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Public Service Commission

June 8, 2006

Martin S. Friedman, Esquire
Rose, Sundstrom, and Bentley, LLP
2180 West Highway 434
Suite 2118
Longwood, FL 32779

Re: Docket No. 060166-WS; Application for amendment of Certificates 590-W and 508-S to extend water and wastewater service areas to include certain land in Polk County by Gold Coast Utility Corp.

Dear Mr. Friedman:

In reviewing the documents on file in this application, and your letter dated March 28, 2006, there are questions that need explanation to proceed with the processing of this filing. These questions are posed below.

Can you expound upon the need for service? Regarding need for service, while a developer is interested in central water and wastewater service, without any kind of development plan, the need is difficult to grasp. A specific development plan may be premature at this juncture, but certainly a developer would have general ideas on how the property would be developed. A developer agreement would be a method for the developer to state what capacities are needed, as well as the timeline for capacity, and let the utility plan and agree to provide service, specifying that the agreement would be contingent upon the territory being granted to the utility by this Commission.

How will the property be developed? This will depend upon current building and zoning regulations and the interface with the approved comprehensive plan as filed by Polk County with the Florida Department of Community Affairs. Development densities as allowed by the current conditions will help the developer to determine the quantities of water and wastewater service needed on a daily basis. Obviously if current conditions were to change to allow greater densities, the water and wastewater needs would increase.

Staff does not agree with the statement in your letter that it is necessary for the property owner to secure their right to utility services to the property before a specific development plan can be devised. It seems more appropriate that the plan for development come first, and then determine whether the nearest utility can provide that service, and if so, under what

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Martin S. Friedman, Esquire

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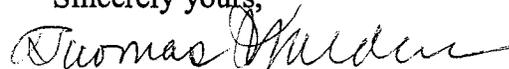
June 8, 2006

circumstances. Without knowing the demand placed upon a water or wastewater utility, it would be impossible for the utility to determine whether the utility could meet the needs of the developer. Another consideration to be reviewed is the needs of the current customer base compared to the future needs of a developer.

The Department of Community Affairs (DCA) has reviewed the application for amendment of territory and states that the proposed amendment promotes urban sprawl. The DCA also noted that there is no data or analysis to show that the proposed service area expansion is needed to meet approved development. Your comments concerning this opinion from DCA are solicited.

It is believed that the documentation requested in my letter to you dated March 22, 2006 is needed in order for the staff to complete its review and prepare a recommendation to the Commission in this docket. If you have any questions, contact Tom Walden at 850-413-6950.

Sincerely yours,



Thomas Walden,
Engineer Specialist

PD/TW

cc: Katherine Fleming, Staff Counsel
Division of Commission Clerk and Administrative Services