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# Public Service Commission

December 19, 2006

## STAFF'S SEVENTH 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. 060256-SU - Application for increase in wastewater rates in Seminole County by Alafaya Utilities, Inc.**

Dear Mr. Friedman:

This is a follow-up letter to my e-mail sent December 15, 2006, to the utility and your firm. Again, the following questions related to an inconsistency in plant classification between the MFRs and Alafaya's 2005 Annual Report and to a significant plant reclassification.

On Annual Report Schedule S-4(a), the utility reflected \$6,704,071 in Account No. 354.2, Structures and Improvements under Collection Plant. However, on MFR Schedule A-6, Alafaya reflected \$1,539,941 in Account No. 354.2 under Collection Plant, and \$5,164,131 in Account 354.7 under General Plant.

(1) Provide a detailed explanation of why the MFR classifications for Structures and Improvements are different than the annual report classifications.

Pursuant to Order No. PSC-04-0363-PAA-SU, p. 51, issued April 5, 2004, in Docket No. 020408-SU, In re: Application for rate increase in Seminole County by Alafaya Utilities, Inc. the utility had \$4,899,161 in Account No. 380, Treatment and Disposal Equipment, excluding any pro forma plant adjustments. According to Order No. PSC-04-0363-PAA-SU, p. 24 Alafaya had \$1,526,628 of reuse plant investment recorded in Account No. 380 which was considered a 100% used and useful. However, the remaining amount of \$3,372,533 (\$4,899,161 less \$1,526,628) was considered 75.60% used & useful. In Alafaya's 2005 Annual Report, the utility made numerous plant reclassifications which included a \$4,916,358 reduction to Account No. 380, which left a balance of \$815,896. According to the Annual Report Schedules S-4 (a) &

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