

# Black Bear Waterworks, Inc.

November 10, 2015

Office of Commission Clerk  
Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399

*Re: Docket No. 150166-WU - Application of Black Bear Waterworks, Inc. for Approval of Transfer of Black Bear Reserve Water Corporation's Water System in Lake County – Staff Second Data Request Response*

Dear Commission Clerk,

Black Bear Waterworks, Inc. (BBWW) hereby submits its response to Staff's Second Data Request in the above referenced docket.

Referring to Exhibit H, Table 1 and Table 2 filed with your application for transfer. Please explain the discrepancies identified below and provide any documents that support your explanations.

1. In Table 1, for NARUC Account 304: Structures and Improvements, 28 years was used for the life instead of 27 years, as called for by Rule 25-30.140, Florida Administrative Code.

**Response:** Twenty seven (27) years should have been utilized in the Original Cost Study.

2. In Table 1, for all the accounts, 11.5 years was used as the age of the system, instead of 11 years.

**Response:** From reviewing Document No. 02287-10, filed in Docket No. 100085-WU, it appears the facilities were installed in 1989. There was a letter from the Florida Department of Environmental Protection (FDEP) dated August 1989 and September 1989 concerning the construction permits. In addition, there is a letter dated November 15, 1989 concerning the installation of the water lines in the spring of 1989. The design drawings have a date of March 2, 1998 and the as built drawings have a date of November 1989. It appears that 11.5 years was chosen to take into account that the water facilities were installed sometime in 1989. Since the letters from FDEP appear to be dated in the second half of 1989, it is reasonable to utilize 11.25 years instead of either 11 or 11.5 years.

3. In Table 1, for the Handy Whitman indexes for all the accounts, staff could not find the indexes referenced in Footnote 1.

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**Response:** See Attached the 1999 South Atlantic Region Index. To determine the index for each NARUC account in the Original Cost Study, the consultant brought the 2001 indices forward using the PSC indexing increases each year.

4. In Table 1, the flow meters were placed in NARUC Account 334: Meters, Meter Installations, and not NARUC Account 309: Supply Mains.

**Response:** As previously discussed with the FPSC staff, Black Bear agrees that the flow meters should have been booked into Account 309, Supply Mains and not Account 334.

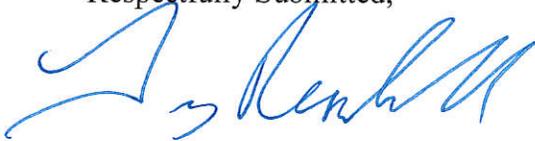
5. Table 2 lists two 6" flow meters, instead of one 6" and one 3" flow meter as noted in your assets list.

**Response:** That is correct. There is one 6" flow meter and one 3" flow meter. This is also referenced in Document No. 02287-10.

6. Table 2 lists two storage tanks and not three as noted in your assets list.

**Response:** It is correct that there are three (3) storage tanks. This was witnessed by the FPSC auditor and the three tanks were also referenced in Document No. 02287-10 filed in Docket No. 100085-WS. It is unclear why the previous consultant did not include all three tanks in his Original Cost Study. The amounts for Account 330 should appropriately be increased to recognize the actual facilities in service.

Respectfully Submitted,



Troy Rendell  
Manager of Regulated Utilities  
*//For Black Bear Waterworks, Inc.*

L i n e	CONSTRUCTION AND EQUIPMENT	N A R U C	COST INDEX NUMBERS													
			1999		2000		2001		2002		2003		2004		2005	
			Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1	Jan. 1	Jul. 1
1	Source of Supply Plant															
2	Collecting & Impounding Res.	305	278	280	288	289	291									
3																
4																
5																
6																
7	Pumping Plant															
8	Structures & Improvements	304	289	288	295	309	313									
9	Electric Pumping Equipment	311	499	499	523	532	531									
10																
11																
12																
13																
14	Water Treatment Plant															
15	Structures & Improvements	304	289	288	295	309	313									
16	Large Treatment Plant Equip.	320	353	353	360	361	370									
17	Small Treatment Plant Equip.	320	365	365	372	376	385									
18																
19																
20																
21																
22	Transmission Plant															
23	Steel Reservoirs	330	268	268	268	270	270									
24	Elevated Steel Tanks	330	285	288	292	300	305									
25	Concrete Reservoirs	330	-	-	-	-	-									
26																
27	Cast Iron Mains	331	293	293	299	314	317									
28	Steel Mains	331	307	311	322	338	341									
29	Concrete Cylinder Mains	331	308	312	317	332	358									
30																
31																
32																
33	Distribution Plant															
34	Mains-Average All Types	331	312	304	308	318	323									
35	Cast Iron Mains	331	315	315	320	330	333									
36	Cement-Asbestos Mains	331	301	303	313	321	335									
37	Steel Mains	331	311	287	287	298	302									
38	PVC Mains	331	192	192	201	201	215									
39	Services Installed	333	286	263	269	271	275									
40	Meters	334	197	197	200	206	206									
41	Meter Installations	334	321	312	320	322	330									
42	Hydrants Installed	335	475	473	488	489	505									
43																
44																
45	Miscellaneous Items															
46	Flocculating Equipment-Installed	603	604	607	607	626										
47	Clarifier Equipment-Installed	523	524	536	537	544										
48	Filter Gallery Piping-Installed	278	274	284	283	292										
49																
50																
51																
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