



May 28, 2013

VIA FEDEX

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

RECEIVED-FPSC  
13 MAY 29 AM 10: 22  
COMMISSION  
CLERK

Re: Docket No. 120209-WS; Application for increase in water and wastewater rates in Marion, Orange, Pasco, Pinellas, and Seminole Counties by Utilities, Inc. of Florida  
Our File No.: 30057.207

Dear Clerk:

The following are responses to Staff's Deficiency letter dated April 26, 2013:

1. Rule 25-30. 110(2), Florida Administrative Code (F.A.C.) requires that the MFRs shall be consistent and reconcilable with the Utility's annual report. The following account balances for December 2011 listed in the MFRs do not lie to the year end balances in the Utility's 2011 Annual Report.

Orange County

- a) MFR Schedule A-1, Schedule of Water Rate Base, page I of I column (2), lines 1, 9, 11, 13, and 23 do not tie to Annual Report Schedule W-2.

**RESPONSE:** The items listed on MFR Schedule A-1 page 1 of 1 column (2), lines 1, 9, 11, 13, and 23 do not tie to the Annual Report because the balances displayed on this MFR schedule are the Average Balances for the Test Year not the December 31, 2011 balances. For the December 31, 2011 balances please see tab "Orange a)" of the attached workbook. In addition, to the December 31, 2011 balances, this MFR schedule's balances differ from the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 which states,

*"The 2011 ending balances did not tie to the balances in the 2011 Annual Report. The reason for the difference is due to the way that the new system accounts for balance sheet items. In 2008, the new system, JD Edwards Enterpriseone (JDE) no longer accounted for the subdivision of the plant*

COM  
AFD Map+CD  
APA  
BCO  
ENG  
GCL  
IDM  
IBL  
CLK

02942 MAY 29 2013  
FPSC-COMMISSION CLERK

*accounts on the general ledger. JDE contains three separate ledgers, the AA, UA and UR ledger, which pertain to the general ledger, allocation ledger and commission adjustment ledger respectively. JDE also does not work with subdivisions, it utilizes business units (BU) which, like subdivisions, can be combined to obtain county and company information. Currently, the UIF ledger holds the balance sheet accounts at a consolidated company level. The actual amount of plant for each business unit, which can be combined to obtain county balances, can be determined when the fixed asset report is utilized. The fixed asset report reconciles to the asset and its respective A/D, CIAC and A/A of CIAC accounts to the AA Ledger based on business unit. In 2008, the AA ledger was broken out based on business unit and combined appropriately. However, the UA and UR ledger were allocated based on an incorrect ERC calculation. The UR ledger is also county identifiable based on business unit and should have been separated accordingly into the appropriate county. The UA ledger should have been allocated out based on the proper ERCs. However, in the filing, the company has rectified these calculations and made all appropriate adjustments to correct all the affected accounts. The reconciliations providing these adjustments will be offered subsequent to the MFR filing. The 2013 annual report will be based on the correctly identifiable county specific numbers from the filing taking into account all suitable additions and retirements.”*

Please also see tab “MFR\_v\_AR\_TB” for the reconciliation of the MFR to the UIF 2011 annual report.

- b) MFR Schedule A-5, Schedule of Water Plant in Service by Primary Account, page 1 of 2 column (2), lines 2, 3, 6, 7, 10, 18, 21, 27-32, 35-38, 40, 43, 45, and 47 and page 2 of 2, line 47 do not tie to Annual Report Schedule WM4(a).

**RESPONSE:** The items listed on MFR Schedule A-5 page 1 of 2 column (2), lines 2, 3, 7, 10, 18, 21, 27-32, 35-38, 40, 43, 45, and 47 and page 2 of 2, line 47 do not tie to the Annual Report because the balances displayed on this MFR schedule are the Average Balances for the Test Year not the December 31, 2011 balances. For the December 31, 2011 balances please see tab “Orange b)” of the attached workbook. In addition to the December 31, 2011 balances, this MFR schedule’s balances differ from the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab “MFR\_v\_AR\_TB “ for the reconciliation of the MFR to the UIF 2011 annual report.

- c) MFR Schedule A-9, Schedule of Water Accumulated Depreciation by Primary Account, page 1 of 2, column (2), lines 2, 3, 7, 10, 14, 18, 20, 21, 27-30, 32, 36-38, 40, 43, 45, and 47 do not tie to Annual Report Schedule W-6(b).

**RESPONSE:** The items listed on MFR Schedule A-9 page 1 of 2 column (2), lines 2, 3, 7, 10, 14, 18, 20, 21, 27-30, 32, 36-38, 40, 43, 45, and 47 do not tie to the Annual Report because the balances displayed on this MFR schedule are the Average Balances for the Test Year not the December 31, 2011 balances. For the December 31, 2011 balances please see tab "Orange c)" of the attached workbook. In addition to the December 31, 2011 balances, this MFR schedule's balances differ from the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB " for the reconciliation of the MFR to the UIF 2011 annual report.

- d) MFR Schedule B-1, Schedule of Water Net Operating Income, page 1 of 1, column (2), lines 3, 5, 9, 11, 13, 15, and 18 do not tie to Annual Report Schedule W-3.

**RESPONSE:** The items listed on MFR Schedule B-1 page 1 of 1 column (2), lines 3, 5, 9, 11, 13, 15, and 18 do not tie to the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- e) MFR Schedule 8-5, Detail of Operation & Maintenance Expense page 1 of 2, column (2), lines 1, 7, 8, 13, 23-26 and 28 do not tie to Annual Report Schedule W-10(a).

**RESPONSE:** The items listed on MFR Schedule B-5 page 1 of 2 column (2), lines 1, 7, 8, 13, 23-26 and 28 do not tie to the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

Pasco County

- f) MFR Schedule A-5, Schedule of Water Plant in Service by Primary Account, page 1 of 2 column (2), line 47, and page 2 of 2, column (14), lines 1, 2, 6, 7, 10, 18, 20, 21, 25-28, 31, 35-43, 46, and 47 do not tie to Annual Report Schedule W- 4(a).

**RESPONSE:** The items listed on MFR Schedule A-5 page 1 of 2 column (2), line 47, and page 2 of 2, column (14), lines 1, 2, 6, 7, 10, 18, 20, 21, 25-28, 31, 35-43, 46, and 47 do not tie to the Annual Report because the balances displayed on this MFR schedule are the Average Balances for the Test Year not the December 31, 2011 balances. For the December 31, 2011 balances please see tab "Pasco f)" of the attached workbook. In addition to the December 31, 2011 balances, this MFR schedule's balances differ from the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- g) MFR Schedule A-6, Schedule of Wastewater Plant in Service by Primary Account, page 1 of 2 column (2), line 63, and page 2 of 2, column (14), lines 21, 22, 27, 51, 61, and 62 do not tie to Annual Report Schedule S-4(a).

**RESPONSE:** The items listed on MFR Schedule A-6 page 1 of 2 column (2), line 63, and page 2 of 2, column (14), lines 21, 22, 27, 51, 61, and 62 do not tie to the Annual Report because the balances displayed on this MFR schedule are the Average Balances for the Test Year not the December 31, 2011 balances. For the December 31, 2011 balances please see tab "Pasco g)" of the attached workbook. In addition to the December 31, 2011 balances, this MFR schedule's balances differ from the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- h) MFR Schedule A-9, Schedule of Water Accumulated Depreciation by Primary Account, page 1 of 2 column (2), line 47, and page 2 of 2, column (14), lines 2, 3, 7, 11, 14, 18, 20, 25, 26, 28, 36, 37, 38, 40-43, 45, and 47 do not tie to Annual Report Schedule W-6(b).

**RESPONSE:** The items listed on MFR Schedule A-9 page 1 of 2 column (2), line 47, and page 2 of 2, column (14), lines 2, 3, 7, 11, 14, 18, 20, 25, 26, 28, 36, 37, 38, 40-43, 45, and 47 do not tie to the Annual Report because the balances displayed on this MFR schedule are the Average Balances for the Test Year not the December 31, 2011 balances. For the December 31, 2011 balances please see tab "Pasco h)" of the attached workbook. In addition to the December 31, 2011 balances, this MFR schedule's balances differ from the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- i) MFR Schedule A-10, Schedule of Wastewater Accumulated Depreciation By Primary Account, page 1 of 2 column (2), line 63 and 2 of 2, column (14), lines 18, 21, 27, 52, and 62 do not tie to Annual Report Schedule S-6(b).

**RESPONSE:** The items listed on MFR Schedule A-10 page 1 of 1 column (2), line 63 and page 2 of 2, column (14) , lines 18, 21, 27, 52, and 62 do not tie to the Annual Report because the balances displayed on this MFR schedule are the Average Balances for the Test Year not the December 31, 2011 balances. For the December 31, 2011 balances please see tab "Pasco i)" of the attached workbook. In addition to the December 31, 2011 balances, this MFR schedule's balances differ from the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- j) MFR Schedule A- 17, Working Capital Allowance Calculation, page 1 of 1, column (2) line 25 and 56 do not tie to Annual Report Schedule W-13.

**RESPONSE:** The items listed on MFR Schedule A-17 page 1 of 1 column (2), lines 25 and 56 do not tie to the Annual Report because the balances displayed on this MFR schedule are the Average Balances for the Test Year not the December 31, 2011 balances. For the December 31, 2011 balances please see tab "Pasco j)" of the attached workbook. In addition to the December 31, 2011 balances, this MFR schedule's balances differ from the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- k) MFR Schedule B-1, Schedule of Water Net Operating Income, page 1 of 1, column (2), lines 3, 5, 9, 11, 13, 15, and 18 do not tie to Annual Report Schedule W-3.

**RESPONSE:** The items listed on MFR Schedule B-1 page 1 of 1 column (2), lines 3, 5, 9, 11, 13, 15, and 18 do not tie to the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- l) MFR Schedule B-2, Schedule of Wastewater Net Operating Income, page 1 of 1, column (2), lines 5, 9, 11, 13, 15, and 18 do not tie to Annual Report Schedule S-3.

**RESPONSE:** The items listed on MFR Schedule B-2 page 1 of 1 column (2), lines 5, 9, 11, 13, 15, and 18 do not tie to the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- m) MFR Schedule B-5, Detail of Operation & Maintenance Expense By Month - Water, page 1 of 2, column (2), lines 1-3, 7-11, 13-17, 21-26, and 27 do not tie to Annual Report Schedule W-10(a). Additionally, page 2 of 2, column (14), line 28 does not tie to Annual Report Schedule W-10(a).

**RESPONSE:** The items listed on MFR Schedule B-5 page 1 of 2 column (2), lines 1-3, 7-11, 13-17, 21-26, and 27, and page 2 of 2 column (14), line 28 do not tie to the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- n) MFR Schedule B-6, Detail of Operation & Maintenance Expense By Month - Wastewater, page 1 of 2, column (2), lines 1-4, 9-12, 15-18, 22-27, and 28 do not tie to Annual Report Schedule S-10(a). Additionally, page 2 of 2, column (14), line 28 does not tie to Annual Report Schedule S-10(a).

**RESPONSE:** The items listed on MFR Schedule B-6 page 1 of 1 column (2), page 1 of 2 column (2), lines 1-4, 9-12, 15-18, 22-27, and 28, and

page 2 of 2 column (14), line 28 do not tie to the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- o) MFR Schedule B-15, Taxes Other Than Income, page 1 of 2, columns (2), (3), and (4), line 28 does not tie to Annual Report Schedule W-3. Additionally, page 2 of 2, columns (2), (3), (4), (5) and (6), line 28 does not tie to Annual Report Schedule S-3.

**RESPONSE:** The items listed on MFR Schedule B-15 page 1 of 1 columns (2), (3), and (4), line 28 and page 2 of 2 columns (2), (3), (4), (5), (6), line 28 do not tie to the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB " for the reconciliation of the MFR to the UIF 2011 annual report.

Pinellas County

- p) MFR Schedule A-5, Schedule of Water Plant in Service by Primary Account, page 1 of 2 column (2), line 47, and page 2 of 2, column (14), lines 2, 3, 6, 7, 10, 12, 17, 18, 20, 21, 25, 27-31, 35-39, 40, 41, 43, 45, and 47 do not tie to Annual Report Schedule W-4(a).

**RESPONSE:** The items listed on MFR Schedule A-5 page 1 of 2 column (2), line 47, and page 2 of 2, column (14), lines 2, 3, 6, 7, 10, 12, 17, 18, 20, 21, 25, 27-31, 35-39, 40, 41, 43, 45, and 47 do not tie to the Annual Report because the balances displayed on this MFR schedule are the Average Balances for the Test Year not the December 31, 2011 balances. For the December 31, 2011 balances please see tab "Pinellas p)" of the attached workbook. In addition to the December 31, 2011 balances, this MFR schedule's balances differ from the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- q) MFR Schedule A-9, Schedule of Water Accumulated Depreciation by Primary Account, page 1 of 2 column (2), line 47, and page 2 of 2, column (14), lines 2, 3, 7, 10, 12, 18, 20, 21, 25, 27-31, 36-38, 40, 41, 43 and 45 do not tie to Annual Report Schedule W-6(b).

**RESPONSE:** The items listed on MFR Schedule A-9 page 1 of 2 column (2), line 47 and page 2 of 2 column (14), lines 2, 3, 7, 10, 12, 18, 20, 21, 25, 27-31, 36-38, 40, 41, 43 and 45 do not tie to the Annual Report because the balances displayed on this MFR schedule are the Average Balances for the Test Year not the December 31, 2011 balances. For the December 31, 2011 balances please see tab "Pinellas q)" of the attached workbook. In addition to the December 31, 2011 balances, this MFR schedule's balances differ from the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- r) MFR Schedule B-1, Schedule of Water Operating Statement, page 1 of 1, column (2), lines 3, 5, 9, 11, 13, 15, and 18 do not tie to Annual Report Schedule W-3.

**RESPONSE:** The items listed on MFR Schedule B-1 page 1 of 1 column (2), lines 3, 5, 9, 11, 13, 15, and 18 do not tie to the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- s) MFR Schedule B-4, Test Year Operating Revenues, page 1 of 1, column (1), line 2 does not tie to Annual Report Schedule W-9.

**RESPONSE:** The items listed on MFR Schedule B-4 page 1 of 1 column (2), line 2 does not tie to the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- t) MFR Schedule B-5, Detail of Operation & Maintenance Expense By Month - Water, page 1 of 2 and 2 of 2, column (2), and (14), respectively, lines 7, 8, 13, 23-26, and 28 do not tie to Annual Report Schedule W-10(a).

**RESPONSE:** The items listed on MFR Schedule B-5 page 1 of 2 and 2 of 2, column (2) and (14), respectively, lines 7, 8, , 13, 23-26, and 28 do not tie to the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the

Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- u) MFR Schedule B-7, Operation & Maintenance Expense Comparison - Water, page 1 of 2, column (2), lines 1-5, 7-11, 13, 14, 17, 21, and 23-27 do not tie to 2008 Annual Report Schedule W-10(a).

**RESPONSE:** The items listed on MFR Schedule B-7 page 1 of 2 column (2), lines 1-5, 7-11, 13, 14, 17, 21, and 23-27 do not tie to the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- v) MFR Schedule B-9, Schedule of Test Year Contractual Services, page 1 of 1, column (4), total does not tie to Annual Report Schedule W-10(a).

**RESPONSE:** The items listed on MFR Schedule B-9 page 1 of 1 column (4) does not tie to the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- w) MFR Schedule B-13, Net Depreciation Expense - Water, page 1 of 1, column (2), lines 3, 4, 14, 16, 20, 22, 26, 28, 33, 41, 45, and 47 do not tie to Annual Report Schedule W-6(a) or W-3.

**RESPONSE:** The items listed on MFR Schedule B-13-1 page 1 of 1 column (2), lines 2, 4, 14, 16, 20, 22, 26, 28, 33, 41, 45, and 47 do not tie to the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- x) MFR Schedule B-15, Schedule of Taxes Other Than Income, page 1 of 1, column (4), (5), and (6), line 2 do not tie to Annual Report Schedule W-3.

**RESPONSE:** The items listed on MFR Schedule B-15 page 1 of 1 columns (4), (5), and (6) line 2 do not tie to the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab

“MFR\_v\_AR\_TB” for the reconciliation of the MFR to the UIF 2011 annual report.

Seminole County

- y) MFR Schedule A-5, Schedule of Water Plant in Service by Primary Account, page 1 of 2 column (2), line 48, and page 2 of 2, column (14), lines 2, 6, 7, 10, 14, 18, 20-22, 24-26, 28, 31, 35-39, 41, 42, 46, and 48 do not tie to Annual Report Schedule W-4(a).

**RESPONSE:** The items listed on MFR Schedule A-5 page 1 of 2 column (2), line 48, and page 2 of 2, column (14), lines 2, 6, 7, 10, 14, 18, 20-22, 24-26, 28, 31, 35-39, 41, 42, 46, and 48 do not tie to the Annual Report because the balances displayed on this MFR schedule are the Average Balances for the Test Year not the December 31, 2011 balances. For the December 31, 2011 balances please see tab “Seminole y)” of the attached workbook. In addition to the December 31, 2011 balances, this MFR schedule’s balances differ from the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab “MFR\_v\_AR\_TB” for the reconciliation of the MFR to the UIF 2011 annual report.

- z) MFR Schedule A-6, Schedule of Wastewater Plant in Service by Primary Account, page 1 of 2 column (2), line 64, and page 2 of 2, column (14), lines 21, 27, 51, 61, and 63 do not tie to Annual Report Schedule S-4(a).

**RESPONSE:** The items listed on MFR Schedule A-6 page 1 of 2 column (2), line 64, and page 2 of 2, column (14), lines 21, 27, 51, 61, and 63 do not tie to the Annual Report because the balances displayed on this MFR schedule are the Average Balances for the Test Year not the December 31, 2011 balances. For the December 31, 2011 balances please see tab “Seminole z)” of the attached workbook. In addition to the December 31, 2011 balances, this MFR schedule’s balances differ from the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab “MFR\_v\_AR\_TB” for the reconciliation of the MFR to the UIF 2011 annual report.

- aa) MFR Schedule A-9, Schedule of Water Accumulated Depreciation by Primary Account, page 1 of 2 column (2), line 48, and page 2 of 2, column

(14), lines 2, 3, 7, 10, 14, 18, 20-22, 24-26, 28, 29, 36-39, 41, 44, 46, and 48 do not tie to Annual Report Schedule W-6(b).

**RESPONSE:** The items listed on MFR Schedule A-9 page 1 of 2 column (2), line 48, and page 2 of 2 column (14), lines 2, 3, 7, 10, 14, 18, 20-22, 24-26, 28, 29, 36-39, 41, 44, 46, and 48 do not tie to the Annual Report because the balances displayed on this MFR schedule are the Average Balances for the Test Year not the December 31, 2011 balances. For the December 31, 2011 balances please see tab "Seminole aa)" of the attached workbook. In addition to the December 31, 2011 balances, this MFR schedule's balances differ from the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- bb) MFR Schedule A-10, Schedule of Wastewater Accumulated Depreciation By Primary Account, page 1 of 2 column (2), line 64 and 2 of 2, column (14), lines 18, 27, 52-54, 56, 61, and 62 do not tie to Annual Report Schedule S-6(b).

**RESPONSE:** The items listed on MFR Schedule A-10 page 1 of 2 column (2), line 64, and page 2 of 2 column (14), lines 18, 27, 52-54, 56, 61, and 62 do not tie to the Annual Report because the balances displayed on this MFR schedule are the Average Balances for the Test Year not the December 31, 2011 balances. For the December 31, 2011 balances please see tab "Seminole bb)" of the attached workbook. In addition to the December 31, 2011 balances, this MFR schedule's balances differ from the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- cc) MFR Schedule A-17, Working Capital Allowance Calculation, page 1 of 1, "Water" column line 28 and 59 do not tie to Annual Report Schedule W-13, explanatory note.

**RESPONSE:** The items listed on MFR Schedule A-17 page 1 of 1 column lines 28 and 59 do not tie to the Annual Report because the balances displayed on this MFR schedule are the Average Balances for the Test Year not the December 31, 2011 balances. For the December 31, 2011 balances please see tab "Seminole cc)" of the attached workbook. In addition to the

December 31, 2011 balances, this MFR schedule's balances differ from the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- dd) MFR Schedule B-1 , Schedule of Water Net Operating Income, page 1 of 1, column (2), lines 3, 5, 9, 11, 13, 15, and 18 do not tie to Annual Report Schedule W-3.

**RESPONSE:** The items listed on MFR Schedule B-1 page 1 of 1 column (2), lines 3, 5, 9, 11, 13, 15, and 18 do not tie to the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- ee) MFR Schedule B-2, Schedule of Wastewater Net Operating Income, page 1 of 1, column (2), lines 3, 5, 9, 13, 15, and 18 do not tie to Annual Report Schedule S-3.

**RESPONSE:** The items listed on MFR Schedule B-2 page 1 of 1 column (2), lines 3, 5, 9, 13, 15, and 18 do not tie to the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- ff) MFR Schedule B-5, Detail of Operation & Maintenance Expense By Month - Water, page 1 of 2, column (2), lines 1-3, 7-11 , 13-17, 21-26, and 28 do not tie to Annual Report Schedule W-10(a). Additionally, page 2 of 2, column (14), line 28 does not tie to Annual Report Schedule W-10(a).

**RESPONSE:** The items listed on MFR Schedule B-5 page 1 of 2 column (2), lines 1-3, 7-11, 13-17, 21-26, and 28 and page 2 of 2 column (14), line 28 do not tie to the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- gg) MFR Schedule B-6, Detail of Operation & Maintenance Expense By Month - Wastewater, page 1 of 2, column (2), lines 1-3, 8-12, 15-18, 22, 24-27, and

28 do not tie to Annual Report Schedule S-10(a). Additionally, page 2 of 2, column (14), line 28 does not tie to Annual Report Schedule S-10(a).

**RESPONSE:** The items listed on MFR Schedule B-6 page 1 of 2 column (2), lines 1-3, 8-12, 15-18, 22, 24-27, and 28 and page 2 of 2 column (14), line 28 do not tie to the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- hh) MFR Schedule B-9, Schedule of Test Year Contractual Services, page 1 of 1, column (4), total does not tie to Annual Report Schedule W-10(a) and S-10(a).

**RESPONSE:** The items listed on MFR Schedule B-9 page 1 of 1 column (4) does not tie to the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- ii) MFR Schedule B-15, Taxes Other Than Income, page 1 of 2, columns (2), (3), and (4), line 28 does not tie to Annual Report Schedule W-3. Additionally, page 2 of 2, columns (2), (3), (4), (5) and (6), line 28 does not tie to Annual Report Schedule S-3.

**RESPONSE:** The items listed on MFR Schedule B-15 page 1 of 2 columns (2), (3), and (4), line 28 and page 2 of 2, columns (2), (3), (4), (5) and (6), line 28 does not tie to the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- jj) For Seminole County, the total number of residential monthly wastewater customers billed which are shown in the MFR's on page 90, Schedule E-3 page 1 of 1, column (2), line 14, does not match the total number of residential wastewater bills which are shown in the MFR's on page 89, Schedule E-2 page 4 of 4, column (19), line 9.

**RESPONSE:** For Seminole County, the correct total number of residential monthly wastewater customers billed is 16,386 as shown in the MFR's on

page 89, Schedule E-2 page 4 of 4, column (19), line 9. The appearance of a different total on the Schedule E-3 is due to a formula referencing error.

All Systems

- kk) MFR Schedule A-18, Comparative Balance Sheet - Assets, page 1 of 1, column (2) and (14) lines 3, 7 and 20 do not tie to Annual Report Schedule F-1(a).

**RESPONSE:** The items listed on MFR Schedule A-18 page 1 of 1 column (2) and (14), lines 3, 7 and 20 do not tie to the Annual Report because the balances displayed on this MFR schedule are the Average Balances for the Test Year not the December 31, 2011 balances. For the December 31, 2011 balances please see tab "All Systems kk)" of the attached workbook. In addition to the December 31, 2011 balances, this MFR schedule's balances differ from the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

- ll) MFR Schedule A-18, Comparative Balance Sheet - Assets, page 1 of 1, line 18, Misc. Current & Accrued Assets, does not tie to Annual Report Schedule F-1(a).

**RESPONSE:** The items listed on MFR Schedule A-18 page 1 of 1 column (2), line 18 does not tie to the Annual Report because the balances displayed on this MFR schedule are the Average Balances for the Test Year not the December 31, 2011 balances. For the December 31, 2011 balances please see tab "All Systems ll)" of the attached workbook. In addition to the December 31, 2011 balances, this MFR schedule's balances differ from the Annual Report due to an allocation difference from an incorrect ERC calculation used on the Annual Report. Please see Note 1 on the Schedule A-4 for details. Please also see tab "MFR\_v\_AR\_TB" for the reconciliation of the MFR to the UIF 2011 annual report.

2. Rule 25-30.4325(10) F.A.C., requires that to determine whether an adjustment to plant and operating expenses for excessive unaccounted for water (EUW) will be included in the used and useful calculation, the Commission will consider all relevant factors, including whether the reason for EUW during the test period has been identified, whether a solution to correct the problem has been implemented, or whether a proposed solution is economically feasible. As indicated on MFR Schedule F-1, when unaccounted for water is greater than 10 percent, the utility

is to provide an explanation as to the reasons why. According to Schedule F-1, 8 of its 14 water systems reflected more than 10 percent unaccounted for water. No explanations concerning those systems with excessive EUW were provided. With these relevant factors considered, provide an explanation for each of the systems with EUW.

**RESPONSE:** There are eight water systems with UAW in excess of ten percent. These are all small systems. Five have 500 or fewer customers each. The other three have between 1,000 and 1,600 customers. For all eight systems, small changes in "other use" gallons may have a skewed effect on the UAW percentage.

Very Small Systems (<500 customers)

**Phillips (Seminole):** This system has less than 90 customers, all of which have radio read AMR meter registers installed in 2009 or later. The excess UAW increased from 2.2% in 2008 to 12.8% in 2011. It has been determined that the increase in UAW is attributable to cavitation in the well pump assembly. This pump was last replaced in 2002. Since then, the static water level has dropped considerably and allowed air to be entrained in the water column. A great deal of effort has been made to isolate the source of the excess water loss including the use of leak detection contractors utilizing acoustic listening devices throughout the system. No leaks were found using this process. Additionally, after obtaining consumption data using the AMR meters at each home and comparing consumption to water produced, it was confirmed that the source of the water loss was not due to distribution system leaks. On April 30, 2013, the pump assembly was pulled. Iron fouling was found in both the pump and the column pipe. It was confirmed that the pump was cavitating, which likely caused the water production meter at the pump discharge to register greater than 100% and thus skew the water production data upward. A work order has been approved to replace the worn pump and add 15 feet of additional column within the next two months.

**Ravenna Park (Seminole):** This system has only 326 customers. The excess UAW increased from 1.00% in 2008 to 2.40% in 2011. The Utility has attempted to narrow down the possible causes. It has replaced over 40% of the meters since this case was filed, but that has not significantly improved the UAW. The Utility will continue to study the system and take any economically viable action, taking into consideration that the excess UAW represents only about 5 gpd/ERC. The utility will evaluate the condition of the older of two well pumps and determine whether a decrease in the water table elevation may be causing cavitation similar to what was found at Phillips.

**Bear Lake (Seminole):** This system has only 214 customers. There was no excess UAW in 2008 and only 2.80% in 2011. There is no evidence of any significant problem, but as a precautionary measure, the Utility is advising staff to be certain all blow off valves are securely closed after flushing to insure that unmetered water loss is not occurring. This policy seems to have been effective and there is little or no excess UAW presently. It is not economically worthwhile to pursue any further action at this time.

**Crescent Heights (Orange):** This system has only 255 customers. There was no excess UAW in 2008 and only 1.10% in 2011. The Utility continues to replace meters, having replaced about 10% in the test year and another 10% since the test year ended. This appears to have had some impact and there is little or no excess UAW presently. It is not economically worthwhile to pursue any further action at this time.

**Lake Tarpon (Pinellas):** This system has only 500 customers. The excess UAW remains high, but has decreased from 19.20% in 2008 to 14.00% in 2011. A \$300,000 pro-forma project is included in this filing that includes replacement of all remaining galvanized pipe water main and water laterals, relocating meters to the nearest lot line to reduce theft and completion of a system wide meter survey to identify the presence of irrigation wells and possible cross connections. It is anticipated that this project will produce a significant reduction in water loss based on preliminary results of the survey.

Small Systems (1,000 – 1,600 customers)

**Weathersfield (Seminole):** This system has just over 1,100 customers. There was no excess UAW in 2008 and 5.80% in 2011. Over 10% of the water meters have been changed out since the end of the test year, which is predicted to reduce water loss. Meter change out activity is continuing in 2013.

**Summertree (Pasco):** This system has just over 1,000 customers. The excess UAW has decreased from 1.60% in 2008 to only 0.50% in 2011. This is a nominal change and should not even be considered excessive. It is not economically worthwhile to pursue any further action at this time.

**Orangewood (Pasco):** This system has 1,600 customers. The excess UAW has decreased from 9.10% in 2008 to 8.90% in 2011. A \$300,000 pro-forma project is included in this filing, which includes replacement of 2" galvanized pipe water mains and associated water laterals as well as replacing over 470 meters in the Buena Vista Trailer Park. This project will significantly reduce water loss through more accurate metering as well as water loss caused by main breaks and repairs.

3. Rule 25-30.436(4)(h), F.A.C., requires that any system that has costs allocated or charged to it from a parent, affiliate or related party, in addition to those costs reported on Schedule B-12 of Commission Form PSC/ECR 19-W for a Class A utility, or PSC/ECR 20-W for a Class B utility, (incorporated by reference in Rule 25-30.437, F.A.C.) shall file three copies of additional schedules that show the following information:

- a) Pursuant to Rule 25-30,436(4)(h)(6), F.A.C., the Utility is missing the required organizational chart of the relationship between the utility and its parent and affiliated companies and the relationship of any related parties. Staff notes that such an organization chart does exist as included in the company's 2011 Annual Report on Schedule E-S.

**RESPONSE:** Please see the attached organizational chart of the relationship between the utility and its parent affiliated companies and the relationship of any related parties.

- b) Pursuant to Rule 25-30.436(4)(h)(7), F.A.C., the Utility is missing the required copy of any contracts or agreements between the utility and its parent or affiliated companies for services rendered between or among them.

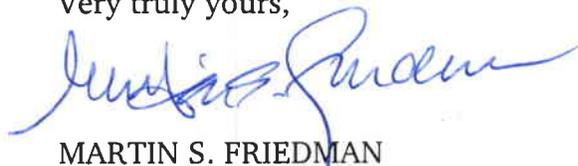
**RESPONSE:** Please see the attached agreement between the utility and its parent or affiliated companies for services rendered between or among them.

4. Rule 25-30.440(1), F.A.C. requires detail system maps. The Utility did not provide a wastewater collection system map for Weathersfield in Seminole County.

**RESPONSE:** The detailed system map is attached.

If you have any questions, please feel free to contact me.

Very truly yours,



MARTIN S. FRIEDMAN  
For the Firm

MSF/der  
Enclosures

Ann Cole, Commission Clerk  
Office of Commission Clerk  
Florida Public Service Commission  
May 28, 2013  
Page 18

---

cc: Kirsten Markwell (w/o enclosures – via e-mail)  
Todd Brown (w/o enclosures – via e-mail)  
Steve Reilly (w/o enclosures – via e-mail)