

STATE OF FLORIDA

Commissioners:
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DIVISION OF LEGAL SERVICES
NOREEN S. DAVIS
DIRECTOR
(850) 413-6199

Public Service Commission

March 19, 1998

STAFF DATA REQUESTS

Cleatous J. Simmons, Esquire
Lowndes, Drosdick, Dostor, Kantor & Reed, P.A.
P.O. Box 2809
Orlando, Florida 32802

RE: Docket No. 971186-WS - Application for approval of reuse project plan and increase in wastewater rates in Seminole County by Sanlando Utilities Corporation.

Dear Mr. Simmons:

By this letter, the Commission staff requests that Sanlando Utilities Corporation (Sanlando or utility) provide responses to the following data requests.

1. The rates proposed in the utility's application represent two scenarios; first, when there are no reuse customers, and second, when they are four reuse customers. However, on page 1 of the utility's customer notice it states "as reuse irrigation customers become available the utility will commensurately reduce the additional rates being charged the wastewater customers until they fall to the lower proposed rate."

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC _____
- WAS _____
- OTH _____

- (a) Is it the utility's intention to lower the wastewater rates separately each time a new reuse customer connects?
- (b) If yes, since there could potentially be four separate wastewater rate reductions before reaching the lowest proposed rate, please explain how the utility proposes to implement the rate reductions (i.e., when will proposed tariffs be submitted, how will customers be notified of the rate reduction, etc.)
- (c) In the event the utility is able to serve more than the four known potential reuse customers, does the utility propose to apply the same rate reduction methodology when additional reuse customers are connected?

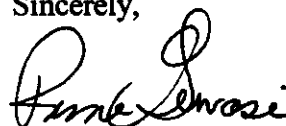
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FPSC - RECORDS/REPORTING

2. For purposes of this request, please refer to Work Paper Exhibit C which calculates the annual financial costs of new construction and debt coverage requirement, provided in response to Staff Interrogatory No. 23.
 - (a) Please provide the formula used to calculate the annual cost of \$118,884 and \$119,552 depicted on this page.
 - (b) Please explain why the annual cost is not equal to 9% times the construction cost.
3. With respect to the interest cover requirement of 1.25 times, please provide a total company calculation of the interest coverage ratio that would result if the Commission grants the Company' rate request in the instant proceeding.
4. With respect to the interest cover requirement of 1.25 times, please provide the formula that would be used by the bank to determine if the Company met the interest coverage requirement.
5. Please provide all correspondence between the Company and any lending institutions concerning the terms and conditions under which the Company could borrow money to finance the capital cost of the reuse project.
6. Please identify all lending institutions that the Company has contacted either in writing or verbally concerning the possibility of financing the capital cost of the reuse project. For each lending institution, please explain what information was given to the lending institution and what the response of the institution was.
7. For purposes of this request, please refer to the Company's response to Staff Interrogatory No. 26.
 - (a) Is there an interest coverage requirement associated with the Company's existing debt?
 - (b) If the response to (a) is affirmative, what is the interest coverage requirement?
 - (c) If the response to (a) is affirmative, please provide a copy of the document which sets forth this interest coverage requirement.
8. For purposes of this request, please refer to revised Exhibit A, Schedule 5. Please provide the source of the 474,500,000 gallons of reuse depicted on this schedule.

Cleatous J. Simmons, Esquire
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Please file the original and five copies of the requested information by Friday, April 3, 1998, with Ms. Blanca Bayo, Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6224 if you have any questions.

Sincerely,



Rosanne Gervasi
Senior Attorney

RG/dr/lw

cc: Division of Records and Reporting
Division of Water and Wastewater (Bethea, Rendell, Golden, Xanders)
Division of Auditing and Financial Analysis (Maurey)
Steve Reilly, Esquire (OPC)
Jennifer Springfield, Esquire