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MARSHALL WILLIS, DIRECTOR  
DIVISION OF ACCOUNTING AND FINANCE  
(850) 413-6900

Public Service Commission

August 17, 2012

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

**Re: Docket No. 120152-WS - Application for increase in water and wastewater rates in Orange County by Pluris Wedgefield, Inc.**

Dear Mr. Friedman:

We have reviewed the minimum filing requirements (MFRs) submitted on July 19, 2012, on behalf of Pluris Wedgefield, Inc. (Pluris or Utility). After reviewing this information, we find the MFRs to be deficient. The specific deficiencies are identified below:

1. Rule 25-30.110(2), Florida Administrative Code (F.A.C.) requires that the MFRs shall be consistent and reconcilable with the Utility's annual report. The following account balances for December 2011 listed in the MFRs do not tie to the year end balances in the Utility's 2011 Annual Report.
  - a) MFR Schedule A-4, Schedule of Water and Wastewater Plant in Service, page 2 of 2, column (2), lines 16, 17, 21, 22, 24, 25, 28, and 29 do not tie to their respective Annual Report Schedule W-4(a).
  - b) MFR Schedule A-5, Schedule of Water Plant in Service by Primary, page 1 of 2 and 2 of 2, column (2), lines 7, 10, 14, 19, 24, 25, 27, 34, 35, 37, 38, 40, and 42 do not tie to Annual Report Schedule W-4(a).
  - c) MFR Schedule A-6, Schedule of Wastewater Plant in Service by Primary Account, page 1 of 2 and 2 of 2, column (2), lines 7, 9, 18, 20, 26, 27, 49, 50, 52, 53, and 55 do not tie to Annual Report Schedule S-4(a).
  - d) MFR Schedule A-8, Schedule of Water and Wastewater Accumulated Depreciation, page 2 of 2, column (3), line 14 does not tie to Annual Report Schedule S-4(a).
  - e) MFR Schedule A-9, Schedule of Water Accumulated Depreciation by Primary Account, page 1 of 2 and 2 of 2, column (2), lines 2, 9, 12, 13, 17, 21, 22, 23, 24,

- 25, 26, 31, 33, 34, 36, and account 304 – structures and improvements (lines 6, 16, 20, and 29), do not tie to Annual Report Schedule W-6(b).
- f) MFR Schedule A-10, Schedule of Wastewater Accumulated Depreciation By Primary Account, page 1 of 2 and 2 of 2, column (2), lines 2, 6, 7, 8, 9, 11, 12, 16, 18, 21, 23, 25, 26, 29, 33, 37, 39, 40, 41, 42, 45, 46, 48, 49, 51, and account 354 – structures and improvements (lines 6, 16, 21, 29, 37, 44) do not tie to Annual Report Schedule S-6(b).
  - g) MFR Schedule A-12, Schedule of Contributions in Aid of Construction By Classification Beginning and End of Year Average – Water and Wastewater, page 1 of 2, column (2), line 2 does not tie to Annual Report Schedule W-6.
  - h) MFR Schedule A-14, Schedule of Accumulated Amortization of CIAC By Classification Beginning and End of Year Average – Water and Wastewater, pages 1 of 2 and 2 of 2, columns (2) and (4), lines 2, 5, 11, 13, and 22 do not tie to Annual Report Schedules W-8(a) and S-8(a).
  - i) MFR Schedule A-18, Comparative Balance Sheet – Assets, page 1 of 1, column (2) lines 18 and 19 do not tie to Annual Report Schedule F-1(a). Staff notes it appears the Utility is listing the 2010 balance for account 132 – special deposits, instead of account 174 – miscellaneous current & accrued assets.
  - j) MFR Schedule A-18, Comparative Balance Sheet – Assets, page 1 of 1, column (3) lines 13, 14 and 18 do not tie to Annual Report Schedule F-1(a).
  - k) MFR Schedule A-19, Comparative Balance Sheet – Equity Capital & Liabilities, page 1 of 1, column (2), lines 9, 11, 12, 14, 19, 20, 28, and 29 do not tie to Annual Report Schedule F-17.
  - l) MFR Schedule A-19, Comparative Balance Sheet – Equity Capital & Liabilities, page 1 of 1, the Utility is missing account 237 – accrued interest, as reported on its Annual Report Schedule F-2.
  - m) MFR Schedule A-19, Comparative Balance Sheet – Equity Capital & Liabilities, page 1 of 1, column (3), lines 9 and 11 do not tie to Annual Report Schedule F-2.
  - n) MFR Schedule B-5, Detail of Operation & Maintenance Expense By Month – Water, page 1 of 2 and 2 of 2, column (14), lines 12, 13, 14, 25, and 27 do not tie to Annual Report Schedule W-10(a).
  - o) MFR Schedule B-6, Detail of Operation & Maintenance Expense By Month – Wastewater, page 1 of 2 and 2 of 2, column (14), lines 14, 15, and 28 do not tie to Annual Report Schedule W-10(a).
  - p) MFR Schedule B-7, Operation & Maintenance Expense Comparison – Water, page 1 of 1, column (2), lines 1, 2, 3, 6, 7, 9, 11, 12, 14, 15, 18, 22, 23, 26, and 27

do not tie to Annual Report Schedule W-10(a). Staff also notes line 8 is missing from the schedule resulting in incorrect numbering of line items.

- q) MFR Schedule B-7, Operation & Maintenance Expense Comparison – Water, page 1 of 1, column (3), lines 13, 14, 15, 26, and 28 do not tie to Annual Report Schedule W-10(a).
  - r) MFR Schedule B-13, Net Depreciation Expense – Water, page 1 of 2 and 2 of 2, column (2), lines 10, 13, 14, 19, 25, 26, 27, 28, 29, 35, 37, 42, 43, 45, and account 304 – structures and improvements (lines 7, 18, 23, and 33), do not tie to Annual Report Schedule W-6(b). Staff notes it appears the Utility is listing the accruals values for some of the above listed accounts instead of the balance at the end of the year.
  - s) MFR Schedule B-14, Net Depreciation Expense – Wastewater, page 1 of 2 and 2 of 2, column (2), lines 2, 8, 9, 10, 12, 13, 20, 28, 31, 33, 34, 35, 42, 48, account 354 – structures and improvements (lines 7, 18, 24, and 38), and account 389 – other plant & misc. equipment (lines 4, 15, 21, and 29) do not tie to Annual Report Schedule W-6(b). Staff notes it appears the Utility is listing the accruals values for some of the above listed accounts instead of the balance at the end of the year.
  - t) MFR Schedule E-2, Revenue Schedule at Test Year Rates -- Proof of Revenue, page 1 of 2, column (3) total gallons (lines 6, 11, and 24) do not tie to Annual Report Schedule W-11.
2. Rule 25-30.436(1)(d), F.A.C. requires that the application for a rate increase should include the address within the service area where the application is available for customer inspection during the time the rate application is pending. Although the Utility provided a general statement concerning the location of the application, it did not include an address.
3. Rule 25-30.436(4)(h), F.A.C. requires that any system that has costs allocated or charged to it from a parent, affiliate or related party, in addition to those costs reported on Schedule B-12 of Commission Form PSC/ECR 19-W for a Class A utility, or PSC/ECR 20-W for a Class B utility, (incorporated by reference in Rule 25-30.437, F.A.C.) shall file three copies of additional schedules that show the following information:
- a) Pursuant to Rule 25-30.436(4)(h)(6), F.A.C., the Utility is missing the required organizational chart of the relationship between the utility and its parent and affiliated companies and the relationship of any related parties. Staff notes that such an organization chart does exist as included in the company's 2011 Annual Report on Schedule E-3.
  - b) Pursuant to Rule 25-30.436(4)(h)(7), F.A.C., the Utility is missing the required copy of any contracts or agreements between the utility and its parent or affiliated companies for services rendered between or among them.

4. Rule 25-30.437, F.A.C. requires that each Class A utility applying for a rate increase shall provide the information required by Commission Form PSC/ECR 19-W (11/93), titled "Class A Water and/or Wastewater Utilities Financial, Rate and Engineering Minimum Filing Requirements." The following MFR schedules, as filed, do not comply with Rule 25-30.437, F.A.C.
  - a) The instructions for MFR Schedule B-7, Operation & Maintenance Expense Comparison – Water, require an explanation for differences which are not attributable to the change in customer growth and the CPI-U. The Utility failed to provide an explanation for Contractual Services – Legal, Contractual Services – Testing, and Insurance – General Liability.
  - b) The instructions for MFR Schedule B-8, Operation & Maintenance Expense Comparison – Wastewater, require an explanation for differences which are not attributable to the change in customer growth and the CPI-U. The Utility failed to provide an explanation for Sludge Removal Expense, Contractual Services – Engineering, Contractual Services – Legal, Contractual Services – Testing, Insurance – General Liability, and Bad Debt Expense.
  - c) The instructions for MFR Schedules B-7 and B-8 (Operation and Maintenance Expense Comparison), require the Utility to utilize the Consumer Price Index All Urban Consumers Table (CPI – U) percentages published by the U.S. Department of Labor. The CPI-U amounts found on MFR Schedules B-7 and B-8 are incorrect. Please revise Schedules B-7 and B-8 to reflect 210.228 and 225.672 for December 2008 and December 2012, respectively.
    - (i) In addition, the Utility is required to provide an explanation of all differences in excess of the benchmark factor for customer growth and inflation. When revising MFR Schedules B-7 and B-8, please provide an explanation for expenses in excess of the revised benchmark factor.
  - d) The instructions for MFR Schedule D-1 and D-1(a), Schedule of Requested Cost of Capital (Final and Interim), require a calculation of the requested cost of capital utilizing a beginning and end of year average. In column (1), the Utility recorded incorrect averages for long-term debt, customer deposits, and common equity on both schedules.
  - e) The instructions for MFR Schedule D-2 and D-2(a), Reconciliation of Capital Structure to Requested Rate Base, require a calculation of the requested cost of capital utilizing a beginning and end of year average. In column (2), the Utility recorded incorrect averages for long-term debt, customer deposits, and common equity on both schedules.
  - f) The instructions for MFR Schedule D-5, Cost of Long – Term Debt – Water, require an additional schedule which reflects the same information on the parent level if the utility is a subsidiary. The Utility failed to provide the required additional information.

- g) The instructions for MFR Schedule D-6, Cost of Variable Rate Long – Term Debt – Wastewater, require an additional schedule which reflects the same information on the parent level if the utility is a subsidiary. The Utility failed to either provide the required additional information or failed to state the absence of variable rate long-term debt on the parent level.
- h) The instructions for MFR Schedule E-1, Rate Schedule, require a schedule of present and proposed rates. The general service gallonage charge for present rates on schedule E-1, page 2 of 2, column (2) line 21 does not match the general service consumption charge contained in the utility's currently approved tariff.
- i) The instructions for MFR Schedule E-2, Revenue Schedule at Proposed Rates, require a calculation of revenues at present and proposed rates. The general service rate on schedule E-2(a), page 2 of 2, column (4) lines 12, 14, and 16 do not match the general service consumption charge contained in the utility's currently approved tariff.
- j) The instructions for MFR Schedule E-5, Miscellaneous Service Charge Revenues, require a schedule of test year miscellaneous charges received by type. The Utility only provided a statement that it does not distinguish between water and wastewater miscellaneous charges.
- k) The instructions of MFR Schedule F-1, Gallons of Water Pumped, Sold and Unaccounted For in Thousands of Gallons, require the gallons pumped should match the supporting documentation. The gallons sold information on schedule F-1 does not match the gallons sold figures on the corresponding schedules E-2 and E-14.

If any above corrections require a corresponding change to any other MFR schedules, those corrected schedules must also be submitted in accordance with Rule 25-30.436(4)(e), F.A.C. 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 September 17, 2012.

Sincerely,



Marshall Willis  
Director

MW/av

cc: Division of Accounting and Finance (Fletcher, Maurey)  
Division of Auditing & Performance Analysis (Daniel, Hill-Slaughter)  
Division of Economics (Hudson, Kummer, Thompson)  
Division of Engineering (Ballinger, McRoy)  
Office of the General Counsel (Lawson, Crawford)  
Office of Commission Clerk (Docket No. 120152-WS)