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Public Service Commission

September 26, 2006

STAFF'S THIRD 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. 060257-WS- Application for increase in water and wastewater rates in Polk County by Cypress Lakes Utilities, Inc.

Dear Mr. Friedman:

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

(1) With regard to Account 601, Salaries & Wages – Employees, the utility reflected total water salaries of \$63,860 on MFR Schedule B-6. For wastewater salaries, the utility reflected total wastewater salaries of \$62,048 on Schedule B-7, for total utility salaries of \$125,908. According to MFR Schedule B-3, Cypress Lakes has proposed pro forma salary adjustments of \$13,229 and \$12,329 to existing salaries of \$63,860 and \$62,048 for water and wastewater, respectively, for total pro forma salaries of \$151,466. These adjustments represent salary increases of 20.72% and 19.87%, for water and wastewater, respectively. The staff auditors have indicated that there is presently only one full-time employee at the utility and that there is no indication that the full-time position formerly occupied by Mr. Shantavious Rainey will be filled.

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

a) Please provide all of the utility's calculations, bases, work papers, 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%.

c) Please indicate if there are any plans to fill the vacant full-time position, and if so, please list the anticipated start date and salary.

(2) On MFR Schedule E-4, Cypress Lakes proposed after hours charges of \$22.50 for initial connection, normal reconnection, \$37.50 for violation reconnection, and \$22.50 for premises

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visit. It is the Commission's practice to approve miscellaneous service charges (including initial connection, normal and violation reconnection and premises visit charges) for a water and/or wastewater utility as long as the amounts and conditions are the same as recent Commission decisions. By Order No. PSC-06-0684-PAA-WS, issued August 8, 2006, in Docket No. 050587-WS, In re: Application for staff-assisted rate case in Charlotte County by MSM Utilities, LLC., the Commission found that MSM Utilities, LLC (MSM) shall be allowed to increase its water and wastewater miscellaneous service charges as follows:

Water Miscellaneous Service Charges

Commission Approved

<u>Normal Hrs</u>	<u>After Hrs</u>	
Initial Connection	\$20	N/A
Normal Reconnection	\$20	\$40
Violation Reconnection	\$20	\$40
Premises Visit	\$20	\$40

Wastewater Miscellaneous Service Charges

Commission Approved

<u>Normal Hrs</u>	<u>After Hrs</u>	
Initial Connection	\$20	N/A
Normal Reconnection	\$20	\$40
Violation Reconnection	Actual Cost	Actual Cost
Premises Visit	\$20	\$40

- (a) In an effort to set reasonable charges to make the cost causer pay for the above services, would the utility agree that it would be more appropriate for Cypress Lakes to establish the charges as approved for MSM above, instead of the utility's proposed charges on MFR Schedule E-4?
 - (b) If the utility's response to Question (2)(a) above is in agreement with any of the above charges approved for MSM, please state the charge(s) that the utility is in agreement with.
 - (c) Please provide the following: (1) a breakdown of the number of initial connections, normal reconnections, and premises visits during normal hours for the 2005 test year; and (2), a breakdown of the number of normal reconnections and premises visits for the 2005 test year during after hours.
- (3) The billing analysis shown on MFR Schedule E-14, p.1 indicates a customer with a consumption level of 887,000 gallons.
- (a) Is the level of consumption stated above correct?

- (b) If (a) is correct, please provide copies of that customer's consumption for each month of the test year and explain the significantly high level of consumption.
 - (c) If (a) is not correct, please make the appropriate adjustment to correct consumption and resubmit Schedule E-14, p.1.
- (4) Please provide, on a CD in a format compatible with Excel for Windows, copies of all electronic schedules, tables, workpapers, models, projections and forecasts created in the process of filing all E and F schedules contained in the MFRs in the current rate increase request. For each electronic schedule, table, workpaper, model, projection or forecast provided in this response, please provide its file name, a description of the purpose and/or contents of the file, and the Schedule (or table number, if applicable) that the file corresponds to in the MFRs. In the event of any subsequent revisions to any Schedule E or Schedule F schedules, please provide an updated CD, in a format compatible with Excel for Windows, which contains all of the above-requested information for each revised or updated schedule, plus an explanation regarding the Schedule(s) revised.
- (5) Please provide, for each month during the period January 2000 through December 2005, **wastewater** system data regarding the number of bills rendered and the number of gallons sold. This information should be provided, by **customer class and meter size**, for each month during the period requested. Please provide the information in the format shown below.

<u>Month / Yr</u>	<u>Customer Class</u>	<u>Meter Size</u>	<u>No. of Bills</u>	<u>Gallons Sold</u>
Jan 2000	RS	5/8"		
Feb 2000				
Etc. through				
Dec 2005				
Jan 2000	GS	5/8"		
Feb 2000				
Etc. through				
Dec 2005				

- (6) Please provide, for each month during the period January 2000 through December 2005, water system data regarding the number of bills rendered and the number of gallons sold. This information should be provided, by **customer class, meter size and usage block**, for each month during the period requested. Please provide the information in the format shown below. To the extent the gallons sold in a particular customer class are not associated with an inclining-block rate charge, please list the gallons under the Block 1 column.

<u>Mo / Yr</u>	<u>Cust Class</u>	<u>Meter Size</u>	<u>No. of Bills</u>	<u>Gals Sold Block 1</u>	<u>Gals Sold Block 2</u>	<u>Gals Sold Block 3</u>
Jan 2000	RS	5/8"				
Feb 2000						
Etc. through						
Dec 2005						
Jan 2000	GS	5/8"				
Feb 2000						
Etc. through						
Dec 2005						
Jan 2000	GS Irrig	5/8"				
Feb 2000						
Etc. through						
Dec 2005						

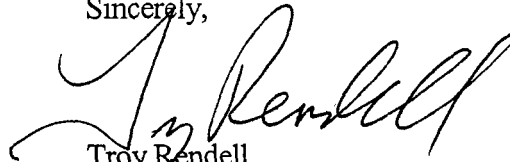
- (7) Please provide water system data regarding the names, physical addresses and billing data for each customer who received irrigation service during the test period. Please provide the information in the format shown below.

<u>Cust Class</u>	<u>Meter Size</u>	<u>Location of Service</u>	<u>No. of Bills</u>	<u>Gals Sold</u>
RS	5/8"			
GS	5/8"			
GS Irrig	5/8"			

Martin S. Friedman, Esquire
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Please provide the above information by October 26, 2006. If you have any questions, please call Jay Revell at (850) 413-6425.

Sincerely,



Troy Rendell
Public Utilities Supervisor

TR:jr

cc: Division of Economic Regulation (Bruce, Edwards, Lingo, Revell)
Office of the General Counsel (Fleming)
~~Division of the Commission Clerk and Administrative Services~~