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DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

October 20, 2005

STAFF'S THIRD DATA REQUEST

Martin S. Friedman, Esquire
Rose, Sundstrom & Bentley, LLP
2180 West State Road 434
Sanlando Center, Suite 2118
Longwood, FL 32779

COMMISSION
CLERK

OCT 20 PM 3:27

RECEIVED-PPSC

Re: Docket No. 050281-WS - Application for increase in water and wastewater rates in Volusia County by Plantation Bay Utility Company.

Dear Mr. Friedman:

Staff needs the following information to complete our review of the application.

A. The following items relate to information requested in Staff's First Data Request for which Plantation Bay Utility Company (Plantation or utility) has not provided to date.

- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- RCA _____
- SCR _____
- SGA _____
- SEC 1
- OTH _____

- 1) Provide the invoices and other support documentation or signed contracts for the water and wastewater line expansion Phases 2EV2, 2AF4, 2AF5, 2AF6, and 2AF7.
- 2) With regard to the 1,700,000 million gallon holding pond, provide the 2003 and 2004 accumulated depreciation balances and the 2004 depreciation expense.
- 3) Provide a revised flow diagram of the water treatment plant with the size and capacity of the well and high service pumps.
- 4) Provide a diagram for the utility's 400,000 gallon ground storage tank that shows the out-take pipe with all measurements for the out-take pipe and for your proposed safe level.
- 5) Please provide bills, ERCs and water consumption information, by customer class, for each month during the period January 2000 through July 2005. Please provide the information in the format below:

DOCUMENT NUMBER DATE

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	Monthly Water Gallons Sold (000)					
	Residential			General Service		
Month / Yr	Bills	ERCs	Gals Sold	Bills	ERCs	Gals Sold
January 2000						
February 2000						
March 2000						
Etc. through						
July 2005						

In this response, please ensure that:

- (a) for each month during the calendar year ended 2004, the sum of the total monthly consumption for all classes should tie to those figures found on Schedule F-1, column (3) in the utility's MFRs;
- (b) the sum of the monthly consumption figures for each class during the calendar year ended 2004 tie to Schedules E-2 and E-14 of the utility's MFRs;
- (c) the beginning and ending number of ERCs for each calendar year for the residential class ties to those indicated on MFR Schedule F-9, columns (2) and (3); and
- (d) the sum of the annual number of gallons sold to the residential class for each of the years 2000 – 2004 ties to MFR Schedule F-9, column (5).

If any of these referenced totals do not tie as indicated, please provide an explanation for each instance in which the figures do not tie.

- 6) Please provide the annual wastewater consumption, by customer class, for each month during the period January 2000 through July 2005. The residential wastewater gallons sold should represent the **capped** volume sold. Please provide the information in the format below:

	Monthly Wastewater Gallons Sold (000)					
	Residential (capped)			General Service		
Month / Yr	Bills	ERCs	Gals Sold	Bills	ERCs	Gals Sold
January 2000						
February 2000						
March 2000						
Etc. through						
July 2005						

- 7) On Schedules W-14 and S-13 in the utility's 2004 Annual Report, Plantation stated it will reach 6,000 ERCs upon buildout of its service area. Based on the MFRs, the 2004 simple-average net contributions in aid of construction (CIAC) ratio is 59.99% for water and 45.88% for wastewater. Also, the water transmission and distribution mains are \$374,989

less than the water CIAC. Further, the wastewater collection lines are \$575,045 greater than the wastewater CIAC.

a) If buildout is projected to occur after 2013, provide the projected depreciable assets, land, accumulated depreciation, water transmission & distribution lines, wastewater collection lines, CIAC, accumulated amortization of CIAC, and number of customers for the specific year-end that the utility will reach its current design capacity of the utility's water and wastewater treatment plants. In your response, provide a breakdown of each of these requested components by year for the calendar years 2005 through the year-end that its current water and wastewater design capacity is reached. In addition, provide workpapers detailing all calculations and assumptions made in the utility's projections.

b) If buildout is projected to occur on or before 2013, provide the projected depreciable assets, land, accumulated depreciation, water transmission & distribution lines, wastewater collection lines, CIAC, accumulated amortization of CIAC, and number of customers for the specific year-end that the utility will reach buildout. In your response, provide a breakdown of each of these requested components by year for the calendar years 2005 through the year-end that the utility reaches buildout. In addition, provide workpapers detailing all calculations and assumptions made in the utility's projections.

B. The following items relate to the utility's capital structure.

- 8) Please refer to Schedule D-2 and to Schedule A-19 of the MFRs. If the Company is not paying interest on the \$3,571,367 Advance from Associated Companies and given the regulatory treatment of the amount in Docket No. 011451-WS, why has it not classified the amount as common equity?
- 9) Please provide complete copies of all instruments or documentation for the \$3,571,367 Advance from Associated Companies.
- 10) For the periods ending December 31, 2005 and December 31, 2006, please provide the estimated capital structure components, i.e., long-term debt, customer deposits, common equity and the estimated cost rates for each component. State all assumptions used in estimating the amounts and rates.
- 11) Please refer to Schedule A-19 of the MFRs and to the Other Long-Term Debt amount of \$1,525,442 as of December 31, 2004. Please provide the amortization schedule of this debt and all documentation for this debt.
- 12) What interest expense amount has the Company deducted for income tax purposes for 2004? As part of this answer, please state the debt instruments and amounts associated with the interest expense.

C. The following items relate to the utility's requested rate case expense.

- 13) With regard to Questions 19 a through e of Staff's First Data Request, provide an update of actual expenses incurred to date and an estimate to complete the case.

Mr. Martin S. Friedman, Esquire

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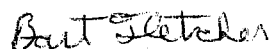
October 20, 2005

D. The following items relate to income taxes and deferred income taxes.

- 14) In the utility's response to Question 36 of Staff's First Data Request, Plantation stated that it did not make a used & useful adjustment to accumulated deferred income tax liabilities. With regard to Schedule C of Exhibit J in the utility's response to Staff's First Data Request, please a copy of all workpapers for this schedule that shows the depreciation timing difference between book and tax purposes for each specific utility asset, including the primary plant account number and name for each specific asset.
- 15) Has the utility been audited by the Internal Revenue Service within the last 5 years? If so, provide an explanation of the results of the audit.
- 16) Has the utility received any notice from the Internal Revenue Service of taxes due within the last 5 years? If so, please explain the reasons for the notice.
- 17) The utility stated in its response to Staff's First Set of Data Requests that no interest had been accrued on the affiliated debt (Response to 25(f)). Was any interest on the affiliated debt ever deducted for tax purposes?

With regard to Questions 1 through 7, please provide the information by noon, Monday, October 24, 2005. With regard to the remaining Questions 8 through 17, please provide the information by November 21, 2005. If you have any questions, please contact me by phone at (850) 413-7017 or by e-mail at bfletche@psc.state.fl.us.

Sincerely,



Bart Fletcher
Professional Accountant Specialist

cc: Office of the General Counsel (Gervasi)
Division of the Commission Clerk and Administrative Services
Division of Economic Regulation (Lingo, Lester, Lowe, Merta, Massoudi, Rendell, Stallcup, Willis)