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November 17, 2005

STAFF'S FOURTH DATA REQUEST

Martin S. Friedman, Esquire
Rose, Sundstrom & Bentley, LLP
2180 West State Road 434
Sanlando Center, Suite 2118
Longwood, FL 32779

Re: Docket No. 050281-WS - Application for increase in water and wastewater rates in Volusia County by Plantation Bay Utility Company.

Dear Mr. Friedman:

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

- A. The following items relate to Phase 2AF5. According to the cost proposals for Phase 2AF5, Halifax Paving, Inc. (Halifax) was the lowest bidder for the total utility and non-utility improvements. However, Hazen Construction, LLC (Hazen) was the lowest bidder on the utility improvements by approximately \$52,470, which represents 4.79% of Halifax's cost proposal for the utility improvements.
- CMP _____
 - COM _____
 - CTR _____
 - ECR _____
 - GCL _____
 - OPC _____
 - RCA _____
 - SCR _____
 - SGA _____
 - SEC 1
 - OTH B
- 1) Is Halifax an affiliated or related party to Plantation Bay Utility Company? If so, state what is the nature of the affiliation.
 - 2) In the invitation bidding process, (a) explain why the utility included non-utility improvements; and (b) why it did not split the bids between utility and non-utility improvements?
 - 3) Since Halifax's cost proposal for utility improvements was greater than Hazen's estimates, are Plantation's customers subsidizing a portion of the related party developer's non-utility improvements?
- The following items relate to construction Phases 1DV Unit 3C, 2EV Unit 2, 2AF Unit 4, Koronia Park, 2AF Unit 6, and 2AF Unit 7.
 - 4) Did the utility bid out the above phases?

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(b)Regarding the 2006 Proforma Trial Balance, explain why the utility reduced retained earnings by the projected 2006 income of \$389,804, instead of increasing the retained earnings.

D. The following items relate to Exhibit A – E of the company response dated November 10, 2005.

12) Provide electronically, the spreadsheet titled Summary of Deferred Taxes. Also provide the electronic spreadsheet version of the supporting Schedules A - H.

13) On Schedule A explain why the deferred tax asset was calculated for each year on a cumulative basis.

14) On Schedules A – F, explain why the maximum federal corporate tax rate was used as the effective tax rate.

Please provide the information by noon, Friday, December 2, 2005. If you have any questions, please contact me by phone at (850) 413-7017 or by e-mail at bfletche@psc.state.fl.us.

Sincerely,

Bart Fletcher

Bart Fletcher

Professional Accountant Specialist

cc: Office of the General Counsel (Gervasi)
Division of the Commission Clerk and Administrative Services ✓
Division of Economic Regulation (Lingo, Lester, Lowe, Merta, Massoudi, Rendell, Stallcup, Willis)