

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: June 23, 2005

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

FROM: Division of Economic Regulation (Hudson)
Office of the General Counsel (Jaeger)

RE: Docket No. 050318-WU – Request for increase in service connection charges in Highlands County by Placid Lakes Utilities, Inc.

AGENDA: 07/05/05 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 07/08/05 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\050318.RCM.DOC

Case Background

Placid Lakes Utilities, Inc. (Placid Lakes or utility) is a Class B water-only utility which serves 1,718 water customers in Highlands County. 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 \$492,352 and a net operating income of \$41,691.

On May 9, 2005, the utility filed an application requesting approval of service connection charges. This recommendation addresses the suspension of the utility's proposed tariff sheet. The Commission has jurisdiction pursuant to Section 367.091, Florida Statutes.

Discussion of Issues

Issue 1: Should Placid Lakes' proposed tariff sheet to implement service connection charges be suspended?

Recommendation: Yes. Placid Lakes' proposed tariff sheet to implement service connection charges should be suspended pending further investigation by staff. This docket should remain open pending the completion of staff's investigation. (Hudson, Jaeger)

Staff Analysis: Pursuant to Section 367.091(6), Florida Statutes, the tariff sheet proposed by the utility shall become effective within sixty (60) days after filing, unless the Commission votes to withhold consent of the request. Further, the Commission may withhold consent to operation of any or all portions of new rate schedules by a vote to that effect within 60 days, giving a reason or statement of good cause for withholding that consent.

Staff has reviewed the filing and has considered the utility's proposed charges and information filed in support of the application. Staff believes it is necessary to require further amplification and explanation of this data. Staff's review of the application will include further examination. Therefore, staff recommends that the proposed tariff sheet to implement service connection charges should be suspended pending further investigation by staff. This docket should remain open pending the completion of staff's investigation and subsequent recommendation to the Commission.