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# Public Service Commission

July 1, 2015

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COMMISSION  
CLERK

Mr. Martin S. Friedman  
Friedman & Friedman  
766 North Sun Drive, Suite 4030  
Lake Mary, Florida 32746

**Re: Docket No. 150102-SU - Application for increase in wastewater rates in Charlotte County by Utilities, Inc. of Sandalhaven**

Dear Mr. Friedman:

We have reviewed the minimum filing requirements (MFRs) submitted on June 4, 2015, on behalf of Utilities, Inc. of Sandalhaven (utility or Sandalhaven). After reviewing this information, we find the MFRs to be deficient. The specific deficiencies are identified below:

1. Rule 25-30.440(4), Florida Administrative Code (F.A.C.), requires all wastewater treatment plant (WWTP) operating reports for the test year and the year preceding the test year. The Discharge Monitoring Report (DMR) for February 2013 is missing. Please provide the missing report for the month of February 2013 for the Sandalhaven wastewater system.
2. Rule 25-30.440(5), F.A.C., requires the most recent WWTP compliance inspection report from the Florida Department of Environmental Protection (DEP). Sandalhaven's filing does not contain this report. Please provide the missing report.
3. Rule 25-30.440(6), F.A.C., requires the utility to provide all DEP construction and operating permits for the WWTP. Sandalhaven's filing does not contain these documents. Please provide the required permits concerning the Sandalhaven WWTP.
4. Rule 25-30.440(7), F.A.C., requires the utility to provide any Notices of Violation, Consent Orders, Letters of Notice, or Warning Notices from DEP for the previous five years. In the *History of Development of Wastewater Treatment and Disposal* narrative on Schedule F-6, page 2 of 3, of the utility's filing, the utility cites a "Settlement Order" and a "Corrective Action Plan" with DEP. Staff believes these references indicate Sandalhaven did have DEP violations in the previous five years. Please provide all documentation as required by Rule 25-30.440(7), F.A.C.

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5. Rule 25-30.440(8), F.A.C., requires a list of all field employees, their duties, responsibilities, certificates held, and explanation of each employee's salary allocation method to utility's capital or expense accounts. Staff notes that Glenn Bruce is listed as a water-wastewater operator, but no certificate is provided for him. Please provide a copy of the certificate for this employee.
  
6. Capital Structure - MFR Schedule D (Page 58, Line 8, Column 4) reflects a reduction of \$539,948 to the total capital which would equate to a net debit balance of accumulated deferred income taxes. Pursuant to Rule 25-30.436(4)(g), F.A.C., the provisions of Rule 25-30.433, F.A.C., shall be followed in preparing the utility's application. Pursuant to Rule 25-30.433(3), any resulting net debit deferred taxes shall be included as a separate line item in the rate base calculation. If the \$539,948 amount is actually a net credit amount, please treat it as an addition to capital and revise MFR Schedule D-2 and other applicable schedules. If the \$539,948 amount is a net debit amount, please remove it from MFR Schedule D-2, include it in wastewater rate base schedules, and revise other applicable schedules.

Your petition will not be deemed filed until the deficiencies identified in this letter have been corrected. These corrections should be submitted no later than July 31, 2015.

Sincerely,

A handwritten signature in cursive script that reads "Greg Shafer" followed by a stylized "PQ" or similar initials.

Greg Shafer  
Director of Economic

SB

cc: Office of Commission Clerk (Docket No. 150102-SU)