

STATE OF FLORIDA

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

Public Service Commission

July 21, 2006

Mr. Martin Friedman
Rose, Sunstrom & Bentley, LLP
Sanlando Center
2180 W. State Road 434, Suite 2118
Longwood, FL 32779

Re: *Docket No. 060254-SU* - Application for increase in wastewater rates in Pinellas County by Mid-County Services, Inc.; *Docket No. 060255-SU* - Application for increase in wastewater rates in Pinellas County by Tierra Verde Utilities, Inc.; *Docket No. 060256-SU* - Application for increase in wastewater rates in Seminole County by Alafaya Utilities, Inc.; *Docket No. 060257-WS* - Application for increase in water and wastewater rates in Polk County by Cypress Lakes Utilities, Inc.; *Docket No. 060258-WS* - Application for increase in water and wastewater rates in Seminole County by Sanlando Utilities Corp.; *Docket No. 060260-WS* - Application for increase in water and wastewater rates in Highlands County by Lake Placid Utilities, Inc.; *Docket No. 060261-WS* - Application for increase in water and wastewater rates in Lake County by Utilities, Inc. of Pennbrooke; *Docket No. 060262-SU* - Application for increase in water and wastewater rates in Pasco County by Labrador Utilities, Inc.; and *Docket No. 060285-SU* - Application for increase in wastewater rates in Charlotte County by Utilities, Inc. of Sandalhaven

CMP _____ Dear Mr. Friedman:

COM _____ We have reviewed the additional explanations, schedules and data submitted for the above-
CTR _____ referenced dockets, to satisfy the minimum filing requirements (MFRs). However, after reviewing
ECR _____ this information, we still find the MFRs to be deficient. The specific deficiencies are identified as
GCL _____ follows:

OPC _____ 1. Rule 25-30.440(2), F.A.C., requires that each applicant for a rate increase shall provide the
RCA _____ Commission a list of chemicals used for water and wastewater treatment, *by type, showing the dollar
SCR _____ amount and quantity purchased, the unit prices paid and the dosage rates utilized* (emphasis added).
SGA _____ This rule does not apply to Tierra Verde Utilities, Inc. (Docket No. 060255-SU) because it has a
SEC _____ wastewater collection system only. The deficiency responses for the other above-referenced utilities
OTH _____ reflected only a list of chemical(s) average usage levels and unit prices. In addition, based on the
chemicals reflected in the MFRs of its last rate proceeding, the response for Alafaya Utilities, Inc.
(Docket No. 060256-SU) failed to include all chemicals used for its wastewater treatment plant. In
order to assist in meeting the requirements of this Rule, please provide all information necessary in the

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FPSC-COMMISSION CLERK

Mr. Martin Friedman

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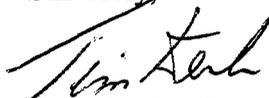
same or similar format as shown on Attachment A. Attachment A is the list of chemicals submitted in Docket No. 050281-WS which satisfies the requirements of Rule 25-30.440(2), F.A.C.

2. Rule 25-30.440(8), F.A.C., requires that each applicant for a rate increase shall provide the Commission one copy of a list of all field employees, their duties, responsibilities, and certificates held, and an explanation of each employees' salary allocation method to the utility's capital or expense accounts. The responses to staff's first deficiency letters in the above dockets provided a list of employees that does completely reconcile to the employees reflected in Utilities, Inc.'s cost allocation manuals for June 30, 2005, September 30, 2005, and December 31, 2005. However, the responses do not clearly show or identify what the duties are for each field employee. As such, staff suggests that the specific duties for each employee should appear immediately after their name to enable staff to identify the respective duties of each employee. In addition, the responses to staff's first deficiency letters failed to provide an explanation of each employee's salary allocation method to each respective utility's capital or expense accounts as required by this Rule. In order to assist in meeting the requirements of this Rule, please provide all information necessary in the same or similar format as shown on Attachments B through F. Further, provide a narrative explanation of how each employee's salary was allocated to each respective utility's capital or expense accounts.

3. With regard to Schedule B-8, Comparative O&M Expenses-Wastewater for only Cypress Lakes Utilities, Inc. (Docket No. 060257-WS), the utility is required to explain any differences which are not attributable to the change in customer growth and the CPI-U. In the first deficiency letter for this docket, staff indicated that this schedule was deficient because the utility did not provide an explanation for the increase in Miscellaneous Expenses. In its response, the utility did not provide the proper explanation; rather, it referred to its Exhibit G, which consists of revised cost of capital schedules. This response does not relate to this deficiency.

If any above corrections require a corresponding change to any MFR schedules, those corrected schedules must also be submitted. Your petition will not be deemed filed until the deficiencies identified in this letter have been corrected. These corrections should be submitted no later than August 21, 2006.

Sincerely



Timothy Devlin
Director

TD:bf

cc: Division of Economic Regulation (Biggins, Daniel, Edwards, Fletcher, Joyce, Massoudi, Merta, Redemann, Reiger, Rendell, Revell, Willis)
Office of the General Counsel (Brown, Brubaker, Fleming, Gervasi, Helton, Jaeger, Keating)
Division of Commission Clerk and Administrative Services
Office of Public Counsel

Attachments

Plantation Bay Utility Company, Inc
 Schedule of Chemicals
 Docket No. 050281-WS
 January 1, 2004 - December 31, 2004

	Aqua Mag		SM Hical Pebble QL		Chlorine Gas		HTH Shock Treatment		Total
	55 Gal Drum	Amount	Tons	Amount	150# Cylinder	Amount	100#	Amount	Amount
1/16/2004	1	759.00							759.00
1/20/2004			26.26	3,296.59					3,296.59
1/27/2004					8	560.00			560.00
2/13/2004	1	808.34							808.34
3/2/2004					8	560.00			560.00
3/26/2004					8	560.00			560.00
5/6/2004	1	808.34							808.34
4/22/2004					8	560.00			560.00
5/21/2004					8	600.00			600.00
6/16/2004					8	600.00			600.00
7/1/2004	1	808.34							808.34
7/7/2004					8	600.00			600.00
7/29/2004							2	195.96	195.96
7/26/2004			24.94	3,149.59					3,149.59
8/6/2004					8	600.00			600.00
9/13/2004					8	600.00			600.00
10/6/2004					8	600.00			600.00
10/20/2004	1	808.34							808.34
11/4/2004					10	750.00			750.00
11/3/2004			26.56	3,384.20					3,384.20
11/24/2004					8	600.00			600.00
12/16/2004					8	600.00			600.00
12/17/2004	1	808.34							808.34
	6	\$4,800.70	77.76	\$9,830.38	106	\$7,790.00	2	\$195.96	\$22,617.04

Quantity Purchased	330	78	15,900	200
Unit of Measure	Gallons	Tons	Pounds	Pounds
Avg Cost per Unit	\$ 14.55	\$ 126.42	\$ 0.49	\$ 0.98
Where Used (Specify Water Plant, Sewer Plant, Ponds, etc)	Water Plant	Water Plant	60% Water, 40% Sewer	Sewer
Specify dosage rate:				
Water	2.67 gallons per 1 million gals.	1,780 lbs per 1 million gals.	25 lbs per day	N/A
Sewer	N/A	N/A	18 lbs. per day	As needed to clean weirs

Mid-County Utilities, Inc.			Docket No. 060254-SU	
<u>Line No.</u>	<u>Employee Name</u>	<u>Total 2005</u>	<u>Acct 701</u>	<u>Capitalized Amount</u>
1	Scott D Armstrong	\$32,956		
2	Jeffrey S Finehirsh	27,481		
3	Patrick C Flynn	5,171		
4	Mathew Joseph Gunther	38,067		
5	Jerry Lawrence Hahn	36,612		
6	John G Holdman	5,658		
7	Richard Wayne Retz	8,318		
8	Anthony Wierzbicki	8,482		
9	David C Winkler	42,788		
10	Ralph Johns	13,367		
11	David Ray Rodriguez	<u>2,505</u>		
12	Total	<u>\$221,405</u>		

Tierra Verde Utilities, Inc.			Docket No. 060255-SU	
<u>Line No.</u>	<u>Employee Name</u>	<u>Total 2005</u>	<u>Acct 701</u>	<u>Capitalized Amount</u>
1	Michael T Dunn	\$4,579		
2	Patrick C Flynn	1,858		
3	John G Holdman	2,031		
4	William Lee Neal	17,314		
5	Richard Wayne Retz	2,987		
6	Anthony Wierzbicki	3,047		
7	David Ray Rodriguez	<u>900</u>		
8	Total	<u>\$32,716</u>		

ATTACHMENT C

Alafaya Utilities, Inc.		Docket No. 060256-SU		
<u>Line No.</u>	<u>Employee Name</u>	<u>Total 2005</u>	<u>Acct 701</u>	<u>Capitalized Amount</u>
1	Jose Fernando De Pedro	\$5,544		
2	Patrick C Flynn	11,215		
3	Douglas L Goodwin	12,214		
4	Scotty Lee Haws	14,967		
5	Raymond Harry Hogue	8,913		
6	Scott T Laggi	37,830		
7	Scott C Learned	21,252		
8	John Allen Marinelli	12,850		
9	Gary Wade Musselwhite, Jr.	206		
10	Michael A Overton	24,045		
11	Christopher R Phillips	18,963		
12	Roberto Villamin Remigio	12,557		
13	Robert Louis Risner	25,880		
14	Kathy Ann Sillitoe	10,240		
15	Corey F Sudol	11,542		
16	Donald Edward Taylor	33,767		
17	Carl Andrew Zubek	37,864		
18	Ralph Joseph Cavallo	8,220		
19	Eddie Eugene Roberts, Jr.	<u>13,895</u>		
20	Total	<u>\$321,964</u>		

Cypress Lakes Utilities, Inc.		Docket No. 060257-WS			
<u>Line No.</u>	<u>Employee Name</u>	<u>Total 2005</u>	<u>Acct 601</u>	<u>Acct 701</u>	<u>Capitalized Amount</u>
1	Michael T Dunn	\$6,252			
2	Patrick C Flynn	2,539			
3	John G Holdman	2,755			
4	Shantavious Simone Rainey	42,468			
5	Richard Wayne Retz	4,084			
6	David Eugene Shoffstall	44,349			
7	Anthony Wierzbicki	4,164			
8	Todd David Hiscock	7,120			
9	David Ray Rodriguez	<u>1,252</u>			
	Total	<u>114,983</u>			

Sanlando Utilities Corporation			Docket No. 060258-WS		
<u>Line No.</u>	<u>Employee Name</u>	<u>Total 2005</u>	<u>Acct 601</u>	<u>Acct 701</u>	<u>Capitalized Amount</u>
1	Thomas W Abendroth	\$29,799			
2	Christopher Thomas Alday	20,628			
3	James Roger Alday	24,866			
4	Robert K Cooper	27,950			
5	Jose Fernando De Pedro	12,703			
6	Harold B Ebert	28,992			
7	Jeffrey C Elder	19,312			
8	Patrick C Flynn	25,610			
9	Douglas L Goodwin	27,899			
10	Scotty Lee Haws	34,185			
11	Raymond Harry Hogue	20,342			
12	Jimmie H Hollister	25,784			
13	John Willis Humphrey, Jr.	27,179			
14	Thomas Eugene Keys	50,184			
15	Geogory J Lee	9,865			
16	Alexander Lorenzo	38,245			
17	John Allen Marinelli	29,346			
18	Roy J Mericle	12,695			
19	Matthew J Morrell	20,291			
20	Gary Wade Musselwhite, Jr.	471			
21	Raymond Alan Parrish	29,355			
22	Jeffrey Pinder	38,696			
23	Frederick E Quinlan II	11,238			
24	Mickey A Shue	29,771			
25	Kathy Ann Sillitoe	23,384			
26	Elisa Matarlo Steger	26,247			
27	Corey F Sudol	26,364			
28	James A Swegheimer	48,043			
29	Ronald D White	41,320			
30	William B Willingham	11,788			
31	Terry Wayne Sillitoe	15,195			
32	William Dusten White	13,412			
33	James Howard Pendarvis	6,334			
34	Preston S Boardway	388			
	Total	<u>\$807,881</u>			

Lake Placid Utilities, Inc.			Docket No. 060260-WS		
<u>Line No.</u>	<u>Employee Name</u>	<u>Total 2005</u>	<u>Acct 601</u>	<u>Acct 701</u>	<u>Capitalized Amount</u>
1	Michael T Dunn	\$1,008			
2	Patrick C Flynn	409			
3	Gregory J Lee	158			
4	Richard Wayne Retz	658			
5	Malcolm S Stewart	1,621			
6	Anthony Wierzbicki	671			
7	Total	<u>\$4,525</u>			

Utilities, Inc. of Pennbrooke			Docket No. 060261-WS		
<u>Line No.</u>	<u>Employee Name</u>	<u>Total 2005</u>	<u>Acct 601</u>	<u>Acct 701</u>	<u>Capitalized Amount</u>
1	Daniel S Anderson	\$35,660			
2	Christopher J Blasco	4,753			
3	Bill Coates	9,220			
4	Patrick C Flynn	3,191			
5	Brian Keith Gongre	10,277			
6	Allson Stevenson McPhee	11,999			
7	Steve L. Pfouts	13,699			
8	James Dennis Yingling	16,055			
9	James Edward Carroll	386			
10	Leonard E Ledwell	414			
11	Total	<u>\$105,654</u>			

Labrador Utilities, Inc.			Docket No. 060262-WS		
<u>Line No.</u>	<u>Employee Name</u>	<u>Total 2005</u>	<u>Acct 601</u>	<u>Acct 701</u>	<u>Capitalized Amount</u>
1	Joseph T. Cribbs	\$36,471			
2	Michael T Dunn	4,569			
3	Patrick C Flynn	1,853			
4	John G Holdman	2,028			
5	Richard Wayne Retz	2,980			
6	Anthony Wierzbicki	3,040			
7	Todd David Hiscock	5,228			
8	David Ray Rodriguez	897			
9	Total	<u>\$57,066</u>			

Utilities, Inc. of Sandalhaven		Docket No. 060285-SU		
<u>Line No.</u>	<u>Employee Name</u>	<u>Total 2005</u>	<u>Acct 701</u>	<u>Capitalized Amount</u>
1	Michael T Dunn	\$3,796		
2	Patrick C Flynn	1,542		
3	Patrick Lynsey Godwin	45,974		
4	Michael Paul Monat	41,227		
5	Richard Wayne Retz	2,480		
6	Malcolm S Stewart	6,108		
7	Anthony Wierzbicki	<u>2,529</u>		
8	Total	<u>\$103,656</u>		