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DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

March 10, 2009

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COMMISSION
CLERK

Ms. Karen Berry
Fairmount Utilities, the 2nd, Inc.
P. O. Box 488
Avon Park, FL 33826-0488

Re: Docket No. 080668-SU - Application for staff-assisted rate case in Highlands County by Fairmount Utilities, The 2nd Inc.

Dear Ms. Berry:

After reviewing the application in the above referenced docket, staff has identified the following items that need further clarification and additional information to complete our review and processing of the application.

Additional Information

1. Provide an estimate from an independent third party for each of the proposed pro forma plant improvements and expenses and an explanation as to why each of the pro forma plant improvements are needed.
2. In the prior rate case, pro forma expenses were included for perc pond and lift station maintenance. Describe the annual maintenance performed on the perc ponds and lift station.
3. In the prior rate case, pro forma expenses were included for accounting and NARUC requirements. Describe the steps the utility has taken to address accounting concerns raised in the last rate case.
4. According to information contained in the utility's annual reports, the wastewater flows have steadily decrease for several years now while there has been an increase in the number of customers. Provide additional information to address the reduction in flows including whether customers have been more conservative in their water uses, when the wastewater plant flow meter was last calibrated, and whether the collection system has been renovated.

DOCUMENT NUMBER DATE
02143 MAR 11 08
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The original and four copies of the response to the information requested in this letter should be filed with the Commission on or before March 31, 2009. When filing the response, please be sure to refer to the docket number and direct the response to:

Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Should you have any questions concerning the information in this letter, please contact Robert Simpson at 850-413-7001.

Sincerely,



Robert Simpson
Engineer Specialist II
Bureau of Certification, Economics & Tariffs

RS:kb

Cc: Division of Economic Regulation (Hudson, Fletcher, Bulecza-Banks, Daniel)
Office of General Counsel (Williams)
Office of Commission Clerk (Docket No. 080669-SU)