



ORIGINAL  
**Public Service Commission**

State of Florida

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

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**DATE:** January 21, 1998  
**TO:** Rosanne Gervasi, Shannon Flemming, Division of Legal Services  
**FROM:** Troy Rendell, Division of Water & Wastewater  
**RE:** Docket No. 971186-SU - Sanlando Utilities, Corp.

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Please find attached staff's first set of interrogatories in the above referenced docket.

If there are any questions, do not hesitate to contact me at 413-6934.

Attachment

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 (Maurey)

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FPSC-RECORDS/REPORTING

- 1) Order No. 23809 required the utility to set aside \$25,008 in annual water revenues for water conservation programs. From 1993 through 1996, the utility reported (in answer #35 of staff's data request) that it expended \$107,750, which included \$10,746 for legal expenses, \$68,460 for protest costs, and \$5,605 for engineering costs. Please provide the utility's justification for using the conservation fund for legal, protest, and engineering costs.
  
- 2) Is the utility presently being assessed National Pollutant Discharge Elimination Fees (NPDES) by the Department of Environmental Protection (DEP)? If so, how much?
  
- 3) In reference to Interrogatory No. 2, if being assessed NPDES fees, will that amount decrease when the reuse system is in operation?
  
- 4) In answer to staff's data request #42, the utility states rate case expense incurred and projected total \$46,284, yet the utility includes only \$40,000 in the filing. Should this amount be revised?
  
- 5) Staff's data request #42 asked for supporting documents for rate case expense. Provide copies of invoices for the \$37,084 already incurred, along with a written estimate of the \$9,200 in consultant fees to complete the rate case, assuming no protest.
  
- 6) In accordance with Rule 25-30.433(2), Florida Administrative Code, "Working Capital for Class A utilities shall be calculated using the balance sheet approach." Provide a utility calculated working capital allowance using the balance sheet approach instead of the 1/8 of O & M approach.

- 7) In reference to Interrogatory No. 6, provide the utility's 1997 year-end balance sheet along with a projected incremental balance sheet which includes only the reuse project. This should include a breakdown of any miscellaneous accounts in the balance sheets.
  
- 8) Exhibit "C" workpapers show O & M expenses calculated using 1.1mgd of reuse. Will O & M expenses change since reuse is now estimated at 1.3mgd?
  
- 9) According to Exhibit A of Sanlando's response dated December 9, 1997, Sanlando is currently sending .2 MGD of untreated influent to Altamonte Springs for reuse. Is Sanlando proposing a charge for this service? If not, why not?
  
- 10) According to Sanlando's response to Question #7 of Staff's Data Request, a protest was filed to the DEP's Intent to Issue Sanlando's permit. Please provide a copy of the protest. Why does Sanlando expect the permit to be issued upon completion of the hearing?
  
- 11) According to Sanlando's response to Question #10 of Staff's Data Request, the utility was planning on meeting with the proposed reuse customers sometime in mid-December to discuss rates and service agreements. Were these meetings held? If so, what were the results of the meetings?
  
- 12) In reference to Interrogatory No. 11, if the meetings were not held, provide an explanation as to why the meetings were not held and when they will be scheduled.

- 13) Given the utility is capitalized with 100% debt, who receives the profits generated by the utility? For purposes of this interrogatory, profit is defined as all revenue in excess of operating costs, interest, and taxes.
  
- 14). For the years ended 12/31/96 and 12/31/97, how much money flowed to the entity(ies) identified in the response to Interrogatory No. 13?
  
- 15) For the year ending 12/31/98, how much money does the utility project it will pay out to the entity(ies) identified in the response to Interrogatory No. 13?
  
- 16) Why is revenue in excess of operating costs, interest, and taxes not retained in the utility as retained earnings?
  
- 17) Is the utility an operating division of a larger company? If yes, discuss in detail the corporate structure of the parent organization and how the utility fits in this structure.
  
- 18) Is the utility a subsidiary of a larger company? If yes, please discuss in detail the corporate structure of the parent organization and how the utility fits in this structure.

- 19) Provide a schedule which shows the capital structure, on a simple average basis, for every company from the utility level up through the ultimate parent organization for the following twelve month periods:
- a. 12/31/96
  - b. 12/31/97
  - c. 12/31/98

Provide actual information where available. In addition, this response should indicate which levels are divisions or subsidiaries.