



August 29, 2013

VIA E-FILING

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

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.

Dear Ms. Cole:

The following are the responses of Utilities, Inc. of Florida ("UIF" or "Utility") to Staff's Third Data Request dated August 16, 2013:

1. Concerning Ravenna Park's improvement to reduce excess I&I, please provide data similar to Schedule F-6 since the improvement has been complete. We understand that the company may only have about six months of data; however, we are interested in seeing that improvement of I&I from the repairs to the system.

**RESPONSE:** It is assumed that the F-6 schedule referred to is the I&I schedule. UIF cannot provide the information requested in a manner that will lead to any meaningful conclusions. There are several reasons for this:

1. The filed F-6 is developed from annual flow and use data. To compare for less than 12 months, would require use data for only those months since improvements and that is not readily available.

2. The Utility does not have six months of valid data. The improvements referred to were completed in November and December 2012. However, the bulk meter experienced a failure beginning in approximately November, 2012 and replacement could not be completed until March, 2013. Therefore, there are only four months of valid data – March through June, 2013.

3. The comparison of the flows in those months for the test year 2011 and 2012 and 2013 is:

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Mar	1.874	2.547	2.215
Apr	2.357	1.496	1.604
May	1.841	3.784	2.151
Jun	<u>2.351</u>	<u>3.215</u>	<u>2.576</u>
	8.424	11.042	8.546

4. On its face, there appears to be no significant difference in the flows in 2013 compared to 2011. However, 2011 was a dry year and 2013 is a wet year; therefore, had there been no improvements, 2013 flows would have been significantly higher. In addition, 2012, was also a wet year. Flows were significantly higher than 2011 as would be expected because

improvements had not yet been made. This bears out UIF's conclusion about the reduced impact of wet weather flows in 2013 after improvements.

5. The I&I project included an assessment and repairs to only a portion of the Ravenna Park/Lincoln Heights collection system, not all of it. Once sufficient data is available to determine the effectiveness of recent I&I improvements, an additional assessment and repairs may be required in other portions of the system. Until sufficient time has passed, UIF will not know the full effect on I&I of the most recent improvements or whether additional improvements are warranted.

UIF believes that the staff request is premature. Full results will not be known until there is a full 12 months data. In the interim, UIF submits that the fact that flows increased in wet weather prior to improvements and went back down in a wet year after improvements, is a valid indication that the improvements are having a positive impact.

2. Please provide a list of all acquisitions and divestitures by Utilities, Inc. (UI) during the period from January 1, 2011 through July 31, 2013. Please provide a detailed description of each acquisition /divestiture listed in the response, including: the name and location (state) of the utility; the portion of the system or subdivision that was acquired/divested; the number of ERCs acquired/divested; and the date of the acquisition/divestiture.

**RESPONSE:** Please see the attached document for the requested list of all acquisitions and divestitures by Utilities, Inc. (UI) during the period from January 1, 2011 through July 31, 2013.

3. Is UI pursuing any additional acquisitions or divestitures that are expected to close before December 31, 2013?

**RESPONSE:** Please see the attached document for the requested list of any additional acquisitions or divestitures that are expected to close before December 31, 2013.

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

Very truly yours,



MARTIN S. FRIEDMAN  
For the Firm

cc: Kirsten Markwell (via e-mail, w/enclosure)  
Patrick Flynn (via e-mail, w/enclosure)  
Todd Brown (via e-mail w/enclosure)  
Steve Reilly (via e-mail, w/enclosure)

## **RESPONSE TO STAFF'S THIRD DATA REQUEST NOS. 2 & 3**

### **Acquisitions Closed**

1. March 7, 2012 - Water Service Company of Georgia acquired 100% of Pointers Chase Subdivision Water System. Pointers Chase is a small residential subdivision situated in rural Thomas County, GA near the city of Thomasville, GA. As of closing, Pointers Chase had 10 active customers with a planned capacity of 23.
2. March 29, 2013 - Water Service Company of Georgia acquired 100 % of Sweetbriar Lakes, LLC Water System. Sweetbriar Lakes is a residential subdivision situated in rural Thomas County, GA near the city of Thomasville, GA. As of closing, Sweetbriar lakes had 61 active customers with a planned capacity of 96.

### **Acquisitions Expected to Close on or before December 31, 2013**

1. Carolina Water Service, Inc. of North Carolina is awaiting approval of the Transfer Application by North Carolina Utilities Commission to acquire 100% of the Linville Ridge Residential Water System. Linville Ridge is a gated community situated about 75 miles Northeast of Ashville, NC in the Blue Ridge Mountains of Avery County North Carolina. The customer base at closing is anticipated to be 356 active with a potential build out of 420.
2. Water Service Company of Georgia is in final contract negotiations to acquire 100% of Philema Park, LLC Water System. Philema Park is a residential subdivision situated in rural Lee County, GA near the city of Albany. Philema Park is fully built out with a customer base of 151. Closing is conditional upon execution of the Asset Purchase Agreement ("APA)
3. Water Service Company of Georgia is in final contract negotiations to acquire 100% of the Old Stage Subdivision Water System. The Old Stage Subdivision is a residential subdivision situated in rural Lee County, GA near the city of Leesburg, GA. Old Stage is fully built out with a customer base of 61. Closing is conditional upon execution of the APA.
4. Galena Territory Utilities, Inc. is in contract negotiations with The Village of Oakwood, Illinois to acquire 100% of the Water and Wastewater Systems. The Village is located in Vermillion County, IL, approximately 23 miles east of Champagne, IL. The utilities serve 737 water customers and 695 wastewater customers. Closing is conditional upon execution of the APA and approval of the Illinois Commercial Commission.

**Divestments Completed between January 1, 2011 and July 31, 2013**

1. July 2, 2012 - Bradfield Farms Water Company divested 100% the Woodbury Sewer Collection System to the City of Charlotte, located in the Counties of Mecklenburg and Cabarrus, NC, near Charlotte, NC., with 194 customers
2. January 30, 2012 - Carolina Water Service, Inc. of North Carolina divested various water & sewer systems to the City of Charlotte, NC, located in the Counties of Mecklenburg and Cabarrus, NC, near Charlotte, NC.
3. May 14, 2012 - Bayside Utility Services, Inc. divested 100% of the Water & Wastewater system to Panama City Beach, FL., with 298 Water and 296 Wastewater customers, respectively.
4. May 14, 2012 - Sandy Creek Services, Inc. divested 100% of the Water & Wastewater system to the City of Callaway, FL., with 243 Water and 197 Wastewater customers, respectively.
5. July 18, 2011 – Carolina Water Service, Inc. of North Carolina divested 100% of its Monteray Shores, Corolla Light and Currituck Club Water Systems to the County of Currituck, NC with a combined customer base of approximately 1,400

**Divestments Expected to close before December 31, 2013**

None