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STATE OF FLORIDA



DIVISION OF ENGINEERING
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Public Service Commission

March 6, 2013

John L. Wharton, Esq.
Sundstrom, Friedman & Fumero, LLP
2548 Blairstone Pines Drive
Tallahassee, FL 32301

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COMMISSION
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Re: Docket No. 090459-WS, Application for original certificates for proposed water and wastewater system and request for initial rates and charges in St. Lucie County by Bluefield Utilities, LLC.

Dear Mr. Wharton:

Thank you for Bluefield Utilities, LLC's (Bluefield) February 6, 2013, response (revised application) to staff's January 3, 2013, notification of deficiencies. While the application now appears complete, staff requests the following additional information, clarification, and documentation in order to process the application.

Additional Information, Clarification, and Documentation

- Need.** According to the May 26, 2011, letter from the South Florida Water Management District (SFWMD) to Chairman Graham, provided in Attachment 1 to the revised application, Bluefield's direct parent, Evans Utilities Company, Inc. (Evans), has suggested the potential of utilizing a PSC certificated utility to form a public-private partnership between Evans and SFWMD to capture excess fresh water discharges to the Indian River Lagoon for storage, treatment and distribution to customers within the water management system. Please provide an updated description of the current status of the proposed public-private partnership. The update should include a description of the C-23 canal project and its relationship and interconnection, if any, with Evans' C-25 canal project contemplated for its subsidiary, Grove Land Utilities, LLC.
- Service Territory.** Parcel ID-2 consists of 2,273 acres, which could serve densities up to 454 equivalent residential connections (ERCs). According to Exhibit C of the original application filed on September 25, 2009 (original application), utility services are being designed to serve approximately 201 ERCs on the west side of the property. If only the west side of Parcel ID-2 is intended to be served, why is Bluefield requesting service territory for the east side?
- Proof of Ownership.** The original application contains executed copies of water and wastewater lease agreements between Evans Properties, Inc. and Bluefield. The revised application contains executed copies of the First and Second Amendments to the original lease agreements, but indicates legal descriptions of the leased premises will be only be prepared upon completion of the

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engineering plans for Phase I. Will the engineering plans for Phase I be completed within 30 days of an order granting certificates? If not, is Bluefield intending to request a temporary waiver of the rule?

4. Water-only Customers. According to the original and revised applications, Phase I has 5 existing general service customers in Parcel ID-2 that will remain on septic tanks. In addition, it is anticipated there will be 5 more ERCs coming online in the first 3 years that will also utilize septic tanks. Please provide a description of these water-only general service customers, which includes housing type, meter size, Parcel ID number, and whether existing or coming online.
5. Electric Service. The Cost of Service Study in the revised application assumes Bluefield will not have to pay for the construction of electrical facilities. What is the basis of this assumption?
6. Non-potable Water Service. According to the original and revised applications, Bluefield proposes to provide both potable and non-potable water. However, the original and revised Cost of Service Studies only propose rates and charges for potable water service. Please explain why Bluefield is not proposing rates and charges for non-potable water service.
7. Water Wells. According to the revised application, there are four proposed water facilities. Conceptual designs and locations were provided for an 8" well on Parcel ID-1 and 3", 5", and 12" wells on Parcel ID-2. The revised Cost of Service Study does have costs for a new 8" well, which elsewhere is described as for Parcel ID-1, as well as improvements for existing 3", 5", 10", and 12" wells. Is there an existing 10" well in Parcel ID-2 that will be utilized by Bluefield for potable water? Also, please explain why the existing wells have Year 1 costs for the wells, not just the improvements. Are they being purchased or leased? If leased, the water lease appears to only have provisions for the drilling of new wells.
8. Meters and Meter Installation. In the revised application, Schedule 6C of the Cost of Service Study and Original Sheet No. 17.0 in the proposed Water Tariff indicate that Bluefield is proposing a meter installation charge of \$295 for a 5/8" x 3/4" meter. However, Schedule 4 of the Cost of Service Study lists the cost for a 5/8" x 3/4" meter in Year 1 as \$380.34. Please explain the difference in cost.
9. Wastewater Rate Base Schedule. It appears that Schedule 21A, entitled "Bluefield Utilities, LLC, Wastewater Rate Base, Year 7," was not provided with the revised application. Please file the revised schedule.

If you have questions regarding the information requested above, please feel free to contact me at (850) 413-6686, pbrady@psc.state.fl.us, or legal staff, Caroline Klancke at (850) 413-6220, cklancke@psc.state.fl.us. The response should be filed as soon as possible, but no later than March 13, 2013, either electronically at filings@psc.state.fl.us or mailed with a complete copy to Ann Cole, Director, Office of Commission Clerk.

Sincerely,



Patricia Brady
Regulatory Analyst IV

PB:jc

cc: Division of Engineering (L'Amoreaux, Lewis, Watts)
Division of Accounting & Finance (Cicchetti, Makki, Springer)
Division of Economics (Daniel, Hudson)
Office of the General Counsel (Klancke)
Office of Commission Clerk