

State of Florida

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DIVISION OF WATER &
WASTEWATER
CHARLES HILL
DIRECTOR
(904) 413-6900

Public Service Commission

April 9, 1996

Martin S. Friedman
Rose, Sundstrom & Bentley
2548 Blairstone Pines Drive
Tallahassee, Florida 32301

Re: Docket No. 960288-SU - Application of ALAFAYA UTILITIES, INC. for approval of reuse project plan in Seminole County, Florida.

Dear Mr. Friedman:

This is a follow up to a meeting you attended with staff on March 25, 1996, regarding the application filed in the above docket. As we discussed, staff believes the application is deficient because it does not contain all of the data required by Section 367.0817, Florida Statutes (FS). Specifically, Section 367.0817(1)(e), FS, requires:

The projected costs associated with the reuse project. As used in this section, the term "costs" includes, but is not limited to, all capital investments, including a rate of return, any applicable taxes, and all expenses related to or resulting from the reuse project which were not considered in the utility's last rate proceeding.

ACK _____ The application contains a reuse engineering study which contains a discussion of
AFA _____ reuse options, including an institutional scenario and four residential scenarios. However,
APP _____ this study does not indicate the applicant's choice or preference among these various
CAF _____ scenarios or the total costs associated with each, including the expenses, taxes, and rate of
CMU _____ return. In order to comply with the requirements of the above mentioned statute, the
CTR _____ applicant must provide this information for each scenario, or at least the scenario(s)
EAG _____ proposed by the applicant. An official filing date will not be established until we have
LEG _____ received this information required by the statute.

LIN _____ In addition, Section 367.0817(3), FS, provides that the utility can recover the costs
OPC _____ of a reuse project from the utility's water, wastewater, or reuse customers, or any
RCH _____ combination thereof as deemed appropriate by the Commission. In order that staff can
SEC _____ explore the sharing of the reuse costs with the utility's wastewater customers, we will need
WAS _____

OTH _____

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a complete billing analysis for a twelve month period. We request that you provide a billing analysis broken down by customer class and meter size for the twelve months ending December 31, 1995, for this purpose.

Paragraph 5 of the pleading filed in this case refers to a Memorandum of Intent with the City of Oviedo, which requires the filing of this application. Please provide a copy of this memorandum of intent.

Also, please provide copies of any contracts with the proposed reuse customers referred to in Paragraph 6 of the pleading.

Please provide the above information as soon as possible. If you have any questions, please feel free to contact JoAnn Chase of the Division of Water and Wastewater or Michael Rebeck of the Division of Legal Services.

Sincerely,



Charles H. Hill
Director

/jc
cc:

Division of Records and Reporting
Division of Legal Services (Rebeck)
Division of Water and Wastewater (Williams, Chase, Lingo, McRoy, Von Fossen,
Xanders)