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TIMOTHY DEVLIN, DIRECTOR  
DIVISION OF ECONOMIC REGULATION  
(850) 413-6900

# Public Service Commission

September 11, 2002

Mr. Martin S. Friedman  
Rose, Sundstrom & Bentley, LLP  
650 S. North Lake Blvd.  
Suite 420  
Altamonte Springs, FL 32701

**Re: Docket No. 020071-WS, Application for Water and Wastewater Rate Increases in Marion, Orange, Pasco, Pinellas and Seminole Counties by Utilities, Inc. of Florida (UIF)**

Dear Mr. Friedman:

We have reviewed the additional explanations, schedules and data submitted by Utilities, Inc. of Florida (UIF or utility) on September 3, 2002, to satisfy the minimum filing requirements (MFRs). However, after reviewing this information, we still find the MFRs to be deficient. The specific deficiencies are identified as follows:

1. Schedule A-5, Schedule of Water Plant in Service by Primary Account  
Schedule A-6, Schedule of Sewer Plant in Service by Primary Account

On page 3 of each schedule, the total amount in the column labeled "Thirteen Month Average" has not, in fact, been calculated as a thirteen month average of the monthly totals. This deficiency also applies to the corresponding schedules of accumulated depreciation (A-9 and A-10).

2. Schedule A-5, Schedule of Water Plant in Service by Primary Account  
Schedule A-6, Schedule of Sewer Plant in Service by Primary Account

On pages 2 and 3 of each schedule, required monthly balances are not provided for some accounts which have year-end balances. The specific accounts omitted vary by county, but the most frequent omissions are Transportation Equipment, Misc. Equipment (Computer), and Other Tangible Plant (Allocated Plant). This deficiency also applies to the corresponding schedules of accumulated depreciation (A-9 and A-10).

AUS	_____
CAF	_____
CMP	_____
COM	_____
CTR	_____
ECR	_____
GCL	_____
OPC	_____
MMS	_____
SEC	_____
OTH	_____

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3. Rule 436(4)(h), Florida Administrative Code, requires that the supplementary allocation schedules include, for allocated costs in excess of one percent of test year revenues, the workpapers used to develop the allocation method, including but not limited to the numerator and denominator of each allocation factor. The Water Services Corporation Distribution of Expenses Schedule submitted in response to our letter dated July 19, 2002 does not provide sufficient information for staff to determine how allocations of rate base were made from UIF to the individual systems included in the filing. Further, staff analysis of the total amount of rate base allocated to all five counties for UIF indicates that the amount allocated is based on Water Service Corporation year-end balances. This amount is also required to be submitted on a thirteen-month average basis.

4. Please note that items 1 through 3 will also impact rate base schedules A-1, A-2 and A-3, and Net Operating Income Schedules B-1, B-2 and B-3.

5. Schedule D-4, Schedule of Simple Average Cost of Short-Term Debt

Column (2), requiring that the maturity dates be provided for each component, has been left blank.

6. Schedule D-5, Cost of Long-Term Debt

Schedule D-6, Cost of Variable Rate Long-Term Debt

On Schedule D-5, the information required in columns 6, 7, and 8 is missing. If this information does not apply, state such or place zeroes in the respective columns. Further, if there is any amount included in column (9) for Annual Amortization of Issuing Expense on Principle Outstanding, then there should be a balance in column (7) for Unamortized Issuing Expense Associated With Cost. Also line 7 on Schedule D-5 is not complete. If any of the debt issues on line 7 have variable interest rates, the information should be recorded on Schedule D-6, Cost of Variable Rate Long-Term Debt, with the required information from column 10 provided.

7. Schedule E-14, Billing Analysis

A review of each system indicates that, for some systems, the 1,000 gallon (1 kgal) increment ends at 199 kgal, and that all bills greater than 199 kgal appear to be consolidated at the 199 kgal consumption level. This is incorrect. For each of the following systems and meter sizes, please indicate each 1 kgal increment at which a customer was billed, and then recalculate all columns of the affected schedule. Please note that changing the gallons billed may change other schedules in the utility's filing, including but not limited to E-1, E-2, E-3, B-1, B-2, B-3, B-4, F-1, F-9, and F-10.

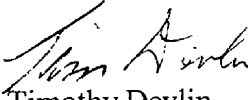
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Marion	Water	Residential 1" General Service 4"
	Wastewater	General Service 2"
Pasco	Water	General Service 5/8" General Service 2"
	Seminole	Water
Wastewater		Residential 5/8" General Service 2" General Service 4"

8. Rule 25-30.440(10), Florida Administrative Code, requires submission of a list, by customer, of all complaints received during the test year, with an explanation of how each complaint was resolved. The schedule submitted as part of Exhibit 3 was not broken down by customer, nor did it provide the required explanation of how the complaints were resolved. Please submit a schedule which complies with Rule 25-30.440(10), Florida Administrative Code.

Your petition will not be deemed filed until the deficiencies identified in this letter have been corrected. These corrections should be submitted no later than October 10, 2002.

Sincerely,

  
Timothy Devlin  
Director

TD/JBK  
Enclosure

cc: Division of Commission Clerk and Administrative Services  
Office of the General Counsel (Gervasi, Holley)  
Division of Economic Regulation (Willis, Merchant, Kyle)