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October 12, 2006

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

Dear Mr. Friedman:

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

- (1) For each proforma plant addition/project reflected on MFR Schedule A-3, please provide the utility's approved "Capital Project Request" from Integrated Solutions System.
 - (2) In the utility's response to Question 1(a) of Staff's First Data Request, Sanlando stated the following: (a) the Electric Control Upgrade project involved replacing the variable voltage drive units with variable frequency drive units that will improve reliability and decrease power consumption costs; (b) the Rehab and Electrical Improvements at LS A-3 project involved replacing the original pumps with two Flygt 5HP pumps that will lessen run times and result in energy savings due to higher efficiency; and (3) the Rehab. Devonshire LS A-4 project that involved replacing the original pumps with two Flygt 5HP pumps that will be more efficient and utilize less power.
- (a) Please state what the resulting reduction amount is for test year purchased power expense.
 - (b) Please provide all of the utility's calculations, bases, workpapers, and supporting documentation for the resulting reduction amount of test year purchased power expense.

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- (3) According to the utility's Florida Department of Environmental Protection permit for its Wekiva wastewater treatment plant, Sanlando has a permitted slow rate Part III public access reuse spray irrigation system. This permit also states that Sanlando's reuse system "consists of a reclaimed water transmission/distribution system for public access irrigation of the Wekiva Hunt Club Community, two (2) golf courses (Trophy Club Golf Course [f.k.a. Sabal Point Golf Course] and Wekiva Golf Course), parks, playgrounds, landscaped areas, plant nursery (Lake Brantley Plant Corp.), road medians and right of ways and a reclaimed water transmission main inter-connected to the City of Altamonte Springs reclaimed water transmission system for irrigation under a reclaimed water reuse agreement (1.4 mgd)."
- (a) Does the utility have a map showing Sanlando's reclaimed water transmission/distribution system and/or the locations of the above reuse end-users and/or areas? If so, please provide a copy of any such map(s) related to its reuse system (In your response, Sanlando should at least provide a copy of the "Reuse Distribution System Map" which was apparently an attachment to the permit mentioned above).
- (b) With regard to the Wekiva Hunt Club Community, Trophy Club Golf Course, Wekiva Golf Course, and Lake Brantley Plant Corp. (entities), please provide the following information: (1) a statement of whether the utility has executed contracts to provide reuse to the entities, and, if so, provide a copy of the current contract(s) and any previous contracts that have expired; (2) if the utility does not have a contract to provide reuse to the entities, provide a copy of any agreements or written understandings between the utility and any of these entities regarding the acceptance of reuse service; (3) a statement of whether the owners of the entities are affiliated or related parties to the utility, and, if so, a statement explaining the nature of the affiliation; and (4) a statement of whether the reuse water provided to the entities is metered, and, if so, please provide, for each meter, the associated reuse user name and the total annual gallons, by month, of reuse water registered by the meter for the 2005 test year and for the period from January 2006 through September 2006.
- (c) With regard to the parks, playgrounds, and landscaped areas stated above, please provide the following information: (1) the names of each park, playground, and landscaped area; (2) a statement of whether each park, playground, and landscaped area is publicly or privately owned and what the owner's name is; (3) a statement of whether the owner of any park, playground, and/or landscaped area is an affiliated or related party to the utility, and, if so, a statement explaining the nature of the affiliation; (4) a statement of whether there is any executed contract for to provide reuse to each park, playground, and landscaped area and, if so, a copy of all such current and expired contracts; (5) if the utility does not have a contract to provide reuse to parks, playgrounds, and landscaped areas, provide a copy of any agreements or written understandings between the utility and any of the owners regarding the acceptance of reuse service; and (6) a statement of whether the reuse water provided to these parks, playgrounds, and landscaped areas, is metered and, if so, provide, for each meter, the associated name(s) of the park(s), playground(s), and/or landscaped area(s) and the

total annual gallons, by month, of reuse water registered by the meter for the 2005 test year and for the period from January 2006 through September 2006.

- (d) With regard to reuse provided at road medians and right of ways, please provide for each meter, the total annual gallons, by month, of reuse water registered by the meter for the 2005 test year, and for the period from January 2006 through September 2006.
- (e) With regard to the interconnection with the City of Altamonte Springs for reclaimed water, please provide the following information: (1) a copy of the reclaimed water reuse agreement between the utility and the City of Altamonte Springs; and (2) the total annual gallons, by month, of reuse water registered by the meter for the 2005 test year and for the period from January 2006 through September 2006.
- (f) Please explain why has the utility not requested a tariffed reuse rate in this proceeding.
- (g) If the utility is not charging any of the reuse end-user(s) discussed above, has the utility considered doing so? If not, please explain why.
- (h) Are there any additional golf courses in Sanlando's service territory? If so, for each golf course, please state what the closest distance, in feet and miles, is to either the utility's wastewater treatment plant or Sanlando's existing reuse transmission line.
- (i) Has Sanlando placed any reuse quantity restrictions on any of the reuse user discussed above? If so, please explain in detail what the reuse quantity restriction is for each reuse user.
- (j) According to Schedule S-13 of Sanlando's 2005 Annual Report, the utility stated that the Gallimore Subdivision consisting of 112 units would be developed in 2006 with reuse facilities included. With regard to this development, please provide the following information: (1) a statement of whether reuse meters have been installed; (2) if meters have been installed, the cost per meter and whether the developer or customer directly paid for the meter installations; (3) if no meters have been installed, state whether there are any physical impediments or other restrictive factors that would prohibit the installation of reuse meters; and (4) if there are no physical impediments or other restrictive factors, state the estimated cost of installing a reuse meter.
- (k) In addition to the reuse services, reuse meter installations, and reuse transmission and distribution system plant breakdown reflected on MFR Schedule A-6, please provide a monthly breakdown from December 31, 2004 to December 31, 2005, by primary plant account, of the specific, incremental reuse plant (i.e. filtration and pumping equipment) installed by the utility in order to provide reuse.
- (l) In addition to the reuse services, reuse meter installations, and reuse transmission and distribution system accumulated depreciation breakdown reflected on MFR Schedule A-10, please also provide a monthly corresponding breakdown from December 31, 2004 to December 31, 2005, by primary plant account, of the associated accumulated

Mr. Martin S. Friedman, Esquire

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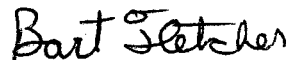
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depreciation and depreciation expense for the specific, incremental reuse plant (i.e. filtration and pumping equipment) installed by the utility in order to provide reuse..

- (m) With regard to the incremental reuse plant (i.e. filtration and pumping equipment) installed by the utility in order to provide reuse and the reuse transmission and distribution system, please provide, by primary operation & maintenance expense account, the associated expenses to operate its entire reuse system. The utility response should include, but not be limited to, the following information: the name of employees responsible for reuse operations, their total salary, their time spent on reuse versus wastewater, the utility's basis and support documentation used to derive their time spent on reuse, their associated salary amount for reuse; their total pensions and benefits; their associated amount of pensions and benefits for the reuse; the utility's basis and support documentation used to derive associated pensions and benefits for the reuse; the associated purchased power, materials and supplies, chemicals, contractual services, transportation, insurance and/or miscellaneous expenses for reuse; and the utility's basis and support documentation used to derive associated purchased power, materials and supplies, chemicals, contractual services, transportation, insurance and/or miscellaneous expenses for reuse.

Please submit the above information to the Division of the Commission Clerk and Administrative Services by November 13, 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 (Bruce, Bulecza-Banks, Daniel, Lingo, Reiger, Rendell)
Office of the General Counsel (Brubaker)
~~Division of the Commission Clerk and Administrative Services~~
Office of Public Counsel