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Public Service Commission

August 12, 2011

Mr. Christian Marcelli
Rose, Sundstrom & Bentley, LLP
766 North Sun Drive, Suite 4030
Lake Mary, FL 32746

Staff's Eighth Data Request

VIA FACSIMILE: (407) 830-8522

Re: Docket No. 100426-WS - Application for increase in water and wastewater rates in Lake County by Lake Utility Services, Inc.

Dear Mr. Marcelli:

By this letter, the Commission staff requests that Lake Utility Systems, Inc. (LUSI or Utility) provide responses to the following data requests.

1. The following items relate to the pro forma projects LUSI would like to include in the rate case as indicated in your emails of June 24, 2011 and August 12, 2011. The three projects mentioned were (1) the repair or refurbishment of three high service pumps for Lake Louisa, (2) four new submersible pumps at the Lake Groves Headworks, and (3) the rehabilitation of the biofilter at the Lake Groves water treatment plant. For each project, please provide the following:
 - (a) the dollar amounts requested to be included as pro forma additions; and
 - (b) a detailed statement why each repair is necessary; and
 - (c) a copy of all invoices, and estimates or bids, and other support documentation if the project has been completed or in process; and
 - (d) a copy of the signed contract, estimates, or any bids, if the project has not been completed; and
 - (e) a status of any engineering and permitting efforts, if the project has not been through the bidding processing; and
 - (f) the projected in-service date for each repair project; and

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- (g) all documentation (i.e. invoices) for the original cost of any corresponding retirements; and
 - (h) the typical expected life of the items being repaired and refurbished, and how often the repairs are made.
2. Please refer to MFR Schedule A-3, page 1 of 3, line 31. In the column for wastewater, there is an entry for a pro forma addition of \$60,000 for the Lake Groves Headworks. The documentation provided in the Utility's response to Staff Data Request No. 1, Item No. 1(b) appears to be very similar to the documentation provided to staff in your email dated August 12, 2011, regarding the Lake Groves Headworks project. Hence, it appears that the requested expenses have already been included in the rate case.
- (a) Please explain if the pro forma additions requested in your email are in addition to the \$60,000 included in the MFRs, and if so, provide the reason for the additions; and
 - (b) please provide a detailed explanation of the work or services provided by Siemens related to the invoice in the amount of \$59,500; and
 - (c) provide copies of any of any bids or estimates made by Siemens regarding the project.
3. Please refer to Staff's Third Data Request, Item No. 3, regarding the acquisitions and divestitures by Utilities, Inc. during the period July 1, 2009, through March 31, 2011. Please provide the following:
- (a) a detailed description of the divestitures listed in the response, including the name of utility, the portion of the system or subdivision that was sold, and the number of ERCs divested; and
 - (b) any sales agreements or contracts supporting the sale and transfer of customers; and
 - (c) any orders from regulatory authorities and municipalities approving the sale and transfer of customers; and
 - (d) a list or schedule like the one provided in response to Staff's First Data Request, Item No. 2, showing the ERC allocations for the corporation, south region, and Florida.
4. Please refer to MFR Schedule A-12, page 2 of 2, column (18), line 34. The total plant fees listed is \$48,471. Staff has concerns with the amount of total plant fees included in the CIAC totals. LUSI's tariff lists a wastewater plant capacity charge of \$558 per residential customer. Assuming there are approximately 2,850 residential wastewater customers, staff expected to see a total CIAC plant fee balance of approximately \$1,590,300, not \$48,471. Please explain this discrepancy and provide a reconciliation of any accounts to which a portion of the balance may have been transferred.

Mr. Christian Marcelli

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Please file the requested information by August 19, 2011, with Ms. Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6536 if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Dale R. Buys". The signature is written in a cursive style with a large, prominent "D" at the beginning.

Dale R. Buys
Regulatory Analyst IV

cc: Division of Economic Regulation (Maurey, Daniel, Fletcher, Lingo, Stallcup, Williams, Thompson)
Office of the General Counsel (Young)
Office of Commission Clerk
Office of Public Counsel