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TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

ORIGINAL

Public Service Commission

July 31, 2007

F. Marshall Deterding
Rose, Sundstrom & Bentley, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301

Re: Docket No. 070391-WS - Application for certificates to provide water and wastewater service in Sumter County by Orange Blossom Utilities, Inc.

Dear Mr. Deterding:

Staff has reviewed the above referenced application for original water and wastewater certificates by Orange Blossom Utilities, Inc. Please complete the following deficiency and provide the requested additional information to clarify the application.

Deficiencies

Pursuant to rule 25-30.033(1)(n), Florida Administrative Code, the application is to include one copy of the official county tax assessment map, or other map showing township, range, and section with a scale such as 1"=200' or 1"=400', with the proposed territory plotted thereon by use of metes and bounds or quarter sections, and with a defined reference point of beginning. No point of beginning is noted. Please provide the required map with the required notations.

Additional Information

1. Are existing customers aware that you have requested authority to charge for water and wastewater service? If so, how was this information provided to them?
2. The application contains a value for the land for the water and wastewater facilities locations as of May 2007. Provide evidence supporting the value of the land when first dedicated to public use.
3. Exhibit B of the application contains the projected customer development, but does not indicate meter size for the customers or an estimated time frame for the phasing in of the additional customers. Please provide this information.
4. According to Exhibit H the utility plans to add a second well. Has the utility explored the possibility of an emergency interconnect with the neighboring utility? If an emergency interconnection is possible, would there be a need for a second well? If the utility plans to

DOCUMENT NUMBER DATE

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add a second well, the estimated costs, depreciation, and time frame associated with the second well should be provided for inclusion in the rate calculations.

5. The application contains information concerning the financial support of the utility by its primary shareholder. However, no information was provided regarding the terms of the repayment. Please provide this information.
6. Exhibit B indicates 28,789 gpd for irrigation usage. Will the irrigation be potable or non-potable water? Will there be separate meters for irrigation?
7. Exhibit K indicates that at 80% of design capacity there will be 595 and 509 factored water and wastewater ERCs, respectively. However, Exhibit B indicates there will be 357 water ERCs at buildout. Please explain the differences.
8. The estimated Residential/Commercial water demand shown on Exhibit B is 107,150 gpd or an estimated annual use of 38,574 million gallons. Exhibit H indicates that the capacity of the wastewater treatment plant is 99,000 gpd (280 services). Exhibit K page 7, which addresses prepaid service availability charges, indicates that there will be approximately 69 water and 283 wastewater ERCs at 80% of buildout. Exhibit K page 3 anticipates 7,589 million gallons of water for the year at 80% of design capacity or an estimated average demand of 20,792 gpd. Exhibit K page 5 anticipates 7,811 million gallons or an estimated average demand of 21,400 gpd. Please explain the different estimates that were used on the various exhibits.
9. The water gallons used to bill for wastewater for 509 ERCs is 7,811 million gallons (1,279 gallons per bill) according to Exhibit K, but only approximately 7,589 million gallons (1,063 gallons per bill) will be billed for water service. Please explain the discrepancy.
10. If the estimated gallons used to calculate rates in Exhibit K are changed, please recalculate the proposed base facility and gallonage charges.
11. Please provide a copy of the 2006 tax return for Orange Blossom Utilities, Inc., and include the depreciation schedule for the water and wastewater plant items.
12. Please explain how the utility received Department of Environmental Protection and Water Management District permits prior to receiving water and wastewater certificates from the Public Service Commission.
13. Please provide a schedule showing the estimated Contributions-in-aid-of-construction (CIAC) and amortization of CIAC for each year until the utility reaches 80% of capacity and at buildout for water and wastewater.
14. What is the relationship between the utility and the developer of the requested territory?
15. The sample customer bill included in the water and wastewater tariffs does not comply with Part IV of Chapter 25-30, Florida Administrative Code, which provides that any bill

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not paid within 20 days of issuance must be followed by a 5 day delinquency notice before a disconnection can occur. Also, the reconnection fee shown on the sample customer bill does not agree with the miscellaneous service charges in the proposed tariff. Please provide revised sample customer bill tariff sheets.

16. A review of the proposed water and wastewater sample customer bills indicates the utility wants to charge a late payment fee of \$10. Please provide a cost justification for this amount.
17. The Miscellaneous Service Charges sheet in both tariffs needs to include the late payment fee. Also, please provide a cost justification for each of the miscellaneous service charges.
18. The sample customer bills include an amount for Commercial Water Tax. Please explain and justify the inclusion of this tax.
19. There are numerous omissions in the proposed tariffs submitted with the application. Please provide the name and telephone number of the person I may contact to discuss the corrections needed.

The **original and four copies** of the response to the information requested in this letter should be filed with the Commission on or before **August 31, 2007**. When filing the response, please be sure to refer to the docket number and to direct the response to:

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

Should you have any questions concerning the information in this letter, please contact Stephanie Clapp, of my staff, at (850) 413-6997.

Sincerely,


Patti Daniel
Supervisor of Certification

PD/sc

cc: Division of Economic Regulation (Clapp, Walden, Kaproth)
Office of the General Counsel (Jaeger)
Office of Commission Clerk