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Public Service Commission

March 14, 2012

STAFF'S SECOND DATA REQUEST

Mr. Martin S. Friedman
Sundstrom, Friedman & Fumero, LLP
766 North Sun Drive, Suite 4030
Lake Mary, Florida 32746

Re: Docket No. 110200-WU – In re: Application for increase in water rates in Franklin County by Water Management Services, Inc.

Dear Mr. Friedman:

Staff needs the following information to complete its review of the application filed by Water Management Services, Inc. (WMSI or Utility).

1. In Schedule A-3 of Volume 1 of the MFRs, a new emergency generator for well #3 is proposed. In WMSI's last rate case (Docket No. 100104-WU), a 2010 PBS&J Report indicated an existing generator at well #3. Provide justification for a new generator.
2. On page 10 of the testimony of Mr. Les Thomas, it was indicated that a capacity study revealed that a fifth well is required by the NFWFMD and the FDEP to provide the required water supply redundancy.
 - (a) Provide all supporting documentation related to the requirement of a fifth well; including justification of any potential benefits to be realized by the existing customer base.
 - (b) In reference to peak day demand, how many additional ERCs will the proposed fifth well accommodate?
3. As discussed in the capacity study attached to the testimony of Mr. Les Thomas, it was indicated that there is no standard that requires the Utility to provide fire protection. However, it was pointed out that the Utility is working with the St. George Island Fire Department to increase fire flow capacity from the existing 500 gallons per minute (gpm) level to 1,000 gpm within the commercial area of St. George Island.

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- (a) Provide all supporting documentation, including any correspondence between the Utility and the St. George Island Fire Department, related to the proposed increase of fire flow capacity within the commercial area of St. George Island.
 - (b) If fire flow capacity is not changed and remains at the present 500 gpm level, given the existing customer base with no growth considered, would the proposed distribution water main improvements be necessary?
 - (c) Will the proposed distribution water main improvements, once completed, accommodate additional customer growth? If so, how many additional ERCs will there be at capacity?
4. In WMSI's response to Staff's First Data Request, Item 3 (Exhibit C), the Utility provided a rate case expense summary for Law, Reed, Crona & Munroe, P.A.. That particular summary referenced the following bills:
 - Billing #1 – July-August 31, 2011
 - Billing #2 – September 30, 2011
 - Billing #3 – October 31, 2011
 - Billing #4 – November 30, 2011
 - Billing #5 – December 31, 2011
 - (a) Please provide copies of each billing referenced above.
 - (b) For each individual person, provide the detail of hours worked, the billing rate, and an itemized description of work performed.
5. As part of WMSI's response to Staff's First Data Request, Item 5, the Utility provided partial copies of certain Comcast bills to support the increase in Contractual Services - Other for January, April, July, and October 2010.
 - (a) Provide a complete copy of each Comcast bill referenced above.
 - (b) Several business entities are located at the billing address referenced in each bill. Are the amounts contained in each Comcast bill a total for the billing address, or do the bills reflect only WMSI's allocated portion of that expense?
6. In WMSI's response to Staff's First Data Request, Item 6, the Utility provided partial copies of certain CenturyLink and Verizon Wireless (Verizon) bills to support the increase in Miscellaneous Expenses for March and December 2010. Several business entities are located at the billing address referenced in each CenturyLink and Verizon bill.
 - (a) In regard to WMSI's CenturyLink bills from March and December 2010, are the amounts contained in each bill a total for the billing address, or do the bills reflect only WMSI's allocated portion of that expense?

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- (b) In regard to WMSI's Verizon bills from March and December 2010, are the amounts contained in each bill a total for the billing address, or do the bills reflect only WMSI's allocated portion of that expense?
- (c) Eight wireless numbers are reflected on each Verizon bill provided. For each wireless number, please identify the WMSI employee assigned to each.
7. In WMSI's response to Staff's First Data Request, Item 6, the Utility provided copies of receipts from BJ's Pizza, Connie's Hams, Harry's Seafood Bar & Grille, and The Honeybaked Ham Company to support the increase in Miscellaneous Expenses for March and December 2010. Explain how each of these expenses is necessary for the provision of utility service.
8. What is WMSI's bad debt expense for 2011?
9. In Schedule B-9 of Volume 1 of the MFRs, a legal retainer of \$6,000 is included for consultant "GDB". Please identify the firm or individual listed as "GDB" in the consultant column of this schedule. Provide justification for the legal retainer.

Please submit the above information to the Office of Commission Clerk by April 13, 2012. If you have any questions, please contact Todd Brown by phone at (850) 413-6550 or by e-mail at tbrown@psc.state.fl.us.

Sincerely,



Todd M. Brown
Regulatory Analyst IV

cc: Division of Economic Regulation (Maurey, Fletcher, Cicchetti, Daniel, Reiger, Stallcup, Thompson)
Office of the General Counsel (Barrera, Jaeger)
Office of Commission Clerk (Docket No. 110200-WU)
Office of Public Counsel