

Commissioners:  
JULIA L. JOHNSON, CHAIRMAN  
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CAPITAL CIRCLE OFFICE CENTER  
2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FL 32399-0850

# Public Service Commission

July 24, 1998

## STAFF DATA REQUESTS

James L. Ade, Esquire  
Martin, Ade, Birchfield & Mickler, P.A.  
One Independent Drive  
Suite 3000  
Jacksonville, Florida 32202

RE: Docket No. 980214-WS - Application for rate increase in Duval, St. Johns and Nassau Counties by United Water Florida, Inc.

Dear Mr. Ade:

By this letter, Commission staff requests that United Water Florida, Inc. (UWF or utility) please provide responses to the following data requests:

1. Provide copies of all reports and reviews for UWF and United Water Work, Inc. prepared by or for investment banking firms from January 1, 1997 through the present.
2. Provide copies of all reports and analyses for UWF and United Water Work, Inc. prepared by or for Standard & Poor's from January 1, 1997 through the present.
3. Provide copies of all reports and analyses for UWF and United Water Work, Inc. prepared by or for Moody's Investor Services from January 1, 1997 through the present.
4. For both UWF and United Water Work, Inc., please provide copies of all reports, reviews, and analyses for the past two years where the subject has been equity ratio, debt ratio, capital structure, cost of capital, or cost of debt.
5. Provide copies of the 1997 Annual Reports for UWF and United Water Work, Inc.
6. Please provide a schedule, in MFR Schedule D-5 format, detailing all debt UWF and United Water Work, Inc. project to issue during the period of 01/01/97 to 12/31/98.
7. Please explain in detail how the cost of short-term debt is determined.

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8. Schedules B-1 and B-2, Line 3 call for "Depreciation, Net of CIAC Amortization." These schedules reference supporting Schedules B-13 and B-14. Staff has reviewed Schedules B-1, B-2, B-13 and B-14 and is unable to find inclusion of the amortization of CIAC. Please explain how the amortization was included and what schedules are referenced or provide revised schedules clearly showing the inclusion of the amortization of CIAC.
9. For each water treatment facility where a Packed Tower Aeration treatment process has been installed, please provide the following information:
  - a. the cost to install the treatment plant.
  - b. the design capacity of the treatment plant.
  - c. the amount of water treated during the past two years.
  - d. the chemical expense required for operation of the treatment plant during the past two years.
  - e. the purchased power expense required for operation of the treatment plant during the past two years.
  - f. the total expense for repairs and maintenance during the past two years.
10. For each wastewater service area, please provide a list of all engineering reports or studies prepared since January 1, 1996. This list should include the following information:
  - a. date of the report;
  - b. who prepared the report;
  - c. a brief description of the report; and
  - d. the number of pages in the report
11. For each water service area, please provide a list of all engineering reports or studies prepared since January 1, 1996. This list should include the following information:
  - a. date of the report;
  - b. who prepared the report;
  - c. a brief description of the report; and
  - d. the number of pages in the report

12. If any of the utility's systems are in a water use caution area (WUCA), please provide the following information:
  - a. which systems are located in a WUCA.
  - b. the date when the Water Management District (WMD) designated that particular area(s) as a WUCA.
  - c. whether the WMD has lowered the targeted gallons per day per capita (gpcd) threshold for systems in the WUCA, and, if so, what the new gpcd target is.
  - d. what the current gpcd for each system is.
  - e. how the WMD calculates gpcd.
  
13. Please state whether the WMD has imposed any watering restrictions on any of the utility's systems within the past 2 years. If so, please provide the following information:
  - a. the date the restrictions are applicable.
  - b. the length of time the restrictions are applicable.
  - c. the customer classes to which the restrictions were/are applicable.
  - d. Please provide a copy of the WMD notice to the utility systems advising of the restrictions and conditions.
  
14. Does the utility have a conservation program approved by the WMD?
  - a. If so, is the conservation program approved for the utility on an overall basis or is there a conservation program approved for each individual system?
  - b. Are there any requirements for a conservation rate structure which is more aggressive than the standard base facility charge/gallage charge rate structure?
  - c. If there is such a requirement, does the utility believe a more aggressive rate structure is appropriate? (Please explain your answer)
  - d. Please provide a copy of the approved conservation agreement.
  
15. Have any of the utility's wells been taken off-line during the past 2 years? If so, please state when.
  
16. Does the WMD anticipate requiring one or more of the utility's wells to be taken off-line during the next 2 years? If so, please state when.
  
17. Is the Ponte Vedra reuse project required by the Department of Environmental Protection (DEP) or the WMD?

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- a. If yes, please provide a copy of the DEP permit or WMD consumptive use permit containing the requirement/approval for the reuse project.
18. Is the Ponte Vedra Golf Course located within the utility's authorized service territory? If not, please provide the following information:
    - a. In which utility's service territory is it located?
    - b. Has the utility named in No. 7.a. above been notified of UWF's plans to provide reused water service to the Ponte Vedra Golf Course?
    - c. Have any other utilities, governmental agencies, etc. been notified of UWF's plans to provide reused water service to the Ponte Vedra Golf Course?
  19. How does the Ponte Vedra Golf Course receive its potable water and wastewater service (i.e., UWF, another utility (please provide utility name), private well, septic tanks)?
  20. Has the utility begun construction on the reuse facilities? If not, please indicate when construction will begin.
  21. Please indicate when the utility plans to begin providing reuse service to the Ponte Vedra Golf Course.
  22. Please describe the plant upgrades that are needed to implement reuse to the Ponte Vedra Golf Course (e.g., the plant is currently producing effluent to reuse quality and only the transmission and distribution system is needed, additional filters must be added, etc.)
  23. In the utility's "Responses to Deficiency Letter, June 1998", Item 3 contains a schedule of the company's investment work orders which support the company's plant addition forecast for the years 1998 and 1999. The schedule shows 1998 plant additions for the Ponte Vedra wastewater treatment plant for the categories of WWTP Upgrade, WWTP Site Work, and Effluent FM. Please identify the 1998 additions shown for the Ponte Vedra wastewater treatment plant that are related specifically to the reuse project.
  24. Please specify what percentage of the effluent produced by the Ponte Vedra wastewater treatment plant will be used by the Ponte Vedra Golf Course. If this amount is less than 100%, please explain how the utility will dispose of the remaining effluent.
  25. According to Schedules G-43 (page 15) and G-44 of the application, the utility is proposing to provide reused water service to the Ponte Vedra Golf Course at a zero rate. Please explain why the utility in its contract with the golf course agreed not to request a reuse rate higher than zero.

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26. Section 367.0817(3), Florida Statutes, states:

All prudent costs of a reuse project shall be recovered in rates. The Legislature finds that reuse benefits water, wastewater, and reuse customers. The Commission shall allow a utility to recover the costs of a reuse project from the utility's water, wastewater, or reuse customers or any combination thereof as deemed appropriate by the Commission.

It is not clear from the utility's application how the utility is proposing to allocate the costs of the Ponte Vedra reuse project.

- a. Please provide a breakdown of all of the costs associated with the Ponte Vedra reuse project (e.g., plant, operation and maintenance expenses, etc.)
  - b. Please explain how these costs have been allocated to the water and/or wastewater customers.
  - c. Please explain why the utility believes the golf course should not be required to pay any of the costs of providing reuse.
  - d. Please provide an estimate of the annual number of gallons of effluent that the utility anticipates will be provided to the golf course.
27. According to Page 6 of Schedule G-44 of the application, if metering is required, UWF will be responsible for installing the metering facilities. Please provide an estimate of any additional costs that the utility will incur in the provision of reused water service to Ponte Vedra Golf Course in the event the Commission determines that a rate should be charged for the reused water service.
28. Staff has been informed by the St. Johns River Water Management District (SJRWMD) that the Ponte Vedra Golf Course will also receive effluent from the St. Johns Service Corporation. Will the St. Johns Service Corporation be charging rates for the reused water service? If yes, please provide the rates if possible.
29. Staff has been informed by the SJRWMD that the utility might qualify to receive funding for reuse projects. Please indicate whether the utility has applied to the WMD for funding for the Ponte Vedra reuse project or any other reuse/conservation projects.
- a. If yes, please explain the status of the application (e.g., still under review, was denied, was approved for a certain amount, etc.).

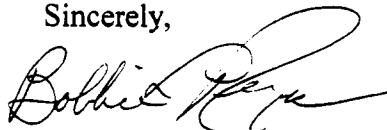
- b. If no, please explain why the utility has not applied for funding and if it plans to apply in the future.
30. Staff has been informed by the SJRWMD that the utility will be constructing a regional wastewater treatment plant to replace the St. Johns North and St. Johns Forest plants. The effluent from the regional plant will be disposed of in wetlands. Please explain why the utility will not be providing reuse from the new regional facility, and whether or not it anticipates providing reuse from that facility in the future.
31. Staff has been informed by the SJRWMD that the utility is currently providing reused water service from its St. Johns Forest wastewater treatment plant to the Cimmarone Golf Course. However, the reused water service will be discontinued when the regional plant is placed in service and the St. Johns Forest plant is taken off line.
- a. Does the utility anticipate being able to provide reused water service to the Cimmarone Golf Course again in the future?
    - 1. If yes, please indicate when the utility anticipates that the reused water service will be available.
    - 2. If no, please explain why this service will not be available.
  - b. Does the utility have a contract with the Cimmarone Golf Course for the current provision of reused water service? If yes, please provide a copy of the contract.
  - c. Has the utility assessed any charges for the reused water service to the Cimmarone Golf Course?
32. Staff has been informed by the SJRWMD that there is a possibility that the utility could provide reused water service to a golf course near its San Jose wastewater treatment plant. According to the SJRWMD, the utility indicated a year ago that this reuse project was feasible, and the cost was estimated to be approximately \$650,000.
- a. Is the utility planning to provide reused water service from its San Jose wastewater treatment plant?
    - 1. If no, please explain why not.
    - 2. If yes:
      - (a) Has the utility entered into a contract with the golf course for the provision of reused water service?

- (1) If yes, please provide a copy of the contract.
    - (2) If no, please indicate when the utility anticipates entering into a contract with the golf course.
  - (b) When does the utility anticipate that it will begin providing the reused water service?
  - (c) Are the costs of this reuse project included in the utility's application?
  - (d) Does the utility anticipate charging rates for this service? If yes, please explain.
33. Is the utility required by the DEP or the WMD to implement reuse for any of its systems other than the Ponte Vedra system addressed in No. 6 above? If yes, please specify what is required, by which agency, and for which systems.
34. Please provide the utility's master plan, if any, regarding the future provision of reused water service.
35. Please describe the utility's plan regarding future reused water rates (e.g., does the utility plan to request a zero rate for all reuse customers, does the utility plan to address reuse rates separately for each reuse customer, does the utility plan to use a uniform reuse rate for all reuse customers)?
36. Please describe any other potential reuse customers not discussed in previous responses. Please specify which system will provide the reused water service and when the utility anticipates these reuse customers will be served.
37. Staff has been informed by the SJRWMD that approximately a year ago the utility entered into a Memorandum of Understanding (MOU) with the Jacksonville Electric Authority (JEA) which allows the JEA to provide reused water service within United Water's service territory.
- a. Please provide a copy of the MOU.
  - b. Does the utility anticipate entering into any other such agreements with the JEA or other utilities near UWF's service territory? If yes, please explain.

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Please file the original and five copies of the requested information by Monday, August 24, 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) 413-6216 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Bobbie L. Reyes". The signature is fluid and cursive, with a large initial "B" and "R".

Bobbie L. Reyes  
Senior Attorney

BLR:lw  
Enclosure

cc: Division of Records and Reporting  
Division of Water and Wastewater (Willis, Crouch, Merchant)

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