

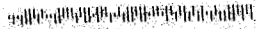
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070694-WS
11792-08

State of Florida
Public Service Commission
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The Honorable Tony Sasso

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in water and wastewater rates in Orange County by Wedgefield Utilities, Inc. | DOCKET NO. 070694-WS
| ORDER NO. PSC-08-0827-PAA-WS
| ISSUED: December 22, 2008

The following Commissioners participated in the disposition of this matter:

MATTHEW M. CARTER II, Chairman
LISA POLAK EDGAR
KATRINA J. McMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING INCREASE IN RATES AND CHARGES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the actions discussed herein, except for the four-year rate reduction and the requirement of proof of adjustments, are preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

BACKGROUND

Utilities, Inc. (UI or parent) is an Illinois corporation which owns approximately 80 subsidiaries throughout 16 states, including 16 water and wastewater utilities within the State of Florida. Currently, UI has seven separate rate case dockets pending before us. These dockets are as follows:

<u>Docket No.</u>	<u>Utility Subsidiary</u>
070693-WS	Lake Utility Services, Inc.
070694-WS	Wedgefield Utilities, Inc.
070695-WS	Miles Grant Water and Sewer Company
080247-SU	Utilities Inc. of Eagle Ridge
080248-SU	Tierra Verde Utilities
080249-WS	Labrador Utilities
080250-SU	Mid-County Services

Wedgefield Utilities, Inc. (Wedgefield or Utility) is a Class A utility providing water and wastewater service to approximately 1,597 water and 1,575 wastewater customers in Orange County. Water rates were last established for this Utility in its 1999 rate case.¹

¹ See Order No. PSC-02-0391-AS-WU, issued March 22, 2002, in Docket No. 991437-WU, In re: Application for increase in water rates in Orange County by Wedgefield Utilities, Inc.

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On March 31, 2008, Wedgefield filed its application for a water-only rate increase at issue in the instant docket. The Utility's application did not meet the minimum filing requirements (MFRs). On May 30, 2008, Wedgefield filed responses to the deficiencies identified by Commission staff, and that date was established as the official filing date for this proceeding. The Utility requested that the application be processed using the Proposed Agency Action (PAA) procedure and did not request interim rates. The test year established for final rates is the 13-month average period ending June 30, 2007. Wedgefield requested a final revenue increase of \$446,607 (58.66 percent) for water.

On July 29, 2008, the Office of Public Counsel filed a Notice of Intervention in this docket. We have jurisdiction pursuant to Sections 367.081 and 367.082, Florida Statutes (F.S.).

QUALITY OF SERVICE

Pursuant to Rule 25-30.433(1), Florida Administrative Code (F.A.C.), in every water and wastewater rate case, we are charged with determining the overall quality of service provided by a Utility by evaluating the quality of the Utility's product, the operational condition of the plant and facilities, and the Utility's attempt to address customer satisfaction. Field inspections of the system were conducted on June 30, July 1, and August 5, 2008. In addition, the Florida Department of Environmental Protection (DEP) was asked to determine whether the Utility is in compliance with all environmental regulations.

Quality of the Product and Condition of Plant

In 2005, Wedgefield had a problem with elevated disinfection by-products, specifically total trihalomethanes (TTHM). On December 7, 2005, the water plant modification to convert disinfection from chlorine alone to chloramines was completed. The Utility came into compliance with TTHMs after the water plant was modified.

Wedgefield also had a problem with total sulfides. Sulfides are an aesthetic issue that make the water taste and smell unpleasant. The Utility investigated magnetic ion exchange (MIEX) for the removal of sulfides and organic material. The DEP received the Utility's Pilot Project results on July 27, 2007. It was determined from the pilot study that the MIEX-dissolved organic carbon (DOC) resin effectively removes both the DOCs and the total sulfide from the raw water. The DOCs were removed at an average rate of 61 percent, while 98 percent of the sulfides were removed on average. On July 28, 2008, two MIEX units were installed which has significantly improved the aesthetic quality of the water. In addition, the MIEX units have allowed the Utility to switch back to chlorine for disinfection.

Wedgefield is in compliance with all DEP requirements and the water treatment plants are in good working order. Based on the above, we find that the quality of the Utility's water and the condition of the plant are satisfactory.

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Katie Ely

From: Katie Ely
Sent: Monday, December 29, 2008 12:04 PM
To: Caroline Klancke
Cc: Kimberley Pena
Subject: Docket 070694-WS

Caroline,

The Honorable Tony Sasso is no longer a member of the House. He was an interested person in the above refernece docket. Please let us know if we can delete him from the parties list. Further, do you have a name to substitute him in the parties list?

Thanking you in advance for your help,
Katie

12/29/2008