

COMMISSIONERS:
LISA POLAK EDGAR, CHAIRMAN
MATTHEW M. CARTER II
KATRINA J. MCMURRIAN

STATE OF FLORIDA



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

ORIGINAL

Public Service Commission

March 26, 2007

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

Re: Docket No. 060246-WS - Application for increase in water and wastewater rates in Polk County by Gold Coast Utility Corp.

Dear Mr. Friedman:

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

1. The following items relate to customer's concerns from the February 20, 2007 customer meeting.
 - (a) It has come to staff's attention that two developers are in the process of developing new homes in your service territory. In addition, staff was informed that one of the developers has paid impact fees. If so, please provide details of the utility's involvement, when construction will begin and the status of the situation.
 - (b) Within the last three years, has the utility considered or discussed whether the capacity of the water or wastewater treatment plant will need to be increased during the next five years? If so, please provide the utility's conclusions and the basis for those conclusions.
 - (c) A customer expressed concerns regarding one of the new generators. He stated the generator did not automatically switch-on and the installation was improperly done. Is this correct? Please provide a detailed explanation.
 - (d) In addition, the customer expressed concerns regarding black specks in his toilet bowl and stated it was because of the poor water quality. Are you aware of this situation and what would cause black specks to be in his toilet bowl? Please provide a detailed explanation of what may be the cause of this situation and any action the utility intends to take to resolve this situation.

DOCUMENT NUMBER - DATE
02642 MAR 27 06
FPSC-COMMISSION CLERK

2. Regarding pro forma plant additions, did the utility request bids on all of the pro forma items listed in Schedule A-3?
3. If the answer to question 2 is no, which items were not included in the bidding process? Please explain why you did not request bids.
4. For the items that the utility obtained estimates for, i.e. the steel buildings for the wastewater plant and the rehabilitation of the manholes, did the utility obtain more than one bid?
5. If not, why not?
6. According to Schedule F-1, the utility pumped 35.128 million gallons of water and sold 12.013 million gallons of water during the test year. In addition, your records show there were no "other uses". Please provide a detailed explanation of why your records indicate that there is a difference of 23.115 million gallons of water which is unaccounted for.
7. Comparing Schedules F-1 and F-2, the schedules show Gold Coast treated more wastewater than it sold water, all twelve months of the test year. Please explain how this occurred. Is there a problem with excessive inflow and infiltration (I&I)? If so, what is the utility doing to resolve the problem?
8. In Schedule F-3, the utility's "Maximum Day" is March 18, 2005, with 229,000 gallons used. Was there an anomaly or unusual occurrence on that day?
9. What is age/manufacturer's operation date of the desk top computer that you included in pro forma plant?
10. Provide copies of the health insurance plans or proposals for all employees and officers.
11. Provide justification for the pro forma expense for the "employee leasing company."
12. Has the utility advertised for the pro forma addition for the new employee position?
13. If so, provide a copy of the advertisement, and the date the ad was published.
14. If the utility has not advertised for the new employee position, please explain why not.
15. Has the utility interviewed and/or selected a candidate for the additional position?
16. If so, provide his/her name and start date, as well as starting salary.
17. Provide a copy of the retirement plan for the officer.
18. Is there one officer for Gold Coast? If not, provide the name and salary of the additional officer.

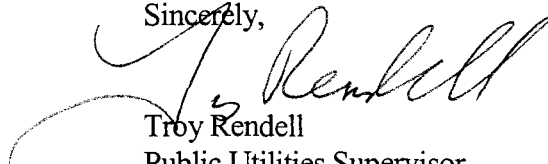
19. How much time does Keith Burge spend on a weekly and/or annual basis in the position of Director for Laniger Utility?
20. How much compensation did Keith Burge receive in his role of Director for Laniger Utility in 2006?
21. What duties does Keith Burge perform in his position of Director of Laniger Utility?
22. Did Gold Coast perform an employee wages and salary analysis for the Lake Wales area?
23. If so, provide a copy.
24. If not, how did Gold Coast determine the amount of pro forma salary increases for its employees?
25. How did Gold Coast determine these amounts were necessary in order to retain its employees?
26. What type of business services does Elite Services, located in Bartow, Florida provide?
27. Is there any type relationship between Reginald Burge and Ronnie Spears?
28. Is there any type relationship between Keith Burge and Ronnie Spears?
29. Describe the equipment that was traded in to Pippin Tractor for the purchase of the backhoe?
30. Who is Leonard Burge, and what is his relationship to Keith Burge?
31. Reginald Burge is listed as a Director of Gold Coast Utility, Corp. Does Reginald receive compensation for this position?
32. What duties does Reginald Burge perform in the capacity of Director of Gold Coast Utility, Corp?
33. What percentage of time does Keith Burge spend in his position as Director of Utility Operations for Gold Coast Utility Corp.?
34. How often does Keith Burge travel from his residence to the utility's service area?
35. What percentage of time does Keith Burge spend in his position as Director of Laniger Utility?
36. What percentage of time does Keith Burge utilize on a personal basis in the new truck purchased in 2006?

Mr. Friedman
Page 4
March 26, 2007

37. Why was the laptop computer purchased under the business name of Laniger Enterprises?
38. Provide a salary history by year for David Pearce for the past 5 years.
39. When did John Ridgeway receive an increase in pay from \$29,236.50 to \$35,100?
40. When did Nathan Eckstein receive an increase in pay from \$29,236.50 to \$30,200?

As this case is scheduled for Agenda on May 22, 2007, it is imperative that we receive your response by April 13, 2007. If you have any questions, please contact me by phone at (850) 413-6934 or by e-mail at trendell@psc.state.fl.us

Sincerely,



Troy Rendell
Public Utilities Supervisor

cc: Division of Economic Regulation (Bulecza-Banks, Edwards, Rendell)
Office of the General Counsel (Fleming)
~~Office of the General Counsel and Administrative Services (330246-WS)~~
Office of Public Counsel