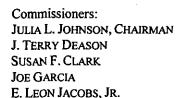
DIVISION OF WATER & WASTEWATER CHARLES H. HILL DIRECTOR (850) 413-6900





Public Service Commission

November 24, 1998

Mr. Albert B. Cassidy, President Orchid Springs Development Corporation Water and Sewer 710 Overlook Drive Winter Haven, Florida 33884

Re: Docket No. 980441-WS, Application for a Staff Assisted Rate Case in Polk County by Orchid Springs Development Corporation Water and Sewer

Dear Mr. Cassidy:

On November 3, 1998, the Commission voted on staff's recommendation dated October 22, 1999. Staff's recommendation was amended by the Commission to include an additional \$1,640 for wastewater testing expense. All adjustments were made accordingly. A Proposed Agency Action (PAA) order is scheduled to be issued twenty days from the date of the Commission's vote. If no protests have been filed by the end of the protest period, which is 21 days from the date the PAA order is issued, the rates and charges approved by this Commission will become final. However, the utility must first submit revised tariff pages for staff's approval before the utility will be allowed to implement the rate changes.

	In addition, staff has reviewed the utility's tariff and finds that you need to revise tariff sheets
MOIL!	for water and wastewater rates, customer deposits and miscellaneous service charges. In order to
T.A	expedite the tariff revision process, the utility should file <u>all</u> revised tariff pages by December 8,
AFA	- 1998, in order to allow sufficient time for staff to verify the accuracy of revised pages. I have
APP	enclosed blank copies of the tariff pages to be revised for filing.
CAF	
CMU	A copy of the customer notice informing the utility's customers of the Commission'
-	approved increased must also be submitted for staff's review and approval. This notice should show
CTR	effective dates. After staff approves this notice, it must be mailed to customers for receipt prior to
EAG	consumption at the increased rates.
LEG	
LIN	DOCUMEN1
OPC	
RCH	
SEC	CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD • TALLAHASSEE, FL 32399-0850
WAS	An Affirmative Action/Equal Opportunity Employer

PSC Website: www2.scri.net/psc

Internet E-mail: contact a psc.state.fl.us

Letter to Mr. Cassidy November 24, 1998 Page Two

Please mail the revised tariff pages and a copy of the proposed customer notice to:

Paulette Dewberry
Division of Water and Wastewater
Florida Public Servie Commission
Capital Circle Office Center, Gunter Building
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Enclosed is a copy of accumulated plant, depreciation, CIAC and amortization of CIAC schedules reflecting year end balance at March 31, 1998. The Commission approved these balances for rate setting purposes in this rate case. Please reconcile your books with the Commission approved accumulated balances shown on the enclosed schedules.

In addition, the Commission approved rate base includes pro forma plant of \$27,181 for water and \$76,228 for wstewater. All pro forma plant improvements are scheduled to be completed by November 1999. This docket will remain open for 15 months from November 3, 1998, which is November 3, 1999, to allow verification of the completion of the plant improvements. Please submit copies of invoices for verification. If the improvements are completed prior to November 3, 1999, please submit invoices to staff as soon as possible so that the docket can be closed. A list of pro forma plant included in rate base follows:

<u>Water</u>			
Account No.	Description	Cost	
320	2 sets chlorine scales (set for each plant)	\$ 2,560	
310	Replace generator & gas motor	12,476	
334	4" Turbine meter for stand-by plant	1,662	
320	Chlorine alarms for water plants	3,800	
331	Install new & replace 8" valves	6,683	
	Total	\$27,181	
Wastewater			
Account No.	Description	Cost	
380	Bar screen for 3 lift station pump entries to plant	\$ 1,200	
354	Fence sewage plant & isolated pond	5,090	
	w/plastic fence		
380	Chlorine scales	1,281	
389	Time clocks on irrigation pumps	550	
370	Steel covers for four lift stations	1,272	
389	Build 2 areators & install 2 1/2HP pump large pond	2,337	
389	Build 2 areators & install 2HP pump small pond	2,194	
370	Replace electrical panaels 3 lift stations	\$ 4,500	
370	Build new lift station (granada klay-seville L.S.)	46,560	
380	Drainage around large percolation pond	11.244	
	Total	<u>\$76.288</u>	

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If you have additional questions, please call me at (850) 413-6962.

Sincerely,

Paulette Dewberry

Professional Accountant Specialist

PD:tyg(cassidy3.ltr)

Enclosures

cc: D

Division of Records and Reporting

Division of Water and Wastewater (Hill, Willis, Rendell, Fuchs)

Division of Legal Services (Ferguson)
Division of Audit and Finance (Vandiver)