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DIVISION OF ECONOMIC REGULATION
(850) 413-6900

MAY -5 AM 9:35

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Public Service Commission

May 3, 2004

STAFF'S SECOND DATA REQUEST

Martin S. Friedman
Rose, Sundstrom & Bentley, LLP
600 S. North Lake Blvd., Suite 160
Altamonte Springs, FL 32701

Re: Docket No. 030446-SU, Application for Rate Increase in Pinellas County by Mid-County Services, Inc.

Dear Mr. Friedman:

Attached are several data requests that staff believes are necessary to enable us to complete our analysis of this rate case. Since the statutory deadline is quickly approaching, we will need the responses submitted by May 21, 2004.

I. Rate Case Expense

- For each individual person, in each firm providing consulting services to the applicant pertaining to this docket, provide the billing rate, and an itemized description of work performed. Please provide detail of hours worked associated with each activity. Also provide a description and associated cost for all expenses incurred to date.
- For each firm or consultant providing services for the applicant in this docket, please provide copies of all invoices for services provided to date.
- If rate consultant invoices are not broken down by hour, please provide reports that detail by hour, a description of actual duties performed, and amount incurred to date.
- For each Utilities, Inc. or Water Services Corp., employee that incurs costs that will be recorded as rate case expense for this docket, please provide a copy of all time sheets supporting those costs with a breakdown by job function performed and including the hourly rate charged.
- Please provide an estimate of costs to complete the case by hour for each consultant or employee, including a description of estimated work to be performed, and detail of the estimated remaining expense to be incurred through the PAA process.

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6. Please provide an itemized list of all other costs estimated to be incurred through the PAA process.

II. WSC 2002 Distribution of Expenses Manual

A. SE.50 – Distribution of Direct

7. Provide a copy of the WSC 2003 Distribution of Expenses Manual.

B. SE.52 – Distribution of Insurance Expenses

1. General Property Insurance

8. With regard to the property value of \$4,150,000 for 2335 Sanders Northbrook, did WSC use the insurance policy for 2001 or 2002 to determine the property value?
9. Provide the UI's 2002 and 2003 insurance policies reflecting the property values for 2335 Sanders Northbrook.
10. With regard to the property value of \$1,175,000 for Altamonte Springs FL, did WSC use the insurance policy for 2001 or 2002 to determine the property value?
11. Provide the UI's 2002 and 2003 insurance policies reflecting the property values for Altamonte Springs FL.

2. Excess Liability Insurance

12. Please explain why MFR schedule F-6, page 2 of 2 (revised), lists 15.04 miles of total sewer mains, and the Distribution of Expenses manual, SE52, indicates that sewer mains total 24.53 miles.

3. Worker's Compensation Insurance

13. Since worker's compensation insurance also applies to UI, why is Code 9 calculated by taking only Mid-County's operators salaries by total UI operators salaries, instead of Mid-County's total salaries by UI total salaries?

III. Road Maintenance Expense

14. Provide a description of the agreement that the utility has with Doral Village regarding maintenance of roads inside Doral Village. If a written agreement exists, please provide a copy of the current agreement. State whether the utility has made any repairs to the roadways since 2001? If so, please provide the type of improvements, the completion date of each project and all costs associated and how those costs are accounted for on the utility's books. If no agreement exists, describe any discussions the utility has had with Doral Village regarding past or future compensation for road wear.

IV. Rate Base

15. Provide a list all plant improvements made since 2000 and any improvements anticipated to commence by the end of 2004 that impact odor and noise control for the wastewater treatment plant. Include the actual or anticipated date the improvements were (or will be) placed in service, the corresponding costs associated with each improvement, and the associated primary plant accounts where the costs were or will be recorded. Detail whether any of these amounts were included in the utility's requested rate base for this docket.
16. Please provide a copy of your the current WWTP Capacity Analysis Report.
17. Has the utility had any discussions in the last year regarding the capacity of the wastewater treatment plant and whether the capacity will need to be increased during the next five years? If so, please provide a detailed explanation.
18. Provide an explanation of the utility's policy that details whether a major repair should be capitalized, expensed, or deferred and amortized over a specific period. If any period other than 5 years for amortization is chosen, describe the method. Explain how the utility makes the decision that a repair will extend the useful life of an asset as opposed to allowing the asset to last its original estimated life. Explain how the utility consistently implements this policy for all of its PSC regulated systems in Florida. Also, provide a copy of the utility's policy that details to its operational and accounting employees how to account for plant replacements and repairs.
19. Please provide the proper retirement amounts for the items included in the PSC staff audit Disclosure No. 2. At a minimum, provide the following:
 - a) a detailed description of each project, including the work order numbers, if any.
 - b) the original cost of the equipment retired, if known, by primary account number including any AFUDC or capitalized labor. If the original cost is not known, provide the proper account in which the plant should have been recorded.
 - c) the in-service date of each project, if known. If this date is not known, explain why not.
 - d) a calculation using the Handy-Whitman index for those amounts where the original cost is not known but the in-service date is known. The amounts should also be reflected by primary account number.
20. Provide the proper retirement entries for the requested proforma plant items reflected on Schedule A-3 of the MFRs. At a minimum, provide the following:
 - a) a detailed description of each project, including the work order numbers, if any.

Martin S. Friedman
Page 4
May 3, 2004

- b) the original cost of the equipment retired, if known, by primary account number including any AFUDC or capitalized labor. If the original cost is not known, provide the proper account in which the plant should have been recorded.
- c) the in-service date of each project, if known. If this date is not known, explain why not.
- d) a calculation using the Handy-Whitman index for those amounts where the original cost is not known but the in-service date is known. The amounts should also be reflected by primary account number.
- e) If the utility does not believe that a retirement entry is required, provide an explanation stating why. A response to items a-d should be provided unless the items added are new and do not replace or repair any existing asset.

21. Please provide either a signed contract or an invoice for the following proforma plant additions reflected on Schedule A-3 of the MFRs: the Brookfield CIPP main repair, Silk Oak L. S. improvement and the replacement of the splitter box.

Please provide the above information by May 21, 2004. If you have any questions, please contact me by phone at (850) 413-6918 or by e-mail at pmerchan@psc.state.fl.us.

Sincerely,



Patricia W. Merchant
Public Utilities Supervisor

cc: Division of Economic Regulation (G. Edwards, Revell)
Office of the General Counsel (Jaeger)
Division of the Commission Clerk and Administrative Services