

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
KATRINA J. MCMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

STATE OF FLORIDA



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

Public Service Commission

April 30, 2008

Mr. Martin Friedman
Rose, Sundstrom & Bentley, LLP
Sanlando Center
2180 W. State Road 434, Suite 2118
Longwood, FL 32799

RECEIVED-FPSC
08 MAY - 1 AM 9:55
COMMISSION
CLERK

Re: Docket No. 070694-WS, Application of Wedgefield Utilities, Inc. for an increase in water rates in Orange County, Florida

Dear Mr. Friedman:

We have reviewed the minimum filing requirements (MFRs) submitted on March 31, 2008, on behalf of Wedgefield Utilities, Inc. (Wedgefield or utility). After reviewing this information, we find the MFRs to be deficient. We have identified several deficiencies that must be corrected. The following list contains a rule citation that specifies a particular filing requirement along with a description of the specific deficiency.

Rule 25-30.437, Florida Administrative Code (F.A.C.), requires that each utility applying for a rate increase shall provide the information required by Commission Form PSC/ECR 20 (11/93), entitled "Class A and B Water and/or Wastewater Utilities Financial, Rate and Engineering Minimum Filing Requirements."

1. Schedule B-7, Operation and Maintenance Expense Comparison – Water: the total for Priority 6/30/99 does not tie to the O & M approved in Order No. PSC-00-0910-PCO-WU. Staff's position is that, because the utility's prior rate case resulted in a settlement agreement which provided, in part, that the Commission-approved interim rates became final, the last Commission approved O & M expenses are those included in Schedule 3-A of the interim order.
2. Schedule B-7, Operation and Maintenance Expense Comparison – Water: the instructions for this schedule require explanations of all differences which are not attributable to the change in customer growth and the CPI-U. The explanations provided for lines 1, 3, 5, 10, 11, 17, 21, and 46 merely state that the expense included in the line has increased. Please provide explanations as to why the increases are attributable to factors other than customer growth and the CPI-U.
3. Schedule E-4, Present and Proposed Miscellaneous Service Charges: the instructions state that if an increase is proposed, the utility must provide a schedule of derivation of charges, unless

03532 MAY -1 80
FPSC-COMMISSION CLERK

the charges are pursuant to the latest Staff Advisory Bulletin # 13. This bulletin has been rescinded; therefore, please provide a schedule of derivation of the proposed charges.

4. A specific instruction for Schedule E-14 is to provide a billing analysis for each class of service by meter size. According to Schedule E-2, columns (3) and (4), the utility provides service to bill code 64907 representing general service 5/8" (no tax) customers. However, Schedule E-14 is missing a billing analysis for bill code 64907. Please provide this missing information.
5. The number of bills rendered by customer class shown on Schedule E-2 does not match the information provided on Schedule E-3. Specifically, Schedule E-3 does not contain columns indicating monthly customers billed information for either the residential irrigation class or the general service (no tax) class. Please resubmit Schedule E-3 with the requested information. Also, be aware that adding the two requested columns of information will require adjusting the information already provided in columns (4) and (5) on Schedule E-3.

Rule 25-30.110, F.A.C., requires that each utility shall furnish any information the Commission requests or requires for determining rates of the utility and that the information be consistent with and reconcilable with the utility's annual report to the Commission.

6. On Schedule C-6, page 1, the total net deferred tax at June 30, 2007, (\$318,421) does not agree with the sum of the balances of the individual accounts shown on the same page. Further, the total does not tie to the 6/30/2007 balance (\$329,898) shown in Column (2) of Schedule D-2. Please correct these discrepancies and reconcile the corrected balance to the deferred tax balance (\$318,298) reflected on Schedule F-5 of the utility's 2006 Annual Report.

Rule 25-30.440(6), F.A.C., requires the utility to submit all health department and DEP construction and operation permits.

7. The construction and operating permits for the 2 magnetic ion exchange units, a transfer station, modification of the storage tank, and additional high service pump are not included in the utility's filing. Please submit the required construction and operating permits.

Rule 25-30.4415, F.A.C., requires that, if the applicant proposes to include in its plant investment the cost of investment made in the public interest pursuant to Section 367.081(2), F.S. which investment was or will be required by agency rule, regulation, order or other directive, the applicant shall provide the following information to the Commission: (1) a copy of the rule regulation, order, or other regulatory directive that has required or will require the applicant to make improvement or the investment for which the applicant seeks recovery; (2) an estimate by a professional engineer, or other person knowledgeable in design and construction of water and wastewater plant, to establish the cost of the applicant's investment and period of time required for completion of construction; and (3) an analysis showing the portion of the proposed rate increase that relates to the financial support for the investment.

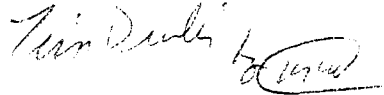
8. The utility intends to add proforma plant (generator enclosure replacement, raise valve boxes in the distribution system, 2 magnetic ion exchange units, a transfer station, modification of the storage tank, and additional high service pump). Please submit the information required by Rule 25-30.4415, F.A.C.

If any of the above corrections require a corresponding change to any MFR schedules, those corrected schedules must also be submitted. Your petition will not be deemed filed until the

Mr. Martin Friedman
Page 3
April 30, 2008

deficiencies identified in this letter have been corrected. The corrections should be submitted no later than May 30, 2008.

Sincerely,

A handwritten signature in cursive script, appearing to read "Timothy Devlin", with a circular flourish at the end.

Timothy Devlin
Director

TD:jbk

cc: Division of Economic Regulation (Willis, Bulecza-Banks, Daniel, Redemann, Stallcup,
Bruce, Fletcher, Kyle)
Office of the General Counsel (Klancke)
Office of Commission Clerk