



Douglas E. Barr
Executive Director

Northwest Florida Water Management District

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January 4, 2010

Commissioner Nancy Argenziano, Chairman
Commissioner Lisa Polak Edgar
Commissioner Nathan A. Skop
Commissioner David E. Klement
Commissioner Ben A. Stevens, III
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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RE: Docket No. 080695-WU – Requested Increase in Water Rates
for Peoples Water Service Company of Florida, Inc., in Escambia County

Dear Commissioners:

Thank you for providing the District an opportunity to comment on the PSC staff recommendation for Peoples Water Service. The recommended rate structure complies with the District's requirements in the Individual Water Use Permit that the utility fully implement a conservation oriented rate structure. The District concurs with the PSC staff recommended rate structure as it: represents a measurable improvement over the present "declining block" rate structure; complies with the statewide Water Conservation Initiative recommendation that the base facility charge make up less than 40 percent of the total revenue; and it provides the least increase in payment by low volume customers engage in mostly non-discretionary uses.

If you have any questions or I can assist in any way, please do not hesitate to contact me at (850) 539-5999.

Sincerely,

Angela Chelette, P.G.
Chief, Bureau of Groundwater Regulation

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