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STATE OF FLORIDA



DIVISION OF ENGINEERING
TOM BALLINGER
DIRECTOR
(850) 413-6910

Public Service Commission

July 26, 2013

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

Re: Docket No. 130180-WS - Application of Sunlake Estates Utilities, L.L.C. for original water and wastewater certificates in Lake County, Florida

Dear Mr. Friedman:

Staff needs the following information to complete its review of the application filed by Sunlake Estates Utilities, L.L.C. (Sunlake or Utility).

1. Exhibit B, Special Report.

- a. Please provide the signed contract for the proforma plant addition reflected in adjustment (A) on Schedule B-3 of the Special Report.
- b. The following items relate to the proforma plant additions reflected in adjustment (B) on Schedule B-3 of the Special Report. For this addition, please provide the following:
 - i. A copy of the signed contract;
 - ii. A breakdown of the cost per meter, including an explanation for any costs related to ordinances, such as backflow requirements.
- c. Please explain the basis for the 120,940,000 estimated annual gallons used on Schedule B-9, page 11 for the water gallonage charge.
- d. Please provide the signed contract for the proforma plant addition reflected in adjustment (A) on Schedule C-3 of the Special Report.

2. Need For Service

- a. Please describe why the Utility is seeking authority to charge for water and wastewater service instead of including the cost in lot rent.
- b. Please explain whether residential customers own or rent the lots in the mobile home community.

3. System Information

- a. Please provide documentation to show whether the original cost of the water distribution and wastewater collection lines are being depreciated or have been written off to the cost of goods sold on the property owners tax returns.
- b. If meters are read, please complete the following chart to show all usage data for all customer classes for the most recent twelve months.

| General Service | | | |
|------------------------|--------------|------------------------|---------------------|
| <u>Meter Size</u> | <u>Month</u> | <u>Number of Bills</u> | <u>Gallons Sold</u> |
| 5/8" x 3/4" | Jul-12 | | |
| | Aug-12 | | |
| | Sep-12 | | |
| | Oct-12 | | |
| | Nov-12 | | |
| | Dec-12 | | |
| | Jan-13 | | |
| | Feb-13 | | |
| | Mar-13 | | |
| | Apr-13 | | |
| | May-13 | | |
| | Jun-13 | | |

| General Service | | | |
|------------------------|--------------|------------------------|---------------------|
| <u>Meter Size</u> | <u>Month</u> | <u>Number of Bills</u> | <u>Gallons Sold</u> |
| 2" | Jul-12 | | |
| | Aug-12 | | |
| | Sep-12 | | |
| | Oct-12 | | |
| | Nov-12 | | |
| | Dec-12 | | |
| | Jan-13 | | |
| | Feb-13 | | |
| | Mar-13 | | |
| | Apr-13 | | |
| | May-13 | | |
| | Jun-13 | | |

| Residential Service | | | |
|----------------------------|--------------|------------------------|---------------------|
| <u>Meter Size</u> | <u>Month</u> | <u>Number of Bills</u> | <u>Gallons Sold</u> |
| 5/8" x 3/4" | Jul-12 | | |
| | Aug-12 | | |
| | Sep-12 | | |
| | Oct-12 | | |
| | Nov-12 | | |
| | Dec-12 | | |
| | Jan-13 | | |
| | Feb-13 | | |
| | Mar-13 | | |
| | Apr-13 | | |
| | May-13 | | |
| | Jun-13 | | |

| Irrigation | | | |
|-------------------|--------------|------------------------|---------------------|
| <u>Meter Size</u> | <u>Month</u> | <u>Number of Bills</u> | <u>Gallons Sold</u> |
| 2" | Jul-12 | | |
| | Aug-12 | | |
| | Sep-12 | | |
| | Oct-12 | | |
| | Nov-12 | | |
| | Dec-12 | | |
| | Jan-13 | | |
| | Feb-13 | | |
| | Mar-13 | | |
| | Apr-13 | | |
| | May-13 | | |
| | Jun-13 | | |

4. Tariffs

- a. It appears that the Utility provides water for irrigation.
 - i. Please state whether the irrigation water is raw or potable water and whether it is metered.
 - ii. Please provide a proposed rate for irrigation including an irrigation tariff page.
- b. Please explain the assumptions used to design the proposed three-tiered water rate structure.
- c. Please explain the assumptions used to determine the 8,000 gallon wastewater cap.
- d. The application includes a request for miscellaneous service charges and a late payment charge. Please provide cost justification for these charges.
- e. Please provide cost justification for the meter installation fee of \$250.
- f. Please provide the total annual estimated miscellaneous revenues for both water and wastewater.
- g. Please provide an electronic spreadsheet showing the calculation of the proposed rates and charges.

Should you have any questions concerning the above-referenced items, please feel free to contact me by phone at (850) 413-6518 or by email at pbuys@psc.state.fl.us. To ensure timely processing of your application, the above-referenced documents and statements should be filed on or before August 26, 2013. Please ensure that your transmittal references Docket No. 130180-WS and that it is mailed directly to:

Ann Cole, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Sincerely,



Penelope D. Buys
Engineering Specialist
Bureau of Reliability and Resource Planning

cc: Division of Accounting & Finance (B. Fletcher, A. Norris)
Division of Economics (L. Roberts)
Division of Engineering (P. Buys)
Office of the General Counsel (J. Gilcher)
Office of Commission Clerk (Docket No. 130180-WS)