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DIVISION OF ECONOMIC REGULATION  
(850) 413-6900

Public Service Commission ORIGINAL

January 22, 2007

Mr. Joseph Gabay  
Colonial Manor Utilities  
P.O. Box 398  
New Port Richey, FL 34656-0398

Re: **Docket No. 060540-WU - Request by Colonial Manor Utilities for Approval of File and Suspend Rate Increase in Pasco County**

Dear Mr. Gabay:

We have reviewed the minimum filing requirements (MFRs) submitted on December 21, 2006, on behalf of Colonial Manor Utilities (Colonial Manor or utility). After reviewing this information, we find the MFRs to be deficient. The specific deficiencies are identified below.

Rule 25-30.110(2), Florida Administrative Code (F.A.C.), requires that a utility shall furnish the Commission with any information concerning the utility's facilities or operation that the Commission may request and require for determining rates or judging the practices of the utility. All such data, unless otherwise specified, shall be consistent with and reconcilable with the utility's annual report to the Commission. Deficiency Nos. 1-3 are deficient pursuant to this rule:

1. Schedule A-1, Schedule of Water Rate Base

CMP \_\_\_\_\_ The Utility Plant in Service Balance Per Books for 2005 does not match balance recorded in the 2005 Annual Report. Pursuant to Rule 25-30.110, F.A.C., please provide the reconciliation of the balances in the 2005 Annual Report and the MFR Schedule A-1.  
COM \_\_\_\_\_

CTR \_\_\_\_\_  
ECR \_\_\_\_\_ 2. Schedule A-4, Schedule of Water and Wastewater Plant in Service

GCL \_\_\_\_\_ The 12/31/05 total in this schedule does not match the total recorded in the 2005 Annual Report. Pursuant to Rule 25-30.110, F.A.C., please provide the reconciliation of the balances in the 2005 Annual Report and the MFR Schedule A-4.  
OPC \_\_\_\_\_

RCA \_\_\_\_\_  
SCR \_\_\_\_\_ 3. Schedule D-2, Reconciliation of Capital Structure to Requested Rate Base

SGA \_\_\_\_\_ Test Year Per books balances do not match the utility's 2005 Annual Report.  
SEC   1   The utility did not list the supporting and recap schedules.

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4. Schedule A-3, Schedule of Adjustments to Rate Base

The adjustments on this schedule do not tie to the adjustments on Schedule A-1, column 3. The instructions require the utility to provide a detailed description of all adjustments to rate base per book, with a total for each rate base item. The utility has not provided this information.

5. Schedule B-3, Schedule of Adjustments to Operating Income

The utility has included test year adjustments on Schedule B-1, but has not listed any on Schedule B-3. The instructions for this schedule require the utility to provide a detailed description of all adjustments to operating income per books, with a total for each line item shown on the net operating income statement.

6. Schedule B-7, Analysis of Rate Case Expense

The instructions for this schedule require the utility to provide the total amount of rate case expense requested in the application and state whether the total includes the amount up to proposed agency action or through a hearing before the Commission. It is also to provide a list of each firm providing services for the applicant, the individual firm assisting in the application, including each individual's hourly rate, and an estimate of the total charges to be incurred by each firm, as well as a description of the type of services provided. The utility has only provided the amount of the filing fee for the rate case.

7. Schedule D-1, Schedule of Requested Cost of Capital

The requested Cost of Capital on Schedule D-1 does not tie to the Requested Cost of Capital on Schedule B-1.

8. Schedule E-1, Rate Schedule

The utility is required to provide a schedule of present and proposed rates. The utility's current tariff lists a 5/8" meter and a 3/4" meter. In its MFRs, the utility included a 5/8 x 3/4" meter and did not provide proposed rates for all meter sizes.

9. Staff produced a billing analysis for the Residential Customer class based on the number of bills submitted on MFR Schedule E-6. Based on the billing analysis, the consumption on MFR Schedule E-2, page 1 does not match gallons on the billing analysis produced by staff. Please provide a billing analysis that shows the number of bills and the correct number of gallons at each consumption level.

10. Based on the current tariff for Residential Service the utility has a two-tiered rate structure with rate blocks at 0-10,000 and 10,000 and over with rates at \$2.12 and \$2.65, respectively. The present and proposed rates indicated on MFR Schedule E-2, page 1 are not presented as a two-tiered rate structure. Please provide a revised MFR Schedule E-2, page 1 showing the number of gallons sold by rate block for the residential class.

11. Based on the current tariff for General Service the gallonage charge indicated is \$2.19 per 1,000 gallons. However, on MFR Schedule E-2, page 1 the gallonage charge rates for General Service do not match the current tariffs. Please provide a revised MFR Schedule E-2, page 1 using the current tariff gallonage charge.
12. Staff calculated consumption for the General Service customer class based on the number of bills presented at each consumption level on MFR Schedule E-6, page 1. However, the consumption indicated for the General Service class on MFR schedule E-2, page 1 for the 5/8" and 1" customers does not match staff's calculated consumption for General Service customers. Please provide a revised MFR Schedule E-2, page 1 that shows the correct number of gallons for those customers mentioned above.
13. Schedule F-5, Used and Useful calculations for the water treatment plant(s).

The instructions for this schedule require the utility to provide all calculations, analyses and governmental requirements used to determine the used and useful percentages for the water treatment plant(s). The utility did not provide its calculations and/or analysis used to support its used and calculation percentages for the historical test year, or the projected test year.
14. Rule 25-30.443(2)(c), F.A.C., requires that if a projected test year is used, provide a complete set of the Commission Form PSC/ECR 18 (6/90), entitled "Financial, Rate and Engineering Minimum Filing Requirements – Class C Utilities", which require a designation of historical or projected information. Such schedules shall be submitted for the historical base year, and any projected year subsequent to the base year and prior to the projected test year, in addition to the projected year. If no designation is shown on a schedule, submit that schedule for the test year only. In lieu of providing separate pages for the above required schedules, the information required can be combined on the same page by adding columns. In the rate base schedules, Section A, the beginning and end-of –year balances shall be shown. For any intermediate period or year, only year-end balance shall be shown. If a historical test year is used, Schedule E-5 will not be required. A schedule shall also be included which describes in detail all methods and bases of projection, explaining the justification for each method or basis employed.
15. Rule 25-30.440(2), Florida Administrative Code (F.A.C.), requires the utility to provide a list of chemicals used for water and wastewater treatment, by type, showing the dollar amount and quantity purchased, the units paid and the dosage rates utilized. The applicant did not provide any of this information as required by this Rule.
16. Rule 25-30.440(4), F.A.C., requires the utility to provide all water and wastewater operating reports for the test year and the year preceding the test year. The applicant did not provide any water operating reports for the utility.
17. Rule 25-30.440(5), F.A.C., requires the utility to provide the most recent sanitary survey for each water plant and inspection report for each wastewater plant conducted by the health

department or the Department of Environmental Protection (DEP). The applicant did not provide any water sanitary surveys reports for the utility water plant.

18. Rule 25-30.440(8), F.A.C., requires the utility to provide 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 applicant did not provide the duties, responsibilities, and certificates held or an explanation of each employees' salary allocation method to the utility's capital or expense accounts.
19. Rule 25-30.440(9), F.A.C., requires the utility to provide a list, by serial number and description, of all vehicles owned or leased by the utility showing the original cost or annual lease expense, who the vehicle is assigned to, and the method of allocation to the utility. The applicant did not provide any of this information as required by this Rule.
20. Rule 25-30.440(10), F.A.C., requires the utility to provide a list, by customer, of all complaints received during the test year, with an explanation of how each complaint was resolved. The applicant did not provide any of this information as required by this Rule.

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 February 22, 2007.

Sincerely,



Timothy Devlin  
Director

cc: Division of Commission Clerk and Administrative Services  
Office of the General Counsel (Jaeger)  
Division of Economic Regulation (Beleckza-Banks, Rendell, Joyce, Massoudi)