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SEP 26 AM 10:43

Public Service Commission

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CLERK

September 26, 2003

Mr. Charles deMenzes, President  
Residential Water Systems, Inc.  
1410 N. E. Eighth Avenue  
Ocala, FL 34470-4250

STAFF'S FIRST DATA REQUESTS

**Re: Docket No. 030423-WU - Investigation into 2002 Earnings of Residential Water Systems, Inc., in Marion County**

Dear Mr. deMenzes:

By this letter, Commission staff requests that Residential Water Systems, Inc. provide responses to the following data requests.

- 1. According to the Department of State, Division of Corporations, you are associated with the following corporations:

Residential Water Systems, Inc. (RWS)  
M.I.R.A. International Inc. (MIRA)  
BFF Corp. (BFF)  
Lake Weir Yacht Club, Inc.  
C.F.A.T. H2O, Inc. (CFAT)  
Alternative Phone, Inc.  
Tradewinds Utilities, Inc. (Tradewinds)

List your ownership share, if any, in each of the above corporations.

- 2. For 2002 and 2003 for each corporation, please list the number of hours per month, if any, spent on that entity's business, and the duties you performed.
- 3. For each of the seven corporations above, please list the number of hours per month, if any, spent on that entity's business, and the duties performed in 2002 and 2003 by Deborah Dillon.

AUS \_\_\_\_\_  
CAF \_\_\_\_\_  
CMP \_\_\_\_\_  
COM \_\_\_\_\_  
CTR \_\_\_\_\_  
ECR \_\_\_\_\_  
ECL \_\_\_\_\_  
DPC \_\_\_\_\_  
JMS \_\_\_\_\_  
SEC   I    
DTH \_\_\_\_\_

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4. Of the above seven corporations, which ones transact business out of the office shared with RWS?
5. Do RWS, Tradewinds, BFF and CFAT share any employees? If so, what percent of their time is spent working for each utility?
6. List the employees and officers of MIRA and describe their duties.
7. Provide a copy of the management services contract between MIRA and RWS.
8. What services does MIRA provide to RWS?
9. What management services does MIRA perform for RWS?
10. For 2002 and 2003, provide a description of management services provided to RWS and the hours spent on a weekly, monthly and annual basis by MIRA as well as the amounts charged for each.
11. For all 2002 costs that were allocated to RWS (hospitalization, meter reading, utilities, telephone, postage, supplies, advertising, etc.) provide:
  - A. the total amount to be allocated
  - B. the amount allocated from MIRA to each of the above seven corporations
  - C. the basis for the allocation
12. How was RWS charged for MIRA services in 2002? For example, is there a management fee plus an administration fee, and if so, what are the amounts for each? How is MIRA charging RWS in 2003?
13. Per your June 26, 2003, letter To Whom It May Concern, is the MIRA \$500 administration fee a separate fee or is it included in the monthly management fee?
14. Are the costs included in the Administration Fee direct costs of RWS or are they A&G costs of MIRA that are allocated to RWS?
15. Concerning the health insurance for Ms. Dillon.
  - A. What is the total cost of Ms. Dillon's health insurance?
  - B. What percent of Ms. Dillon's health insurance is allocated to RWS?
  - C. Is it part of the MIRA administrative fee (hospitalization)?
  - D. What is the basis for the allocation?

16. Concerning the cost of hospitalization.
  - A. Per the June 26, 2003, letter To Whom It May Concern, what is the total amount of hospitalization?
  - B. How many employees/officers does it cover for each entity included?
  - C. How much was allocated to each entity?
  
17. Concerning the cost of insurance on plant and equipment.
  - A. What is the total amount of insurance on plant and equipment including liability?
  - B. What are the names of the companies covered by the policy?
  - C. How much is allocated to RWS and to each of the other entities?
  - D. What is the basis for this allocation?
  - E. What was the cost of the coverage on RWS for 2002 and 2003?
  
18. The following amounts were recorded in Transportation Expenses. What were these payments for?

2937	7/2/2002	96.80	Advanta Bank Corp
2938	7/2/2002	77.28	Platinum Plus for Business
  
19. Before purchasing the backhoe/loader, how did the utility make repairs when a backhoe/loader was needed?
  
20. What other options were considered when the utility contemplated the purchase of a backhoe/loader? Why did RWS decide to purchase?
  
21. How many times and for how many hours in 2000, 2001 and 2002 was a backhoe/loader used by RWS?
  
22. Has the utility paid to rent a backhoe/loader? If so, how much was spent for rental in 2000, 2001 and 2002?
  
23. How often has the backhoe/loader been used by RWS since it was purchased in July 2002?
  
24. Which other businesses use the backhoe/loader? How many hours has each business used the backhoe/loader in 2002 and 2003?
  
25. Prior to the lease of the Lincoln Navigator (Lincoln) how did RWS handle transportation?

26. Prior to the lease of the Lincoln, what tasks were performed that required the use of a vehicle and how many miles were traveled per week?
27. What was the amount spent on transportation expense in 2000 and 2001?
28. Why did RWS believe it was necessary to lease the Lincoln?
29. What other options were considered? What other vehicle brands did RWS consider? Was the Lincoln the least cost option?
30. How many miles per week does RWS use the Lincoln for utility business? What tasks are performed that require the use of a vehicle?
31. The lease agreement reflects the Lincoln use as "Personal". What percentage of time is the Lincoln used for other corporations, for RWS, and for personal use?
32. Provide consumption data for 2003.
33. Why are one-inch meters being installed in Dalton Woods instead of 5/8" meters?
34. The following amounts were charged to Employee Pension & Benefits. What were these payments for?

7/2/02	2935	\$124.00	Harlan Goldberg DDS
7/2/02	2936	\$51.39	Steven T. Powell MD
7/2/02	2936	\$223.69	Steven T. Powell MD

Please file the original and three copies of the requested information by October 16, 2003, with Ms. Blanca Bayo, Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6234 if you have any questions.

Sincerely,



Ralph R. Jaeger  
Senior Attorney

RRJ:jb

cc: Division of Economic Regulation (Rendell, Merta, Bruce, Willis)  
Division of Auditing and Safety (Vandiver, Winston)  
Division of the Commission Clerk and Administrative Services (Docket File)