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REPLY TO CENTRAL FLORIDA OFFICE

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

September 1, 2005

HAND DELIVERY

RECEIVED-FPSC
SEP - 1 AM 10:14
COMMISSION
CLERK

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

Re: Docket No.: 050281-SU; Application of Plantation Bay Utility Company for Increase
in Water and Wastewater Rates in Volusia County, Florida
Our File No.: 36062.06

Dear Ms. Bayo:

Plantation Bay Utility Company (the **Applicant**) provides the following responses to
the Staff's deficiency letter dated August 18, 2005:

- CMP _____
- COM _____ 1. A check for the additional filing fee of \$1,500.00 was delivered to the Commission
on August 25, 2005.
- CTR _____
- ECR _____ 2. With regard to Schedule E-2, page 2 of 2, and Schedule F-10, the wastewater gallons
sold do not match. These amounts should be equal, or an explanation provided as to why
not.
- GCL _____
- OPC _____
- RCA _____ Response: The Applicant is aware that they do not match. The following explanation was
provided on Schedule F-10, as filed:
- SCR _____
- SGA _____ Please note that the number of bills rendered annually for wastewater is less than
water because new homes under construction receive water service prior to
- SEC 1 _____
- OTH _____

DOCUMENT NUMBER-DATE

08372 SEP-1 05

FPSC-COMMISSION CLERK

wastewater service resulting in a timing difference in the beginning of the respective services. Nevertheless, for purposes of assessing growth, the same numbers should be and are being used.

Additionally, the gallons sold shown for SFRs are water gallons, not wastewater gallons sold. Wastewater gallons sold to SFRs are capped and to use them and then convert to total ERCs distorts that number.

It should also be noted that the timing difference between water and wastewater services was noted at line 25 fol. on Schedule E-2, page 2 of 2, as filed.

Schedules E-2 and F-10 serve different purposes. Schedule E-2 is used to reconcile revenues. Schedule F-10 is used to assess growth in determining used & useful. For this utility, it is proper that Schedule F-10 reflect the actual growth in SFRs and their associated consumption rather than the delayed billing for wastewater service reflected in Schedule E-2.

3. With regard to Schedule E-2, page 2 of 2, and Schedule F-10 and Schedule F-2, the amount of wastewater gallons on E-2 and F-10 exceed the amount of wastewater gallons treated on Schedule F-2. The utility should correct these schedules to reflect the appropriate amount, or provide an explanation as to why the wastewater gallons sold exceeds the amount of wastewater gallons treated.

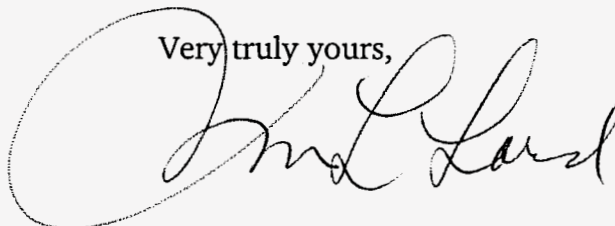
Response: The schedules need no correction. Schedule F-10 reflects the amount of water gallons sold to all connections, even to homes under construction to which wastewater was not necessarily provided at the same time, as indicated in notes to Schedules E-2, page 2 of 2 and F-10 and in Response no. 2, above. It is perfectly proper and expected that the amount of gallons shown on Schedule F-10 exceeds the amount of wastewater treated as shown on Schedule F-2.

Schedule E-2, page 2 of 2 reflects the amount of wastewater gallons billed. The gallons billed reflects residential water consumption capped at 10,000 gallons. The fact that the amount billed is greater than the amount treated only indicates that the gallons returned for treatment is less than the amount billed at the 10,000 gallon cap. Based on the billing analysis, the 10,000 gallon cap equates to 93% of water consumed being returned as wastewater flows for the majority of residential consumers. The gallons treated, as shown on Schedule F-2, is more in line with 80% of residential flows being returned as wastewater flows, as is typical for most predominantly residential systems.

Ms. Blanca Bayo, Commission Clerk
September 1, 2005
Page 3

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

Very truly yours,

A handwritten signature in black ink, appearing to read "Valerie L. Lord". The signature is written in a cursive style with a large, looping initial "V".

VALERIE L. LORD
For the Firm

VLL/tlc

cc: Mr. Tim Devlin, Director, Division of Economic Regulation (by hand delivery)
Rosanne Gervasi, Esq., Office of General Counsel (by hand delivery)
Mr. Douglas R. Ross, Jr.
Mr. Frank Seidman
Mr. Paul DeChario

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