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RECORDS AND
March 14, 2000 REPORTING

Mr. Daniel M. Hoppe, Director
Florida Public Service Commission
Division of Water and Wastewater
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

HAND DELIVERY

Re: Docket No. 991437-WS, Application of Wedgefield Utilities, Inc. to Increase its Water Rates and Charges

Dear Mr. Hoppe:

This is in response to your deficiency letter dated March 7, 2000.

On November 12, 1999, Wedgefield Utilities, Inc. filed its petition for an interim and permanent increase in its water rates and charges. Your first deficiency letter was issued on November 30, 1999 and was responded to by Wedgefield on December 6, 1999. Your second deficiency letter was issued on January 7, 2000 and was responded to by Wedgefield on February 18, 2000 and by a separately filed map on February 29, 2000.

Your March 7, 2000 (third) deficiency letter addresses two alleged "deficiencies". The first is a new "deficiency", never addressed in either of the two previous letters of deficiency or in any other manner during the four months that the Commission has had access to the originally filed MFR. The second "deficiency" incorrectly alleges that Wedgefield failed to respond to a deficiency not specified in your first deficiency letter, but introduced as one of two new deficiencies in your second letter along with your critique of Wedgefield's initial deficiency response. In addition, you have now asked for more information that does not appear to be required by Florida Statutes or by Commission rules. This delay is unreasonably postponing the establishment of the official date of filing.

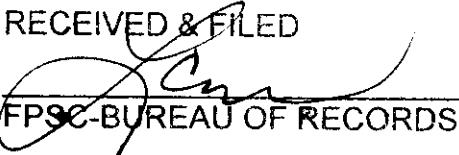
Section 367.083, Florida Statutes states:

367.083 Determination of official date of filing. Within 30 days after receipt of an application, rate request, or other written document for which an official date of filing is to be established, the commission or its designee shall either determine the official date of filing or issue a statement of deficiencies to the applicant, specifically listing why said applicant has failed to meet the minimum filing requirements. Such statement of deficiencies shall be binding upon the commission to the extent that, once the deficiencies in the

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statement are satisfied, the official date of filing shall be promptly established as provided herein. Thereafter, within 20 days after the applicant indicates to the commission that it believes that it has met the minimum filing requirements, the commission or its designee shall either determine the official date of filing or issue another statement of deficiencies, specifically listing why the requirements have not been met, in which case this procedure shall be repeated until the applicant meets the minimum filing requirements and the official date of filing is established. . . . [Emphasis added.]

The first “deficiency” in your third letter regarding Schedules F-8 and F-9 is a newly specified issue. The second “deficiency” mentioned in your letter alleges that certain information regarding the allocation method for field employees’ salaries has not been provided. That is not so. It had been provided in Wedgefield’s February 18, 2000 response to your second deficiency letter. That second “deficiency” in the third letter also requested that a list of certificate numbers for operating certificates held by employees be provided. The listing of certificate numbers is not a deficiency in that neither the referenced Rule 25-30.440(8), Florida Administrative Code, nor your previous deficiency letters require that the certificate numbers be provided. All that is required is a list of “the certificates held,” and that information has been provided in the initial filing on November 12, 1999.

Pursuant to Section 367.083, Florida Statutes, the Commission’s initial statement of deficiencies is binding and the Commission can only use subsequent letters to address the inadequacies of responses and not to continually introduce new “deficiencies”. Were it otherwise, the deficiency review process could go on interminably, as it is beginning to do in this case.

Your second deficiency letter, in addition to asserting areas where the response failed to satisfy deficiencies raised in that first letter, went beyond the requirements of Section 367.083, Florida Statutes, and identified two new alleged “deficiencies”. Wedgefield did not take issue at that time. Since it was necessary for Wedgefield to respond to the second deficiency letter in order to complete its responses to Staff’s satisfaction regarding the deficiencies in the first letter, Wedgefield cooperated and responded to the new “deficiencies,” even though it was not required to do so under Section 367.083, Florida Statutes. However, no such circumstance exists with the third letter. All the third letter does is introduce a new alleged “deficiency” request detail not required by Commission rules, and incorrectly alleges failure to provide a response to a deficiency newly introduced in your second letter.

Because your March 7, 2000 letter incorrectly alleges failure to respond to a deficiency not specified in your initial deficiency letter, and since your March 7, 2000 letter

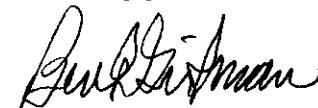
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raises new issues and issues not required by Florida Statutes or Commission rules, Wedgefield respectfully requests that the official date of filing be established immediately, as required for in Section 367.083, Florida Statutes.

The third deficiency letter incorrectly alleged "failure to respond". To further clarify that matter, in your second deficiency letter, dated January 7, 2000, for the first time you state, "The utility failed to included in the list of all field employees, the certificates held by these employees and an explanation of each employees' salary allocation method to the utility's capital or expense accounts." These are requirements of Rule 25-30.440(8), Florida Administrative Code. In its February 18, 2000 response, Wedgefield indicated that a listing of the certificates held had been provided in the initial November 12, 1999 MFR filing. In your third letter you expanded your request to include certificate numbers. There appears to be no such requirement in the rule. Wedgefield's February 18, 2000 response also included "an explanation of each employees' salary allocation method to the utility's capital or expense accounts." To quote the response, "Salary expense is directly allocated to each operating company in which an operator works based on the number of customer equivalents. A portion of operator cost is recorded on the capital accounts for an individual operating company, when specifically identified on an operator's time sheet." That is a complete explanation of the salary allocation method as required by the rule. Your third deficiency letter does not indicate that this explanation is unsatisfactory and if so, why. It only incorrectly alleges that the utility failed to include the explanation.

Wedgefield is willing to provide the new information requested in your March 7, 2000 letter regarding Schedules F-8 and F-9, and will do so, to best of its ability, under separate cover, and will try to do so by sometime next week. It is also willing to provide employee certificate numbers and amplify its explanation of the salary allocation method if it will assist Commission Staff. But neither those responses nor the lack thereof, would be a proper consideration in determining the official date of filing. That date should be established immediately, based on Wedgefield's satisfactory response to the two previous deficiency letters.

Sincerely yours,



Ben E. Girtman