State of Florida



TALLAHASSEE, FLORIDA 32399-0850

COMMISSION CLERK

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

Des.

DATE:

January 5, 2010

TO:

Commissioner Nancy Argenziano, Chairman

Commissioner Lisa Polak Edgar Commissioner Nathan A. Skop Commissioner David E. Klement Commissioner Ben A. Stevens, III

FROM:

Division of Economic Regulation (Lingo)

RE:

Docket No. 080695-WU, Request for Increase in Water Rates for Peoples Water

Service Company of Florida, Inc., in Escambia County

Late yesterday afternoon, staff received the attached letter from the Northwest Florida Water Management District regarding the above-referenced case. Staff is distributing the letter to all interested parties.

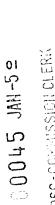
/FJL

Cc: Division of Economic Regulation (Devlin, Willis, Kummer, Stallcup, Daniel, Walden, Thompson)

Office of General Counsel (Sayler, Brubaker) Division of Regulatory Analysis (Salak, Casey) Office of Commission Clerk (docket file)

DOCUMENT NUMBER-DATE

LUGG-COMMUNICATION OF EBY





Douglas E. Barr Executive Director

Northwest Florida Water Management District

152 Water Management Drive, Havana, Florida 32333-4712 (U.S. Highway 90. 10 miles west of Tollahassee)

(850) 539-5999 • (Fax) 539-2777

January 4, 2010

Commissioner Nancy Argenziano, Chairman Commissioner Lisa Polak Edgar Commissioner Nathan A. Skop Commissioner David E. Klement Commissioner Ben A. Stevens, III Florida Public Service Commission Capital Circle Office Center 2540 Shumard Oak Boulevard Tallahassee, FL 32399-0850

RE: Docket No. 080695-WU - Requested Increase in Water Rates for Peoples Water Service Company of Florida, Inc., in Escambia County

Dear Commissioners:

Thank you for providing the District an opportunity to comment on the PSC staff recommendation for Peoples Water Service. The recommended rate structure complies with the District's requirements in the Individual Water Use Permit that the utility fully implement a conservation oriented rate structure. The District concurs with the PSC staff recommended rate structure as it: represents a measurable improvement over the present "declining block" rate structure; complies with the statewide Water Conservation Initiative recommendation that the base facility charge make up less than 40 percent of the total revenue; and it provides the least increase in payment by low volume customers engage in mostly non-discretionary uses.

If you have any questions or I can assist in any way, please do not hesitate to contact me at (850) 539-5999.

Sincerely,

Angela Chelette, P.G

Chief, Bureau of Groundwater Regulation

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