

ORIGINAL

STATE OF FLORIDA

COMMISSIONERS:
BRAULIO L. BAEZ, CHAIRMAN
J. TERRY DEASON
LILA A. JABER
RUDOLPH "RUDY" BRADLEY
CHARLES M. DAVIDSON



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

Public Service Commission

November 5, 2004

RECEIVED FPSC
NOV -5 PM 3:37
COMMISSION
CLERK

Kathryn G. W. Cowdery
Ruden McClosky
215 South Monroe Street, Suite 815
Tallahassee, FL 32301

Re: Docket No. 041141-WS; Application for original water and wastewater certificates of authorization and initial rates and charges for Hidden Valley SPE LLC d/b/a Orange Lake, in Lake County, Florida

Dear Mrs. Cowdery:

In reviewing the application filed in this docket, there are some engineering points that needed additional explanation. The purpose of this letter is to inform you that I called Gary Morse yesterday and spoke to him briefly about several of the schedules he prepared in the filing.

The filing states on page three in paragraph 8, that there are four irrigated common areas. Mr. Morse informs me that the irrigation water is potable and metered. He said he would furnish flow data from these meters. I also asked him about average daily flow per ERC and he said he could also furnish this data for all customers.

CMP _____ On Attachment J, the staff normally considers all transmission and distribution mains, including
COM _____ meters and services to be CIAC when original source documents are not available. Mr. Morse
CTR _____ explained that meters were not considered CIAC since they were installed as investment in 2000.
ECR _____ I discussed that staff had reservations about approving a meter installation fee for new customers
GCL _____ when the existing customers did not pay one. Mr. Morse noted that there are only a few vacant
OPC _____ lots in the subdivision and expansion was not likely. Therefore, the approval of a meter
_____ installation fee would not generate significant revenue. Also, on page two of Attachment J, line
_____ 35, the cost of new well #3 is listed at \$140,000. I asked Mr. Morse to provide the invoices to
_____ support the cost of this well.

MMS _____ On Attachment K, the staff normally considers all collection system (gravity mains, force mains,
RCA _____ manholes, and services or laterals) to be CIAC when original source documents are not available.
SCR _____ Mr. Morse explained that the first three items were included as being contributed property, and
SEC _____ that he agreed that services or laterals could likewise be included.

OTH _____ It is noted that the regulatory assessment fees on Attachments N and O, while listed on line 20
_____ and 21, respectively, do not show up as being included in the total on lines 23 and 24. Mr.

DOCUMENT NUMBER DATE
11958 NOV-5 2004
FPSC-COMMISSION CLERK

Kathryn G. W. Cowdery
Page 2
November 5, 2004

Morse said there was a formula error, and that he would provide revised Attachments N and O to the staff.

For revenue review, a breakdown of the number of customers by meter size and class (residential and general service) will be needed. Mr. Morse said all meter sizes are 5/8 X 3/4 and that he could provide that listing. I believe he said there were eight general service customers.

Please coordinate the provision of this data to staff by next week if possible. We are working toward a December 7 agenda, which means a recommendation must be filed before Thanksgiving.

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

Sincerely yours,

A handwritten signature in cursive script that reads "Thomas Walden".

Thomas Walden,
Engineer Specialist

TW

cc: Gary Morse
Jennifer Rodan, Staff Counsel
Division of Records and Reporting