

STATE OF FLORIDA

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Public Service Commission

February 8, 2005

STAFF'S THIRD DATA REQUEST

RECEIVED-PSC  
FEB - 9 PM 2: 22  
COMMISSION  
CLERK

Mr. David B. Erwin  
Attorney At Law  
127 Riversink Road  
Crawfordville, FL 32327

Re: Docket No. 040450-WS, Application for rate increase in Martin County by Indiantown Company, Inc.

Dear Mr. Erwin:

Staff needs the following information to complete our review of the application.

A. The following items relate to quality of service.

1) With regard to lift stations and manholes repairs in 2003 and 2004, provide the following: (a) date each repair was completed; (b) detailed description of maintenance and repairs performed; and (c) the cost of each repair.

CMP \_\_\_\_\_ 2) In 2004, Indiantown Company, Inc. (ICO, Indiantown or utility) exceeded the maximum  
COM \_\_\_\_\_ containment level (MCL) for trihalomethanes in its treated water. Provide a copy of all documents  
CTR \_\_\_\_\_ regarding this incident, including dates of occurrence, lab reports, notices, and all correspondence  
ECR \_\_\_\_\_ between DEP, the utility, and customers, and a statement which describes all corrective action the  
utility has taken to comply with the MCL for trihalomethanes?

GCL \_\_\_\_\_ 3) With regard to water and wastewater flows, (a) Which utility employee or manager is responsible  
OPC \_\_\_\_\_ for reviewing the monthly water and wastewater statistics, or analyzing the gallons of water pumped,  
MMS \_\_\_\_\_ treated, sold, and the gallons of wastewater treated, as well as, the relationship between these statistics;  
RCA \_\_\_\_\_ (b) Did any employee report to any manager that the 2003 or 2004 water or wastewater statistics were  
SCR \_\_\_\_\_ abnormal; and (c) If so, list all such communications, and include the dates and a description of the  
management action taken.

SEC 1  
OTH \_\_\_\_\_

DOCUMENT NUMBER 040450-WS  
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B. The following items relate to plant-in-service and accumulated depreciation.

4) Regarding MFR Schedule A-3, Line 14, (a) did the slip liner, which was inserted in the 10" sewer main, extend the service life of the main? (b) if so, how many years was the main's service life extended. (c) when was the 10" sewer main placed in service?

5) Regarding the water and wastewater plant retirements on Exhibit No. 1 of the utility's audit response: (a) Explain why ICO was unable to provide the actual in-service dates to the Commission staff auditors and that now these dates are known; and (b) Provide support documentation reflecting all in-service dates for the plant being retired.

6) With regard to Audit Exception No. 3, provide the retirement journal entry associated with the 2003 computer purchases and include the support documentation which reflects the in service dates of the equipment retired.

7) Regarding lightning strikes and surge protection: (a) Provide a list of all equipment which currently has surge protection equipment installed; (b) What steps has Indiantown taken to reduce surge damage in electronic equipment in 2003 and 2004; and (c) Provide a schedule reflecting the dates the utility's plant was damaged due to lightning strikes in 2002, 2003, and 2004. (This schedule should include the amount of damages incurred for each event and any insurance proceeds received for each occurrence.)

8) Provide a depreciation schedule/worksheet by primary account and physical asset for the year ended 12/31/03, include a description, the original cost, the depreciation rate used, and the date the plant was placed into service.

C. The following items relate to Operation and Maintenance Expenses.

9) How much did it cost ICO for smoke testing the wastewater collection system in 2002, 2003, and 2004? In your response, provide a copy of all invoices for services received.

10) Regarding the utility's response to Question 15 of Staff's First Data Request, (a) why is an annual DEP wastewater survey performed; (b) provide a copy of this survey; and (c) provide documentation reflecting any statute, rule, or agency requirement for this survey.

11) When was the inside of the wastewater treatment tank last painted, and how often is this maintenance required by DEP?

12) How frequent are the wastewater disposal ponds treated for duckweed. Is it a DEP permit requirement? If so, provide documentation requiring the removal of duckweed.

13) Why are the utility's ponds cleaned every year? Is it a DEP permit requirement? If so, provide documentation requiring the pond cleaning. What does the annual pond cleaning specifically entail? Provide all pond-cleaning invoices from 1999 to 2003.

14) The following item relates to chemical expense for the water system.

	Last Rate Case 12-Month Period <u>Ending 6/30/99</u>	Current Rate Case 12-Month Period <u>Ending 12/31/03</u>
Gallons of Water Sold	248,414,000	214,345,000
Pounds of Chlorine Purchased	36,000	41,000
Gallons Per Pound of Chlorine	6,900	5,228

Explain why the chlorine purchased in the test year increased by 5,000 pounds given the fact that gallons sold decreased by 34,069,000 gallons. In your response, include explanation of any changes in normal dosage rate used in the last rate case and support documentation requiring such a change.

D. The following items relate to Audit Disclosure No. 11.

15) a. What was the Martin County Wellfield Protective Order Charge of \$460 per well for? b. Is this charge accessed every year? c. If so, provide all documentation requiring the utility to incur this charge annually? d. Provide a copy of the Martin County Wellfield Protective Order.

16) a. Did the utility make any repairs to the Grove Road which leads to the off-site ponds in 2000, 2001, 2002, and 2004? b. If so, state the total amount incurred for each year and provide a copy of all invoices for those repairs.

17) Provide a copy of all invoices for the items reflected on the two schedules of this disclosure.

E. The following items relate to affiliated/related parties and the utility's refuse and roll-off operations.

18) In response to Question C.12.c. of Staff's First Data Request, the utility stated, in part, that: "The Refuse Operation also performs its own billing and only utilizes the ITS billing system for a very small portion of its billing as the majority of its billing is directly billed to Martin County." (a) Explain in detail what billing function the refuse and roll-off (R/RO) divisions performs, and why it does its own billing; (b) Explain why the R/RO divisions only utilizes a small portion of the ITS billing system; (c) Explain why the majority of the billing is directly billed to Martin County; (d) Explain who mails the R/RO bills, pays for the billing supplies (i.e., paper, envelopes, and stamps), collects revenues, and performs accounts payable functions for the R/RO divisions.

19) Provide all support documentation (i.e., invoices) for ICO's copier, Service Bureau Access License, Annual Software Fees, and T-1 Line to S. Dakota in 2003, and provide the annual accumulated depreciation and depreciation expense adjustments for these items.

20) Regarding the T-1 Line, (a) How many T-1 Lines provide service to ICO, ITS, and other affiliated companies; (b) Describe the location of each T-1 Line; and (c) Explain the basis of how the T-1 Line Charges are allocated between the utility's water, wastewater, refuse, and roll-off operations.

21) Provide the total 2003 and 2004 revenues and expenses separately for Postco, ITS, Arrow, and Princess; and provide the 2003 and 2004 Annual Reports for First Bank of Indiantown.

Mr. David B. Erwin  
Page 4  
February 8, 2005

22) Does Mr. Post own Indiantown In and Out Storage, Inc. or Martin County Park of Commerce, Inc.? If so, provide a detail description of the work performed by Mr. Post, Mr. Leslie, Ms. Shevlin, or Ms. Holt, and how many hours each spent annually on these companies in 2003 and 2004?

23) Provide a detailed description of the work performed by either Mr. Post or Mr. Leslie for Arrownet, Inc., South Flora Land Development Corp, National Investors Fund Incorporated, and Indiantown Sanitation, Inc., and how many hours spent annually on these companies?

24) Does ITS perform any services for Arrownet, Inc., South Flora Land Development Corp, National Investors Fund Incorporated, or Indiantown Sanitation, Inc.

25) Provide the 2002 and 2003 consolidated tax returns for Postco, Inc. and subsidiaries (Indiantown Company, Inc., ITS Telecommunications Systems, Inc., Arrow Communications, Inc., and Princess Aviation Group, Inc.)

26) How many customers did the utility's refuse and roll-off operations have as of 12/31/03?

27) Provide a schedule listing all non-utility assets that are reflected on ICO's balance sheet, with a detailed description for each major component, as of 12/31/2003. Also, please include the 2003 year-end amounts for accumulated depreciation and depreciation expense.

F. The following item relates to the Indiantown Marina billing error.

28) Provide the 2003 and 2004 billing records for all customers that were affected by the utility's Indiantown Marina error. This schedule should include the base facility charge and gallons charged for each meter by month for 2003 and 2004.

Please file the original and five copies of the requested information by February 23, 2005, with Ms. Blanca Bayo, Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. If you have any questions, please contact me by phone at (850) 413-7017 or by e-mail at [bfletche@psc.state.fl.us](mailto:bfletche@psc.state.fl.us).

Sincerely,



Bart Fletcher  
Regulatory Analyst IV

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