

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: June 30, 2008
TO: Ann Cole, Commission Clerk - PSC, Office of Commission Clerk
FROM: Stanley D. Rieger, Utilities System/Engineering Specialist, Division of Economic Regulation *SDR*
RE: Doc. No. 070394-WU --Application for staff assisted rate case in Pasco County by Holiday Utility Company, Inc.

Please insert into the docket file the attached May 21, 2008, letter to Ms. Mahnaz Massoudi from Mr. David B. Schultz Sr., on behalf of Holiday Utility Company. Thank you.

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08 JUN 30 PM 3:38
COMMISSION
CLERK

DOCUMENT NUMBER-DATE

05657 JUN 30 8

FPSC-COMMISSION CLERK

U.S. Water Services Corporation

Water and Wastewater Utility Operations, Maintenance, Engineering, Management

08 MAY 28 11:08 AM '08

REC'D - COMM. CLERK

08 MAY 27 11:00 AM '08

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08 MAY 27 AM 8:59

COMMISSION
CLERK

May 21, 2008

Ms. Mahnaz Massoudi
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Holiday Utility Company
Case # 070394-WU

Dear Ms. Massoudi,

As per your inquiry relative to the timing of rates going into effect as compared to the specified purchase water date of July 1, 2008 found in the Consent Order, Holiday Utility offers the following response:

Due to the waiver of the rate case schedule and the resetting of the PSC commission meeting date, the requested rate increase will not be in effect until sometime after July 1, 2008 and only then, if there is no third party intervention such as a significant customer protest.

Item 9 of the consent order addresses the timing of the purchase water requirement as such relates to the interim sodium MCL in effect at the time of the order (300 mg/l), and the forecasted expiration of that limit and its expected reduction to the standard limit (160 mg/l), on June 30, 2008. Item 9 further defines the timing of the initiation of purchase water to be the reduction of the MCL to 160 mg/l on July 1, 2008-whichever occurs later.

At this time the utility believes that the current interim MCL limit of 300 ppm may be extended for some period beyond the scheduled June 30, 2008 expiration date. Should this be the case the utility will request the FDEP allow the utility to operate under the interim MCL limit until such time as the increased rates go into effect, or until the (then expected) interim sodium limit expires- whichever happens earlier.

DOCUMENT NUMBER - DATE

05657 JUN 30 08

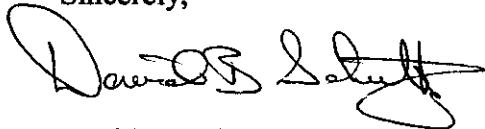
FPSC-COMMISSION CLERK

U.S. Water **Services Corporation**

Should the interim sodium MCL for water utilities not be extended past June 30, 2008, Holiday Utility is prepared to purchase water from Tarpon Springs at the financial detriment of Holiday Utility Company in order to comply with its obligation under the Consent Order.

I trust the above response adequately responds to your inquiry. We appreciate your interest in this matter.

Sincerely,



David B. Schultz Sr.
On behalf of Holiday Utility Company