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Public Service Commission

October 23, 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. 060261-WS, Application for increase in water and wastewater rates in Lake County by Utilities, Inc. of Pennbrooke

Dear Mr. Friedman:

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

- (1) For each pr oforma plant addition/project reflected on MFR Schedule A-3, please provide the utility's approved "Capital Project Request" from Integrated Solutions System.
- (2) Please provide a copy of the utility's sludge hauling contract.
- (3) On September 29, 2006, Pennbrooke provided its response to Audit Document Request PB-107-28. Included in Pennbrooke's response was a "Data file" for repair, gas costs and fees for fleet management for each vehicle.
 - (a) Please provide the invoices that support each charge on the "Data file."
 - (b) What is Pennbrooke's policy regarding personal use of its vehicles? If employees are allowed to use utility vehicles for personal use, provide an estimate of time the vehicle is used for personal reasons.
 - (c) Per MFR Schedules B-7 and B-8, transportation expenses have increased by \$5,776 (115%) since the 2001 test year. The utility's explanation was an increase in fuel costs, additional vehicles, staff increases and use of a generator. Please further explain each item in detail. Estimate the miles driven per week on utility business for each vehicle.

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- (d) Please explain the large amount of fuel consumption (\$8,836) for this utility.
- (4) 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, provide, by primary operation and 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.
- (5) In the utility's response to Audit Document Request PB-107-30, it stated "The elimination of the sand filter translates into a substantial reduction in operating expense including water and energy used for backwashing, backwash pump maintenance, media monitoring and replacement, and roof replacement."
- (a) Please state what the resulting reduction amount is for test year expenses.
- (b) Please provide all of the utility's calculations, bases, workpapers, and support documentation for the resulting reduction amount of test year expense.

As this case is scheduled for Agenda on January 9, 2007, it is imperative that I receive your response by November 10, 2006. If you have any questions, please contact me by phone at (850) 413-6427 or by e-mail at nmerta@psc.state.fl.us.

Sincerely,



Sam Merta
Professional Accountant Specialist

cc: Division of Economic Regulation (Bulecza-Banks, Daniel, Rieger, Rendell)
Office of the General Counsel (Brubaker)
Division of the Commission Clerk and Administrative Services (060261-WS)