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DIVISION OF ECONOMICS
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DIRECTOR
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Public Service Commission

June 4, 2015

RECEIVED FPSC
15 JUN -5 PM 3:58
COMMISSION
CLERK

Randy Arrowsmith
2431 Oak Beach Blvd.
Sebring, FL 33875

Re: Docket No. 140158-WS Application for increase in water and wastewater rates in Highlands County by HC Waterworks, Inc.

Dear Mr. Arrowsmith:

Thank you for your letter in which you expressed your concerns regarding the proposed rate increase filed by HC Waterworks, Inc. (HC or Utility) and the quality of the water. To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

We understand your concerns regarding HC's proposed rate increase. With respect to the development of rates, the Commission is required to set rates that are just, reasonable, compensatory, and not unfairly discriminatory as dictated by Chapter 367, Florida Statutes. During a rate case, the Commission's accountants, engineers, and economists examine the Utility's financial and engineering information to make a recommendation to the Commissioners.

In regards to the water quality, the Utility's water has a high sulfur content, which is found in the raw ground water. Sulfur is considered a secondary contaminant, which is generally what customers notice like color or smell. DEP does not typically undertake enforcement actions for secondary contaminants, unless another type of contaminant exceeds the maximum contaminant level. The most recent tests show that the water meets DEP standards and is safe to drink. Based on staff's review, the utility has been diligent in its efforts to reduce the unpleasant odor and taste of the water given the naturally-occurring high sulfur content and the seasonal customer base.

Randy Arrowsmith
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Staff filed its recommendation on June 4, 2015, in Docket No. 140158-WS and is available on the Commission's website at www.floridapsc.com. The Commissioners are scheduled to vote on staff's recommendation on June 18, 2015. Hopefully, this letter addresses your concerns. If you have any additional questions, or require assistance, please feel free to contact Sonica Bruce at (850) 413-6994 or by email at sbruce@psc.state.fl.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannon J. Hudson". The signature is fluid and cursive, with the first name "Shannon" being larger and more prominent than the last name "Hudson".

Shannon J. Hudson
Economic Supervisor
Division of Economics

cc: Office of Commission Clerk (Docket No. 140158-WS)

Application for increase in water and wastewater rates in Highlands County by
HC Waterworks, Inc.

DOCKET NO. 140158-WS

Name Randy Arrowsmith
Address 2431 OAK BEACH BLVD.
SEBRING, FL 33875

Please submit your comments about this docket to the Florida Public Service Commission by completing this comment form and return it by mail, or send a fax to 1-800-511-0809. Correspondence will be placed in the file of this docket.

CONSUMER COMMENTS
I WOULD BE INCLINED TO DENY THIS RATE INCREASE UNTIL SAID TIME WHEN THE PROVIDER CAN PROVIDE THE CONSUMERS WITH DOCUMENTATION THAT THEY HAVE ADDRESSED THE HIGH LEVELS OF CONTAMINANTS THAT WE CONTINUE TO RECIEVE LETTERS ABOUT
THANK YOU.

Fold and tape -- see back for address

Any e-mail or other correspondence sent to a Florida Public Service Commissioner, or any other public official and/or employee of the PSC, in the transaction of public business is considered a public record and is subject to Florida's Public Records Law. This means that Florida law generally requires the PSC to provide a copy of any such e-mail or correspondence, upon request, for inspection and copying to any Florida citizen or to any member of the media.

STAMP



Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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Tape

Fold Here