

STATE OF FLORIDA

ORIGINAL
FILE COPY

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
SUSAN F. CLARK
J. TERRY DEASON
JOE GARCIA
DIANE K. KIESLING



DIVISION OF LEGAL SERVICES
NOREEN S. DAVIS
DIRECTOR
(904) 413-6199

Public Service Commission

February 7, 1997

F. Marshall Deterding, Esquire
Rose, Sundstrom & Bentley
2548 Blairstone Pines Drive
Tallahassee, FL 32301

Re: Docket No. ~~9707500~~ - Application for limited proceeding increase in wastewater rates by Forest Hills Utilities, Inc. in Pasco County.

Dear Mr. Deterding:

Staff has reviewed Forest Hills Utilities, Inc.'s filing and believes it reasonable and necessary to require further amplification and explanation regarding the utility's rate request, and to require production of additional and/or corroborative data. Please respond to the following by March 7, 1997:

1. Have the \$10,000 and \$25,000 civil penalties to DEP (formally known as DER) referenced on page 18 of the Stipulated Settlement Agreement (Exhibit A) been paid? If so, on what dates?
2. Did the utility participate in the incentive for accelerated compliance as set forth on page 19 of Exhibit A? If not, state why it chose not to.
3. Is the utility requesting recovery of the penalties and or legal fees? If so, why is it appropriate to include such expenses in the utility's rates?
4. Please provide the amount and describe any and all other penalties and fines incurred by Forest Hills during 1994, 1995 and 1996. For each separate penalty or fine provide: whether the penalty or fine has been resolved or settled; whether the utility is requesting recovery of legal fees as part of its claims; and explain why it is appropriate to include such expenses in test year expenses.
5. For the years 1994, 1995 and 1996, please provide a list of the utility's wastewater officers and managers and their salaries. In addition, please provide duties and responsibilities for each officer/manager listed.

ACK _____
 AFA _____
 APP _____
 CAF _____
 CMU _____
 CTR _____
 EAG _____
 LEG _____
 LUN _____
 S _____
 ROH _____
 SEI _____
 WAS _____
 OTH _____

DOCUMENT # 97-07500-DATE

01526 FEB 11 96

FPSC-RECORDS/REPORTING

F. Marshall Deterding, Esquire

Page 2

February 7, 1997

6. For the years 1994, 1995 and 1996, please provide a list of the utility's wastewater administrative and general personnel and their salaries. In addition, please provide duties and responsibilities for each employee listed.
7. List, by account and source, any and all miscellaneous non-wastewater sales revenue the utility collected during 1994, 1995 and 1996.
8. List each party to whom the utility sells reclaimed or reuse water, indicate when the utility began selling the effluent, and provide the gallons sold for the years 1994, 1995 and 1996.
9. What type of service does the utility provide to Forest Hills Golf and Country Club?
10. Please provide the actual cost and invoices for the following items listed on page 11 of 19 in Exhibit C of the filing: (1) Force Main (estimated at \$196,049); (2) Flow Meter (estimated at \$12,869); (3) Pumping Equipment - rebuilding the lift station (estimated at \$8,802).
11. Provide a breakdown of the cost associated with the column labeled "Engineering Allocated" on page 11 of 19 of Exhibit C.
12. Referring to Schedule No. 7 on page 9 of 19 in Exhibit C, provide a breakdown of the cost of removal on line 7.
13. Will there be any salvage value of the plant once it is taken off-line and removed? If so, how much?
14. Will the utility attempt to sell the land and land rights associated with this treatment plant?
15. What is the estimated market value of this land?
16. Please provide gallons treated and gallons sold as shown on page 12 of 19 of Exhibit C of your filing for the months of August of 1996 through December of 1996.
17. Referring to Schedule No. 10 on page 12 of 19 in Exhibit C, provide an explanation as to why the utility believes the inflow and infiltration of approximately 15% (79,795 gallons treated/ 69,072 gallons sold) will continue when wastewater treatment is provided by Pasco County.
18. What measures, if any, is the utility doing to reduce its current inflow and infiltration?

F. Marshall Deterding, Esquire
Page 3
February 7, 1997

20. List all customers who have had 23 months of continuous service in the last 5 years and who have not had their deposit refunded to them. Provide justification as to why the refund has not been made in accordance with Rule 25-30.311, Florida Administrative Code.
21. What is the utility's policy on customer deposits?
22. Referring to Original Sheet No. 22.0 in the utility's tariff, explain the minimum connection fee of \$300.00 and the monthly fees of \$4.50 and why should these charges continue once the wastewater facilities are interconnected to Pasco County?
23. Please provide an explanation as to why the parties agreed on page 13 of 45 of Exhibit A (Stipulated Settlement Agreement) that connection to an outside regional, county or municipality is the preferred program of choice over renovating and/or reconstructing the existing treatment plant.
24. Please provide justification as to why Line 10, page 9 of 19 of Exhibit C, is not in accordance with Rule 25-30.433(9), Florida Administrative Code. Pursuant to this rule, the net loss (Line 10) should be \$70,966 and not \$161,348 and, therefore, should be amortized over 16 years and not 9 years. Provide updated schedules reflecting this change or provide justification why this rule should be waived.
25. What is the actual date of interconnection to Pasco County?

If you have any questions, please feel free to contact me at (904) 413-6181.

Sincerely,



Tim Vaccaro
Senior Attorney

TV:mw

cc: Division of Records & Reporting ✓
Division of Water & Wastewater (Groom, Austin)