

State of Florida



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Public Service Commission

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

DATE: June 18, 2009
TO: Ann Cole, Commission Clerk - PSC, Office of Commission Clerk
FROM: Richard P. Redemann, Professional Engineer III, Division of Economic Regulation *RR*
RE: Docket No. 080597-WS -- Application for general rate increase in water and wastewater systems in Lake County by Southlake Utilities, Inc.

The attached email from Sam Munipalli dated June 18, 2009 to staff should be placed in the above docket file. The discussion involves the Wastewater Treatment Plant Used and Useful.

cc: Division of Economic Regulation (Daniel, Rieger)
Division of Regulatory Compliance (Casey, Mann, Beard)
Office of the General Counsel (Brown)

C:/msword/080597 emails.doc

DOCUMENT NUMBER-DATE

06092 JUN 19 8

FPSC-COMMISSION CLERK

Richard Redemann

From: Judy, Dennise [Dennise.Judy@dep.state.fl.us]
Sent: Thursday, June 18, 2009 11:16 AM
To: msmurthi
Cc: Richard Redemann
Subject: RE: Southlake WWTF

Hi, Sam,

In response to your comments below, I can confirm that DEP does require redundancy in several of the unit processes required for this facility. The facility is required to have at least two clarifiers and two chlorine contact chambers that are sized and piped to be able to treat at least 50% of the design flow with the largest unit out of service, back-up pumps are required for any pumps that are part of the facility, and a back-up power supply is needed. For the purposes of meeting the Class III reliability requirements, the design flow is based on peak hourly flows, rather than annual average daily flows, which is the basis for the permitted capacity. The peak hourly flow is at least 2.5 times the average daily flow.

If this needs to be written into your permit, we can do that, but perhaps this email will suffice.

Regards, Dennise

Dennise Judy
Program Manager
Domestic Waste Permitting
407-893-3989

The Department of Environmental Protection values your feedback as a customer. DEP Secretary Michael W. Sole is committed to continuously assessing and improving the level and quality of services provided to you. Please take a few minutes to comment on the quality of service you received. Simply click on this link to the DEP Customer Survey. Thank you in advance for completing the survey.

From: msmurthi [mailto:msmurthi@comcast.net]
Sent: Tuesday, June 16, 2009 4:22 PM
To: Judy, Dennise
Subject: Southlake WWTF

Hello John,

Can you provide the FDEP Rule requirement for 50% redundancy? We spoke to Denise Judy, the supervisor of permitting, and she would not confirm the 50% redundancy requirement. She explained it depended on the total components of the plants.

Thanks, Richard

Ms. Judy:

6/18/2009

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The above is a communication from Mr. Redemann of FPSC to Southlake's Rate Consultant, Mr. John F. Guestella.

Here is the situation.

The FPSC is reluctant to consider the 2004 Permitted construction as 100% used and useful based on actual flow considerations and one of the sticking points as best I can understand is the size of the west plant. This west plant was a pre-existing prior to 2004 expansion. In 2004 it was refurbished to provide additional treatment capacity to meet the projected growth needs of Southlake and also to be in compliance with Class III reliability requirements working in conjunction with east plant. Because the Class III reliability requirements were not incorporated in the body of the permit unlike the chlorine contact chambers, grit removal etc., it is our feeling that FPSC is shy to consider the west plant 100% used and useful. Our argument was that compliance with this requirement is mandated by your letter dated March 5, 2004 (copy attached for your reference) and is also a requirement pursuant to Chapter 62-600 FDEP Rules, without which construction permit for the planned improvements would not have been issued.

Is there anyway you can help us.

I can be reached at 904.635.6100

Sam Munipalli