

Diamond Williams

100149-WU

From: Dana Rudolf [DRudolf@RSBattorneys.com]
Sent: Wednesday, November 03, 2010 4:40 PM
To: Filings@psc.state.fl.us
Cc: Christian W. Marcelli; Trina Collins; ewallace@niamerica.com; bwilkinson@niamerica.com; donald.clayton@tangibl.com; Bart Fletcher
Subject: Docket No. 100149; Application for increase in water rates in Lee County by Ni Florida, LLC.
Attachments: PSC Clerk 12 (Filing Response to Staff's 4th Data Request) ltr.pdf

- a) Christian W. Marcelli, Esquire
Rose, Sundstrom & Bentley, LLP
766 North Sun Drive, Suite 4030
Lake Mary, FL 32746
(407) 830-6331
cmarcelli@rsbattorneys.com
- b) Docket No. 100149-WU
Application for increase in water rates in Lee County by Ni Florida, LLC.
- c) Ni Florida, LLC
- d) 4 pages
- e) Response to Staff's Fourth Data Request dated October 14, 2010.

11/3/2010

DOCUMENT NUMBER DATE
09161 NOV-3 2
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Please Respond to the Longwood Office

November 3, 2010

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Ann Cole, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Docket No. 100149-WU; Ni Florida, LLC - Tamiami
Application for an Increase in Water Rates in Lee County, Florida
Our File No.: 43053.04

Dear Ms. Cole:

Enclosed for filing in the above-referenced docket is the response of Ni Florida, LLC - Tamiami (the "Utility") to Staff's fourth data request dated October 14, 2010. Staff has requested the following information in order to complete its analysis in the above-referenced docket.

1. Several customers were concerned with the 8.67 percent benchmark stated on Schedule No. B-7 of the MFRs. Please explain in detail how the Utility calculated the 8.67 percent benchmark.

RESPONSE: The benchmark is calculated as shown below:

| | |
|-------------------------------|----------------|
| 12/31/08 Number of Customers | 745 |
| 12/31/09 Number of Customers | <u>743</u> |
| Change in Number of Customers | -2 |
| Change (-2 divided by 743) | -.00269 |
| CPI-U at 12/31/05 | 195.300 |
| CPI-U at 12/31/09 | <u>214.537</u> |
| Change in CPI-U | 19.237 |

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09161 NOV-3 09

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$$\begin{aligned} \text{Change in CPI-U (19.237 divided by 214.537)} & \quad .08967 \\ \text{Composite factor} & = [(1+(-.00269)) \times (1+.08967)] - 1 = .0867 \\ \text{Benchmark percent} & = .0867 \times 100 = 8.67\% \end{aligned}$$

2. Some of the customers stated that they did not receive a new water meter during the recent water meter replacement program. Please explain why some customers did not receive a new water meter and if the Utility intends to replace any more meters in the near future.

RESPONSE: Ni Florida - Tamiami replaced most meters in the system. Meters in some areas where meters had more recently been replaced were skipped initially. However, a meter testing plan is now in place to address those meters first. The meters that have not been replaced will be addressed in the first two years of the meter testing plan. In the third year, and every year thereafter, approximately 40 of the new meters will be tested and replaced as needed.

3. The community manager stated at the customer meeting that the Utility does not adequately provide boil water notices to those who are staying at the RV park. Please explain how the Utility provides boil water notices.

RESPONSE: The present procedure to provide notification of a boil water notice includes the total involvement of the community manager. The boil water notices are written at the Utility's Compliance Department and e-mailed or faxed to the community manager's office. The Utility pays the community manager to print the notice and the Utility's staff picks them up for distribution throughout the community. However, the RV park is a single customer that supplies water to their residents. As the residents are not Ni Florida's direct customers, the Utility's staff does not distribute notices to them. The community manager is responsible for the distribution of the notices and is paid to distribute these notices. Since the Utility installed isolation valves in the system, fewer customers will be affected by system outages.

4. It was brought to staff's attention at the customer meeting that two of the Utility's employees reside in the service territory. Please provide the duties, responsibilities and the number of hours worked for these employees. If these employees are responsible for connection and disconnections, please explain how their cost will factor into the cost justification associated with miscellaneous service charges.

RESPONSE: There are two part time employees that work for Florida Utility Group, LLC and live in the service area of Ni Florida - Tamiami. These employees are Florida Utility Group, LLC's local representatives and perform small tasks that are required from time to time. The tasks include connections, disconnections, re-reading meters, responding to complaints of leaks, repairing minor leaks, overseeing repairs made by sub-contractors. The employees also are involved in water line locating, the flushing and valve exercising programs, performing daily chlorine testing and handing out boil water and rescission notices. These employees average 20 hours of work per week.

As Florida Utility Group, LLC performs connection and disconnection services for Ni Florida - Tamiami, the cost associated with these services are charged on an as needed basis and are not part of a salaried position dedicated to this project. The hourly rate that Florida Utility Group, LLC charges Ni Florida, LLC - Tamiami is \$27.50 per hour. Travel or mobilization time is charged separately and is incremental to the hourly rate.

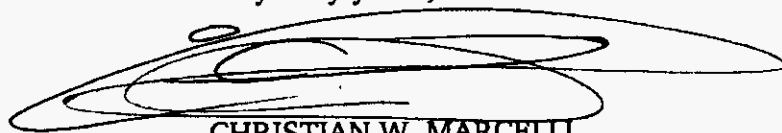
5. Additionally, the Utility's response to staff's audit dated September 8, 2010 was due September 23, 2010. To date, staff has not received the Utility's response. Please provide a response.

RESPONSE: Ni Florida, LLC - Tamiami did not file a response to staff's audit dated September 8, 2010 because it has decided not to oppose the audit findings.

Ann Cole, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
November 3, 2010
Page 4

Should you or members of the Staff have any questions regarding this filing, please do not hesitate to give me a call.

Very truly yours,

A handwritten signature in black ink, appearing to read 'CHRISTIAN W. MARCELLI', is written over a large, loopy scribble.

CHRISTIAN W. MARCELLI
For the Firm

CWM/tlc

cc: Ed Wallace, President (via e-mail)
Mr. Benny Wilkinson (via e-mail)
Mr. Donald Clayton (via e-mail)
Mr. Bart Fletcher (via e-mail)

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