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REPLY TO CENTRAL FLORIDA OFFICE

August 17, 2006

CENTRAL FLORIDA OFFICE SANLANDO CENTER 2180 W. STATE ROAD 434, SUITE 2118 LONGWOOD, FLORIDA 32779 (407) 830-6331 FAX (407) 830-8522

MARTIN S. FRIEDMAN, P.A. VALERIE L. LORD BRIAN J. STREET

HAND DELIVERY

Ms. Blanca Bayo Commission Clerk and Administrative Services Director Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399

RE: Docket No. 060255-SU; Tierra Verde Utilities, Inc.'s Application for Rate Increase in

Pinellas County, Florida Our File No.: 30057.111

Dear Ms. Bayo:

The following are the Utility's responses to the Commission Staff's July 21, 2006, correspondence identifying further deficiencies in the MFRs:

	1. Rule 25-30.440 (2), F.A.C., requires that each applicant for a rate increase
	shall provide to the Commission a list of chemicals used for water and wastewater
CMP	treatment, by type, showing the dollar amount and quantity purchased, the unit prices paid and the dosage rates utilized. (emphasis added) This rule does not apply to Tierra Verde
СОМ	Litilities, Inc. (Docket No. 060255-SU) because it has a wastewater collection system only.
CTR	The deficiency responses for the other above referenced utilities reflected only a list of chemical(s) average usage levels and unit prices. In addition, based on the chemicals
ECR	-reflected in the MFRs of its last rate proceeding, the response for Alafaya Utilities, Inc.
GCL	(Docket No. 060256-SU) failed to include all chemicals used in its wastewater treatment
OPC	plant. In order to assist in meting the requirements of this Rule, please provide all information necessary in the same or similar format as shown on Attachment A. Attachment
RCA	Militaria
CR	
GA	
EC	

-DATE

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Ms. Blanca Bayo Commission Clerk and Administrative Services Director Florida Public Service Commission August 17, 2006 Page 2

A is the list of chemicals submitted in Docket No. 050281-WS which satisfies the requirements of Rule 25-30.440(2), F.A.C.

<u>RESPONSE</u>: The utility purchases wastewater treatment from the City of St. Petersburg. It does not use chemicals.

Rule 25-30.440 (8), F.A.C., requires that each applicant for a rate increase shall provide to the Commission one copy of a list of all field employees, their duties, responsibilities, and certificates held, and an explanation of each employee's salary allocation method to the Utility's capital or expense accounts. The responses to staff's first deficiency letters in the above dockets provided a list of employees that does not completely reconcile to the employees reflected in Utilities, Inc.'s cost allocation manuals for June 30, 2005, September 30, 2005, and December 31, 2005. However, the responses do not clearly show or identify what the duties are for each field employee. As such, staff suggests that the specific duties for each employee should appear immediately after the name to enable staff to identify the respective duties of each field employee. In addition, the responses to staff's first deficiency letters failed to provide an explanation of each employee's salary allocation method to each respective utility's capital or expense accounts as required by this Rule. In order to assist in meeting the requirements of this Rule, please provide all information necessary in the same or similar format as shown on Attachments B through F. Further provide a narrative explanation of how each employee's salary was allocated to each respective utility's capital or expense accounts.

RESPONSE: Please refer to Exhibit "A" attached hereto.

3. With regard to Schedule B-8, Comparative O&M Expenses - Wastewater for only Cypress Lakes Utilities, Inc. (Docket No. 060257-WS), the utility is required to explain any differences which are not attributable to the change in customer growth and the CPI-U. In the first deficiency letter for this docket, staff indicated that this schedule was deficient because the utility did not provide an explanation for the increase in Miscellaneous Expenses. In its response, the utility did not provide the proper explanation; rather it referred to its Exhibit G, which consists of revised cost of capital schedules. This response does not relate to the deficiency.

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RESPONSE: Not applicable.

Very truly yours,

MARTIN S. FRIEDMAN

VALERIE L. LORD

For the Firm

VLL/mp Enclosures

cc: Martha Brown, Esquire, Office of General Counsel (w/o encs. - by hand delivery)

Mr. Marshall Willis, Division of Economic Regulation (w/o encs. - by hand delivery)

Mr. Troy Rendell, Division of Economic Regulation (w/encs. - by hand delivery)

Ms. Mahnaz Massoudi, Division of Economic Regulation (w/encs. - by hand delivery)

Ms. Sam Merta, Division of Economic Regulation (w/encs. - by hand delivery)

Mr. Steve Lubertozzi (w/encs.)

Ms. Kirsten Weeks (w/encs.)

Mr. John Hoy (w/o encs.)

Mr. Patrick C. Flynn (w/encs.)

Mr. Frank Seidman (w/encs.)

Ms. Deborah Swain (w/encs.)

Steve Reilly, Esquire, Office of Public Counsel (w/ encs.)

M:\1 ALTAMONTE\UTILITIES INC\TIERRA VERDE\(.111) 2005 RATE CASE\PSC Clerk 04 (deficiency response 2).ltr.wpd

Tierra Verde Utilities, Inc. Docket No. 060255-SU Deficiency #2 Response



Line No.	Employee Name	Tot	al 2005		Acct 701		apitalized Amount	Duties
1	Michael T Dunn	\$	4,579	\$	4,206.50	-	372.50	Regional Manager; Manages operations and employees for all West Coast
·		•	,,	Ť	,	•	3.2.23	operations. West Coast operations include all systems located in South Florida and West Florida.
2	Patrick C Flynn	\$	1,858	\$	1,858.00	\$	-	Regional Director; Oversees all operations and employees in Florida.
3	John G Holdman	\$	2,031	\$	2,031.00	\$	-	Area Manager; Supervises the day-to-day operations for the systems within
								the West Coast Operation area.
4	William Lee Neal	\$	17,314	\$	17,314.00	\$	-	Area Manager; Supervises the day-to-day operations for the systems within
								the West Coast Operation area.
5	Richard Wayne Retz	\$	2,987	\$	2,641.00	\$	346.00	Regional Manager; Manages operations and employees for all West Coast
								operations. West Coast operations include all systems located in South
								Florida and West Florida.
6	Anthony Wierzbicki	\$	3,047	\$	522.50	\$	2,524.50	Project Manager; Manages capital projects and developer activity within
								South Florida and West Coast operations areas.
7	David Ray Rodriquez	\$	900	\$	900.00	\$	-	Area Manager; Supervises the day-to-day operations for the systems within
								the West Coast Operation area.
8	Total	\$	32,716	\$	29,473	\$	3,243	=

Note Each employee's salary is allocated to the respective company based on the number of customer equivalents.

ORIGINAL

Timolyn Henry

From:	ROBERTS.BRENDA [ROBERTS.BRENDA@leg.state.fl.us]							
Sent:	Friday, August 18, 2006 2:00 PM							
To:	Filings@psc.state.fl.us							
Cc:	Bill Walker; Cheryl Martin/Florida Public Utilities Company; John Rogers; POUCHER.EARL; Paul Lewis; CHRISTENSEN.PATTY; Cochran Keating; damund williams; Jeffrey A. Stone; John Burnette; John McWhirter; John_Butler@fpl.com; karen white; Lee Willis; Lisa Bennett; McGLOTHLIN.JOSEPH; MERCHANT.TRICIA; Mike Twomey; Norman H. Horton; R. Alexander Glenn; Schef Wright; Tim Perry; Wade Litchfield							
Subject:	e-filing (Dkt. 060001-EI)							
Attachments:	: 060001.fpl.nos.efiled version.doc							
Electronic F	iling							
a. Person re	sponsible for this electronic filing:							
Office of Pul c/o The Flor: 111 West Mad: Tallahassee, (850) 488-933	ida Legislature ison Street, Room 812 FL 32399-1400							
b. Docket No.	. 060001-EI							
In re: Fuel a	and Purchased Power Cost Recovery Clause with Generating Perform	nance						
c. Document h	peing filed on behalf of Office of Public Counsel							
	a total of 3 pages.							
e. The docume	ent attached for electronic filing is Citizens' Notice of Servic	eCMP						
(See attached	file: 060001.fpl.nos.efiled version.doc)	СОМ						
		CTR						
Thank you for	your attention and cooperation to this request.	ECR						
-		GCL						
Brenda S. Rob		Opc						
Office of Pub Telephone: (8								
Fax: (850) 48		RCA						
		SCR						
÷		SGA						
		SEC						
		OTH						

DOCUMENT NUMBER - DATE

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ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Fuel and Purchased Power)	
Cost Recovery Clause with)	DOCKET NO. 060001-EI
Generating Performance Incentive)	
Factor)	FILED: August 18, 2006
)	

NOTICE OF SERVICE

Pursuant to Section 350.0611, Florida Statutes, the Citizens of the State of Florida, by and through Harold McLean, Public Counsel, serve this notice that they have served their Second Set of Interrogatories (Nos. 3-8) and their Second Set of Requests for Production of Documents (No. 5) to John T. Butler, P.A., Florida Power & Light Company, 9250 West Flagler Street, Miami, FL 33174 on the 18th day of August, 2006.

Harold McLean Public Counsel

s/ Patricia A. Christensen Patricia A. Christensen Associate Public Counsel

Office of Public Counsel c/o The Florida Legislature 111 West Madison Street Room 812 Tallahassee, FL 32399-1400

Attorney for the Citizens of the State of Florida

DOCUMENT NUMBER-DATE

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EPSC-COMMISSION CLERK

DOCKET NO. 060001-EI CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Office of Public Counsel's Notice of Service of their Second Set of Interrogatories (Nos. 3-8) and their Second Set of Requests for Procudion of Documents (No. 5) to Florida Power & Light Company has been furnished by electronic mail and U.S. Mail on this 18th day of August, 2006, to the following:

James Beasley Lee Willis Ausley Law Firm P.O. Box 391 Tallahassee, FL 32302

Bill Walker Florida Power & Light Co. 215 S. Monroe St., Suite 810 Tallahassee, FL 32301-1859

Paul Lewis Progress Energy Florida, Inc. 106 E. College Ave., Suite 800 Tallahassee, FL 32301-7740

Tim Perry McWhirter Law Firm 117 South Gadsden St. Tallahassee FL 32301

John T. Butler, P.A. Florida Power & Light Company 9250 West Flagler Street Miami, FL 33174

Lisa Bennett Florida Public Service Commission 2540 Shumard Oak Blvd. Tallahassee, FL 32399-0850 John McWhirter, Jr. McWhirter, Reeves Law Firm 400 North Tampa St., Suite 2450 Tampa, FL 33602

R. Wade Litchfield Florida Power & Light Co. 700 Universe Blvd. Juno Beach, FL 33408-0420

Susan D. Ritenour Richard McMillan Gulf Power Company One Energy Place Pensacola, FL 32520-0780

Norman H. Horton, jr. Fred R. Self Messer Law Firm P.O. Box 1876 Tallahassee, FL 32302-1876

Brenda Irizarry Tampa Electric Company P.O. Box 111 Tampa, FL 33602-0111

Jeffery A. Stone Russell Badders P.O. Box 12950 Pensacola, FL 32591 Lieutenant Colonel Karen White Captain Damund Williams Federal Executive Agencies 139 Barnes Drive, Suite 1 Tyndall AFB, FL 32403-5319

Cheryl Martin Florida Public Utilities Company P.O. Box 3395 West Palm Beach, FL 33402-3395

John T. Burnett Post Office Box 14042 St. Petersburg, FL 33733 Florida Retail Federation 100 E. Jefferson Street Tallahassee, FL 32301

Michael B. Twomey Post Office Box 5256 Tallahassee, FL 32314-5256

Robert Scheffel Wright Young van Assenderp, P.A. 225 S. Adams St., Ste. 200 Tallahassee, FL 32301

s/ Patricia A. Christensen
Patricia A. Christensen
Associate Public Counsel