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STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

August 4, 2006

ORIGINAL

STAFF'S FIRST 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. 060258-WS - Application for increase in water and wastewater rates in Seminole County by Sanlando Utilities Corp.

Dear Mr. Friedman:

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

1. The following items relate to the pro forma plant additions reflected in adjustment (C) on MFR Schedule A-3. For each addition, please provide the following:

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

- (a) a statement why each addition is necessary;
- (b) a copy of all invoices and other support documentation if the plant addition has been completed;
- (c) a copy of the signed contract or any bids, if the plant addition has not been completed;
- (d) a status of the engineering and permitting efforts, if the plant addition has not been through the bidding processing; and
- (e) the projected in-service date for each outstanding plant addition.

2. With regard to Accounts 601 and 701, Salaries & Wages – Employees reflected on MFR Schedules B-5 and B-6, the utility reflected salaries of \$400,586 for water and \$586,390 for wastewater. According to MFR Schedule B-3, Sanlando has proposed a pro forma

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salary adjustments of \$61,999 for water and \$48,793 for wastewater. These adjustments represent salary increases of 15.48% for water and 8.32% for wastewater.

(a) Please provide all of the utility's calculations, bases, workpapers, and support documentation for the above salary increases.

(b) Please explain, in detail, why the utility's salary adjustments are significantly greater than the Commission's 2006 Index of 2.74%.

3. With regard to Accounts 615 and 715, Purchased Power reflected on MFR Schedules B-5 and B-6, the utility reflected purchased power of \$380,511 for water and \$407,407 for wastewater. According to MFR Schedule B-3, Sanlando has proposed a pro forma purchased power adjustments of \$106,314 for water and \$114,540 for wastewater. These adjustments represent salary increases of 27.94% for water and 28.11% for wastewater.

(a) Please provide all of the utility's calculations, workpapers, and support documentation for the above purchased power increases. The support documentation should include, but is not limited to, all 2005 electric power bills/invoices for the water and wastewater systems and the most recent month's electric power bill/invoice for the water and wastewater systems.

(b) Please provide a schedule showing, by month, the charges for electric power and consumption for the 12 month period ending December 31, 2005, the charges that would have resulted had the new electric rates been applied, and the difference between the charges under the old rates and the charges under the new rates.

(c) If the utility's proposed increases are greater than the difference between the charges under the old rates and the charges under the new rates, please explain why.

4. With regard to Account 711, Sludge Removal Expense reflected on MFR Schedule B-8, staff requests the following additional information:

(a) Was the contract for sludge removal competitively bid out? If so, how many companies provided a bid? If not, explain why.

(b) What is the per gallon cost of sludge removal?

(c) How many gallons of sludge were removed during the test year?

(d) What is the typical percent of solids concentration of the sludge and the percent of volatile solids when the sludge is removed from the digester?

(e) Provide your calculations, assumptions, and references that demonstrate that the quantity and concentration of sludge removed from the digester is reasonable.

Mr. Martin S. Friedman, Esquire

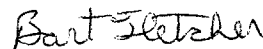
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5. The following items relate to the utility's requested rate case expense.
 - (a) For each individual person, in each firm providing consulting services to the applicant pertaining to this docket, please provide the billing rate and an itemized description of work performed. Please provide detail of hours worked associated with each activity. Also, please provide a description and associated cost for all expenses incurred to date.
 - (b) For each firm or consultant providing services for the applicant in this docket, please provide copies of all invoices for services provided to date.
 - (c) 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.
 - (d) 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.
 - (e) Please provide an itemized list of all other costs estimated to be incurred through the PAA process.

Please submit the above information to the Division of the Commission Clerk and Administrative Services by September 5, 2006. 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
Professional Accountant Specialist

cc: Division of Economic Regulation (Rendell, Daniel, Reiger, Bruce, Lingo)
Office of the General Counsel (Brubaker)
~~Division of the Commission Clerk and Administrative Services~~
Office of Public Counsel