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(850) 413-6900

Public Service Commission

December 8, 2008

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STAFF'S FIRST DATA REQUEST

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

Re: Docket No. 080248-SU – Application for increase in wastewater rate in Pinellas County by Tierra Verde Utilities, Inc.

Dear Mr. Friedman:

Please provide staff with the following information to facilitate our review of Tierra Verde Utilities, Inc.'s application.

1. Please provide all support documentation, including but not limited to, work papers, bases, and/or assumptions for the pro forma expense adjustments reflected on MFR Schedule B-3, Page 1 of 2, Lines 30 through 42.
2. On MFR Schedule B-8, Lines 1 through 3, the Utility reflects an increase of \$30,001 or 60.11 percent for Salaries & Wages - Employees and \$8,983 or 77.50 percent for Employee Pensions & Benefits. Tierra Verde asserts that the reason for these increases are due to "annualization, cost of living increases, and the need for additional employees." On MFR Schedule B-8, the Utility reflects an adjusted test year amount of \$17,046 for Contractual Services - Other, which represents an increase \$14,536 or 579.11 percent. Tierra Verde stated that the reason for this increase was due to "[t]emporary employment has increased the cost of other contractual services."
 - a. Given the fact that the Utility included pro forma salary and pensions & benefits adjustments totaling \$30,001 and \$8,983, respectively, for "annualization, cost of living increases, and the need for additional employees." (emphasis added), please explain why Tierra Verde did not make a corresponding adjustment to decrease Contractual Services - Other for the "temporary employment' during the test year.
 - b. Identify each temporary position employed during the test year and provide detail of the duties performed and the associated cost. Please be sure the total cost equals the \$14,536 shown on MFR Schedule B-8.

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- c. State whether the additional personnel will eliminate the need for temporary employment.
3. With regard to the "TV Sewer Mains" maintenance project reflected on MFR Schedule B-10, Line 1, please provide the following:
- a. a detailed statement why this project is necessary;
 - b. a copy of any report or other documentation completed which reflect the findings or results from this project; and
 - c. a copy of all support documentation, including but not limited to, invoices, contracts, estimates, quotes, assumptions, work papers, bases, and/or other documentation for the actual cost incurred from the commencement of the project to date and for the budgeted unamortized amount of \$76,452; and
 - d. state the primary operation and maintenance (O&M) expense account name and number that the Utility used to record this project in the 2007 test year, and, if more than one O&M expense account has been used to record this project, please provide a detail breakdown by amount and account of how the Utility's is recording this project in the test year.
4. The following items are related to Miscellaneous Service Charges. Please complete the following charts.

Initial Connection and Normal Reconnection

<u>Component</u>	<u>Normal Hours</u> <u>Hourly Rate</u>	<u>Normal Hours</u> <u>Typical Time</u>	<u>Normal Hours</u> <u>Total Cost</u>	<u>Description</u>
Clerical & Administrative Labor				
Labor to inspect facilities				
Labor to determine complaint resolution				
Transportation costs				
Computer services				
Overhead				
Etc...				
Total Costs				

Initial Connection and Normal Reconnection (continued)

<u>Component</u>	<u>After Hours Hourly Rate</u>	<u>After Hours Typical Time</u>	<u>After Hours Total Cost</u>	<u>Description</u>
Clerical & Administrative Labor				
Labor to inspect facilities				
Labor to determine complaint resolution				
Transportation costs				
Computer services				
Overhead				
Etc...				
Total Costs				

These costs above should address, in detail, the following components:

- a. Office costs associated with recording and processing a customer request for service, including labor, computer service, and postage.
- b. Office costs associated with receiving, recording and processing the subsequent customer request for termination of service and final bill, including labor, computer services and postage.
- c. Field costs associated with the inspection of a facility and connection of service including transportation, labor and meter reading expense.
- d. Field costs associated with the disconnection of service including transportation, labor, and meter reading expense.
- e. Overhead costs indirectly related to a specific job including a portion of general office facilities and equipment, supervision, insurance and small miscellaneous expenses required to support service activities.
- f. In addition, please provide the number of initial connections and reconnections during the preceding 12 months.
- g. Provide the above information for after hours rates as well.

Premises Visit

<u>Component</u>	<u>Normal Hours</u> <u>Hourly Rate</u>	<u>Normal Hours</u> <u>Typical Time</u>	<u>Normal Hours</u> <u>Total Cost</u>	<u>Description</u>
Clerical & Administrative Labor				
Labor to inspect facilities				
Labor to determine complaint resolution				
Transportation costs				
Computer services				
Overhead				
Etc...				
Total Costs				

<u>Component</u>	<u>After Hours</u> <u>Hourly Rate</u>	<u>After Hours</u> <u>Typical Time</u>	<u>After Hours</u> <u>Total Cost</u>	<u>Description</u>
Clerical & Administrative Labor				
Labor to inspect facilities				
Labor to determine complaint resolution				
Transportation costs				
Computer services				
Overhead				
Etc...				
Total Costs				

These costs above should address, in detail the following components:

- a. Office costs associated with receiving, recording and processing a customer request or complaint, including labor, and computer service.
- b. Field costs associated with the inspection of a facility and determination of complaint resolution including transportation and labor. This may include outside services.
- c. Field costs associated with the disconnection of service including transportation, labor, and meter reading expense.
- d. Overhead costs indirectly related to a specific job including a portion of general office facilities and equipment, supervision, insurance and small miscellaneous expenses required to support service activities.
- e. In addition, please provide the number of premises visits during the preceding 12 months.
- f. Provide the above information for after hours rates as well.

Martin S. Friedman, Esquire

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Please submit the requested information to the Office of Commission Clerk by January 7, 2009. If you have any questions, please contact me by phone at (850) 413-6536 or by email at dbuys@psc.state.fl.us.

Sincerely,

A handwritten signature in black ink that reads "Dale R. Buys". The signature is written in a cursive style with a large, looped initial "D".

Dale R. Buys
Regulatory Analyst

cc: Office of Commission Clerk
Office of the General Counsel (Young)
Division of Economic Regulation (Bulecza-Banks, Buys, Daniel, Fletcher, Walden)