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DIVISION OF ENGINEERING
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Public Service Commission

August 11, 2015

VIA ELECTRONIC MAIL

Mrs. Holly Burge
Aquarina Utilities, Inc.
Post Office Box 308
Jensen Beach, Florida 34958

STAFF'S FOURTH DATA REQUEST

Re: Docket No. 150010-WS- Application for staff-assisted rate case in Brevard County by Aquarina Utilities, Inc.

Dear Mrs. Burge:

Staff has reviewed the responses to the second and third data requests along with Aquarina's request for additional considerations and we have some follow up questions.

1. **Meter Replacement.** Aquarina states approximately 100 meters have been replaced over the previous four years and 20 meters need to be replaced at the moment. The provided meter records indicate 17 residential water meters were replaced during 2014. The records also indicate that no water meters have been replaced so far in 2015.
 - (a) How many residential water meters does Aquarina plan to test each year going forward?
 - (b) If Aquarina is granted a meter replacement program, how many residential water meters can it reasonably expect to replace per calendar year?
 - (c) Please identify all materials needed to replace a residential water meter and the associated costs of all the materials. For the water meter itself, please provide the manufacturer's name and model.
 - (d) Please identify all materials needed to replace a residential irrigation meter and the associated costs of all the materials. For the irrigation meter itself, please provide the manufacturer's name and model.

2. **Leased Vehicles and Shop Space.** Aquarina is requesting its two leased vehicles (lift station truck and equipment van) be housed in the leased garage space:
 - (a) Are these leased vehicles used solely by Aquarina Utilities? If not, please explain under what circumstances these vehicles will be used by other entities?
 - (b) In staff's audit report it states the lift station truck and equipment van will be used as needed. How many occasions during the test was the lift station truck used and for what purpose? How many occasions during the test year was the equipment van used and for what purpose? Do you believe a utility the size of Aquarina needs a lift station truck, an equipment van, and a pick-up truck? Please explain in your response.
 - (c) Aquarina states the shop space with a lift is needed to perform routine maintenance and upkeep on utility vehicles, including oil changes, tire changes, filter and fluid changes and fills, routine body maintenance and painting. Please provide:
 - (i) Justification as to why the utility prefers to perform these activities rather than have the vehicles serviced by a non-utility business.
 - (ii) Provide a cost benefit analysis of the savings customers will realize if the utility performs maintenance and upkeep, keeping in mind the cost of the lift.
 - (iii) Any supporting documentation.
 - (d) Please specify which utility personnel would perform the maintenance on the vehicles.
3. **Well Drilling.** Aquarina provided one quote of \$235,591 for drilling a new irrigation well. Please provide additional quotes for the drilling of a new irrigation well. If the utility cannot obtain additional quotes, please explain why.
4. **Rewiring - Water Treatment Plant (WTP).** Aquarina provided information suggesting the cost for rewiring the WTP is \$110,000; however, an actual quote was not provided. Please provide three quotes for the rewiring of the WTP? If the utility cannot obtain three quotes, please explain why.
5. **Reverse Osmosis System.** Aquarina wants to replace its existing reverse osmosis water treatment system due to its age and a potential problem with acquiring parts.
 - (a) Please provide the dates of each water plant service outage from 2010 through 2014, the cause of the outage, and the duration of the outage.
 - (b) Please provide the cost associated with each outage related repair.
 - (c) Have outage related repairs been delayed because of a parts availability issue? If so, how long was the repair delayed?

- (d) Has the utility incurred greater costs to complete an outage related repair due to the age of the system and problems obtaining parts?
 - (e) Please provide specific information justifying the replacement of the existing system at this time.
6. **Accelerated Depreciation.** In Aquarina's request for additional consideration, the utility asked for accelerated depreciation for the service life and maintenance expenses of its equipment and infrastructure due to the corrosive effects of the local environment.
- (a) Please provide the annual cost for repair, maintenance, and painting for fire hydrants, storage tanks, buildings and other infrastructure from 2011 through 2014.
 - (b) Please provide the annual cost for maintenance, repair or replacement of pumps and valves from 2011 through 2014 for wells, the water treatment plant, the wastewater treatment plant and any other areas.
7. **System Mapping.** Aquarina provided one quote of \$73,768 for GIS mapping of its infrastructure. Please provide additional quotes for mapping the utility's infrastructure. If the utility cannot obtain additional quotes, please explain why.
8. **Safety Equipment.** Aquarina listed several safety equipment items for consideration.
- (a) Please explain the need for 10 traffic cones.
 - (b) Please explain the need for a 10 post pedestrian barrier.
 - (c) Explain why a \$1,800 clothing and protective gear allowance is necessary per year for three individuals. Does the utility intend to buy new head gear every year?
 - (d) Are respirators, first aid kit, and eye wash annual expenses?
9. **Meter Lock-Off Charge.** The utility requested additional miscellaneous service charges, which included a \$25 meter lock-off charge. The utility indicated that the purpose of the charge is to have a lock placed on a customer's meter due to a fair amount of water theft in the service community and accidental water losses occurring while seasonal customers are out of residence. Staff has several follow-up questions in order to fully understand your requests.

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- (a) For the instances of water theft, please explain in detail the circumstances surrounding these instances. For an example, do these instances occur when new customers have not applied for service or current customers' service has been discontinued?
 - (b) Did the utility have any water theft occur during the test year? If so, please provide any documentation of these instances.
 - (c) Please explain how the utility has addressed complaints of large water losses from customers while out of residence during the test year.
 - (d) Please explain whether customers have the ability to turn their valve off at the meter to prevent water loss.
10. **Meter Box Maintenance Charge.** The utility requested a \$25 meter box maintenance charge. Please provide cost justification to support your request.
11. **Direct Debit/ACH Processing.** The utility requested a \$2 direct debit charge. Please provide cost justification to support your request.

Please provide a response to this data request to the Office of Commission Clerk, 2540 Shumard Oak Blvd., Tallahassee, Florida 32399-0850 by August 31, 2015. Also, Staff noticed the letter head for Aquarina's request for additional considerations shows a different mailing address than the one listed for the utility with the Commission. If so, please file an updated address with the Office of the Commission Clerk. Should you have any questions, please contact me by telephone at (850) 413-6578 or email clewis@psc.state.fl.us.

Sincerely,



Clayton Lewis
US Engineering Specialist
Bureau of Reliability and Resource Planning
Division of Engineering

CKL:tj

cc: Office of Commission Clerk (Docket No. 150010-WS)