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## Public Service Commission

February 9, 2007

### STAFF'S SIXTH DATA REQUEST

Valerie L. Lord, Esquire  
Rose, Sundstrom & Bentley, LLP  
2180 West State Road 434  
Sanlando Center, Suite 2118  
Longwood, Florida 32779

**Re: Docket No. 060253-WS - Application for increase in water and wastewater rates in Marion, Orange, Pasco, Pinellas and Seminole Counties by Utilities, Inc. of Florida.**

Dear Ms. Lord:

Staff needs the following information to assist in its review of UIF's application.

1. It appears that Utilities, Inc. of Florida (UIF or utility) is serving outside the utility's certificated territory in a number of UIF's water and wastewater systems. For example, in Orange and Seminole County, it appears from the water distribution and wastewater collection maps provided by the utility that the following customers are outside the utility's certificated territory:

A. Orange County

- (1) Davis Shores – one customer on Down Court.
- (2) Crescent Heights – eight customers on the north side of West Amelia Avenue.

B. Seminole County

- (1) Jansen Estates –
  - (a) seven customers on lots 6225, 6233, 6237, 6245, 6249, 6255, 6259 and 6226 on Linneal Beach Drive;
  - (b) four customers on Playaway/Brenda Drive;
  - (c) three customers on Junior Avenue/Center Street;
  - (d) four customers on Via Palma/Center Street;
  - (e) seven customers on Florence Avenue;
  - (f) six customers on Sombrero Avenue;
  - (g) fourteen customers on Courtney Court; and
  - (h) thirteen customers on Bear Lake Circle.
- (2) Oakland Shores – three customers on the Eastside of Maitland Avenue.
- (3) Park Ridge – one customer on Lakeside Drive and on Lake Minnie.

- (4) Phillips –
  - (a) four customers on lots 810, 100, 545 and an unidentified lot – one lot being north of Linda Lane, and three lots south of Linda Lane, all off Country Club Road; and
  - (b) nine customers in lots 107, 105, 103, 101, 409, 407, 206, and 402 and an unidentified lot – all in the northeast part of the map on Pine Lake Court.
- (5) Ravenna Park –
  - (a) Water Service
    - [1] four customers (three lots and one school), all being on Vihlen Road;
    - [2] one customer on lot 402 by the new toll road (the service area seems to follow the new toll road; however, no amendment application has been received to change the service area).
  - (b) Wastewater Service – the service area is not highlighted on the map. (Generally, the wastewater service area is the same as the water service area or less, so the same customers would probably be outside the service area.)

Please confirm that you are serving outside your certificated area for the above systems and customers, or explain why the service area boundary is not correct on the map.

2. If UIF is serving customers outside of its certificated area for these or any other UIF system, please describe when and under what circumstances you began serving these customers. Also, please explain why the utility did not amend its certificates in accordance with Section 367.045, Florida Statutes, to include the additional territory that is now being served.
3. For each customer that UIF is serving outside its certificated territory, please name the system and list the number of customers that are outside the utility's certificated area.
4. How long will it be before the utility files amendment applications in accordance with Section 367.045, Florida Statutes, to add the territory being served?
5. Please refer to MFR Schedule A-17 for each county. Provide a breakdown of accounts included in Deferred Debits with an explanation of what is included in each account.
6. Please refer to MFR Schedule B-13 for each county. Provide a breakdown of CIAC amortization expense.
7. Please refer to MFR Schedule B-14 for Seminole County. Explain why this schedule shows depreciation expense under the General Plant accounts while MFR Schedules A-6 and A-10 do not show plant or accumulated depreciation for any General Plant account.
8. For each county, please provide the CIAC amortization and rates for MFR Schedule B-13, spreadsheet column H.
9. Please refer to Marion County MFR Schedules A-6 and A-10. For Account 354.3 System Pumping Plant Structures and Improvements, why is Accumulated Depreciation shown on Schedule A-10 but no plant shown on Schedule A-6?

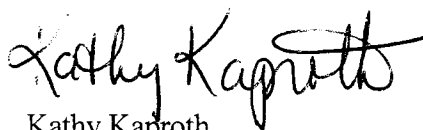
10. Refer to MRR Schedules B-5 and B-6 for each county. Please provide an explanation of Account 675 Miscellaneous Expenses. Explain why are these amounts so large as compared to other expenses.
11. Concerning the testing of the well flow meters at Golden Hills, Marion County:
  - A. What caused UIF to test the in-line flow meters with a portable meter?
  - B. What is the frequency of testing these meters with a portable meter?
  - C. When was the testing conducted for the test year adjustment shown on MFR Schedule F-1, page 92, Volume I-A?
  - D. Does UIF perform similar testing at other well sites?
    - (1) If so, please provide a list of the other sites tested along with the frequency of testing.
12. Concerning total water gallons pumped/corrected gallons pumped at Golden Hills, Marion County:
  - A. Why does the amount of water pumped listed on the Monthly Operating Reports submitted to the DEP for the test year in Volume III, Section 4, not match the corrected water pumped column amounts listed on MFR Schedule F-1, page 92, Volume I-A?
  - B. What is the amount of water pumped for test year 2005 that was reported to the Water Management District (WMD)?
  - C. If the amount of water pumped and reported to the WMD does not match the gallons shown on MFR Schedule F-1, page 92, Volume I-A, explain why.
  - D. How was the Maximum Day and Five Day Maximum Year gallons determined on MFR Schedule F-3, page 92, Volume I-A, when the Monthly Operating Reports list daily amounts in thousand of gallons only?
  - E. Are these amounts listed as Maximum Day gallons and Five Day Maximum Year gallons the total pumped gallons corrected or not corrected (see MFR Schedule F-1, page 92, Volume I-A for explanation of corrected gallons)?
  - F. Why do the gallons sold listed on MFR Schedule F-1, page 92, Volume I-A, not match the gallons sold on MFR Schedule F-9, page 92, Volume I-A?
13. Concerning the wastewater calculations at the Crownwood treatment plant, Marion County:
  - A. Please explain how the 22,839 gallons of TMADF was calculated on MFR Schedule F-4, page 92, Volume I-A.
    - (1) Although the regression analysis calculation shows a five year growth of 164 ERCs on MFR Schedule F-10, page 92, Volume I-A, does the utility realistically expect that growth amount?
    - (2) If that growth is not expected, what growth amount should be used?
  - B. Please explain the source of the 7 ERCs per year growth on MFR Schedule F-8, and state why this amount should be used instead of the 164 ERCs listed on MFR Schedule F-10.
  - C. Please explain the derivation of the 45 gpd/ERC listed on MFR Schedule F-8.
  - D. Please explain the derivation of the 1664 gpd listed on MFR Schedule F-8.
14. Concerning the water system at Buena Vista in Pasco County: Please explain why a generator has been installed at this system when this system has an interconnect with Aloha Utilities.
  - A. What steps has the utility taken to reduce the amount of unaccounted for water for this system since the test year?

15. Concerning the water system at Orangewood/Wis-Bar in Pasco County, please explain the reason(s) for the negative unaccounted for water amounts in June and July of the test year as listed on MFR Schedule F-1, page 103, Volume I-C.
16. Concerning the water system at Summertree, Pasco County:
  - A. Please explain the reason(s) for the negative unaccounted for water amounts in June, August, September, and November of the test year as listed on MFR Schedule F-1, page 113, Volume I-C.
  - B. Please explain the source of the amounts in the Other Uses column on MFR Schedule F-1, page 113, Volume I-C, and how those amounts are calculated.
  - C. A number of letters have been received by the Commission from water customers of this system, stating that the utility has failed to pass the health standards tests for the past six quarters. Please explain what tests the utility has failed to pass in the last six quarters.
  - D. Has the utility had correspondence from the DEP regarding failure to meet health standards?
  - E. If correspondence has been received from the DEP, please summarize the findings and conclusions. Also, provide the reports to staff.
  - F. Regarding these failed tests, what steps is the utility taking to improve or change the water quality so that health standards will be met?
  - G. What communication has been transmitted to the Summertree customers explaining the test results for the last six quarters?
  - H. What is the time frame anticipated for meeting these health standards?
17. Concerning the wastewater system at Summertree, Pasco County:
  - A. Please explain the reason for the difference between the total purchased sewage treatment on MFR Schedule F-2, page 114, Volume I-C, and the total wastewater gallons sold on MFR Schedule F-10, page 122, Volume I-C.
  - B. If any portion of this difference is due to infiltration and inflow, please include those calculations.
18. Concerning the water system at Lake Tarpon in Pinellas County, what steps has the utility taken to reduce the amount of unaccounted for water for this system since the test year?
19. Please list each of the systems for which UIF is charging miscellaneous service charges and the dates on which such charges began.
20. Also, provide any information that UIF may have which shows that these charges were approved for UIF by the Commission.

Ms. Valerie L. Lord, Esquire  
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Please submit the above information to the Division of the Commission Clerk and Administrative Services by February 19, 2007. If you have any questions, please contact me by phone at (850) 413-6922, or by e-mail at [kkaproth@psc.state.fl.us](mailto:kkaproth@psc.state.fl.us).

Sincerely,

A handwritten signature in black ink that reads "Kathy Kaproth". The signature is written in a cursive style with a large, prominent "K" and "A".

Kathy Kaproth  
Professional Accountant Specialist

KK

cc: Division of Economic Regulation (Bulecza-Banks, Slemkewicz, Romig, Marsh, Redemann, Walden)  
Office of the General Counsel (Jaeger)  
Division of the Commission Clerk and Administrative Services  
Office of Public Counsel