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MARSHALL WILLIS, DIRECTOR
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(850) 413-6900

Public Service Commission

September 23, 2010

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COMMISSION
CLERK

Mrs. Deborah J. Day Braceland
Brendenwood Water System, Inc.
3153 Penwa Court
Longwood, Florida 32779-3109

Re: Docket No. 090346-WU, Application for staff-assisted rate case in Lake County by Brendenwood Water System, Inc.

Dear Mrs. Day Braceland:

Pursuant to Order No. PSC-10-0167-PAA-WU, issued March 23, 2010, and consummated by Order No. PSC-10-0236-CO-SU, issued on April 16, 2010, Brendenwood Water System, Inc., was required to "provide proof within 90 days of the final order [Consummating Order] issued in this docket that the appropriate adjustments for all the applicable NARUC USOA [National Association of Regulatory Utility Commissioners Uniform System of Accounts] primary accounts" had been made. Because the Consummating Order was issued on April 16, 2010, such proof should have been submitted by no later than July 16, 2010.

Please provide the required documentation concerning appropriate adjustments to the primary accounts by October 15, 2010. Failure to provide the required information by that date could result in staff proceeding with a show cause recommendation pursuant to Section 367.161, Florida Statutes (F.S.). Pursuant to paragraph 367.161(2), F.S., if a utility "is found to have refused to comply with, or to have willfully violated, any lawful rule or order of the Commission . . . a penalty for each offense of not more than \$5,000" may be imposed by the Commission." That same paragraph further states: "Each day that such refusal or violation continues constitutes a separate offense." Therefore, the utility faces fines of up to \$5,000 per day for each day it fails to comply with Order No. PSC-10-0167-PAA-SU.

In addition, the order required the Utility to complete pro forma plant improvements within 12 months of the issuance of the Consummating Order. The pro forma improvements include the refurbishment of its 3,500-gallon hydropneumatic tank. The deadline for completing the additions is April 16, 2011, and this deadline must be met in order for the Utility to be allowed to implement the Phase 2 rates authorized by the Commission. Verification must be provided to the Commission in the form of a copy of final invoice(s) and cancelled check(s) for the refurbishment of the hydropneumatic tank. In addition, please submit documentation from a professional engineer indicating that the refurbishment was done in compliance with AWWA

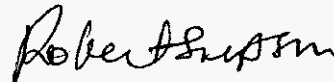
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standards. Please provide the required information demonstrating that the improvements have been completed by May 16, 2011.

Please submit the required information to the Office of Commission Clerk, Florida Public Service Commission, 2540 Shumard Oak Blvd., Tallahassee, Florida, 32399-0850. If you have any questions, please contact me at (850) 413-7001 or rsimpson@psc.state.fl.us.

Sincerely,

A handwritten signature in black ink that reads "Robert Simpson". The signature is written in a cursive style with a large initial "R".

Robert Simpson
Engineering Specialist
Bureau of Certification, Economics & Tariffs

RS:lr

cc: Division of Economic Regulation (Daniel, Roberts, Hudson, Maurey)
Office of General Counsel (Williams)
Office of Commission Clerk (Docket No. 090346-WU)