

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: July 6, 2006

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

FROM: Division of Economic Regulation (Biggins, Rendell)
Office of the General Counsel (Bennett)

RE: Docket No. 060431-WS – Request for approval of implementation of security deposits for water and wastewater systems in Pasco County by Paradise Lakes Utility, L.L.C.

AGENDA: 07/18/06 – Regular Agenda – Tariff Filing – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: 09/02/05 (60-Day Suspension Date)

SPECIAL INSTRUCTIONS: None

FILE NAME AND LOCATION: S:\PSC\ECR\WP\060431.RCM.DOC

Case Background

Paradise Lakes Utility, L.L.C. (“Paradise Lakes or “utility”) is a Class C water and wastewater utility serving approximately 432 water and wastewater customers in Pasco County.¹ On June 2, 2006, the utility filed an application requesting the approval of implementation of

¹ The Commission granted Paradise Lakes its original Certificate Nos. 458-W and 392-S in Order No. 15668, issued February 13, 1986, in Docket No. 850211-WS, In Re: Objection by Mad Hatter Utility Inc., to application of Paradise Lakes Utility, Ltd.

The Commission approved the transfer of majority organizational control and established rate base for transfer purposes, in Order No. PSC-05-0166-PAA-WS issued February 11, 2005, in Docket No. 030948-WS, In Re: Application for transfer of majority organizational control of Paradise Lakes Utility, L.L.C., holder of Certificate Nos. 458-W and 392-S in Pasco County, from Paradise Lakes, Inc. to Larry and Janice DeLucenay.

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security deposits for water and wastewater systems in Pasco County, by Paradise Lakes Utility, L.L.C. The Commission has jurisdiction pursuant to Section 367.091, Florida Statutes (F.S.)

Discussion of Issues

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

Recommendation: Yes. Paradise Lakes' proposed tariff changes should be suspended.
(Biggins)

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. (Bennett)

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