

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

Public Service Commission

April 17, 2000

David B. Erwin, Esquire
127 Riversink Road
Crawfordville, Florida 32327

STAFF'S FIRST DATA REQUEST

RE: Docket No. 990939-WS - Application for rate increase in Martin County by Indiantown Company, Inc.

Dear Mr. Erwin:

By this letter, the Commission staff requests that Indiantown Company, Inc. (Indiantown or utility) provide responses to the following data requests. Data requests 1 through 3 refer to MFR Schedules A-3 and B-3 showing the installation of a T-1 line.

1. Please provide a statement from the utility which describes a T-1 line and its functions.
2. Please provide a statement regarding why a T-1 line is necessary for Indiantown's water and wastewater operation.
3. Please state whether the utility requested bids from communications providers, other than Indiantown Telephone System, for placement and continuing service regarding the T-1 line.

Data requests 4 through 6 refer to Y2K expenditures.

AFA _____
 APP _____
 CAF _____
 CMU _____
 CTR _____
 EAG _____
 LEG _____
 MAS _____
 OPC _____
 RRR _____
 SEC _____
 WAW _____
 OTH _____

4. Please provide a description of the expenses found on MFR Schedule B-3, Page 2 of 5 listed as Y2K compliance expenditures.
5. Please indicate which of the Y2K compliance expenditures described above will occur every year and for how many years.
6. Please describe the "service bureau" referred to in items A and G of the Y2K expenditures and explain why the associated costs have increased.

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FPSC-RECORDS/REPORTING

Data requests 7 through 12 refer to various issues.

7. Please explain why the telecommunications costs have increased.
8. Please explain why the utility's total customer ERCs decreased by 180 ERCs from 1998 to 1999, as shown on Schedule F-9, line 6.
9. Please indicate how a 12% interest rate was selected for the debt listed to Robert Post in the amount of \$1, 497, 101 in MFR D-5A since this was not an arms length transaction. Please explain why Postco, Inc. considers the 12% rate on the debt owed to Mr. Post reasonable when compared to the company's other debt issues.
10. Please provide worksheets showing the derivation of the proposed rates shown on MFR Schedule E-1.
11. Please provide a statement of the reasons for selecting the factors and allocations used to develop the proposed rates.
12. Please describe the "Other Interest Expense" listed on MFR Schedule C-3.

It is staff's understanding that Indiantown provides reclaimed water service to some of its customers. The following data requests 13 through 14 refer to the reclaimed water service.

13. Please provide a list of the customers receiving reclaimed water service and the total gallons of the reclaimed water provided to each of those customers during the test year.
14. Please provide a copy of any contracts, reuse water agreements, etc. entered into by the utility and the reclaimed water service customer.
15. Does the utility anticipate serving any additional reclaimed water service customers in the future? If yes, please respond to the following:
 - a. Please state who these customers will be and how the reclaimed water will be used, such as golf course or residential irrigation.
 - b. Please state when the utility plans to provide service to these future customers.

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- c. Please provide a copy of any contracts or agreements the utility has entered into with these customers.
16. Is the utility currently charging any of the reclaimed water service customers for that service? If yes, please provide a statement of what rates are being charged and to which customers.
17. Did any of the reclaimed water service customers incur any expenses related to accepting the reclaimed water service, such as paying for the installation of lines? If so, please provide a list of those customers and the expenses each incurred.
18. Please provide a statement of how the utility is currently recovering costs associated with the provision of the reclaimed water service.
19. Please state whether the utility is requesting recovery of any costs associated with the provision of reclaimed water service within this docket. If yes, please provide a breakdown of those specific costs.
20. Please state whether the utility is opposed to the PSC setting a charge for the reclaimed water service. If the utility is opposed to setting a charge, please explain why the utility believes a reclaimed water charge is not appropriate.

Please file the original and five copies of the requested information by May 17, 2000, with Ms. Blanca Bayó, Director, Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6220 if you have any questions.

Sincerely,



Patricia A. Christensen
Senior Attorney

PAC/dm

cc: Division of Records and Reporting
Division of Water and Wastewater (Willis, Bethea, Crouch,
Davis, Golden, Merchant, Munroe, Quijano, Rieger, Williams)
Division of Auditing and Financial Analysis (Vandiver)