdiction pursuant to Section 367.081, Florida Statutes (F.S.).

Suspension of Rates

Section 367.081(6), F.S., provides that we may, for good cause, withhold consent to the implementation of the requested rates within 60 days after the date the rate request is filed. Further, Section 367.081(8), F.S., permits the proposed rates to go into effect (secured and subject to refund) at the expiration of five months from the official date of filing if: (1) we have

¹ See Order No. PSC-93-0295-FOF-WS, issued February 24, 1993, in Docket No. 910637-WS, In re: Application for Rate Increase in Pasco County by Mad Hatter Utility, Inc.

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not acted upon the requested rate increase; or (2) if our PAA action is protested by a party other than the Utility.

Our staff has reviewed the filing and has examined the information filed in support of the rate application and the proposed final rates. Our staff believes that it is necessary to require further investigation of this information, including on-site investigations by staff accountants and engineers. To date, our staff has initiated an audit of Mad Hatter's books and records. The audit is tentatively due on November 28, 2011. In addition, our staff sent its first data request on October 31, 2011. The Utility's response to the data request is due on November 30, 2011. Further, our staff believes additional requests will be necessary to process this case. Based on the foregoing, we find that these circumstances constitute good cause pursuant to section 367.081(6), F.S. Accordingly, the Utility's proposed rate increase shall be suspended.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the proposed rate increase of Mad Hatter Utility, Inc., is suspended. It is further

ORDERED that this docket shall remain open pending our decision on the Utility's requested rate increase.

By ORDER of the Florida Public Service Commission this 5th day of December, 2011.



ANN COLE
Commission Clerk
Florida Public Service Commission
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RRJ

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.

Any party adversely affected by this order, which is non-final 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 Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Citizens of the State of Florida v. Mayo, 316 So.2d 262 (Fla. 1975), states that an order on interim rates is not final or reviewable until a final order is issued. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.