

STATE OF FLORIDA

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

Public Service Commission

October 3, 2002

Mr. Don Rasmussen, Vice President  
Utilities, Inc. of Florida  
200 Weathersfield Avenue  
Altamonte Springs, FL 32714-4099

Dear Mr. Rasmussen:

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

This will confirm our telephone conversation on October 1, 2002. A field inspection for the Orange and Seminole County systems will be conducted the week of October 28, 2002 by Ms. Breda Platt, engineer, and myself. Ms. Kim Dodson from the Department of Environmental Protection will join us on Tuesday and Wednesday to inspect the Seminole County water systems.

I have found some inconsistencies with respect to the chemical costs. According to Utilities, Inc. - Seminole County, Schedule B-5 (Page 46) the total chemical costs for the Seminole County water systems equals \$18,648 (Attachment A). Schedule B-6 (Page 47) shows the total chemical costs for the Seminole County wastewater systems to be equal to \$3,188 (Attachment B). However, the Utilities, Inc. of Florida 2001 Annual Chemical Costs sheet (Attachment C) indicates the chemical costs for the Seminole County water and wastewater systems was \$12,591.25 and \$686.74, respectively. Please explain and provide revised numbers for the sheets that are incorrect.

If possible please have this information available on October 28, 2002 when I arrive, and please file an original and five copies of the requested information no later than November 7, 2002 with the Director, Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Fl 32399.

DOCUMENT NUMBER DATE


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Mr. Don Rasmussen, Vice President  
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October 3, 2002

If you have any questions please call me at (850) 413-6999.

Sincerely,

A handwritten signature in black ink that reads "Richard Redemann". The signature is written in a cursive style with a long horizontal flourish at the end.

Richard Redemann, P.E.

cc: Rose, Sundstrom & Bentley, LLP (Friedman)  
Department of Environmental Protection ( Dodson)  
Division of Commission Clerk and Administrative Services  
Office of the General Counsel (Gervasi, Holley)  
Division of Economic Regulation (Willis, Merchant, Kyle, Redemann, Walden, Platt)  
Office of Public Counsel

Detail of Operation & Maintenance Expense by Month-Water

Florida Public Service Commission

Compas Utilities Inc. of Florida - Seminole County  
 Docket 020071-WS  
 Schedule Year Ended 12/31/01  
 Interim  Final   
 Historical  Projected

Schedule B-5  
 Page 1 of 1

Preparer: Steven M. Lubertozzi

Explanation: Provide a schedule of operation and maintenance expenses by primary account for each month of the test year. If schedule has to be continued on 2nd page, reprint account titles and numbers.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Line No.	Account No.	Name	January 2001	February 2001	March 2001	April 2001	May 2001	June 2001	July 2001	August 2001	September 2001	October 2001	November 2001	December 2001	Total O&M	Adj	Total Adj O&M
1	601	Salaries & Wages - Employees	162,746	134,232	151,191	145,072	155,814	150,007	154,849	171,823	147,805	168,977	163,690	(1,589,394)	116,813	24,481	141,294
2	603	Salaries & Wages - Officers, Etc.													0		0
3	604	Employee Pensions & Benefits	2,710	2,710	2,710	2,710	2,710	2,710	2,710	2,710	2,710	2,710	2,710	2,710	32,514	(3,835)	28,680
4	610	Purchased Water	165	172	315	161	2,070	153	363	165	663	220	156	166	4,768		4,768
5	611	Sludge Removal Expenses													0		0
6	615	Purchased Power	2,067	1,916	1,923	1,964	2,439	2,258	1,817	1,726	1,738	2,044	1,579	1,915	23,386		23,386
7	616	Fuel for Power Purchased													0		0
8	618	Chemicals	3,914	2,514	1,069	2,200	2,021	885	853	1,582	729	788	677	1,417	18,648		18,648
9	620	Mat. & Sup./Maint & Rep.	11,149	13,349	8,035	13,321	12,547	13,088	11,169	10,301	10,485	13,418	11,869	(46,381)	82,350		82,350
10	631	Contractual Services - Engr	0	618	0	843	240	143	0	351	0	67	311	(1,401)	1,171		1,171
11	632	Contractual Services - Acct	0	0	0	0	0	0	0	0	0	0	0	1,729	1,729		1,729
12	633	Contractual Services - Legal	586	3,613	4,547	1,072	1,931	975	(1,096)	166	374	522	5,167	(8,025)	9,832		9,832
13	634	Contractual Services - Mgmt													0		0
14	635	Contractual Services - Other	0	1,948	329	0	0	0	0	0	0	0	0	3,958	6,235		6,235
15	641	Office Supplies & Utilities	7,207	3,850	5,272	5,078	5,111	4,635	5,789	6,550	6,031	8,043	4,989	(40,876)	21,679		21,679
16	642	Testing Expense	497	1,748	594	(3,743)	915	430	490	832	230	526	0	845	3,364		3,364
17	650	Transportation Expenses	2,681	6,369	6,741	6,379	5,132	6,851	3,775	5,828	2,112	4,608	7,552	(44,138)	13,889		13,889
18	656	Insurance - Vehicle													0		0
19	657	Insurance - General Liability													0		0
20	658	Insurance - Workman's Comp													0		0
21	659	Insurance - Other	0	0	0	0	7,030	0	0	0	0	6,494	0	4,216	17,739		17,739
22	660	Advertising Expense													0		0
23	666	Reg. Comm. Exp. - Rate Case Amort.	1,003	1,040	1,040	1,040	1,040	1,040	1,050	1,053	1,054	1,054	1,073	(5,465)	6,025	16,402	22,427
24	667	Reg. Comm. Exp. - Other													0		0
25	660	Bad Debt Expense	239	393	254	88	491	864	70	321	48	(3)	310	562	3,637		3,637
26	665	Miscellaneous Expenses (1)	862	(123)	4,874	(193)	1,745	584	306	845	379	1,327	7,899	(14,525)	3,980	7,699	11,678
27		TOTAL	195,825	174,348	188,894	175,991	201,236	184,624	182,145	204,253	174,357	210,794	207,982	(1,732,688)	367,760	44,747	412,507

Note:

(1) Adjustment includes estimated cost increase due to the connection to the City of Sanford

Detail of Operation & Maintenance Expense by Month-Sewer

Florida Public Service Commission

Company Utilities Inc of Florida - Seminole County  
 Docket No: 020071-WS  
 Schedule Year Ended 12/31/01  
 Interim  Final   
 Historical  Projected

Schedule B-6  
 Page 1 of 1

Preparer: Steven M. Lubertozzi

Explanation: Provide a schedule of operation and maintenance expenses by primary account for each month of the test year. If schedule has to be continued on 2nd page, reprint account titles and numbers.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)
Line No.	Account No	Name	January 2001	February 2001	March 2001	April 2001	May 2001	June 2001	July 2001	August 2001	September 2001	October 2001	November 2001	December 2001	Total O&M	Adj	Total Adj O&M
<b>For Books:</b>																	
1	701	Salaries & Wages - Employees	87,864	72,470	81,625	78,322	84,121	80,986	83,601	92,764	79,797	91,228	88,373	(858,087)	63,065	13,217	76,282
2	703	Salaries & Wages - Officers, Etc.													0		0
3	704	Employee Pensions & Benefits	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	1,463	17,554	(2,071)	15,483
4	710	Purchased Sewage Treatment	11,796	11,265	12,000	9,281	16,117	7,000	15,137	13,000	13,127	43,770	26,441	30,787	209,720		209,720
5	711	Sludge Removal Expenses													0		0
6	715	Purchased Power	1,910	1,370	1,591	1,755	1,805	1,297	1,891	1,776	597	1,349	579	597	16,518		16,518
7	716	Fuel for Power Purchased													0		0
8	718	Chemicals	26	950	225	844	145	25	0	490	0	179	69	237	3,188		3,188
9	720	Mat. & Sup./Maint. & Rep	8,346	10,145	5,575	8,911	6,134	7,224	7,140	14,342	6,601	11,821	5,967	(24,423)	67,783		67,783
10	731	Contractual Services - Engr.	0	334	0	455	130	77	0	189	0	36	168	(756)	632		632
11	732	Contractual Services - Acct	0	0	0	0	0	0	0	0	0	0	0	0	0		0
12	733	Contractual Services - Legal	316	1,950	2,455	579	1,043	527	(592)	90	202	282	2,790	(4,333)	5,308		5,308
13	734	Contractual Services - Mgmt													0		0
14	735	Contractual Services - Other	0	1,052	178	0	0	0	0	0	0	0	0	3,070	4,299		4,299
15	741	Office Supplies & Utilities	3,891	2,079	2,846	2,741	2,760	2,502	3,125	3,536	3,256	4,342	2,693	(22,068)	11,704		11,704
16	742	Testing Expense	1,562	186	510	2,048	600	962	315	80	0	41	550	0	6,853		6,853
17	750	Transportation Expenses	1,447	3,439	3,640	3,444	2,771	3,699	2,038	3,146	1,140	2,488	4,077	(23,829)	7,499		7,499
18	756	Insurance - Vehicle													0		0
19	757	Insurance - General Liability													0		0
20	758	Insurance - Workman's Comp													0		0
21	759	Insurance - Other	0	0	0	0	3,795	0	0	0	0	3,506	0	2,276	9,577		9,577
22	760	Advertising Expense													0		0
23	766	Reg. Comm. Exp. - Rate Case Amort.	541	562	562	562	562	562	567	569	569	569	580	(2,950)	3,253	8,855	12,108
24	767	Reg. Comm. Exp. - Other													0		0
25	770	Bad Debt Expense	129	212	137	47	265	467	38	173	26	(2)	167	304	1,963		1,963
26	775	Miscellaneous Expenses	302	97	2,631	(104)	942	315	165	456	205	716	4,264	(7,842)	2,149	104,452	106,601
27		<b>TOTAL</b>	<b>119,594</b>	<b>107,571</b>	<b>115,438</b>	<b>110,348</b>	<b>122,650</b>	<b>107,107</b>	<b>114,888</b>	<b>132,076</b>	<b>106,983</b>	<b>161,788</b>	<b>138,180</b>	<b>(905,556)</b>	<b>431,066</b>	<b>124,454</b>	<b>555,520</b>

**UTILITIES, INC. OF FLORIDA  
2001 ANNUAL CHEMICAL COSTS**

Attachment C

SYSTEM	Bleach @ \$.85/gallon Quantity	Dosage Rate/Day Gallons	150 lb. cylinder Chlorine @ \$64.00 ea. Quantity	Dosage Rate/Day Pounds	Poly- phosphate @ \$7.50/gal. Quantity	Dosage Rate/Day Gallons	150 lb. cylinder Sulfur Dioxide @ \$69.00 ea. Quantity	Dosage Rate/Day Pounds	Annual Cost
602-Weathersfield			44	18					\$2,820.00
604-Oakland Shores			20	8.2					\$1,280.00
606-Little Wekiva	343	0.9							\$291.52
608-Park Ridge			6	2.5					\$384.00
608-Park Ridge					35	0.12			\$262.50
610-Phillips	2760	7.6							\$2,345.75
610-Phillips					55	0.15			\$412.50
612-Crystal Lake	655	1.8							\$556.50
612-Crystal Lake					90	0.25			\$675.00
614-Ravenna Park			10	4.1					\$960.00
614-Lincoln Heights			5	2.1					\$320.00
614-Lincoln Heights							5	2.1	\$366.74
616-Bear Lake			12	4.9					\$776.48
618-Jansen			18	7.4					\$1,152.00
618-Jansen					90	0.25			\$675.00
630-Golden Hills			5	2.1					\$324.00
635-Crownwood	468	1.3							\$397.75
<b>TOTAL</b>	<b>4226</b>		<b>120</b>		<b>270</b>		<b>5</b>		<b>\$13,999.74</b>

+ 686.

=> 721.7

UIF:Operations:600: 2: 1:[Annual Chemical Costs]Sheet1

13,999.74  
 - 686.74 - wastewater chemical  
 -----  
 13,313.00  
 - 721.75 - Marion County  
 -----  
 12,591.25 - water chemicals