



Public Service Commission

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

DATE: JANUARY 26, 2000
TO: CHAIRMAN GARCIA
FROM: DAN HOPPE, DIRECTOR, DIVISION OF WATER AND WASTEWATER
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 to you dated January 13, 2000, Park Water Company (Park Water) has requested approval of a change in test year from an historical base year ended December 31, 1998 and projected test year ended December 31, 1999 to only an historical base year ended December 31, 1999 for a water only rate case filing.

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 increased plant costs in 1998 and 1999 due to plant expansion and improvement projects.

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.

Staff believes that the change in 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 change in the requested test year should be approved.

The test year filename is S:\PSC\WAW\WP\PARK-TYA2.WTR

cc: Dr. Mary Bane, Deputy Executive Director/Technical
Division of Water and Wastewater (Willis, Crouch, Rendell, Bethea, Casey)
Division of Legal Services (Gervasi, VanLeuven)
Division of Records and Reporting (991627-WU)
Jackie Edwards

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