

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: June 29, 2015
TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk
FROM: Clayton Lewis, US Engineering Specialist, Division of Engineering *CKL*
RE: Docket No. 140219-WU-Application for staff-assisted rate case in Polk County by Alturas Utilities, L.L.C.

Please file the attached in the "Documents" tab of the above mentioned docket file.

Thank you.

Laura King

From: Kelley Corbari
Sent: Sunday, June 28, 2015 1:33 PM
To: Clayton Lewis; Jeffery Small; Keino Young; Kelley Corbari; Laura King; Martha Golden; Matthew Vogel; Sonica Bruce
Subject: 140219/20 FW: more answers
Attachments: Replies to Alturas concern.docx; Replies to Sunrise concern.docx

FYI

Kelley F. Corbari,
Senior Attorney – Regulatory Analysis Section Office of the General Counsel FLORIDA PUBLIC SERVICE COMMISSION
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Direct Fax: (850) 413-6235

PLEASE NOTE: Florida has a very broad public records law. Most written communications to or from state officials regarding state business are considered to be public records and will be made available to the public and the media upon request. Therefore, your e-mail message may be subject to public disclosure.

-----Original Message-----

From: L SZABO [<mailto:l.szabo@rogers.com>]
Sent: Sunday, June 28, 2015 12:41 PM
To: Kelley Corbari
Cc: l.szabo@rogers.com
Subject: more answers

June 29, 2015

Dear Ms. Corbari,

I have already responded with our replies on June 24 the Stuff's Third Rate Data Request for both Companies.

I am sending as attachments our replies to the Office of Public Counsel concerns regarding Sunrise and Alturas.

Their question sounded to me not only being harsh, but was also in the borderline being merciless without waiting to our answers provided in the Stuff's Third Rate Data Request.

Regarding to some of their concern I have no answer, - they have answered themselves, - and within their question or comments the door was left open with insinuating doubts toward our integrity.

They show total indifference to the priority of Sunrise and Alturas customer need's to have a more solid financial base and are also making an attempt to override the PSC willingness to help us as originally planned, and already being in process.

It is regretful that our records did not convince them about our devotion to the business.

All the accounting records given proved to be true and not exaggerated or falsified in any way or form.

They represent the reality of our operation and show our struggling, and our ability to be able to stay in business.

Our accounting was not prepared or provided as it is required by your rules, and I hope with the additional allowances the situation will be corrected.

We are proud of our customer service in general, regardless of a few unjustified accusations related to billing or collection.

They were always solved according the guide lines within days, - yes we have neglected to apply the rules and not spent the extra time to advise the PBS of the statue of the already solved issues.

We have provided all our customers with quality water, and a steady flow of water to their homes.

Any break down occurred we have always responded immediately and we are there 24 hours daily, 7 days a week. All our customers have our emergency number.

Those are our main responsibilities.

We do not intend to minimize the importances of the administration part to manage a business, but having a very limited budget - something have to give.

Let's not put an unrealistic burden on our rate case application.

The Public Service Commission realized the necessity to accept our rate case application based on our needs and to grant us a higher rate base.

We have to have additional funding to make those necessary repairs or improvements outlined in our requests. They will assure a continuous and safe service to our customers already being in jeopardy.

We also must be able to comply with the Polk County Health Department already pending requests or with their future demands.

We have already performed all the additional tests required by the Polk County Health Department for the year 2015, - being the test year.

My closing thoughts are; we have answered to our best ability to the questions, and spent countless hours to satisfy to the many demands put to us in the sake of our rate case application.

Our information well is drained.

Yours truly,

Leslie Szabo

Re: Docket No. 140219-WU – Application for staff-assisted rate case in Polk County by Alturas Utilities, L.L.C.

3. The staff report recommends a Phase II increase for 2 pro forma plant items: a \$6,000 Electric Panel Repair Project and a \$2,000 Backflow Prevention Device Project. Page 24 of the staff report indicates that staff's analysis regarding the prudence of these projects is not complete. OPC is very concerned that we have seen almost no explanation in this regard. There has been no documentation indicating the problems that exist and how these 2 projects will solve those problems..The utility should fully justify these proposed increases before Phase II rates are developed.

3.The Electric Panel Project is one of our most important priorities as it is the direct cause of the many reoccurring interruption of water service at Alturas. The PSC already have the documentation of the many additional water sampling charges and the cost of the boiled water notices and the additional man power and cost regarding this issue.

The back flow prevention system is also part of customer water drinking safety and it is connected to the same problem.

15.The case background of the staff report indicates that there are 55 residential customers. This is also the same number reported in the 2014 Annual Report. However, page 20 of the staff report indicates that there are 46 residential customers. This number appears to be based on the number of bills shown in the billing work papers of the staff audit. Work paper 42-1 indicates 51 billing locations. (The test year included 54 "no bills", which brings the average customer count to 46.) We are concerned about why there is a difference between the 55 customers reported in the Annual Report and the 51 billing locations provided to the staff auditors. While 4 customers is not usually a significant number to pursue for adjustment purposes, we believe that in this case it is very significant as it represents almost 8% of the customer base and could have a noticeable impact on the rate resulting from the revenue requirement.

We believe that the discrepancy should be explained to determine if there are any unbilled customer locations.

15. In May and June 57 bills were sent out with 3 of those bills being vacant with no charge.

16.We also note that most months on the billing work sheet indicate 4 or 5 "no bills".7 Four (4) of these customer locations are the same for 11 months with only 1 monthly bill. We believe that this issue should also be explained.

16. Not sure what addresses you are referring to but it is possible that some of these are rental properties and got rented or someone moved. Since I have become Manager, 1 other meter has been found that was not in use until the owner moved from his other place to the meter that was not in use, while he is working on his original place, so that service was disconnected and the other one was connected.

17.In addition, our review of audit work paper 42-1 indicates that there are 10 general service customers, while page 20 of the staff report indicates that there are 9 general service customers. We believe that this difference should also be examined because it represents 10%

of the general service customer base and could have a noticeable impact on the rate resulting from the revenue requirement.

17. Actually there are 11 general services.

Most of the questions related to customer service were already answered in the Staff's Third Date Request.

We have always respected and applied the rules of 25-30.335 regarding Customer Billing.

To keep the records straight we have no additional accounts besides the ones already declared in the monthly billing reports.