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# Public Service Commission

COMMISSION  
CLERK

August 10, 2006

## STAFF'S SECOND DATA REQUEST

Mr. Martin Friedman  
Rose, Sunstrom & Bentley, LLP  
Sanlando Center  
2180 W. State Road 434, Suite 2118  
Longwood, FL 32779

Re: *Docket No. 060253-WS* - Application for rate increase in Marion, Orange, Pasco, Pinellas, and Seminole Counties by Utilities, Inc. of Florida.; *Docket No. 060254-SU* - Application for increase in wastewater rates in Pinellas County by Mid-County Services, Inc.; *Docket No. 060255-SU* - Application for increase in wastewater rates in Pinellas County by Tierra Verde Utilities, Inc.; *Docket No. 060256-SU* - Application for increase in wastewater rates in Seminole County by Alafaya Utilities, Inc.; *Docket No. 060257-WS* - Application for increase in water and wastewater rates in Polk County by Cypress Lakes Utilities, Inc.; *Docket No. 060258-WS* - Application for increase in water and wastewater rates in Seminole County by Sanlando Utilities Corp.; *Docket No. 060260-WS* - Application for increase in water and wastewater rates in Highlands County by Lake Placid Utilities, Inc.; *Docket No. 060261-WS* - Application for increase in water and wastewater rates in Lake County by Utilities, Inc. of Pennbrooke; *Docket No. 060262-SU* - Application for increase in water and wastewater rates in Pasco County by Labrador Utilities, Inc.; and *Docket No. 060285-SU* - Application for increase in wastewater rates in Charlotte County by Utilities, Inc. of Sandalhaven

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Dear Mr. Friedman:

Staff requests the following information to complete our review of the application. The following questions primarily relate to Water Service Corporation – Distribution of Expenses allocation manuals for the 2005 test year.

(1) With regard to “SE.50 – Distribution of Direct Salaries”, there is an entry for “OTHER” after all employee salaries are listed for each Florida subsidiary.

(a) Because the SE.50 represents the schedules for direct salaries, explain what the purpose is for this “OTHER” entry. In your response, provide all calculations, bases, and support documentation for this “OTHER” entry.

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(b) Please also explain why "OTHER" for all of the Florida subsidiaries is a positive \$68,190 amount in the June 30, 2005 cost allocation manual and why "OTHER" for all of the Florida subsidiaries is a negative \$27,238 and \$111,657, respectively, in the September 30, 2005 and December 31, 2005 cost allocation manuals.

(2) On July 15, 2006, the Commission staff issued its audit report related to Utilities, Inc. (UI) affiliate transactions and allocations to its subsidiaries.

(a) Please provide a response to each audit finding. In your response, state whether UI agrees with the adjustments of each finding and provide an explanation for each adjustment that the utility does not agree with.

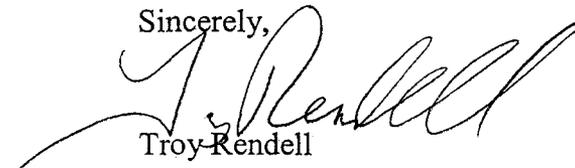
(b) Using solely the American Water Works Association (AWWA) meter equivalent factors to calculate Equivalent Residential Connections (ERCs), provide a schedule showing the number of meters by size and the corresponding ERCs for each of UI water and/or wastewater subsidiary.

(c) Using a 0.80 ERC factor for each individually-metered mobile home and the AWWA meter equivalent factors to calculate ERCs for remaining customers, provide a schedule showing the number of meters by size and the corresponding ERCs for each of UI water and/or wastewater subsidiary.

(d) For each customer of UI's sludge hauling company, provide the respective number of gallons hauled for each customer during the 2005 calendar year.

Please submit the above information to the Division of the Commission Clerk and Administrative Services by September 11, 2006. If you have any questions, please contact Mr. Bart Fletcher by phone at (850) 413-7017 or by e-mail at [bart.fletcher@psc.state.fl.us](mailto:bart.fletcher@psc.state.fl.us).

Sincerely,



Troy Rendell  
Public Utilities Supervisor

TR:bf

cc: Division of Economic Regulation (Biggins, Bruce, Bulecza-Banks, Daniel, Edwards, Fletcher, Joyce, Lingo, Massoudi, Merta, Redemann, Reiger, Rendell, Revell)  
Office of the General Counsel (Brown, Brubaker, Fleming, Gervasi, Helton, Jaeger, Keating)  
~~Division of Commission Clerk and Administrative Services~~  
Office of Public Counsel