

State of Florida



ORIGINAL

Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

RECEIVED-FPSC


APR 11 PM 12:19

-M-E-M-O-R-A-N-D-U-M-

COMMISSION
CLERK

DATE: April 11, 2006

TO: Blanca S. Bayó, Commission Clerk and Administrative Services Director

FROM:  Jay B. Revell, Regulatory Analyst III, Division of Economic Regulation

RE: Docket No. 050563-WU - Application for an increase in water rates by Park Water Company

Enclosed is a copy of the utilities' response to Staff's First Data Request in Park Water's rate case. Please include it in the above docket file.

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

DOCUMENT NUMBER-DATE

03246 APR 11 08

FPSC-COMMISSION CLERK

HODAKOWSKI & HODAKOWSKI

Certified Public Accountants

349 Route 31 • Suite 401
Flemington, NJ 08822
Office: (908) 782-4888
Fax: (908) 782-2359

April 5, 2006

Troy Rendell
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RECEIVED
PUBLIC SERVICE
COMMISSION
APR 10 AM 11:25
DEPARTMENT OF
ECONOMIC REGULATION

**RE: Docket No. 050563-WU- Application for increase in water rates
In Polk County by Park Water Company, Inc.**

Dear Troy,

In response to your letter dated March 23, 2006 (copy enclosed) please note the following:


1. Schedule B-7, line 12 – Account 634, Contractual Services Management Fees of \$7,852 has been reclassified to account 632, Contractual Services Account. A copy of the updated schedule B-7 has been enclosed.
2. The interest rate for the proposed DEP loan is 2.71%. A copy of the updated schedule D-5 has been enclosed.
3. An updated schedule showing the correct tariff charges for all classes and sizes has been enclosed.
4. Schedule E-5 – An updated schedule E-5 has been enclosed showing the corrected amounts that pertain to miscellaneous charges totaling \$10,467.
5. Schedule E-9 – The first tax of \$13,987 was paid to Joe Tedder – tax collector for real estate tax of \$1,494 and tangible personal property tax of \$12,493. The second tax of \$18,325 was for Regulatory Assessment Fees. There were two amounts (due to the change by PSC from annual collection to semi-annual collection) of \$11,806 (paid on 3/22/04) and \$6,519 (paid on 8/5/04) that were paid during 2004.
6. Accounting Services – All accounting services have been performed by Joseph Hodakowski with a billing Rate of \$150 per hour. Itemized description of the work performed: Analyzed, calculated and completed the MFR's according to the laws and procedures required. Responded to and made all revisions necessary to complete the MFR's. Description and associated cost for all expenses incurred to date: approximately \$12,000 of time has been incurred to date to prepare all of the forms and complete all of

the required paperwork.

7. A copy of the invoice sent to Park Water from Hodakowski and Hodakowski on February 23, 2006 has been enclosed. This invoice represents approximately 80 hours of the time incurred.

If you have any questions, please feel free to give me a call.

Sincerely,



Joseph G. Hodakowski
Certified Public Accountant

JGH:ca

cc: Anthony Staiano

COMMISSIONERS:
LISA POLAK EDGAR, CHAIRMAN
J. TERRY DEASON
ISILIO ARRIAGA
MATTHEW M. CARTER II
KATRINA J. TEW

STATE OF FLORIDA



TIMOTHY DEVLIN,
DIRECTOR
DIVISION OF ECONOMIC
REGULATION
(850) 413-6900

Public Service Commission

March 23, 2006

Mr. Anthony Staiano, President
Park Water Company, Inc.
25 1st Avenue North
Lake Wales, FL 33853

STAFF'S FIRST DATA REQUEST

Re: Docket No. 050563-WU-Application for increase in water rates in Polk County by park water Company, Inc.

Dear Mr. Staiano:

1. Please refer to Schedule B-7, line 12. Account 634, Contractual Services-Mgmt. Fees, shows a test year expense of \$7,852. Since these expenses represent outside accounting expenses as indicated in Column (6) and Schedule B-9, line 12, shouldn't these expenses more properly be recorded in Account 632, Contractual Services-Acct.?
2. The interest rate for the proposed DEP loan on MFR Schedule D-1 is listed as 2.71%, while the interest rate listed on MFR Schedule D-5 is 5.16%. Which interest rate is correct?
3. Please refer to Schedule E-1 of the MFRs. This schedule does not show any rates for the existing residential class of service, nor does it list general service gallonage charges by the several meter sizes listed on your existing general service tariffs. Please provide an updated schedule showing the correct tariffed charges for all classes and meter sizes as reflected in your current tariffs.
4. Please refer to Schedule E-5. What types of revenues, by amount, are included in the "Misc." balance of \$3,233?
5. Please refer to Schedule E-9. Please provide an explanation, by amount, for the two listed amounts.
6. For each individual providing legal, engineering or accounting services in this docket, please provide the billing rate and an itemized description of the work performed. Also please provide a description and associated cost for all expenses incurred to date.

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Internet E-mail: contact@psc.state.fl.us

Mr. Anthony Staiano, President


Page 2

March 17, 2006

7. For each firm or individual mentioned in the above request, please provide copies of all invoices for services provided to date. If invoices are not broken down by hour, please provide an approximate number of hours of the services provided to date.

Please provide the above information by April 14, 2006. If you have any questions, please call Jay Revell at (850)413-6425.

Sincerely,



Troy Rendell
Public Utilities Supervisor

TR:jr

cc: Division of Economic Regulation (Edwards, Lingo, Hudson, Revell)
Office of the General Counsel (Jaeger)
Division of the Commission Clerk and Administrative Services

Operation & Maintenance Expense Comparison - Water

Florida Public Service Commission

Company: Park Water Company
 Docket No.: 050563-WU
 Schedule Year Ended: 12/31/04

Schedule: B-7
 Page 26 of 71
 Preparer:

Explanation: Complete the following comparison of the applicant's current and prior test year O&M expenses before this Commission. Provide an explanation of all differences which are not attributable to the change in customer growth and the CPI-U. If the applicant has not had a previous rate case, use the year 5 years prior to the test year for comparison. Provide an additional schedule, if necessary, to explain differences.

Line No.	(1) Account No. and Name	(2) Current TY 12/31/2004	(3) Prior TY 12/31/2003	(4) \$ Difference	(5) % Difference	(6) Explanation
1	601 Salaries & Wages - Employees		38,210	-38,210		Employee made an officer
2	603 Salaries & Wages - Officers, Etc.	120,066	76,420	43,646	36%	Employee made an officer
3	604 Employee Pensions & Benefits	16,325	19,290	-2,965	-18%	
4	610 Purchased Water					
5	615 Purchased Power	12,710	11,178	1,532	12%	
6	616 Fuel for Power Purchased	496	1,354	-858	-173%	
7	618 Chemicals	2,200	2,169	31	1%	
8	620 Materials & Supplies	6,133	9,995	-3,862	-63%	More maintenance needed in 2003
9	631 Contractual Services - Engr.	2,548	2,180	368	14%	
10	632 Contractual Services - Acct.	7,852	17,608	-9,756	-124%	More accounting work needed in 2003
11	633 Contractual Services - Legal					
12	634 Contractual Services - Mgmt. Fees			0		
13	635 Contractual Services - Other	3,181	1,600	1,581	50%	
14	641 Rental of Building/Real Prop.					
15	642 Rental of Equipment					
16	650 Transportation Expenses	7,939	6,964	975	12%	More vehicles in service in 2004
17	656 Insurance - Vehicle	2,100	2,100	0	0%	
18	657 Insurance - General Liability	12,071	11,396	675	6%	Increase in Cost of Insurance
19	658 Insurance - Workman's Comp.					
20	659 Insurance - Other					
21	660 Advertising Expense					
22	666 Reg. Comm. Exp. - Rate Case Amort.	1,478	2,866	-1,388	-94%	Prior rate case costs are fully amortized at 12/31/04
23	667 Reg. Comm. Exp. - Other					
24	670 Bad Debt Expense		957	-957		
25	675 Miscellaneous Expenses	11,040	8,746	2,294	21%	Miscellaneous Office Expenses Increased
26	TOTAL	\$ 206,139	\$ 213,033	\$ -6,894	-3%	
27	Total Customers	783	783			
28	Consumer Price Index - U	263.29	272.07			

Cost of Long-Term Debt
Beginning and End of Year Average

Florida Public Service Commission

Company: Park Water Company
Docket No.: 050563-WU
Test Year Ended: 12/31/04
Schedule Year Ended:
Historic [X] or Projected []

Explanation: Provide the specified data on long-term debt issues on a simple average basis for the test year. Arrange by type of issue (i.e., first mortgage bonds). If the utility is an operating division or subsidiary, submit an additional schedule which reflects the same information on the parent level.

Schedule: D-5
Page 39 of 71
Preparer:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
Line No.	Description, Coupon Rate, Years of Life	Issue Date-Maturity Date	Principal Amount Sold (Face Value)	Principal Amount Outstanding	Amount Outstanding Within One Year	Unamortized Discount (Premium) Associated With Col(4)	Unamortized Issuing Expense Associated With Col(4)	Annual Amortization of Discount (Premium) on Principal Outstanding	Annual Amort. of Issuing Expense on Principal Outstanding	Interest Cost (Coupon Rate) x Col (4)	Total Interest Cost (8)+(9)+(10)	Effective Cost Rate (11)/((4)-(6)-(7))
10	Louis Staiano Trust-30 year note	1/1/00	357,858	357,858	357,858	0	0	0	0	21,471	21,471	6%
10	Tony Staiano 30 year note	6/1/99	161,000	161,000	161,000	0	0	0	0	9,660	9,660	6%
10	Florida DEP Loan	2006	2,496,382	2,496,382	2,496,382	0	0	0	0	125,875	125,875	2.71%
Total			<u>3,015,240</u>	<u>3,015,240</u>	<u>3,015,240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>157,006</u>	<u>157,006</u>	

Supporting Schedules: D-6
Recap Schedules: A-19,D-2

NAME OF COMPANY PARK WATER COMPANY
 WATER TARIFF

GENERAL SERVICE
RATE SCHEDULE GS

AVAILABILITY - Available throughout the area served by the Company.
APPLICABILITY - For water service to all Customers for which no other schedule applies.
LIMITATIONS - Subject to all of the Rules and Regulations of this tariff and General
 Rules and Regulations of the Commission.
BILLING PERIOD - Monthly

RATE -

Base Facility Charge:

<u>Meter Size:</u>	
5/8" X 3/4"	\$ 7.08
1"	\$17.85
1 1/2"	\$35.31
2"	\$56.51
3"	\$113.02
4"	\$176.59
6"	\$353.19

Gallons Charge Per 1,000 Gallons:

<u>5/8" X 3/4" Meter:</u>	
0 - 8,000 Gallons	\$ 1.43
8,001 - 12,000 Gallons	\$ 2.16
12,001 - 22,000 Gallons	\$ 2.88
Over 22,000 Gallons	\$ 4.31
<u>1" Meter:</u>	
0 - 15,000 Gallons	\$ 1.43
15,001 - 30,000 Gallons	\$ 2.16
30,001 - 55,000 Gallons	\$ 2.88
Over 55,000 Gallons	\$ 4.31
<u>1 1/2" Meter:</u>	
0 - 30,000 Gallons	\$ 1.43
30,001 - 60,000 Gallons	\$ 2.16
60,001 - 110,000 Gallons	\$ 2.88
Over 110,000 Gallons	\$ 4.31
<u>2" Meter:</u>	
0 - 48,000 Gallons	\$ 1.43
48,001 - 96,000 Gallons	\$ 2.16
96,001 - 176,000 Gallons	\$ 2.88
Over 176,000 Gallons	\$ 4.31

MINIMUM CHARGE - Base Facility Charge
TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice is mailed to customer separate and apart from any other bill, service may then be disconnected.
EFFECTIVE DATE - For Service Rendered on or After July 19, 2002
TYPE OF FILING - 2002 Price Index

ISSUING OFFICER
 Anthony Staiano

Title
 President

NAME OF COMPANY PARK WATER COMPANY

WATER TARIFF

RESIDENTIAL SERVICE

RATE SCHEDULE RS

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For water service for all purposes in private residences and individually metered apartment units.

LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

RATE -

<u>Base Facility Charge:</u>	
Individually Metered	\$ 7.08
Multi - Family	\$ 5.85
<u>Gallage Charge Per 1,000 Gallons:</u>	
0 - 6,000 Gallons	\$ 1.43
6,001 - 12,000 Gallons	\$ 2.16
12,001 - 22,000 Gallons	\$ 2.88
Over 22,000 Gallons	\$ 4.31

MINIMUM CHARGE - Base Facility Charge

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within 20 days. After five (5) days written notice is mailed to the customer separate and apart from any other bill, service may then be disconnected.

EFFECTIVE DATE - For Service Rendered on or After July 19, 2002

TYPE OF FILING - 2002 Price Index

ISSUING OFFICER
Anthony Stalano

Title
President

NAME OF COMPANY PARK WATER COMPANY, INC.
WATER TARIFF

MULTI-RESIDENTIAL SERVICE
RATE SCHEDULE MS

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - For water service for all purposes in private residences and individually metered apartment units.
- REGULATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD - Monthly
- | | | |
|--------------------|---|---------|
| <u>BASE CHARGE</u> | <u>Base Facility Charge:</u> | \$ 5.65 |
| | <u>Gallage Charge (Per 1,000 Gallons)</u> | |
| | 0 - 6,000 Gallons | \$ 1.43 |
| | 6,001 - 12,000 Gallons | \$ 2.16 |
| | 12001 - 22,000 Gallons | \$ 2.88 |
| | Over 22,000 Gallons | \$ 4.31 |
- MINIMUM CHARGE - Base Facility Charge
- TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days' written notice is mailed to the customer separate and apart from any other bills, service may then be discontinued.
- EFFECTIVE DATE - For Service Rendered on or After July 19, 2002.
- DATE OF FILING - 2002 Price Index

ANTHONY STAIANO
ISSUING OFFICER

PRESIDENT
TITLE

Miscellaneous Service Charge Revenues

Florida Public Service Commission

Company: Park Water Company
 Docket No.: 050563-WU
 Test Year Ended: 12/31/04
 Water [x] or Wastewater []

Schedule: E-5
 Page 46 of 71
 Preparer:

Explanation: Provide a schedule of test year miscellaneous charges received by type. Provide an additional schedule for proposed charges, if applicable.

(1) Initial Connection	(2) Normal Reconnect	(3) Violation Reconnect	(4) Premises Visit	(5) Other Charges	(6) Total
1695		2,027	1183	Late - 4,754 Bad Check - 328 PST Income - 480	\$10,467

February 23, 2006

Tony Staiano
Park Water Company, Inc.
25 1st Avenue North
Lake Wales, FL 33853

Professional Services Rendered:

Rate Case Application.....\$12,000.