



ORIGINAL
Public Service Commission

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

DATE: OCTOBER 20, 1999
TO: CHAIRMAN GARCIA
FROM: DAN HOPPE, DIRECTOR, DIVISION OF WATER AND WASTEWATER *sup*
ROSANNE GERVASI, BUREAU CHIEF, DIVISION OF LEGAL SERVICES
RE: DOCKET NO. 991627-WU, APPLICATION OF PARK WATER COMPANY, INC.
FOR AN INCREASE IN WATER RATES IN POLK COUNTY - TEST YEAR
APPROVAL

By letter dated September 30, 1999, Park Water Company (Park Water) has requested approval to use a historical base year ended December 31, 1998 and a projected test year ended December 31, 1999 for a water only rate case filing. The company has indicated that the projected test period will be more representative of normal company operations in the future as it will encompass all of the increased plant costs. Further, the utility has indicated that it will not be requesting interim rates and will file its application using the Proposed Agency Action provision in Section 367.081(8), Florida Statutes.

Park Water indicates that its annual revenues are above \$150,000 and therefore does not meet the statutory threshold for a staff assisted rate case. Park Water states that it has experienced plant costs in 1998 and 1999 due to plant expansion and improvement projects. These increased plant costs have contributed to the current inadequate rate of return.

By Order No. PSC-98-0361-FOF-WS, issued March 5, 1998, the Commission approved the utility's present rates and charges under the grandfather rights of Section 367.171, Florida Statutes. Park Water's rates have been in effect since August 20, 1996 when Polk County last established the utility's rates and charges.

Staff believes that the requested test year will be representative because of the reasons stated above. Staff has reviewed the utility's annual reports for the calendar years 1996 through 1998. Based on our review, we believe that the requested test year should be approved. Receipt of the application by December 1, 1999, will be acceptable.

The test year letter filename is I:\PSC\WAW\WP\PARK-TYA.WTR

- AFA _____ c: Dr. Mary Bane, Deputy Executive Director/Technical
- APP _____ Division of Water and Wastewater (Willis, Crouch, Rendell)
- CAF _____ Division of Legal Services (Gervasi)
- CMU _____ Division of Records and Reporting
- CTR _____ Jackie Edwards
- EAG _____
- LEG _____
- MAS _____
- OPC _____
- PAI _____
- SEC 1
- WAW _____
- OTH _____

DOCUMENT NUMBER-DATE

12961 OCT 21 99

FPSC-RECORDS/REPORTING

STATE OF FLORIDA

JOE GARCIA
CHAIRMAN



CAPITAL CIRCLE OFFICE CENTER
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0855
(850) 413-6042

Public Service Commission

October 20, 1999

Mr. Anthony Staiano, President
Park Water Company, Inc.
25 First Avenue North
Lake Wales, FL 33853

Re: Docket No. 991627-WU - Application of Park Water Company, Inc. For an Increase in Water Rates and Charges in Polk County - Test Year Approval

Dear Mr. Staiano:

We have received your letter dated September 30, 1999, requesting approval for Park Water Company, Inc. (Park Water) to use an historical base year ended December 31, 1998 and a projected test year ended December 31, 1999 for final rates. Further, you stated that the utility will file its application using the Proposed Agency Action (PAA) provision in Section 367.081(8), Florida Statutes. The utility's test year request as outlined above is hereby approved. You should also be aware that if you do not elect to request the PAA process in your application, prefiled direct testimony must be filed with the minimum filing requirements (MFRs).

For administrative purposes only, Docket No. 991627-WU has been assigned to the forthcoming case. Your petition will be deemed filed on the date that the Division of Records and Reporting receives the complete petition, revised tariff sheets, the MFRs, testimony (if not requesting PAA), and the filing fee. To minimize any regulatory lag that may occur, we request that you file the above no later than December 1, 1999. Because of the difficulty in scheduling hearing dates, it is not anticipated that an extension of this filing will be granted.

Under the file and suspend law, the time period for processing the request will begin on the date that all of the required data is completely filed. If not complete, the official filing date will be the date the complete corrections to the deficiencies are filed.

Mr. Anthony Staiano, President

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The utility is instructed to file all information it wishes the Commission to consider when arriving at a decision on its rate case application with its original filing. Because of the time limitations contained in Section 367.081, Florida Statutes, and the lengthy auditing and investigation required, information not filed with the original application may not be considered.

Sincerely,

Joe Garcia
Chairman

JG/WTR:wtr

cc: Commissioners
Mr. Talbott
Dr. Bane
Division of Water and Wastewater (Willis, Rendell)
Division of Legal Services (Gervasi)
Division of Records and Reporting
Jack Shreve, Office of Public Counsel