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January 22, 2008

VIA HAND DELIVERY

ROBERT M. C. ROSE, (1924-2006)

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(LICENSED IN NEW YORK ONLY)

RECEIVED-FPSC  
08 JAN 22 PM 12:29  
COMMISSION  
CLERK

Ms. Ann Cole, Clerk  
Professional Accountant Specialist  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: Docket No. 060122-WU; Application for a limited proceeding increase in water rates in Pasco County by Aloha Utilities, Inc.; **Response to Staff's Fifth Data Request**  
Our File No. 26038.49

Dear Ms. Cole:

In response to Staff's Fifth Data Request dated December 21, 2007, please see below:

1. In response to staff audit request, Aloha provided, in part, Invoice Nos. 0697, 0717, and 0725 from David W. Porter, P.E. Please provide the job detail reports associated with these invoices.

Utility Response: See attached documents.

CMP \_\_\_\_\_  
COM \_\_\_\_\_  
CTR \_\_\_\_\_  
ECR \_\_\_\_\_  
GCL 2 \_\_\_\_\_  
OPC \_\_\_\_\_  
RCA \_\_\_\_\_  
SCR \_\_\_\_\_  
SGA \_\_\_\_\_  
SEC \_\_\_\_\_  
OTH \_\_\_\_\_

2. In response to staff audit request, Aloha provided in part, Invoice Nos. 12-002-04S, 12-003-04S, and 03-013-05S from Marolf Environmental, Inc. All of these invoices reflect that the services were for Job Nos. 2616 and 2617. Job Nos. 2616 and 2617 relate to the utility's Aloha Gardens' water and Seven Springs' water systems, respectively. However, in the instant proceeding, Aloha has requested that the entire amount of these invoices be recovered for its Seven Springs' water system.

DOCUMENT NUMBER-DATE

00522 JAN 22 08

FPSC COMMISSION CLERK

(a) Because the invoices reflect that the services were for both the Aloha Gardens' water and Seven Springs' water systems, would it be appropriate to allocate 50% of the invoice amounts to each water system?

**Utility Response: No.**

(b) If the answer to Question 2(a) above is "no", please explain why the utility believes it is appropriate to allocate 100% of these invoices to its Seven Springs' water system. In its response, Aloha should include all bases, assumptions, and/or work papers supporting its 100% allocation to the Seven Springs' water system.

**Utility Response: The short response to the inquiry is that it is appropriate to allocate 100% of these invoices to Aloha's Seven Springs' water system because 100% of the referenced work relates to that water system. Prior to coding the bills from Marolf Environmental, the Aloha staff would look into what was done during that time period and at which well. Likewise, a close examination of these particular invoices reveals, as referenced below, that the invoices relate to the Seven Springs' water system.**

**Invoice 12-002-04S – Please see attached invoices from Pasco Blueprint Company obtained from Marolf Environmental. Marolf Environmental separated Seven Springs and Aloha Gardens and invoiced us separately. The clerk at Marolf Environmental made an error in not removing the Aloha Gardens job no. and description when she separated the bills.**

**Invoice 12-003-04S – During the time period for this invoice 11-16-04 to 12-9-04, the Sr. Project Manager and his clerk were the only staff on the Aloha Utilities job. All of the Sr. Project Managers time was spent planning and working at the Mitchell WTP. This site has two of Aloha Seven Springs' wells pumping into the 500,000 gallon storage tank. The Marolf Environmental clerk made an error in including job no. 2616 at the top of the invoice, as you will note the job description only lists Seven Springs.**

**Invoice 03-013-05S – If you look at the Florida Utility Groups invoice 897 and 981 which are for the time frame in question, the only work done for Aloha Gardens (Darlington) was done on 3-3-05 and 3-4-05 during the time period of the invoice which was 2-21-05 to 3-18-05. The Sr. Project Manager did not have hours recorded for either day that the work was being done on Aloha Gardens.**

3. In response to a staff audit request, Aloha provided, in part, Invoice No. 0452 from Civil Engineering Associates, Inc. This invoice includes a total 18.5 hours for the professional engineer, which includes 9 hours related to "[w]ork on assembling Photos for Aloha Gardens". However, in the instant limited proceeding, Aloha has requested that the entire amount of this invoice be recovered for its Seven Springs water system.

(a) Would it be appropriate to allocate the aforementioned 9 hours to the Aloha Gardens water and/or wastewater system?

**Utility Response: We agree with the staff, the nine hours should be allocated to Aloha Gardens' water system.**

(b) If the answer to Question 3(a) above is "no", please explain why the utility believes it is appropriate to allocate 100% of this invoice to its Seven Springs water system. In its response, Aloha should include all bases, assumptions, and/or workpapers supporting its 100% allocation to the Seven Springs water system.

**Utility Response: N/A**

4. On Schedule No.7 of Aloha's Exhibit B, the utility reflected \$25,832 for fencing under Account No. 304.203. In its response to Question 14(a)(1) to Staff's Second Data Request, Aloha stated that the old fences were removed to allow for the construction of the expanded chloramine facilities at each plant and were replaced with larger fences to accommodate the expanded facilities. On Schedule No.10 of the utility's Exhibit B, Aloha reflected retirements for Account Nos. 304.033 and 320.033. Because the utility recorded the new fences under Account No. 304.023, it appears the utility did not include any retirement adjustments for the old fences. Please provide the retirement journal entries for the old fences, including the invoices for the original cost of the old fences.

**Utility Response: The fencing at the seven wells in the Seven Springs service area was installed many years ago and at different times, which cannot be identified with any certainty. Aloha is unable to identify any specific invoices related to the original cost of these fences, much less provide copies of any invoices.**

**Further, Aloha does not know which account the fencing that was scrapped**

was recorded in. The best guess is that it is in account 304.023. Although immaterial, the Company proposes the following retirement entry:

2005 cost of new fencing	\$ 25,832
Factor used by PSC to determine an estimate of original cost when source data is not available	<u>75%</u>
Estimated original cost of fencing retired	<u>\$ 19,374</u>

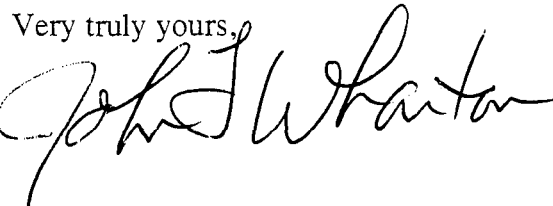
The following Journal Entry is proposed:

	<u>Debit</u>	<u>Credit</u>
Accumulated depreciation - account 304.023	\$19,374	
Structures & Improvements - Source of Supply and Pumping Plant		\$19,374

The proposed reduction to depreciation expense is as follows:

Estimated original cost of retired fencing per above	\$19,374
Depreciation rate for structures & improvements	<u>3.13%</u>
Annual reduction to depreciation expense	<u>\$ 606</u>

Should you have any questions or need anything further, please do not hesitate to contact me.

Very truly yours,  
  
JOHN L. WHARTON  
For the Firm

JLW/brm

aloha\49\cole 5th data request response

Documents Responsive to No. 1

DOCUMENT NUMBER-DATE

00522 JAN 22 8

FPSC-COMMISSION CLERK

July 1, 2003

Mr. Stephen G. Watford, President  
Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, FL 34655

Re: Project Number AUI-028-5-S  
2002 Water System Upgrade Report  
Invoice Number 697 For Period May 31, 2003, 2003 – June 27, 2003

Dear Steve,

This invoice covers the period referenced above. All work was completed as part of my project number AUI-028-5-S (2002 Water System Upgrade Report).

Work completed for you this four (4) week period is detailed below:

**Week of June 6, 2003:**

Prepare for meeting with Pasco County (Doug Bramlett and Bruce Kennedy) to discuss AUI water needs and Pasco County's potential to supply same. Attend meeting at Pasco County Utilities offices with Steve Watford.

**Week of June 13, 2003:**

No activity.

**Week of June 20, 2003:**

Conference call with Marty Deterding, John Wharton and Steve Watford related to DCA motion ruling and water system analysis work that will need to be completed and timing. Attend meeting of CAC at New Port Richey. Meetings at Aloha's offices to discuss CAC meeting and interaction with Dr. Levine (OPC expert). Meet with Tom Pound, Dale and Charlie Painter to tour Pasco County chloramine disinfection facilities. Prepare for meeting (week of June 27<sup>th</sup>) with Dr. Levine; gather and tabulate last two years water system operating data and chemical testing data.

**Week of June 27, 2003:**

Meet with Steve, Tom and Dr. Levine at USF to discuss her work and answer her questions. Meet with Tom, Charlie Painter and Dr. Levine at NPR to tour Seven Springs Water System and answer her questions. Meet with Tom, Charlie and Dr. Levine at Aloha's offices to discuss the Seven Springs Water System and answer her questions. Conference call with Tom and Steve to discuss Dr. Levine's meetings and her tour of the SS Water System.

Mr. Stephen G. Watford, President  
July 1, 2003  
Page 2

**Man-hours expended and fee:**

Porter: 65.5 hrs. @ \$85/hr. = \$5,567.50

**Expenses:**

Auto Mileage: 1,300 miles @ \$0.355/mile = \$461.50

Hotel: 2 room nights = \$84.24

Certified Mail/Return Receipt Request: = \$0.00

Overnight Mail (0 packages): = \$0.00

The total fee due this month for all of the work completed as detailed above is \$6,113.24. When remitting, please note my project number AUI-028-5-S.

Thank you for the continued opportunity to serve Aloha Utilities, Inc. If you have any questions please call me.

Sincerely yours,

David W. Porter, P.E.  
Water and Wastewater Engineering Consultant

November 29, 2003

Mr. Stephen G. Watford, President  
Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, FL 34655

Re: Project Number AUI-028-5-S  
2002 Water System Upgrade Report  
Invoice Number 0717 For Period November 1, 2003 – November 28, 2003

Dear Steve,

This invoice covers the period referenced above. All work was completed as part of my project number AUI-028-5-S (2002 Water System Upgrade Report).

Work completed for you this four (4) week period is detailed below:

**Week of November 7, 2003:**

Meeting with Audrey Levine and Steve Watford and Univ. of South Florida to discuss first round water testing data and to plan second round testing activities and date.

**Week of November 14, 2003:**

Participate in second round of water system testing with Audrey Levine, her sampling team and CAC member (Dr. Gaul) and Tom Pound, Charles Painter and Erin McCarter (Short Labs sampling technician).

**Week of November 21, 2003:**

No activity.

**Week of November 28, 2003:**

No activity.



Mr. Stephen G. Watford, President  
November 29, 2003  
Page 2

**Man-hours expended and fee:**

Porter: 190.0 hrs. @ \$85/hr. = \$1,615.00.00

**Expenses:**

Auto Mileage: 670 miles @ \$0.355/mile = \$237.85

Hotel: 0 room night @ \$76.59 = \$0.00

Certified Mail/Return Receipt Request: = \$0.00

Overnight Mail (0 packages): = \$0.00

The total fee due this month for all of the work completed as detailed above is \$1,852.85. When remitting, please note my project number AUI-028-5-S.

Thank you for the continued opportunity to serve Aloha Utilities, Inc. If you have any questions please call me.

Sincerely yours,

David W. Porter, P.E.  
Water and Wastewater Engineering Consultant

February 3, 2004

Mr. Stephen G. Watford, President  
Aloha Utilities, Inc.  
6915 Perrine Ranch Road  
New Port Richey, FL 34655

Re: Project Number AUI-028-5-S  
2002 Water System Upgrade Report  
Invoice Number 0725 For Period January 3, 2004 – January 30, 2004

Dear Steve,

This invoice covers the period referenced above. All work was completed as part of my project number AUI-028-5-S (2002 Water System Upgrade Report).

Work completed for you this four (4) week period is detailed below:

**Week of January 9, 2004:**

Telephone conversation with Dr. Levine to discuss receiving her data from round two testing and the status of her preparation of volume 2 of her report.

**Week of January 16, 2004:**

Telephone conversation with Dr. Levine to discuss receiving her data from round two testing and the status of her preparation of volume 2 of her report.

**Week of January 23, 2004:**

Attempted to contract Dr. Levine to determine the status of completion of volume 2 of her report. Telephone conversations with Steve related to CAC group meeting postponement.

**Week of January 30, 2004:**

Telephone conversation with Dr. Levine to discuss the status of her preparation of volume 2 of her report. Called Steve regarding my conversation with Dr. Levine.

Mr. Stephen G. Watford, President  
February 3, 2004  
Page 2

**Man-hours expended and fee:**

Porter: 3.5 hrs. @ \$85/hr. = \$297.50

**Expenses:**

Auto Mileage: 0 miles @ \$0.355/mile = \$0.00

Hotel: 0 room night @ \$76.59 = \$0.00

Certified Mail/Return Receipt Request: = \$0.00

Overnight Mail (0 packages): = \$0.00

The total fee due this month for all of the work completed as detailed above is \$297.50. When remitting, please note my project number AUI-028-5-S.

Thank you for the continued opportunity to serve Aloha Utilities, Inc. If you have any questions please call me.

Sincerely yours,

David W. Porter, P.E.  
Water and Wastewater Engineering Consultant

Documents Responsive to No. 2(b)



**Pasco  
Blueprint  
& Supply Co.**

5323 Main Street  
New Port Richey, Florida 34652  
Phone (727) 847-1251  
Fax (727) 845-4366  
E-mail: PASCOBPRINT@MICROD.COM

DEC 2004

BILL TO

MAROLF ENVIROMENTAL, INC.  
6020 COUNTRYMAN LANE  
NEW PORT RICHEY, FL. 34652

**INVOICE**

**15056**

Terms: Net 30 Days

DATE

12/6/2004

QTY.	DESCRIPTION	RATE	AMOUNT
35	24 X 36 BOND COPIES	1.20	42.00T
5	COLLATE & BIND 24" ALOHA GARDENS CONST.	0.25	1.25T
60	24 X 36 BOND COPIES	1.20	72.00T
5	COLLATE & BIND 24" 7 SPRINGS	0.25	1.25T
	DF2616		
	Subtotal		116.50
	Florida	6.00%	6.99
RECEIVED BY		TOTAL	\$123.49

**WE THANK YOU FOR YOUR BUSINESS**



**Pasco  
Blueprint  
& Supply Co.**

5323 Main Street  
New Port Richey, Florida 34652  
Phone (727) 847-1251  
Fax (727) 845-4366  
E-mail: PASCOPRINT@MICROD.COM

BILL TO

MAROLF ENVIROMENTAL, INC.  
6020 COUNTRYMAN LANE  
NEW PORT RICHEY, FL. 34652

**INVOICE 15120**

Terms: Net 30 Days

DATE 12/14/2004

QTY.	DESCRIPTION	RATE	AMOUNT
36	24 X 36 BOND COPIES	1.20	43.20T
3	COLLATE & BIND 24" ALOHA	0.25	0.75T
75	24 X 36 BOND COPIES	1.20	90.00T
3	COLLATE & BIND 24" SEVEN SPRINGS	0.25	0.75T
	Subtotal		134.70
	Florida	6.00%	8.08
RECEIVED BY			TOTAL \$142.78

*PO#  
DF 2616*

**WE THANK YOU FOR YOUR BUSINESS**