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STATE OF FLORIDA



MARSHALL WILLIS, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850)413-6900

Public Service Commission

July 15, 2011

Mr. John Q. Adams II, CPA
Adams & Company, P.A.
910 SW 1st Avenue, Suite 201
Ocala, FL 34471

RECEIVED-FPSC
11 JUL 18 AM 10:31
COMMISSION
CLERK

Re: Docket No. 100048-WU - Application for increase in water rates in Marion County by Sunshine Utilities of Central Florida, Inc.

Dear Mr. Adams:

Staff needs the following information to complete our review of the application filed by Sunshine Utilities of Central Florida, Inc. (Utility or Sunshine).

Rate Case Expense

The following items relate to the Utility's requested rate case expense.

1. For each individual person, in each firm providing consulting services to the applicant pertaining to this docket, provide the billing rate, and an itemized description of work performed. Please provide detail of hours worked associated with each activity. Also provide a description and associated cost for all expenses incurred to date.
2. For each firm or consultant providing services for the applicant in this docket, please provide copies of all invoices for services provided to date.
3. If rate consultant invoices are not broken down by hour, please provide reports that detail by hour, a description of actual duties performed, and amount incurred to date.
4. Please provide an estimate of costs to complete the case by hour for each consultant or employee, including a description of estimated work to be performed, and detail of the estimated remaining expense to be incurred through the PAA process.
5. Please provide an itemized list of all other costs estimated to be incurred through the PAA process.

O&M Expenses

1. According to MFR Schedule B-3 (combined), the Utility has proposed an increase of \$289 for Salaries. Please provide an executed copy of the current contract with the Operator. Please provide all of the Utility's calculations, basis, workpapers, and support documentation for the above adjustment to Salaries.
2. According to MFR Schedule B-3 (combined), Sunshine has proposed an adjustment to increase its transportation expense by \$10,032. Please provide all of the Utility's calculations, basis, workpapers, and support documentation for the above adjustment to uncollectable accounts.
3. According to MFR Schedule B-5 (combined), Salaries & Wages – Officers increased substantially in December 2010 when compared to previous months. Please provide all of the Utility's calculations, basis, workpapers, and support documentation for the above increase in Salaries & Wages – Officers.
4. According to MFR Schedule B-5 (combined), Employee Pensions & Benefits increased substantially in April 2010 and October 2010 when compared to other months. Please provide all of the Utility's calculations, basis, workpapers, and support documentation for the above increase in Employee Pensions & Benefits.
5. According to MFR Schedule B-5 (combined), Contractual Services – Other increased substantially in November 2010 when compared to other months. Please provide all of the Utility's calculations, basis, workpapers, and support documentation for the above increase in Contractual Services – Other.
6. According to MFR Schedule B-5 (combined), Miscellaneous Expenses increased substantially in October 2010 when compared to other months. Please provide all of the Utility's calculations, basis, workpapers, and support documentation for the above increase in Miscellaneous Expenses.
7. Please provide the Utility's Bad Debt Expense balance for the period January 1, 2011 through June 30, 2011.
8. According to MFR Schedule B-11, Sunshine has proposed tank inspections of \$30,583 every five years. Please provide all of the Utility's calculations, basis, workpapers, and support documentation for the above tank inspections.

System Capacity Charges

1. According to MFR Schedule E-10, the Utility has proposed an increase in its system capacity charge for Residential – per ERC (350 GPD) from \$420 to \$480 and an increase in its All others – per Gallon/ Day from \$1.20 to \$1.37. The Utility did not provide the schedule fo present and proposed service availability charges required by Rule 25-30.565, F.A.C. Please provide all of the Utility’s calculations, basis, workpapers, and support documentation required by Rule 25-30.565 F.A.C. Enclosed with this letter is a copy of Rule 25-30.565 F.A.C. as well as an example of the support documentation required by Rule 25-30.565 F.A.C.

Maps

The following maps were filed with the application, but these subdivisions/systems are not listed on Schedule F-3:

- Baldwin Heights
- Ballard Acres
- Boulder Hill
- Burks
- Carol Estates East
- Carol Estates
- Country Aire
- Coventry
- Lake in the Forest
- Jason’s Landing
- Lake Bryant Estates
- Lake Bryant Ridge
- North Side Villas
- Pearl Brittain Estates
- Reynolds
- Sutton’s Duplex
- Silverwood Villas
- Spanish Palms
- Stone Hill
- Sugar Plum
- Urban Mobile Home Park

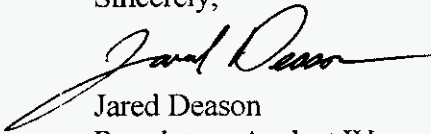
1. Please explain the significance of the above listed maps/subdivisions to the rate case application.
2. Are these systems included in the filing? Are these systems interconnected to any other systems listed on Schedule F-3? If so, which systems are interconnected?

Operators

1. Please explain who oversees the operation of the Utility's water treatment plants, how those persons are paid, how the costs are allocated between systems, and the total amount paid for the test year.
2. Are the operators for Sunshine's water treatment plants employees of the utility or are the operators retained on a contractual basis?
3. If contract operators, please provide a copy of the contract.

Please submit the above information to the Office of Commission Clerk by August 15, 2011. If you have any questions, please contact me by phone at (850) 413-6844 or by e-mail at jdeason@psc.state.fl.us.

Sincerely,



Jared Deason
Regulatory Analyst IV

cc: Division of Economic Regulation (Maurey, Fletcher, Brown, Daniel, Stallcup, Lingo, Thompson)
Office of the General Counsel (Jaeger)
Office of Commission Clerk
Office of Public Counsel