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STATE OF FLORIDA



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DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

September 13, 2007

Mr. Martin S. Friedman
Rose, Sundstrom, and Bentley
2180 W. State Road 434, Suite 2118
Longwood, FL 32779

RECEIVED - FPSC
07 SEP 13 PM 3:29
COMMISSION
CLERK

Re: Docket No. 070349-WS; Application for amendment of Certificates No. 410-W and 305-S to extend water and wastewater service areas to include land in Marion County, by Utilities, Inc. of Florida

Dear Mr. Friedman:

The application filed includes a statement on page 2, paragraph four that there is a need for water and wastewater service to the extension area. For water service, it is not clear to staff that a need exists in the area not yet developed. For example, north of 5320 N.W. 82nd Court, there was no road or development, including the area circling around to the east to N.W. 75th Avenue during staff's service area inspection earlier this year. Further, in the utility's last rate proceeding in Docket No. 060253-WS, the water plant was found to be 100% used and useful. It appears from an approximate lot count that at least 60 additional connections will be served. Please provide additional detail about the need for service, how the cost of new water lines will be financed, including any developer's agreement if one is signed for this undeveloped area.

For wastewater, some of the requested area is included in a wastewater certificate to BFF Corp. BFF is a bulk customer of Utilities, Inc. of Florida (UIF) and is serving Villages of Ascot Heath, Forest Villas, Cedar Grove, and Sandlin Woods as provided for in BFF's wastewater certificate. The BFF area is generally described as the area south of Tequesta Boulevard and west of N.W. 80th Avenue, in addition to the development known as Ascot Heath, which is east of N.W. 80th Avenue. A copy of BFF's certificate orders can be provided to you upon request.

The application is requesting that UIF be granted a wastewater certificate for the entire Golden Hills subdivision. It is staff's understanding that Golden Hills now has no wastewater system, and each home has a septic tank. To include this territory will obligate UIF to provide wastewater service. The wastewater plant serving Crownwood is a 40,000 gpd treatment facility and was determined to be 68% used and useful in the last rate case (see Order No. PSC-07-0505-SC-WS at page 31). The three month maximum daily flows were approaching 23,000 gpd which leaves only 17,000 gpd of capacity. Therefore, contrary to your statement in paragraph 4(j) of the application, that the applicant's existing wastewater system has capacity to serve the Golden Hills subdivision, staff does not believe that the remaining 17,000 gallons is sufficient to

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provide the service that will be needed. Please provide the detail concerning the utility's intentions to enlarge the wastewater plant, including a timeline for this project.

You also state that the existing lines have sufficient capacity to provide service. To staff's knowledge, there are no wastewater lines in the Golden Hills subdivision. The only fee to connect to the wastewater system is a \$450 plant capacity charge. Please provide additional detail about the need for wastewater service, how the cost of new lines will be financed, including any developer's agreement if one is signed for this proposed wastewater service area.

In summary, if the utility wishes to proceed with its wastewater amendment application, a revised territory description will be needed that excludes the territory granted to BFF Corp. A more detailed explanation is needed to demonstrate the need for water service and how that service will be provided and financed in the north end of Golden Hills, in that area that is not developed. Additional detail is needed to address the need for wastewater service in the Golden Hills subdivision as well as the capacity needed at the treatment facility to accommodate the flows that are anticipated.

If you have any questions, please contact me at 850-413-6950.

Sincerely yours,



Thomas Walden,
Engineer Specialist
Bureau of Certification

TW
cc: Office of General Counsel (Jaeger)
Docket file