

State of Florida



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

DATE: June 23, 2009
TO: Ann Cole, Commission Clerk - PSC, Office of Commission Clerk
FROM: Ralph R. Jaeger, Senior Attorney, Office of the General Counsel
RE: DOCKET NO. 050449-WU - Application for staff-assisted rate case in Pasco County by Dixie Groves Utility Company.

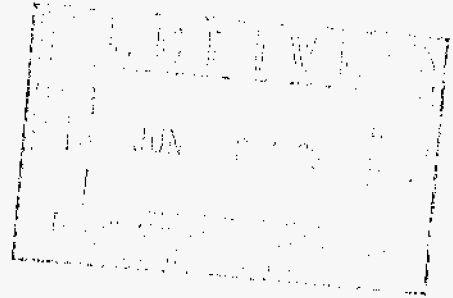
Please place the attached letter in the above-referenced docket file. Thank you.

cc: Division of Economic Regulation (Fletcher, Bruce, Bulecza-Banks, Hudson, Lingo)

DOCUMENT NUMBER-DATE
06272 JUN 23 8
FPSC-COMMISSION CLERK

Dixie Groves Utility Company

P.O. Box 398
New Port Richey, Florida 34652
Tel: 727-848-8292 Fx: 727-848-7701



June 3, 2009

Ralph R. Jaeger, Senior Attorney
State of Florida
Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RE: Docket No: 050449-WU
Dixie Groves Utility Company

Dear Mr. Jaeger:

I am in receipt of your correspondence dated May 5th, 2009 and ask that you please accept this brief correspondence as a request for closure of the referenced Docket related to the Dixie Groves Utility Company.

To reiterate; The Capital Improvement Plan previously placed before the Commission - and which related to the Phase II Rates mentioned in your letter, was reviewed by the Office of Public Counsel (OPC) as agreed. Mr. Steve Reilly, of OPC, has assisted Dixie Groves in this matter and to date there has not been a reduced cost solution found that would be agreeable to the local Fire Marshall, and provide less rate impact to the customer.

In addition, and over the past several months, negotiations have been underway with the Florida Governmental Utility Authority (FGUA) and Pasco County in regard to the possible purchase of the Dixie Groves Utility System. It does appear at this time that the sale is imminent which allows FGUA & Dixie Groves the access to the Pasco County water supply at a reduced rate not previously available to the independent Dixie Groves System.

Mr. Reilly agrees that considering the possible sale of the system to the FGUA, and their ability to access the County water supply at a lower cost, that the need to make the necessary improvements in line sizes and well capacity to support fire protection

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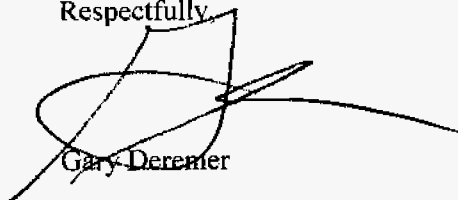
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Mr. Jaeger

water from the County at current rates available to the private utility for fire protection and consumption - would not be a prudent cost for the Utility or the customers. Therefore, at this time I ask that the Docket be closed, hence removing consideration of the Phase II Rates.

I hope this information is helpful to the Commission. Please do not hesitate to contact my office if further discussion is required. As in the past, we appreciate all efforts of the Commission on behalf of the Dixie Groves Utility Customers.

Respectfully,



Gary Deremer
President