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58 JUL -8 PM 4:56

RECORDS AND  
REPORTING  
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July 8, 1998

ORIGINAL

Blanca S. Bayo, Director  
Division of Records & Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

HAND DELIVERY

980006-90

Re: Undocketed Workshop on Reuse of Reclaimed Water

Dear Ms. Bayo:

Please find enclosed a letter dated July 7, 1998 from Mr. James A. Perry, Vice President of Finance, Palm Coast Utility Corporation. This letter presents Palm Coast's position regarding reuse at this time, in this proceeding.

Please acknowledge receipt of the foregoing by stamping the enclosed extra copy of this letter and returning same to my attention.

Thank you.

RECEIVED & FILED

FPSC BUREAU OF RECORDS

Very truly yours,

*B. Kenneth Gatlin*

B. Kenneth Gatlin

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_ BKG/l dv
- EAG \_\_\_\_\_ Enclosure
- LEG 1 cc: Joann Chase, Division of Water & Wastewater
- LIN \_\_\_\_\_
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC 1
- WAS 1
- OTH \_\_\_\_\_

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July 7, 1998

Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0870

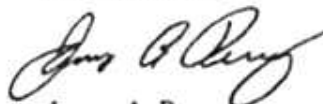
Re: Effluent Reuse Workshop

Due to the emergency fire situation in Flagler County and recent evacuation, I cannot attend the effluent reuse workshop in Tallahassee. I would ask for the record to recognize the following:

- Florida Statute 367.0817 must be recognized by the Commission and staff in its entirety. No used and useful application should be applied to reuse projects
- Once 100% recovery of effluent reuse projects are recognized, the recovery in which rate class will need to be determined on a case by case basis. In most cases some apportionment between wastewater and effluent rates will be needed to ensure reuse acceptability as an effective cost alternative.
- A separate certificate for effluent reuse areas will eventually be needed to curtail litigation over service areas.
- The FPSC must define effluent reuse facilities consistent with the Florida Department of Environmental Protection.

In addition to the above, I would ask that the staff recognize the realities that utilities face when implementing reuse and the necessity for cost recovery. In our area and throughout Florida it is apparent that reuse has become a key component in sustaining development and customer growth. Cost recovery is imperative for the viability and continued existence of all utilities.

Sincerely yours,



James A. Perry  
Vice President Finance

cc: T. Trace  
K. Gatlin

Palm Coast Utility Corporation