

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



DIVISION OF WATER &
WASTEWATER
CHARLES HILL
DIRECTOR
(904) 413-6900

Public Service Commission

October 28, 1998

Mr. Jeff Harstine
Damon Utilities, Inc.
47 Lake Damon Drive
Avon Park, FL 33825

Re: Docket No. 981198-WS; Engineering field audit of Damon Utilities, Inc. for a Staff Assisted Rate Case in Highlands County.

Dear Mr. Harstine:

This letter is to confirm my telephone conversation with your office staff acknowledging that the minimum filing requirements for the above mentioned docket have been met.

For the engineering portion of this rate case, staff requires that several items be completed prior to our field audit to ensure fast, expedient treatment of your rate case. Please perform the following requests and have them available on November 4, 1998, when I arrive to begin my investigation.

Items Required:

- ACK _____
 - AFA _____
 - APP _____
 - CAF _____
 - CMU _____
 - CTR _____
 - EAG _____
 - LEG _____
 - LIN _____
 - OPC _____
 - RCH _____
 - SEC 1
 - WAS _____
 - OTH _____
- (1) List of all field employees, their duties and responsibilities, certificate(s) held, salary and explanation of how allocated to utility. A short personal interview with the available employees will help expedite the investigation.
 - (2) Schedule of all vehicles by serial number and description, owned or leased by the utility, original cost or lease documents, who assigned to, and an explanation of how allocated to the utility. All vehicles are to be available for inspection.
 - (3) A written summary, by permit number, of all Department of Environmental Regulation and/or Health Department permits.

DOCUMENT NO.
12079-98
10/29/98

- (4) Copies of monthly operation reports for sewer and/or water for a period of 12 months prior to test year to present. That show method of flow measurement and include:

FOR WATER - Total raw pumped, total wash water, total water treated leaving plant, total of each chemical in points, chemical dosage rates (average)

FOR SEWER - Design flow, maximum flow, average flow, BOD effluent (average), chlorine residual (average)

- (5) All utility related electricity bills from the beginning of the test year to present which include meter number and location, kilowatts used, dollar paid, and electric company's account numbers.
- (6) A summary and description of all construction work in progress, whether interest bearing or not, date completed and date booked. Summary to indicate if revenue producing or non revenue producing.
- (7) A list of all service complaints received during test year and an explanation of how each was disposed of.
- (8) A list of all assets owned by the utility.

EXAMPLE: 200' - 8" PVC (Sewer)
 23 - Manholes (Sewer)
 250' - 6" PVC Pipe (Water)
 50 - 6" Fire Hydrants (Water)

- (9) An explanation of allocation procedures for items charged indirectly to the utility:
EXAMPLE: Office space, employee salary, etc.
- (10) A schedule of depreciation rates used by the utility, by account numbers, if possible.
- (11) If any plant addition has been or will be made due to a written order from a governmental agency, please provide a copy of that order.
- (12) A schedule of additions to plant, by year, since inception or since the last rate case explaining each item, how it was acquired (CIAC, Investment) and the dollar value for each.

- (13) A list of chemicals used for water and/or sewer treatment, amount purchased, quantity purchased, unit prices paid and dosage rates utilized.
- (14) Number of customers classified as to meter size and class (commercial or residential) for the following points in time:
- A) A minimum of 4 years prior to the beginning of the test (or calendar last) year.
 - B) The beginning of the last calendar year.
 - C) The end of the last calendar year.
 - D) Present.

The afternoon of November 4, 1998, I plan on visually inspecting the plant(s), the collection and distribution systems, and the general service area, please have the lead operator and/or chief maintenance person available for this tour.

Commission practices today dictate that this docket be closed as soon as possible, therefore, your full cooperation would be appreciated.

If you have any questions, don't hesitate to call me at (850) 413-6966.

Sincerely,



R. T. Davis
Staff Engineer

RTD/tlw

cc: Division of Water and Wastewater (C. Galloway)
Division of Legal Services