

STATE OF FLORIDA

ART GRAHAM
CHAIRMAN



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Public Service Commission

June 23, 2014

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COMMISSION
CLERK

Mr. Martin Friedman
Friedman, Friedman & Long, P.A.
766 North Sun Drive, Suite 4030
Lake Mary, FL 32746

Re: Docket No. 140135-WS - Application for increase in water/wastewater rates in Pasco County by Labrador Utilities, Inc.

Dear Mr. Friedman:

On June 19, 2014, the Florida Public Service Commission received your letter regarding a proposed rate case by Labrador Utilities, Inc. (Company). In that letter, the Company requested to use a historic test year ended December 31, 2013, for establishing final rates.

You state the Company will file its application using the Proposed Agency Action provision set forth in Section 367.081(8), Florida Statutes (F.S.). Pursuant to Rule 25-30.430, Florida Administrative Code (F.A.C.), the Company's test year request as outlined above is hereby approved for purposes of filing its Minimum Filing Requirements (MFRs). Docket No. 140135-WS has been assigned to the forthcoming case. Your petition will be deemed filed on the date the Office of Commission Clerk receives the complete petition, the MFRs, and the filing fee. To process this case expeditiously, we request that you file the above no later than September 1, 2014.

Pursuant to Section 367.083, F.S., the official filing date will be the date that complete corrections to deficiencies, if any, are filed. Please note, many schedules included in the MFRs are designed with a column titled "Balance Per Books." This column must reflect the balances on the general ledger and be reconciled with the balances reported in the Utility's Annual Report on file with the Commission. This requirement is applicable to all primary account balances as required by the NARUC Uniform System of Accounts. Pursuant to Rule 25-30.110(2), F.A.C., all data the Commission requests and requires to be submitted in determining a utility's rates "shall be consistent with and reconcilable with the utility's annual report to the Commission."

In addition, the Company should satisfactorily document that it has recorded all adjustments to the general ledger and accounts that have been ordered by the Commission in any prior proceeding relating to this system. If adjustments were ordered for prior periods that impact subsequent years, the

related adjustments shall also be made to reflect the impact for the appropriate period up to and including the approved test year. Further, the Company should be prepared to justify its requested test year operation and maintenance expenses, particularly those which have increased above the level of customer growth and inflation from the Company's prior rate case test year.

The Company 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, F.S., and the lengthy auditing and investigation required, the Commission may disregard any information not filed with the original application. Approval of the test year for filing purposes does not mean that an issue regarding the appropriateness of the test period could not be raised at any time during the proceeding. If you have any questions, please contact Michael Springer at (850) 413-7082 or Michael.Springer@psc.state.fl.us.

Sincerely,



Art Graham
Chairman

AG/msl

cc: Commissioner Lisa Polak Edgar
Commissioner Ronald A. Brisé
Commissioner Eduardo E. Balbis
Commissioner Julie Imanuel Brown
Braulio Baez, Executive Director
Lisa Harvey, Deputy Executive Director
Curt Kiser, General Counsel
Andrew Maurey, Director, Division of Accounting and Finance
Cheryl Bulecza-Banks, Assistant Director, Division of Accounting and Finance
Jim Dean, Director, Division of Economics
Tom Ballinger, Director, Division of Engineering
Dale Mailhot, Director, Division of Auditing and Performance Analysis
✓ Carlotta Stauffer, Commission Clerk, Office of Commission Clerk (Docket No. 140135-WS)
J. R. Kelly, Office of Public Counsel