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OFFICE OF THE GENERAL COUNSEL
RICHARD D. MELSON
GENERAL COUNSEL
(850) 413-6199

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Public Service Commission

May 12, 2005

STAFF'S THIRD DATA REQUEST

Kenneth Hoffman
Rutledge Law Firm
P. O. Box 551
Tallahassee, FL 32302-0551

Re: Docket No. 000694-WS – Petition by Water Management Services, Inc., for Limited Proceeding to Increase Water Rates in Franklin County.

Dear Mr. Hoffman:

By this letter, the Commission staff requests that Water Management Services, Inc., (utility) provide responses to the following data requests:

1 The utility's proposed expenditures for fireflow improvements in Phase 2 of this proceeding included \$287,231 for "plant improvements to accommodate increased pumping and electrical." Schedule 2, page 1 of 3, of Appendix A to the Petition for Approval of Phase III Final Rates (or the final petition) includes the same amount identified as "island office improvements". A physical inspection by PSC's engineer revealed that a second floor room and a deck have been added to the utility's office building at the treatment plant site. Please provide a detailed calculation of the portion of the \$287,231 expended for the sole purpose of supporting the fireflow improvements which are the subject of this limited proceeding. Please support the calculation with copies of drawings, sketches or other plans, and with copies of invoices for the work performed. Also, please provide the month and year that the improvements were placed in service and provide a calculation of depreciation thereon through June 30, 2004.

2. With respect to the calculation of additional insurance expense on Schedule 2, page 3 of 3, of Appendix A to the final petition, please provide copies of insurance policies and/or invoices for 2003 and 2004. The data provided should be in sufficient detail so as to determine the description of the property insured, the amount of coverage, and the applicable premiums.

- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- MMS _____
- RCA _____
- SCR _____
- SEC 1
- OTH _____

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Also, please explain the difference between the \$113,000 insured basis used in your calculation and the \$314,709 amount of retired plant per Schedule 2, page 2 of 3, of Appendix A.

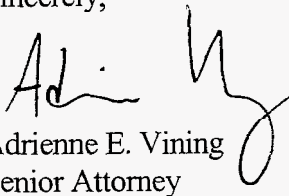
3. With respect to the calculation of the amortization of the loss on retired plant on Schedule 2, page 2 of 3, of Appendix A to the final petition, please answer the following:
 - a. The retirement date is stated as 12/31/2003; however, the utility's 2004 Annual Report reflects \$314,709 as the amount of retirements from NARUC Account 309 in 2004. No retirements were reflected for this account in the 2003 Annual Report. Please verify the correct retirement date.
 - b. The calculation of accumulated depreciation uses a 35-year life for all of the assets except for the property placed in service in 1985, for which a 32-year life is used. Rule 25-30.140(2)(a), Florida Administrative Code, prescribes a 35-year life for supply mains in NARUC account 309 for Class A and B utilities. Please justify the use of a 32-year life for the 1985 asset class.
 - c. **Please state whether any of the retired property was contributed. If so, please provide the amount of CIAC and associated amortization applicable to each item on the schedule.**
 - d. Please state the amount of any salvage value received for the retired assets, and the amount of costs of retirement incurred but not otherwise included in the final petition. Please provide documentation of any such amounts.
4. Please provide, in electronic format, the spreadsheet files used in generating the following schedules included in Appendix A to the final petition:

Schedule 1, page 1 of 3
Schedule 1, page 2 of 3
Schedule 2, page 2 of 3
Schedule 3, page 1 of 2
Schedule 3, page 2 of 2
Schedule 4

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Please file the original and five copies of the requested information by May 20, 2005, with Ms. Blanca Bayó, 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) 413-6183 if you have any questions.

Sincerely,


Adrienne E. Vining
Senior Attorney

AEV:jb

cc: Division of Economic Regulation (Kyle, Edwards, Lingo, Slemkewicz, Willis)
Division of the Commission Clerk and Administrative Services

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