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REPLY TO ALTAMONTE SPRINGS

MARTIN S. FRIEDMAN, P.A.
VALERIE L. LORD

July 29, 2004

Ms. Blanca Bayo
Commission Clerk and Administrative Services Director
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RECEIVED-FPSC
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COMMISSION
CLERK

Re: Docket No.: 030443-SU; Application of Labrador Utilities, Inc., for Rate Increase in Pasco County, Florida
Our File No.: 30057.64

Dear Ms. Bayo:

Labrador Utilities, Inc., provides the following response to Staff's data requests dated July 15, 2004:

- 1. Please refer to the utility's Minimum Filing Requirements (MFR) Schedule E-14.

CMP _____ (a) The utility indicates at the top of page 1 of this Schedule that the data presented corresponds to "Customer Class: Mobile Home." Is it correct to assume that the footnote on the bottom of page 1 referencing the RV park does not apply to the data shown on the page?

COM _____
CTR _____
ECR _____
GCL Response: Staff's assumption is correct.

OPC _____ (b) The utility indicates at the top of page 1 of this Schedule that the data presented applies for all meter sizes. Please list all meter sizes, other than 5/8" x 3/4" meters, that have been installed in the mobile home park.

MMS _____
RCA _____
SCR Response: There are three 2" irrigation meters at the MHP. One of these meters is inactive. In addition, there is one 1" meter that serves the pool. The rest of

SEC |
OTH _____

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FPSC-COMMISSION CLERK

inactive. In addition, there is one 1" meter that serves the pool. The rest of the meters in the park are 5/8" meters.

- (c) The utility indicates in footnotes on the bottom of pages 2 and 5 of this Schedule that additional E-14 pages were filed to correct the fact that there was no billing during the month of February 2003. However, the same footnote appears on pages 3 and 6 of this Schedule as well. Do the footnotes apply to the data on pages 3 and 6?

Response: Yes, the footnote applies. It was provided to Staff to demonstrate the effect of the missed months billing.

- (d) Since the utility filed pages 3 and 6 of the Schedule to reflect February 2003 billing, is it correct to assume that pages 2 and 5 of the Schedule become irrelevant for the purpose of calculating rates?

Response: This schedule was necessary to calculate annualized revenues. It would be inappropriate to use pages 2 or 5 to calculate revenues, as it did not include a full year of billings.

- (e) If the response to (d) is negative, please explain the relevance of pages 2 and 5 of Schedule E-14.

Response: See response to 1(d).

- (f) A review of page 3 of this Schedule indicates irregularities in the calculations of the percentage of totals in column (8). Please refile page 3 of this Schedule, correcting all irregularities.

Response: The irregularities have been corrected. A revised page 3 will be filed.

- (g) The utility indicates at the top of page 4 of this Schedule that the data presented corresponds to "Customer Class: Mobile Home." However, the footnote on the bottom of page 4 of this Schedule references the RV park. Is it correct to assume that the footnote on the bottom of page 4 referencing the RV park does not apply to the data shown on the page?

Response: Staff's assumption is correct.

- (h) The calculations on page 4 of this Schedule, the Mobile Home wastewater billing analysis, should match the Mobile Home water billing analysis calculations on page 1 of this Schedule. However, a review of the calculations on page 4 indicates irregularities in the cumulative bills in column (3), the cumulative gallons in column (5) and the consolidated factors in column (7). Please refile page 4 of this Schedule, correcting all irregularities.

Response: Corrected schedules have been prepared and will be filed.

- (i) The calculations on page 6 of this Schedule, the RV park wastewater billing analysis, should match the RV park water billing analysis calculations on page 3 of this Schedule. However, a review of the calculations on page 6 indicates irregularities in the percentage of totals in column (8) Please refile page 6 of this Schedule, correcting all irregularities.

Response: Corrected schedules have been prepared and will be filed.

2. Please refer to the Class B Utilities' Minimum Filing Requirements for Schedule E-2. MFR Schedule E-2 should be a revenue schedule at present and proposed rates. Specifically, this Schedule should **"Provide a calculation of revenues at present and proposed rates using the billing analysis.** Explain any differences between these revenues and booked revenues. If a rate change occurred during the test year, a revenue calculation must be made for each period." (emphasis added)

- (a) As indicated in the MFR instructions, the information presented on this Schedule should correspond to information presented on the utility's billing analysis (Schedule E-14). On pages 1 through 3 of this Schedule, the number of Mobile Home test year bills shown on line 2, column (2) is 9,886 bills. However, the number of Mobile Home bills from Schedule E-14, page 1 is listed as 9,972 bills. Please indicate which figure – 9,972 bills from Schedule E-14 or 9,886 bills from Schedule E-2 – is correct.

Response: The 9,886 is the number of billing units that were billed in the test year. For example if a customer resided at a residence for the first half of a month they would be billed half of the base facility charge. This would equate to $\frac{1}{2}$ of a billing unit. If a different customer moved in for the second half of the month they would be billed half of the base facility charge. This too would equate to $\frac{1}{2}$ of a billing unit. These two separate customers would have been billed

½ of the base facility charge each, but mailed as two (2) separate bills.

The 9,972 represents the number of bills sent. For example, the situation described above would result in two (2) bills but only one (1) billing unit. Calculating revenues using the number of bills does not accurately reflect a utility's annualized revenues.

Below please find the revenue effect of the above referenced situation:

	<u>Billing Unit</u>	<u>Number of Bills</u>
Units	9,886	9,972
Rate	\$4.50	\$4.50
Total Revenues	\$44,487	\$44,874

This methodology creates a revenue shortfall of \$387.

- (b) If the response to (a) is 9,886 bills, please explain why there is a difference in the number of bills between Schedule E-14, page 1 and Schedule E-2, pages 1 through 3.

Response: See 2(a).

- (c) If the response to (a) is 9,972 bills, is it correct that this changes the utility's calculation of the Mobile Home revenues [pages 2 and 3, line 2, column (4)], the requested BFC of \$5.66 [page 3, line 2, column (3)] and proposed revenues [page 3, line 2, column (4)]?

Response: The requested rate would change as does the number of billing units.

- (d) Is one of the purposes of page 2 of this Schedule to reflect 3,288 annualized RV park bills (correcting non-booked February billing), rather than the 3,014 RV park bills figure shown on page 1 of this Schedule?

Response: Yes.

- (e) If the response to (d) is negative, please explain why the utility reflected

different RV park bills on pages 1 and 2 of this Schedule.

Response: N/A.

- (f) As indicated in the MFR instructions, the information presented on this Schedule should correspond to information presented on the utility's billing analysis (Schedule E-14). On page 3 of Schedule E-2, the utility indicates that the number of water gallons sold [line 5, column (2)] is 33,888,102 gallons. However, a calculation of the number of water gallons sold based on Schedule E-14, pages 1 and 3 indicates that 30,338,000 gallons were sold. Which is the correct figure -- the 33,888,102 gallons figure from Schedule E-2 or the 30,338,000 gallons figure calculated from Schedule E-14?

Response: The 33,888,102 gallons represent actual gallons sold as recorded by the Utility. The information contained on Schedule E-14 is a formula. This formula and schedule assumes that one-third of the customers had zero consumption.

- (g) If the response to (f) is that the figure from Schedule E-2, page 3 is correct, please explain why there is a difference in the number of billed water gallons when comparing Schedule E-2, page 3 to Schedule E-14, pages 1 and 3.

Response: See 2(f).

- (h) If the response to (f) is that the figure calculated from Schedule E-14 is correct, is it correct that this changes the utility's calculations on page 3 of average consumption [line 4, column (2)], test year gallons [line 5, column (2)], the requested gallonage rate of \$3.50 [line 5, column (3)] and proposed revenues [line 5, column (4)]?

Response: It is correct. As the number of gallons changes so does the gallonage rate.

3.
2. The following questions refer to pages 4 through 6 of the utility's Schedule E-

- (a) On pages 4 through 6 of this Schedule, the Mobile Home test year bills shown on line 2, column (2) is 9,862 bills. However, the number of Mobile Home bills from Schedule E-14, page 4 is listed as 9,972 bills. Which figure is

correct -- the figure of 9,862 bills from Schedule E-2 or the figure of 9,972 bills from Schedule E-14?

Response: See 2(a).

- (b) If the response to (a) is 9,862 bills, please explain why there is a difference in the number of bills between Schedule E-14, page 4 and Schedule E-2, pages 4 through 6.

Response: See 2(a).

- (c) If the response to (a) is 9,972 bills, is it correct that this changes the utility's calculation of the Mobile Home revenues [pages 4 and 5, line 2, column (4)], the requested BFC of \$15.00 [page 6, line 2, column (3)] and proposed revenues [page 6, line 2, column (4)]?

Response: See 2(h). The requested rate would change as does the number of billing units.

- (d) Is one of the purposes of page 5 of this Schedule to reflect 3,288 annualized RV park bills (correcting for February billing), rather than the 3,014 RV park bills figure shown on page 4 of this Schedule?

Response: Yes.

- (e) If the response to (d) is negative, please explain why the utility reflected different RV park bills on pages 4 and 5 of this Schedule.

Response: N/A.

- (f) As indicated in the MFR instructions, the information presented on this Schedule should correspond to information presented on the utility's billing analysis (Schedule E-14). On page 6 of Schedule E-2, the utility indicates that the number of uncapped wastewater gallons sold [line 5, column (2)] is 33,888,102 gallons. However, a calculation of the number of uncapped wastewater gallons sold based on Schedule E-14, pages 4 and 6 indicates that 30,338,000 gallons were sold. Is the 33,888,102 gallons figure from Schedule E-2 the correct figure, or is the 30,338,000 gallons figure calculated from

Schedule E-14 correct?

Response: The 33,888,102 gallons represent actual gallons sold as recorded by the Utility. The information contained on Schedule E-14 is a formula. This formula and schedule assumes that one-third of the customers had zero consumption.

- (g) If the response to (f) is 33,888,102 gallons, please explain why there is a difference in the number of wastewater gallons when comparing Schedule E-2, page 6 to Schedule E-14, pages 4 and 6.

Response: See 2(f).

- (h) If the response to (f) is 30,338,000 gallons **OR** the response to Question 1 (c) is negative, is it correct that this changes the utility's calculations on page 6 of average consumption [line 4, column (2)], test year gallons [line 5, column (2)], the requested gallonage rate of \$6.50 [line 5, column (3)] and proposed revenues [line 5, column (4)]?

Response: It is correct. As the number of gallons changes so does the gallonage rate.

- (i) If the response to (h) is negative, please explain why these calculations would not change.

Response: N/A.

4. Please refile all pages of Schedule E-2 to reflect the utility's responses to Data Requests Nos. 2 and 3, above, plus any changes made necessary by the utility's responses to any other items included in this Data Request.

Response: Revised schedules have been prepared and will be filed.

5. Please provide the consumption for the Mobile Home park and the master-metered RV park, by month, for the 2003 test year. The information should be provided in the following format:

Response: See below.

	<u>5/8"</u> <u>Customers</u>	<u>Irrigation</u>	<u>Pool</u>	<u>RV Park</u>	<u>Total</u>
1/15/2004	3,607,993	17,000	111,930	150,000	3,886,923
12/8/2003	3,086,400	30,090	98,700	105,000	3,320,190
11/13/2003	2,234,464	51,620	67,590	16,000	2,369,674
10/14/2003	1,777,520	31,290	61,540	14,300	1,884,650
9/18/2003	1,478,400	17,690	56,900	23,700	1,576,690
8/19/2003	1,568,783	10	177,560	23,000	1,769,353
7/16/2003	2,210,050	-	150,560	78,000	2,438,610
6/13/2003	1,760,306	-	32,030	117,000	1,909,336
5/19/2003	3,354,011	-	73,440	47,000	3,474,451
4/13/2003	3,677,524	-	79,870	353,000	4,110,394
3/13/2003	3,247,328	-	74,940	255,000	3,577,268
2/13/2003	<u>3,399,173</u>		<u>116,390</u>	<u>55,000</u>	<u>3,570,563</u>
	31,401,952	147,700	1,101,450	1,237,000	33,888,102

6. Please refer to Schedules E-1 and E-3 of the utility's MFRs.

(a) Is the RV park master metered?

Response: Yes.

(b) Is the RV park the customer of record?

Response: Yes.

- (c) If the RV park is master metered, is it more appropriate to treat / bill the RV park as residential customer or as a general service / commercial customer? Please explain in detail why your choice in this response is more appropriate than the alternative.

Response: The Utility currently bills this account as a residential account. Under prior ownership it was also billed as a residential account. On further reflection, the Utility believes that this customer should be treated as a general service customer.

- (d) The utility has not proposed a wastewater gallonage cap for its residential customers. Did the utility intentionally not propose a wastewater gallonage cap?

Response: Yes.

- (e) If the response to (d) is negative, at what monthly consumption level does the utility propose the wastewater gallonage cap be applied?

Response: N/A.

- (f) If the response to (d) is negative, please provide the calculation of the utility's proposed wastewater gallonage cap. Please indicate the MFR page number, plus the corresponding line number and column heading, for each figure used in the wastewater gallonage cap calculation. Please note that if the wastewater gallonage cap is to apply to both the mobile home park and RV park customers, the utility must use consolidated factors from both these customer groups in its calculation.

Response: N/A.

- (g) If the response to (d) is affirmative, is the utility aware of any cases that have come before the Florida Public Service Commission (FPSC or Commission) in which the Commission found that wastewater gallonage caps for general service customers was appropriate?

Response: No.

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(h) If the response to (g) is affirmative, please provide the utility's name and docket number corresponding to each case in which the Commission has found that wastewater gallonage caps for general service customers was appropriate.

Response: N/A.

(i) Please refile Schedule E-1 to reflect the utility's responses to parts (a) through (f) of this item, plus any changes made necessary by the utility's responses to any other questions included in this data request.

Response: Revised schedules have been prepared and will be filed.

(j) If the response to (c) is that the RV park should be treated / billed as a general service /commercial customer, please refile Schedule E-3.

Response: Revised schedules have been prepared and will be filed.

Should you have any questions regarding these responses, please do not hesitate to give me a call.

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

MSF:VLL/mp
Enclosures

cc: Mr. Steven M. Lubertozzi
Ms. Tricia Merchant
Ms. Denise Greene
Cochran Keating, IV, Esquire

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