

Rhema Business Services, Inc.

P.O. Box 13705
Tallahassee, FL 32317

(904) 222-1192

**ORIGINAL
FILE COPY**

April 9, 1991

Division of Records & Reporting
Florida Public Service Commission
101 East Gaines Street
Tallahassee, Florida 32399-0870

Re: Docket No. 900966-WS, Application of THE WOODS, A DIVISION
OF HOMOSASSA UTILITIES, INC. for a staff-assisted rate case

Gentlemen:

By this letter, the Company is responding to the Audit Report dated February 27, 1991 in the referenced docket. The Company response to each audit exception and audit disclosure follows.

AUDIT EXCEPTION #1: The Company does not dispute this audit exception.

AUDIT EXCEPTION #2: The Company does not dispute this audit exception. However, the original cost per engineering cost study will have to be added to accurately reflect the cost of utility plant in service.

AUDIT EXCEPTION #3: The Company does not dispute this audit exception.

AUDIT EXCEPTION #4: The Company does not dispute this audit exception.

AUDIT EXCEPTION #5: The Company asserts that due to the Company's limited cash flow, these notes will not be paid within one year, and should therefore be included in the cost structure as long term debt.

AUDIT EXCEPTION #6: The Company agrees that these costs must be included in operation and maintenance expenses to accurately reflect the cost of operations.

DOCUMENT NUMBER-DATE

03440 APR -9 1991

FPSC-RECORDS/REPORTING

AUDIT EXCEPTION #7: The Company does not dispute the adjustment concerning sand used for filtration, but disagrees with the adjustment concerning the operations permit. If the cost of the permit is to be allocated over three years, the entire cost, not just a portion, of the permit cost should be amortized. The entire cost is \$798.73 (\$178.73 per audit + \$613.00 per enclosed invoice copies) as detailed in the enclosed invoice copies.

AUDIT EXCEPTION #8: The Company does not dispute this audit exception.

AUDIT EXCEPTION #9: The Company does not dispute this audit exception.

AUDIT DISCLOSURE #1: The Company agrees that the increase in the referenced cost should be added to operation and maintenance expenses. However, the water sampling analysis is not included in base rate of the new agreement, but is included under Section IV, "Reimbursable Expenses", and therefore should not be removed.

AUDIT DISCLOSURE #2: The Company agrees that this cost should be included in operation and maintenance expenses in the determination of the revenue requirement. To exclude these costs would understate the cost of operations.

AUDIT DISCLOSURE #3: The Company submits that the referenced rate increase was effective for service rendered on or after December 15, 1990. Therefore, the utility billing was correct.

AUDIT DISCLOSURE #4: The Company submits that the costs listed in this audit disclosure are normal, reasonable and necessary operating costs which should be included in operation and maintenance expenses to accurately reflect the true cost of operations. To exclude these costs would understate the cost of operations.

AUDIT DISCLOSURE #5: The Company does not take exception to this audit disclosure.

AUDIT DISCLOSURE #6: The Company does not take exception to this audit disclosure.

AUDIT DISCLOSURE #7: The Company does not take exception to this audit disclosure. The cost of the pump was approximately equal to the rental payments plus the \$91.40 balance paid. The invoice for the purchase of the pump by U.S.A. Utilities has not been located at this time.

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Page 3

AUDIT DISCLOSURE #8: The Company submits that the tariff sheets have been approved, and that the connection is anticipated in approximately sixty (60) days. If revenue is imputed for this additional customer, the additional utility plant and C.I.A.C., as well as additional variable expenses and related depreciation should also be imputed.

RATE CASE EXPENSE: Estimated rate case expense of \$2,020.55 should be allowed. A schedule detailing rate case expense and copies of invoices are enclosed.

Please direct any questions or requests for further clarification or amplification to me at 222-1192.

Sincerely,



Norman F. Mears
Utility Consultant

Hand deliver
cc: T. O. Sullivan
Bryant Hall
Don Hartsfield

THE WOODS, DIVISION OF HOMOSASSA UTILITIES, INC.
RATE CASE EXPENSE
DOCKET NO. 900966-WS

	HOURS	AMOUNT
BILLED:		
Filing Fee		\$ 300.00
Preparation of Application	1.90	161.50
Correspondence with Utility/Staff	.43	<u>15.30</u>
Total Billed		\$ 476.80
UNBILLED:		
Preparation of Response to Audit Report	3.25	\$ <u>308.75</u>
Total Unbilled		\$ 308.75
ESTIMATED:		
Review of Staff Recommendation	2.00	\$ 190.00
Preparation for Agenda Conference	2.00	190.00
Agenda Conference	5.00	475.00
Preparation of Customer Notice	1.00	95.00
Preparation of Revised Tariff Sheet	3.00	<u>285.00</u>
Total Estimated		<u>\$1,235.00</u>
TOTAL RATE CASE EXPENSE		\$2,020.55 =====

DOCUMENT NUMBER-DATE

03440 APR -9 1991

FPSC-RECORDS/REPORTING

Stearns & Wheeler



ENVIRONMENTAL
ENGINEERS & SCIENTISTS

Facsimile Message Transmittal Form

Date: 4/8/91

FAX #: 904/222-1192

We are sending you 7 pages (including this one).

Please deliver the following pages to:

Name: Norman Means
Rhema Business Services

Department: _____

From: Jack Notaris

Job #: 8104 Acct. #: 23.12

Comments: Summary of Invoices - The Woods

Inv.	AMT.	Reimb. exp.	Total
90-097	\$140.25	-0-	\$140.25
90-110	\$166.50	\$5.38	\$166.88
91-128	\$123.00	.35	\$123.35
91-140	\$180.00	\$2.52	\$182.52
			<u>CAA</u>

If you do not receive all pages, please call us as soon as possible.

Thank you.

Grand Total
\$613.00

Stearns & Wheeler, Inc
4515 George Road, Suite 300
Tampa, FL 33634

INVOICE NO: 90-097

DATE: 11/6/90

AMOUNT: \$454.29

USA Utilities, Inc.
6608 Walton Way
Tampa, FL 33610

TERMS: Net 30 Days

JOB NO: 8104

PROFESSIONAL ENGINEERING SERVICES FOR Oct., 1990, JOB NO. 8104

Employee	Hours		Hourly Rate		Total Cost
-----------------	--------------	--	--------------------	--	-------------------

Miscellaneous Engineering & Typing
8104-23.1

Secretarial	10.5	x	\$21.25	=	\$223.13
Project Manager	1.0	x	\$63.75	=	\$63.75
					<u>\$286.88</u>

The Woods - Permit Renewal Application
8104-23.12

Senior Engineer	3.0	x	\$46.75	=	<u>\$140.25</u>
-----------------	-----	---	---------	---	-----------------

Reimbursable Expenses:

8104-23.1 - Copies					<u>\$27.16</u>
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Total Due This Invoice:

\$454.29

Thank You!

U
Stearns & Wheeler, Inc
4515 George Road, Suite 300
Tampa, FL 33634

INVOICE NO: 90-110

DATE: 12/4/90

AMOUNT: \$1,034.84

USA Utilities, Inc.
6608 Walton Way
Tampa, FL 33610

TERMS: Net 30 Days

JOB NO: 8104



PROFESSIONAL ENGINEERING SERVICES FOR NOV., 1990, JOB NO. 8104

Employee	Hours		Hourly Rate		Total Cost
----------	-------	--	-------------	--	------------

Miscellaneous Engineering & Typing
8104-23.1

Secretarial	1.0	x	\$21.25	-	<u>\$21.25</u>
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The Woods - Permit Renewal Application
8104-23.12

Secretarial	1.0	x	\$21.25	-	\$21.25
Senior Engineer	3.0	x	\$46.75	-	\$140.25
					<u>\$161.50</u>

Greenbriar of Citrus Hills WWTP Operating Permit
8104-23.17

Senior Engineer	1.0	x	\$46.75	-	<u>\$46.75</u>
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pd.
11/4/91
#15576

**Oakview Estates General Consultations
8104-23.18**

Secretarial	1.5	x	\$21.25	=	\$31.88
Project Manager	12.0	x	\$53.75	=	\$765.00
					<u>\$796.88</u>

Reimbursable Expenses:

8104-23.1 - Copies					\$3.08
8104-23.12 - Copies					\$0.28
					<u>\$3.36</u>

Mileage:

8104-23.12: 15 @ \$.34					\$5.10
					<u>\$5.10</u>

Total Due This Invoice:

\$1,034.84

Thank You!

Stearns & Wheeler, Inc
4515 George Road, Suite 300
Tampa, FL 33634

INVOICE NO: 91-128

DATE: 2/6/91

AMOUNT: \$2,088.79

USA Utilities, Inc.
6608 Walton Way
Tampa, FL 33610

TERMS: Net 30 Days

JOB NO: 8104

PROFESSIONAL ENGINEERING SERVICES FOR JAN., 1991, JOB NO. 8104

Employee	Hours		Hourly Rate		Total Cost
Miscellaneous Engineering & Typing 8104-23.1					
Secretarial	8.8	x	\$33.00	-	<u>\$290.40</u>
The Woods Permit Renewal Application 8104-23.12					
Secretarial	1.0	x	\$33.00	-	\$33.00
Project Engineer	1.5	x	\$60.00	-	\$90.00
				-	<u>\$123.00</u>
Greenbriar of Citrus Hills WWTP Operating Permit 8104-23.17					
Project Engineer	0.5	x	\$60.00	-	<u>\$30.00</u>
Oakview Estates General Consultations 8104-23.18					
Secretarial	1.0	x	\$33.00	-	\$33.00
Principal	12.0	x	\$95.00	-	\$1,140.00
Project Engineer	7.0	x	\$60.00	-	\$420.00
				-	<u>\$1,593.00</u>

Reimbursable Expenses:

pd 2/11/91 #1679

pd 2/11/91 #1679

8104-23.12 - Copies
8104-23.18 - Copies

\$0.35
\$0.70

\$1.05

Mileage:
8104-23.18: 151 @ \$.34

\$51.34

Total Due This Invoice:

\$2,088.79

Thank You!

Stearns & Wheeler, Inc
4515 George Road, Suite 300
Tampa, FL 33634

INVOICE NO: 91-140

DATE: 3/8/91

AMOUNT: \$311.01

USA Utilities, Inc.
6608 Walton Way
Tampa, FL 33610

TERMS: Net 30 Days

JOB NO: 8104



PROFESSIONAL ENGINEERING SERVICES FOR FEB., 1991, JOB NO. 8104

Employee	Hours		Hourly Rate		Total Cost
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Miscellaneous Engineering & Typing
8104-23.1

Secretarial	1.0	x	\$33.00	=	\$33.00
Principal	1.0	x	\$95.00	=	\$95.00
					<u>\$128.00</u>

The Woods Permit Renewal Application
8104-23.12

Project Engineer	3.0	x	\$60.00	=	<u>\$180.00</u> ←
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Reimbursable Expenses:

8104-23.12 - Copies					\$2.52 ←
8104-23.18 - Copies					\$0.49
					<u>\$3.01</u>

Total Due This Invoice:

\$311.01

Thank You!

Rhema Business Services, Inc.

P.O. Box 13705
Tallahassee, FL 32317

(904) 878-1192

S T A T E M E N T

HOMOSASSA UTILITIES, INC.
5500 South Suncoast Boulevard
Homosassa, Florida 32646
Attention: Bryant Hall
TERMS: Net 14

December 10, 1990
#2141

	HOURS	AMOUNT
	-----	-----
11/05/90 NFM PREPARATION OF APPLICATION FOR A STAFF-ASSISTED RATE CASE, LIST OF INFORMATION NEEDED TO COMPLETE APPLICATION, LETTER TO T SULLIVAN	1.25	106.25
12/07/90 NFM PREPARATION OF APPLICATION FOR A STAFF-ASSISTED RATE CASE	0.58	49.30
	-----	-----
Total Professional Fees	1.83	\$155.55
Balance from Previous Invoice		\$1,210.10
11/28/90-Payment - thank you	(\$1,210.10)
12/10/90-Credit	(\$12.00)
-Credit	(\$195.00)

Total Payments Received	(\$1,417.10)

PLEASE PAY THIS AMOUNT	(\$51.45)
		=====

Rhema Business Services, Inc.

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S T A T E M E N T

HOMOSASSA UTILITIES, INC.
5500 South Suncoast Boulevard
Homosassa, Florida 32646
Attention: Bryant Hall
TERM: Net 14

February 1, 1991
#2171

	HOURS	AMOUNT
	-----	-----
01/03/91 NFM TEL FPSC BUREAU CHIEF B MESSER CONCERNING INTERPRETATION OF TARIFF SHEET GS; LTR TO B MESSER REQUESTING CONFIRMATION OF COMPUTATIONS	0.62	58.90
01/11/91 NFM TEL DISCUSSION WITH FPSC AUDITOR D HARTSFIELD	0.15	12.75
NFM TEL DISCUSSION WITH FPSC ANALYST C ROMIG CONCERNING INTERPRETATION OF GENERAL SERVICE RATE SHEET	0.30	28.50
01/17/91 NFM LTR ENCLOSING FPSC CASE ASSIGNMENT AND SCHEDULING RECORD	0.03	2.55
NFM TEL J HOTALING CONCERNING FPSC STAFF RESPONSE TO REQUEST TO APPROVE BACK BILLING; TEL G SHAPER AT FPSC; LTR TO FPSC REQUESTING METERED RATES	0.25	23.75
	-----	-----
Total Professional Fees	1.35	\$126.45
Balance from Previous Invoice		\$125.40
01/11/91-Payment - thank you	(\$125.40)
PLEASE PAY THIS AMOUNT		----- \$126.45 =====

Rhema Business Services, Inc.

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S T A T E M E N T

**HOMOSASSA UTILITIES, INC.
5500 South Suncoast Boulevard
Homosassa, Florida 32646
Attention: Bryant Hall
TERMS: Net 14**

April 5, 1991
#2203

	HOURS	AMOUNT
	-----	-----
03/22/91 NFM REVIEW AUDIT REPORT; REVIEW AUDIT WORK PAPERS AND TRANSFER DOCKET FILE AT FPSC; PREPARATION OF RESPONSE TO AUDIT REPORT; HAND DELIVER TO PSC	9.43	801.55
03/26/91 NFM TEL B HALL CONCERNING AUDIT REPORT TEL J HOTALING TEL FPSC AUDITOR J STEPHENS	0.73	62.05
	-----	-----
Total Professional Fees	10.16	\$863.60
04/05/91-FAX COMMUNICATIONS--4 PAGES		3.00
04/01/91-PHOTOCOPIES OF AUDIT WORK PAPERS OBTAINED FROM FPSC		15.00

Total Service Fees and Other Costs		\$18.00

Total amount of this invoice		\$881.60
Balance from Previous Invoice		\$126.45
02/28/91-Payment - thank you	(\$126.45)

PLEASE PAY THIS AMOUNT		\$881.60 *****

Rhema Business Services, Inc.

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S T A T E M E N T

HOMOSASSA UTILITIES, INC.
5500 South Suncoast Boulevard
Homosassa, Florida 32646
Attention: Bryant Hall
TERMS: Net 14

January 2, 1991
#2152

	HOURS	AMOUNT
	-----	-----
12/12/90 NFM TELEPHONE CONSULTATION WITH T SULLIVAN CONCERNING DEVELOPERS MEETING ON 12/13/90	0.60	57.00
12/13/90 NFM PREPARATION OF LETTER TO T SULLIVAN WITH TARIFFS SHEETS	0.33	31.35
12/27/90 NFM REVIEW CALCULATION OF GENERAL SERVICE RATES, TARIFF, AND COMMISSION RULES; TEL J NOTALING	0.80	76.00
12/18/90 NFM TEL FPSC ANALYST ANN MARSH TO ANSWER QUESTIONS CONCERNING SARC	0.10	9.50
	-----	-----
Total Professional Fees	1.83	\$173.85
01/02/91-FACSIMILE COMMUNICATIONS--4 PAGES		3.00

Total Service Fees and Other Costs		\$3.00

Total amount of this invoice		\$176.85
Balance from Previous Invoice	(\$51.45)

PLEASE PAY THIS AMOUNT		\$125.40
		=====

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Homasassa, Florida 32646
Attention: Bryant Hall
TERMS: Net 14**

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12/27/90 NFM REVIEW CALCULATION OF GENERAL SERVICE RATES, TARIFF, AND COMMISSION RULES; TEL J HOTALING	0.80	76.00
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Total Service Fees and Other Costs		\$3.00

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PLEASE PAY THIS AMOUNT		\$125.40 -----

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Attention: Bryant Hall
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December 10, 1990
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11/28/90-Payment - thank you	(\$1,210.10)
12/10/90-Credit	(\$12.00)
-Credit	(\$195.00)

Total Payments Received	(\$1,417.10)

PLEASE PAY THIS AMOUNT	(\$51.45)
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Rhema Business Services, Inc.

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Tallahassee, FL 32317

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TERMS: Net 14**

February 1, 1991
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	HOURS	AMOUNT
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01/11/91-Payment - thank you	(\$125.40)

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Total Professional Fees	10.16	\$863.60
04/05/91-FAX COMMUNICATIONS--4 PAGES		3.00
04/01/91-PHOTOCOPIES OF AUDIT WORK PAPERS OBTAINED FROM FPSC		15.00

Total Service Fees and Other Costs		\$18.00

Total amount of this invoice		\$881.60
Balance from Previous Invoice		\$126.45
02/28/91-Payment - thank you	(\$126.45)

PLEASE PAY THIS AMOUNT		\$881.60
		=====