



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: October 31, 1997
TO: Rosanne Gervasi, Shannon Flemming, Division of Legal Services
FROM: Troy Rendell, Division of Water and Wastewater *TR*
RE: Docket No. ~~97-126~~-SU, Sanlando Utilities Corporation

The following is staff's second set of data requests, which we would like to have sent to Sanlando Utilities as soon as possible. Thanks.

- 35) Order # 23809 required the utility to set aside \$25,008 annual water revenues for water conservation programs. Order No. PSC-92-1356-FOF-WS acknowledged the utility's report showing conservation expenditures for 1991 were \$22,140.25 and for 1992 were \$18,051.63 for a total of \$40,191.88. What is the status of the \$25,008 set-aside for the years 1993 through 1996?
- 36) Is there any cost involved to place the existing perc ponds back in service?
- 37) Will any plant be retired as a result of the addition of this reuse project?
- 38) The new NARUC system of accounts (1996) will be effective 1/1/98 for water and wastewater utilities under the jurisdiction of the PSC. Is the utility prepared to place the reuse plant costs in the new reuse accounts?
- 39) Why was the entire cost of the reuse project placed in just two plant accounts, as shown on Exhibit A, Schedule 4, page 3 of 25?
- 40) Why did the utility use the 1/8 of O&M approach for working capital when Rule 25-30.433(2), F.A.C. requires Class "A" utilities to use the balance sheet approach?
- 41) Why is the utility including \$20,000 of unamortized rate case expense in rate base?
- 42) Provide a summary of rate case expense to date, along with an estimate of rate case expense to complete the PAA process. Also provide supporting documents.
- 43) Why is the utility allocating utility plant land and general plant, along with accumulated depreciation general plant, to the reuse project when those costs should have been covered in the utility's last rate case?

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 FPSC-RECORDS/REPORTING

- 44) The utility is adding \$23,015 in salaries for this reuse project. What will the responsibilities be for the additional person(s) earning that salary? Will any "employee benefits" be added?
- 45) Why isn't the company using the actual amount of depreciation expense for the reuse project instead of mixing with the existing plant and allocating depreciation?
- 46) Why is the utility calculating the difference in the 1996 regulatory assessment fees with total revenue requirement instead of using the pro forma revenue requirement x 4.5%?
- 47) Does the utility have a commitment for the 9% loan, and if so, with who?
- 48) Why is the utility requesting \$79,667 of AFUDC in utility plant when it is requesting the entire pro forma plant be included in rate base?
- 49) Why is the utility requesting O&M expenses in the initial rates when the reuse plant will not be on line until the year 1999 or 2000?
- 50) Why is the utility reducing the wastewater system revenue requirement and putting the difference in the reuse system?
- 51) Why is the utility not including any additional payroll taxes on the \$23,015 in additional salary for the reuse project?
- 52) Why are no new tangible personal property taxes included in the utility's application for the new reuse plant?
- 53) On Exhibit "A", Schedule 4, Page 1 of 25, How was the return requirement in column 3 calculated?
- 54) Why did the utility use the test year ending December 31, 1996, instead of a projected test year?
- 55) Provide supporting Schedules A, B, C, D, E, F, G, and H.
- 56) On Exhibit "A", Schedule 4, Page 3 of 25, Line 22, why hasn't land cost been adjusted to match the amount approved in Order No. 23809?
- 57) Provide the calculations used to determine the operation and maintenance costs on Exhibit "A", Schedule 4, Page 6 of 25, Col. 3, rows 20, 24, 25, 26, 27, 28, 29, 30, and 31.

cc: Division of Records & Reporting (Dkt. No. 971186-SU)
Division of Water & Wastewater (Bethea, Casey, Crouch, Golden, Moniz, Rieger, Willis, Xanders)
Division of Auditing & Financial Analysis (Jones, Maurey)