

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: **Application for increase in water and
wastewater rates in Charlotte, Highlands,
Lake, Lee, Marion, Orange, Pasco, Pinellas,
Polk, and Seminole Counties by Utilities, Inc.
of Florida**

DOCKET NO. 160101-WS

**UTILITIES, INC. OF FLORIDA'S RESPONSE IN OPPOSITION TO OFFICE OF
PUBLIC COUNSEL'S MOTION TO ENLARGE DISCOVERY LIMITS**

UTILITIES, INC. OF FLORIDA. ("UIF"), by and through undersigned counsel and pursuant to Rule 28-106.204, Fla. Admin. Code, hereby files its Response in Opposition to OFFICE OF PUBLIC COUNSEL'S ("OPC") Motion to Enlarge Discovery Limits ("Motion"), and as grounds therefore states as follows:

1. In Order No. PSC-16-0558-PCO-WS issued December 14, 2016 ("OEP"), and subsequently modified, the Commission established a maximum of 500 interrogatories that one party may serve on another party. OPC is now asking that this Commission take the unprecedented action of extending that maximum by 50% to 750 interrogatories.

2. With the service of OPC's Eleventh Interrogatories, UIF advised OPC that even though it had exceeded the 500 maximum, it would answer that set, but none thereafter. As of OPC's Eleventh Interrogatories, OPC has served 562 interrogatories, already 10% over the maximum. See the attached Schedule showing the calculation.

3. OPC tries to justify its need for more interrogatories by what it calls a "large, complicated case". In reality, OPC wants to serve more interrogatories because it did not make good use of the 500 it had. For instance, in Interrogatory 257, OPC is asking questions about whether \$460 and \$544 invoices were recurring expenses (and presumably amortized over 5 years

if not – a couple of hundred dollar issue). That is just one recent example. OPC's Interrogatories are replete with questions about insignificant amounts.

4. OPC was not judicious in its interrogatories and now seeks reprieve from this Commission for its oversight in focusing on blades of grass instead of the forest. It asked questions without regard to materiality. The purpose of limitations in discovery requests is to require parties to be more selective in submitting interrogatories. See, *Amendments to the Fla. Rules of Civil Procedure (Two-Year Cycle) & Fla. Rule of Appellate Procedure 9.110*, 2003 Fla. LEXIS 2333 (Fla. 2003).

5. OPC's attempt to place the blame on UIF for asserted "deficient" responses is misplaced. For instance, OPC apparently believes that Florida Rule of Civil Procedure 1.370(a) requires a party denying a Request for Admission to explain its denial. OPC seeks to use Requests for Admissions as a substitute for interrogatories. They are separate discovery tools with separate purposes. The clear reading of this Rule is that an explanation is only required when a party cannot either admit or deny a Request for Admission. OPC cannot rely upon its mistake in not understanding this procedural rule to justify its request for service of additional interrogatories. As stated in the treatise, *Florida Civil Practice Before Trial* § 16.77 (2014):

Requests for admission must be in writing and must set forth separately, each fact on which an admission is requested. The requests should be phrased simply and directly so that they can be admitted or denied without explanation. A request for admission should be phrased so that it can be answered "yes," "no," "I do not know," or by a simple explanation why it cannot be answered.

6. By way of example, in the pending Gulf Power rate case, interrogatories were limited to 500, in the K W Resort Utility Corp. rate case the number of interrogatories was limited to 500, and in the Aqua Utilities Florida, Inc. rate case the number of interrogatories in the protested case was limited to 350 (since OPC had already served interrogatories in the PAA portion

of the case). To allow a party to serve virtually an unlimited number of interrogatories would be to create a precedence this Commission would be saddled with for years to come, and would be contrary to the purpose of such limitations to require parties to be more selective in submitting interrogatories.

WHEREFORE, UTILITIES, INC. OF FLORIDA respectfully requests this Commission issue an Order denying OFFICE OF PUBLIC COUNSEL'S Motion to Enlarge Discovery Limits.

Respectfully submitted this 25th day of March,
2017, by:

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/s/ Martin S. Friedman
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For the Firm

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by E-mail to the following parties this 25th day of March, 2017:

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Request No.	# of Questions	MFR Schedule	DR Purpose
1	1		General Ledger. Please provide a schedule that indicates the appropriate NARUC account numbers cross referenced to each of the account numbers found in the utility's general ledger. This should include all accounts, especially assets, liabilities, capital, income, expense, and clearing accounts.
2	1		MFRs. The MFR Volume I Consolidated Package does not include consolidated MFR Schedules B-5 and B-6. Please provide consolidated MFR Schedules B-5 and B-6 that tie into the Operation and Maintenance expense shown on consolidated MFR Schedules B-1 and B-2. In other words, this would be a breakdown, by account, of the Operation and Maintenance Expenses found on consolidated MFR Schedules B-1 and B-2.
3	1		MFRs. Please provide a consolidated MFR Schedule B-10 that provides the total estimated costs of this rate case on a total consolidated basis broken down by vendor and cost category contained in the MFR B-10 schedules for the separate systems.
4	9		Pro Forma Plant. Please describe the utility's justification for each of the requested pro forma plant additions found on the Schedules A-3 of the MFR's. This should include the following: <input type="checkbox"/> The objective of the project; <input type="checkbox"/> A description of the work that is to be completed; <input type="checkbox"/> What the project is designed for: deferred maintenance, safety, compliance, reliability, water or wastewater quality, etc.; <input type="checkbox"/> The specific regulatory mandates that precipitated this project; <input type="checkbox"/> The vendor that has been selected; <input type="checkbox"/> The breakdown of the estimated cost; <input type="checkbox"/> The start date of the project; <input type="checkbox"/> Project completion date, if completed; and <input type="checkbox"/> The estimated completion date of the project.
5	1		Pro Forma Plant Additions. For each of the pro forma plant additions found in the MFR Schedules A-3, please provide the total project expenditures to date for each system for which the project has begun. For any of the projects that have been completed, please provide the final actual project cost and identify the actual amount closed to plant in service, by account. If the actual amount closed to plant in service differs from the amount presented in the MFR Schedules A-3 for the project by more than 5%, please explain, in detail, what caused the project variance.
6	1		Pro Forma Plant Retirements. If any of the pro forma plant retirements contained in the MFR Schedules A-3 have already been booked by the Company, please provide, by each project, the actual amount retired from plant in service, accumulated depreciation and any other accounts associated with the actual plant retirement. If the actual amount retired on the books for the project differs from the amount contained on Schedule A-3 by 5% or more, please explain, in detail, the causes of the variances.
7	1		Pro Forma Plant Additions. Citizens First Request for Production of Documents, Question 15, seeks, in part, a copy of the cost benefit analyses conducted by or for the Company with regards to each of the pro forma plant additions contained in MFR Schedules A-3 for each of the systems. For each of the individual pro forma plant additions contained in the MFR Schedules A-3 for each of the systems in which a cost benefit analysis was not conducted by or for the Company, please explain, in detail, why a cost benefit analysis was not conducted for the project.
8	1		Pro Forma Plant Additions. For each of the individual pro forma plant additions identified in Mr. Flynn's testimony at pages 3 - 47, and contained in MFR Schedules A-3 for each of the systems, please provide the Company's best estimate for the cost savings that will result from the project. This should include, but not be limited to, reductions in maintenance expenses, reductions in chemical and other treatment costs, reduction in sludge hauling expense, reduction in unaccounted for water, etc. Explain, in detail, how the projected cost savings were determined. If no cost savings are anticipated to result from the project, please explain, in detail, why not.
9	1		Operations. For each of the water and wastewater systems shown on Attachment 1, please indicate if there has been a significant change in operating circumstances for each system since the last test year. If yes, provide a detailed description of the change in operating circumstances. This should include any changes in treatment, distribution, collection, customers, or other circumstances.
10	4		Pro Forma Plant. For purposes of evaluating used and useful, excessive unaccounted for water, and excessive infiltration, please provide for each stand-alone physical system the following information to the extent the information is not already provided on a stand-alone basis in the MFRs: a. Utility plant in service balances, by account; b. Accumulated depreciation balances, by account; c. Depreciation expense, by account; and d. Operation and Maintenance Expenses, by account.
11	1		Plant in Service. Please describe in detail the increase of \$776,612 to Account 348 - Other Tangible Plant as reflected in the 2011 Annual Report for Lake Utility Services, Inc.
12	1		Plant in Service. Please describe in detail the increase of \$715,368 to Account 331 - Transmission and Distribution Mains as reflected in the 2013 Annual Report for Lake Utility Services, Inc. Please identify if this is for new construction or whether any old mains should have been retired. Please provide the entry to retire old plant or if no retirement was made, please indicate the entry that should have been made.
13	2		Plant in Service. Please describe in detail the following increases for Utilities, Inc. of Florida - Orange County. Please identify if these are for new construction or whether any old mains should have been retired. Please provide the entry to retire old plant or if no retirement was made, please indicate the entry that should have been made. <input type="checkbox"/> \$296,296 to Account 331 - Transmission and Distribution Mains as reflected in the 2013 Annual Report <input type="checkbox"/> \$301,145 to Account 331 - Transmission and Distribution Mains as reflected in the 2015 Annual Report
14	1		Plant in Service. MFR Schedule A-4 for Orange County shows \$0 plant additions in 2015 on line 19. The 2015 Annual Report for UIF-Orange County shows a \$301,145 increase in Account 331 - Transmission and Distribution Mains. Please reconcile and explain these differences.
15	2		Plant in Service. Please describe in detail the increase of \$334,286 to Account 331 - Transmission and Distribution Mains as reflected in the 2014 Annual Report for Utilities, Inc. of Florida - Pinellas County. Please identify if this is for new construction or whether any old mains should have been retired. Please provide the entry to retire old plant or if no retirement was made, please indicate the entry that should have been made. Additionally, please reconcile the \$334,286 increase to Account 331 shown in the 2014 annual report to the 2014 plant additions shown on MFR Schedule A-4, line 12 for Pinellas County
16	1		Plant in Service. Please describe in detail the increase of \$170,271 to Account 361 - Collection Sewers - Gravity as reflected in the 2010 Annual Report for Utilities, Inc. of Longwood. Please identify if this is for new construction or whether any old mains should have been retired. Please provide the entry to retire old plant or if no retirement was made, please indicate the entry that should have been made. Additionally, please reconcile the \$170,271 increase to Account 361 shown in the 2010 annual report to the 2011 plant additions shown on MFR Schedule A-4, line 11 for Longwood of \$59,688.
17	3		Plant in Service. Please describe in detail the following increases for Mid County Services, Inc. Please identify if these are for new construction or whether any old mains should have been retired. Please provide the entry to retire old plant or if no retirement was made, please indicate the entry that should have been made. <input type="checkbox"/> \$304,662 to Account 390 - Office Furniture and Equipment as reflected in the 2008 Annual Report <input type="checkbox"/> \$262,228 to Account 361 - Collection Sewers - Gravity as reflected in the 2013 Annual Report <input type="checkbox"/> \$410,964 to Account 354 - Structures and Improvements as reflected in the 2015 Annual Report
18	2		Accumulated Depreciation. The 2015 Annual Report for Cypress Lakes Utilities-, Inc. indicates the following "Other Credits" to accumulated depreciation. The Annual Report requires an explanation of these amounts, but the utility only footnotes "due to allocation of UIF plant". Please explain fully this adjustment, explain why it was made in 2015, and identify the impact of the adjustment on the Cypress Lakes adjusted test year in the MFRs. Please also identify where these amounts were included in the MFRs for Docket No. 130212-WS. <input type="checkbox"/> \$425,663 increase to water accumulated depreciation for Account 304 - Structures and Improvements <input type="checkbox"/> \$412,641 decrease to wastewater accumulated depreciation for Account 304 - Structures and Improvements.
19	2		Accumulated Depreciation. The 2012 Annual Report for Utilities Inc. of Eagle Ridge reflects reductions to accumulated depreciation using credits to the accrual for the following two accounts. These credits total \$186,000. Please explain why the accruals were reduced and identify the impact on the adjusted test year in the MFRs. If these are adjustments to the balances, please explain where these amounts were included in the MFRs for Docket No. 110153-SU and in the MFRs in the current docket. <input type="checkbox"/> Account 360 Collection Sewers - Force <input type="checkbox"/> Account 380 Treatment and Disposal Equipment
20	1		Accumulated Depreciation. The 2012 Annual Report for Utilities Inc. of Eagle Ridge reflects unusual activity for Account 363 - Services to Customers. The amount reflected in the column for the accrual of depreciation expense results in a depreciation rate of 53%. Then there is an "other credit" that is footnoted as "due to allocation of UIF plant" that reduces the balance to about 68% of the beginning balance. Please explain why the accrual was reduced and the balance was further reduced by "other credits". If this is an adjustment to the balances, please explain where this amount was included in the MFRs for Docket No. 110153-SU and in the MFRs in the current docket.

21	1	Accumulated Depreciation. The 2014 and 2015 Annual Reports for Utilities Inc. of Florida – Pinellas County reflect "other credits" that are actually reductions to the accumulated depreciation balance. The only footnote states "due to allocation of UIF plant". Please explain why the balances were reduced and identify the impact on the adjusted test year balances included in the MFRs. If these are adjustments to the prior balances, please explain where these amounts were included in the MFRs for Docket No. 120209-WS.
22	1	Accumulated Depreciation. The 2013 and 2014 Annual Reports for Utilities Inc. of Florida – Seminole County reflect "other credits" that are actually reductions to the accumulated depreciation balance. The only footnote states "due to allocation of UIF plant". Please explain why the balances were reduced and identify the impact on the adjusted test year balances included in the MFRs. If these are adjustments to the prior balances, please explain where these amounts were included in the MFRs for Docket No. 120209-WS.
23	1	Deferred Debits. For each of the water and wastewater systems shown on Attachment 1, please provide a breakdown and description of all amounts recorded in Account 186.2, Other Deferred Debits by month for 2013, 2014, 2015 and 2016 year to date.
24	1	Deferred Income Taxes. Please explain whether UIF, in its MFRs, considered the increase in credit deferred income taxes that would be generated by the requested pro forma additions to plant as well as the impact of the 50% bonus depreciation provisions in effect for 2015 through 2017. If so, provide the amount and calculation of increased deferred tax credits by system. If not, please explain why this adjustment was not made and provide, by pro forma plant addition and in total the projected impact on deferred income taxes.
25	1	Deferred Income Taxes. Please provide the December 2014 and 2015 monthly balances of deferred income taxes associated with allocated plant balances from related parties and the appropriate method for allocating those balances to the UIF systems for the current test year.
26	1	Cost Savings. Please list and describe any major cost-saving initiatives or programs implemented during 2014, 2015, 2016 year to date and as projected for the remainder of 2016 and all associated costs. This request seeks information on major plans or programs beyond efforts undertaken in the normal course of business.
27	1	Cost Allocations – CIAC. Several of the MFR Schedules A-11 (such as Orange County, Pasco County, etc.) include "Adjustments – UIF Allocation" to the CIAC balances and a note stating: "2015 starting and ending balance in Annual Report do not tie to the Trial Balance for the MFRs due to allocations." Please explain the "Adjustments – UIF Allocation" amounts for CIAC and Accumulated Amortization of CIAC. The explanation should include how CIAC is not specifically identified to systems, how the allocations are calculated each year, why the calculations vary from year to year, and how the amount can generally increase each year.
28	1	Compensation. Please provide a listing of each employee, by title, whose costs are charged to administrative salaries and wages, including a detailed description of their duties.
29	1	Compensation. Provide a listing of actual UIF employee positions with their respective annual base salary as of the end of 2014, 2015 and the current date. Also include if the position is full-time or part-time.
30	1	Compensation. By system and accounts charged, please identify all incentive and bonus program expenses, by incentive and bonus program, incurred in 2013, 2014, and 2015 and identify incentive and bonus program expenses charged or allocated to UIF from each affiliate and parent company in 2013, 2014, and 2015. If the amount included in the adjusted test year for the incentive and bonus program costs differs from the amounts identified in this response for 2015, please also provide the amount included in the adjusted test year for such incentive and bonus program expenses by account and by system, inclusive of amounts charged or allocated to UIF from each affiliate and parent Company.
31	1	Employee Relocation. For each of the water and wastewater systems shown on Attachment 1, identify the amount of expenses incurred by UIF for the years 2013, 2014, and 2015 associated with employee relocations. Please identify all employee relocations, where the employees were relocated from and to, and the reason for the relocation. To the extent that employee relocation expenses are a result of allocations from any Utilities, Inc. or UI affiliate, please identify the affiliate and the amount charged to UIF.
32	1	Sludge Hauling. By system, please provide a listing of all vendors contracted with for the removal of sludge during 2013, 2014, 2015 and 2016 year to date. Indicate the terms of the contract and/or arrangement, and identify whether the contract or arrangement was bid on. Identify all new contracts for sludge hauling that were signed in 2015 and 2016 year to date, identify the effective date of the contract change, and describe changes to the contract's terms and conditions, price, and provider. Please quantify the annual expense impact of the contractual changes.
33	1	Wholesale Provider. By system, please provide a listing of all wholesale providers of water and wastewater services and identify the rates each wholesale provider charges and the amount of rates that changed during 2014, 2015, and 2016 year to date, and if any are proposed to change for the remainder of 2016 and 2017. Also, include the amount of water and wastewater purchased from wholesale providers during the test year and the preceding two years.
34	1	Meter Reading. By system, please provide the amount of meter reading expenses included in the test year and each of the preceding two years.
35	7	Legal. For each of the water and wastewater systems shown on Attachment 1, please itemize all legal expenses included in the test year and the preceding two years by lawsuit and type of other matters (including any at the parent level or affiliate that were allocated to UIF). By lawsuit, please detail the following information: a. the amount of test year legal expenses; b. whether or not the lawsuit has been resolved or settled; c. whether or not UIF is requesting recovery of legal fees as part of its claims; d. the circumstances of each lawsuit; e. the name of the plaintiff and defendant; f. an explanation of why it is appropriate to include such expenses in test year expenses; and g. for expenses that did not involve a lawsuit, please itemize the expense and describe the services provided by each law firm.
36	1	Legal. For each of the water and wastewater systems shown on Attachment 1, please identify and describe all legal costs incurred by UIF or allocated to UIF associated with EPA and DEP violations. Please indicate in which accounts these costs were booked and the amount charged to test year expenses, by system.
37	1	Insurance. For each of the water and wastewater systems shown on Attachment 1, please provide the amount of insurance expense incurred, by insurance type (i.e., property insurance, liability insurance, workers compensation, Directors and Officers Liability Insurance, etc.) for the test year, the preceding two years and identify the accounts to which the associated costs are charged.
38	1	Insurance. For the years 2013-2015, provide the amount of Directors and Officers Liability Insurance Expense reflected on the books of UIF and include an explanation for any annual increases in excess of 5%. Please include the amount of coverage and the deductible by year and state the amount of expense charged to each system during the test year and the preceding four years and identify the accounts to which the associated costs are charged.
39	4	Dues. Please identify for each of the water and wastewater systems shown on Attachment 1 the industry association dues for the test year and the preceding two years, either paid by UIF directly, or allocated to UIF from affiliates, detailing the following: a. Account number charged; b. UIF's reason for making that particular dues payment; c. UIF's perceived benefit to ratepayers from such membership; and d. if any of the dues or other amounts paid to the organizations/associations go toward lobbying and public relations efforts and are recorded in above-the-line accounts, provide the associated amounts included in the above-the-line accounts, whether material in magnitude or not.
40	1	Dues. For each of the water and wastewater systems shown on Attachment 1, state the amount of chamber of commerce dues allocated and charged in the test year and the two previous years' expenses. Indicate in which account these expenses are booked and the total invoice amount for each allocated cost.
41	1	Lobbying. For each of the water and wastewater systems shown on Attachment 1, state the amount of lobbying expenses allocated and charged for the test year and the preceding two years. Indicate in which account these expenses are booked and the total invoice amount for each allocated cost.
42	1	Contributions. For each of the water and wastewater systems shown on Attachment 1, state the amount of contributions for charitable and political purposes that were recorded above-the-line, if any, for the test year. Please identify all amounts allocated and charged in accounts other than below the line. Indicate the amount of the expenditure, the recipient of the contribution, and the specific account in which the expense is included in the filing. Also identify for the test year the amounts of contributions for charitable and political purposes charged to UIF from affiliates in accounts other than below the line accounts.

43	1	Rate Case Expense. Identify and describe the cost for each employee of UIF, UI, and any other affiliate, whose time has or will be charged to rate case expense in this proceeding. For each employee, please provide the person's hourly pay rate and their hourly cost for overheads (FICA, FUTA, SUTA, pension and benefits, etc.) during 2014 and the test year. If the person receives bonuses, please explain how these are reflected in the above information requested and in the amounts reflected in rate case expense.
44	1	Rate Case Expense. The amount of estimated rate case expense incorporated on MFR Schedule B-10 varies by system. Explain, in detail, how the estimated consultant and attorney hours and costs, by system, were determined. Include all supporting calculations including full charges, basis for allocations and system charges.
45	1	Advertising. For each of the water and wastewater systems shown on Attachment 1, identify the account and amount of advertising and marketing expenses included in the test year and the preceding two years, broken down between informational, instructional, image enhancement, promotional, and conservation.
46	1	Bad Debt. For each of the water and wastewater systems shown on Attachment 1, please provide bad debt expense for 2012, 2013, 2014, and 2015, including: the beginning bad debt reserve balance, the amount written off, the recoveries, the reserve adjustment, other charges or credits, the ending reserve balance, and the amount of bad debt charged to expense.
47	1	Bad Debt. Please provide a detailed description of changes in UIF's collection policies or write-off policies in the last three years.
48	1	Property Tax Expense. Please explain the basis and specific calculations UIF used to make each of its property tax expense adjustments for pro forma plant additions.
49	1	Depreciation expense. For each system, provide the depreciation rates applied during the test year in determining the depreciation expense for each account shown on MFR Schedules B-13 and B-14. Additionally, provide the depreciation rates applied to each account for purposes of determining the amount of each of the Utility Adjustments show on MFR Schedules B-13 and B-14. If the depreciation rate applied by the Company during the test year differs from the depreciation rate applied in determining the depreciation adjustment(s) associated with any of the accounts, explain, in detail, why they differ and provide support for using different rates.
50	1	Affiliates. Please identify each affiliate charging costs (operating expenses, taxes, plant, etc.) to UIF in 2013, 2014, 2015 and 2016 year to date.
51	1	Affiliates. For each company identified in the preceding Interrogatory, please explain the methodology of how costs from each are allocated or charged to UIF and all common and direct costs allocated or charged, by account. This should include the numerator and denominator of the allocation factor used to allocate the costs and the total costs to which the allocation factor was applied, by account.
52	1	Affiliates. For each company identified in the preceding interrogatory, please provide for 2013, 2014, and 2015, the amounts, by account, that are allocated or charged to each of the water and wastewater systems shown on Attachment 1.
53	8	Allocations. Please identify each of Utilities, Inc.'s systems that were sold in 2013, 2014, 2015, and to date in 2016. Please also identify all systems that are anticipated to be sold in 2016 and 2017. Please include the following information, for each system: <input type="checkbox"/> the date of sale; <input type="checkbox"/> the water and wastewater rate base of the facilities; <input type="checkbox"/> the number of water customers; <input type="checkbox"/> the number of wastewater customers; <input type="checkbox"/> the number of other customers; <input type="checkbox"/> number of ERCs; <input type="checkbox"/> the water revenue; and <input type="checkbox"/> the wastewater revenue.
54	8	Allocations. Please identify all systems that were acquired by Utilities, Inc. in 2013, 2014, 2015 and to date in 2016. Please also identify all systems anticipated to be acquired in 2016 and 2017. Please include the following for each system: <input type="checkbox"/> the date of acquisition; <input type="checkbox"/> the water and wastewater rate base of the facilities; <input type="checkbox"/> the number of water customers; <input type="checkbox"/> the number of wastewater customers; <input type="checkbox"/> the number of other customers; <input type="checkbox"/> the number of ERCs; <input type="checkbox"/> the water revenue; and <input type="checkbox"/> the wastewater revenue.
55	1	Allocations. For each system acquired in 2015, 2016, and anticipated to be acquired in 2016 and 2017, please explain how this acquisition was taken into consideration in the instant rate filing. If not taken into consideration, please explain how it can be taken into consideration in the form of an adjustment and provide an estimate of the reduction in costs to the remaining UIF systems as a result of this acquisition. If there are no savings to the other systems associated with the acquisition, please explain why there would be no savings.
56	1	Allocations. For each Florida water and wastewater company/system that is pending acquisition, please provide the number of water and wastewater customers and the number of water and wastewater ERCs for the years 2013, 2014, and 2015 and describe the progress of the acquisition including whether or not a purchase agreement has been executed.
57	1	Allocations. For each non-Florida system that is pending acquisition, please provide the number of water and wastewater customers and the number of water and wastewater ERCs for the years 2013, 2014, and 2015 and describe the progress of the acquisition including whether or not a purchase agreement has been executed.
58	3	Allocations. Please explain how acquisition expenses associated with the acquisition and sale of water and wastewater facilities are treated on the books of UIF, including the following information (by system, and account number): <input type="checkbox"/> the accounts the expenses are booked to; <input type="checkbox"/> the amount booked during 2013, 2014, and 2015; and <input type="checkbox"/> the amount included in the test year expenses.
59	4	Allocations. Please identify all personnel involved in the acquisition and/or sale of new or existing water and wastewater systems and nonregulated companies, and for each employee include: <input type="checkbox"/> their title and place of employment; <input type="checkbox"/> how they record their time; <input type="checkbox"/> how and where their labor costs are recorded on the books of Utilities, Inc., UIF and any other affiliate; and <input type="checkbox"/> a detailed listing of all components of their fully loaded salary.
60	1	Allocations. Please explain how the costs related to rent or leases for office buildings are shared and/or allocated between the various companies of Utilities, Inc. and its affiliates.
61	1	Allocations. Please identify all systems of Utilities, Inc. and UIF that operate in the state of Florida that are not part of the instant rate proceeding. For each system, please state if they are regulated by the Florida Public Service Commission or another regulatory body.
62	1	Allocations. Please refer to MFR Schedule B-12, page 13, for any of the systems, which shows the total expenses that are allocated by Water Service Corp. by account, shown as totaling \$22,277,720 for "Allocated Expenses" and \$1,843,658 for "Allocated State Expenses" in the "Total" amount allocated column. For each of the expenses listed, provide the comparable amounts (i.e., "Total" expenses allocated by Water Service Corp. for "Allocated Expenses" and "Allocated State Expenses") for each year, 2013, 2014, 2015 and 2016 year to date by "G/L Account" listed on the schedule. For any expense accounts in which the total amount for Water Service Corp. increased by 10% or greater in a single year, provide a detailed explanation of the factors causing the increase.
63	1	Allocations. Please refer to MFR Schedule B-12, page 13, for any of the systems, which shows the total Account 403 - Depreciation Expense "Allocated Expenses" as \$3,885,396 and "Allocated State Expenses" as \$406,630 in the "Total" amount allocated column. Please provide a breakdown, by account, of the Water Service Corp. assets being depreciated for which the depreciation expense is allocated to UIF as of December 31, 2013, December 31, 2014, December 31, 2015 and June 30, 2016. Also, by account listed in the response, provide the depreciation rate that was applied by Water Service Corp. during the test year.
64	1	Billing. For each of the water and wastewater systems shown on Attachment 1, please provide the percentage of monthly bills for 2014, the test year, and 2016 to-date, which are estimated.
65	1	Reuse. For systems with reuse rates, please provide the reuse rate charged by each Florida system owned by UIF and describe all efforts undertaken by UIF to determine what price the market would bear. For any system where reuse is provided but there is no associated charge, explain why UIF does not charge a reuse rate.

66	3	Pinellas County – Water Main Replacements – Lake Tarpon. Mr. Flynn's testimony, at pages 10 – 11, indicates that the "UIF-WM Replacements, Pinellas Co" project, in part, is to replace 2-inch, 4-inch and 6-inch asbestos cement water mains and identifies the total project cost as \$800,000. MFR Schedule A-3 for UIF-Pinellas County includes \$1,000,000 of pro forma plant additions to Account 331.4 –Transmission & Distribution Mains for "Lake Tarpon Water Main Replacement." Exhibit PCF-35 of Patrick C. Flynn identifies the Lake Tarpon WM Replacements for a total project budget of \$800,000. The "Add-Change Form" in PCF-35 describes the project as including, in part, the removal and replacement of: 4,800 LF of 4" asbestos cement water main; 5,000 LF of 6" asbestos cement water main; and 7,600 LF of 8" asbestos cement water main. The Volume III Engineering Reports for Pinellas County, in the excel file titled "UIF-Pinellas County Mains", indicates that the lineal feet of asbestos/cement ("A/C") water mains for Lake Tarpon as of 2015 consisting of 2,400 lineal feet of 4" and 9,100 lineal feet of 6", with no 8" "A/C" water mains identified as of 2015. a. Please explain, in detail, why the amount of Lake Tarpon Water Main Replacement pro forma plant additions on Schedule A-3 of the Pinellas County MFRs of \$1,000,000 exceeds the \$800,000 amount for the project identified in Mr. Flynn's testimony and in Exhibit PCF-35 and reconcile the \$200,000 difference. b. Please explain, in detail, why the lineal feet of asbestos cement water main identified as being replaced in the Add-Change Form provided in Exhibit PCF-35 (17,400 LF) exceeds the total amount of "A/C" lineal feet identified in the Volume III Engineering report (11,500 LF) and provide the actual Lake Tarpon water mains lineal feet in place by type if the amounts in the Engineering Report in file "UIF-Pinellas County Mains" is incorrect.c. Please explain, in detail, why the lineal feet of asbestos cement water main identified as being replaced in the Add-Change Form provided in Exhibit PCF-35 (17,400 LF) exceeds the total amount of 4", 6" and 8" lineal feet of all types identified in the Volume III Engineering report (12,130 LF).
67	4	Pinellas County – Water Main Replacements – Lake Tarpon. Mr. Flynn's testimony, at pages 10 – 11, indicates that the "UIF-WM Replacements, Pinellas Co" project is to remove and replace assets, including water mains, which have "...reached the end of the service life..." The UIF-Pinellas County Volume I MFRs, Schedule A-3 identifies the retirement of existing mains in Account 331.4 – Transmission & Distribution Mains as \$750,000 with an equal reduction to accumulated depreciation. Schedule A-5, at page 2 of 2, shows the total amount of Water Plant in Service in Account 331.4 as \$549,517 as of December 31, 2015. Schedule A-9 at page 2 of 2 shows the total amount of accumulated depreciation in Account 331.4 as \$86,151 as of December 31, 2015. Additionally, Mr. Flynn's Exhibit PCF-35 indicates that the Lake Tarpon water system is "...nearly 50 years old."a. Given the Lake Tarpon water system's age (nearly 50 years) and the contention that the water mains have reached the end of their useful life, please explain, in detail, why the total accumulated depreciation on the water mains in Account 331.4 is only \$86,151 at December 31, 2015 leaving a net balance (plant in service less accumulated depreciation) of \$463,366 as of December 31, 2015.b. Please explain, in detail, why the amount of retirement of mains in Account 331.4 shown on Schedule A-3, line 10, of \$750,000 exceeds the total balance of plant in service in the account as of December 31, 2015 of \$549,517 and explain and show, in detail, how the \$750,000 amount of retirement of water mains was determined.c. Since: i) the annual depreciation expense during the test year for account 331.4 shown on Schedule B-13 is \$12,699; ii) the system is nearly 50 years old; and iii) Commission Rule 25-30.140(2)(a) identifies average services lives for Account 331 as much less than the 50 year age of the system, please explain, in detail why the accumulated depreciation associated with Account 331.4 shown on Schedule A-9 is only \$80,612 as of December 31, 2015. d. Please provide all justification for retiring an amount from plant in service that exceeds the plant in service balance on the Company's books.
68	3	Accumulated Depreciation. MFR Schedule A-1 for each of the following operations shows an "Adjusted Utility Balance" for accumulated depreciation as a debit balance, which would be a negative accumulated depreciation balance that results in an addition to rate base instead of an offset to rate base associated with accumulated depreciation: Pinellas County, Orange County, Pasco County, and Seminole County. MFR Schedule A-2 for Pasco County also shows an "Adjusted Utility Balance" as a debit balance for accumulated depreciation resulting in an increase in rate base for accumulated depreciation.a. Please explain, in detail, why an increase in rate base associated with the accumulated depreciation balance is appropriate for each of these systems.b. Please describe all factors that cause the accumulated depreciation balance to be a debit balance on the Company's books for each of these systems.c. Please explain, in detail, how the resulting credit balances in accumulated depreciation will be removed from rate base over time (i.e., amortized, depreciated, etc.)
69	2	Plant Retirements. For each plant retirement reflected in MFR Schedule A-3 for each system that is based on a percentage of the plant addition instead of the actual plant in service balance recorded on the Company's books for the actual assets being retired and replaced by the plant addition, please respond to the following:a. Explain, in detail, why the plant retirement is being based on a percentage of the pro forma plant addition amount instead of the actual book value of the asset to be retired.b. Explain, in detail, how the percentage factor that was applied was determined and explain, in detail, why that percentage factor results in a reasonable estimate of the original cost of the existing plant being retired.
70	3	Water Main Replacements – SW Seminole. The UIF-Seminole County Volume I MFR's, Schedule A-3 identifies the retirement of existing mains in Account 331.4 – Transmission & Distribution Mains as \$6,413,913 with an equal reduction to accumulated depreciation. Schedule A-5, at page 2 of 2, shows the total amount of Water Plant in Service in Account 331.4 as \$1,922,100 as of December 31, 2015. Schedule A-9 at page 2 of 2 shows the total amount of accumulated depreciation in Account 331.4 as \$645,696 as of December 31, 2015. a. Given the contention that the water mains have reached the end of their useful life, please explain, in detail, why the total accumulated depreciation on the water mains in Account 331.4 for Seminole County systems is only \$645,696 at December 31, 2015, leaving a net balance (plant in service less accumulated depreciation) of \$1,276,404 as of December 31, 2015. b. Please explain, in detail, why the amount of retirement of mains in Account 331.4 shown on Schedule A-3, line 17, of \$6,413,913 exceeds the total balance of plant in service in the account as of December 31, 2015 of \$1,922,100.c. Since: (i) the annual depreciation expense during the test year for account 331.4 shown on Schedule B-13 is \$44,435; ii) the mains have purportedly reached the end of their useful lives; and iii) Commission Rule 25-30.140(2)(a) identifies average services lives for Account 331 as much less than the 50 year age of the system, please explain, in detail why the accumulated depreciation associated with Account 331.4 shown on Schedule A-9 is only \$645,696 as of December 31, 2015.
71	1	Rate Base. In each of the various MFR filings (i.e., Seminole, Pinellas, Orange County, etc.) the MFR schedules showing the annual changes to various balances since the last established rate base for the system(s), specifically MFR Schedules A-4 (Plant in Service); A-8 (Accumulated Depreciation); A-11 (CIAC); and A-13 (Accumulated Amortization of CIAC) state that "2015 starting and ending balance in Annual report do not tie to the Trial Balance for the MFR's due to allocations." Some of the differences are fairly substantial. For example, Seminole County wastewater accumulated depreciation as of 12/31/15 is shown as \$700,897 on Schedule A-8 and \$409,129 on Schedule A-10, page 2. Please provide a detailed explanation of what the "allocations" are for and why the "allocations" cause a difference between the trial balances and the MFR's. Additionally, please identify which reflects the correct balances – the MFR's or the Annual Reports and why.
72	1	Rate Base – Seminole County. Seminole County water MFR Schedule A-5, page 1, identifies the average test year balance in Account 348.5 – Other Tangible Plant as (\$602,372) and Seminole County wastewater MFR Schedule A-6, page 1, identifies the average test year balance in Account 398.7 – Other Tangible Plant as (\$467,287). Please identify what assets are recorded in these accounts and explain, in detail, why the assets have negative balances during the test year.
73	1	Rate Base – Seminole County. Seminole County wastewater MFR Schedule A-6, page 1, identifies the average test year plant in service balance in Account 398.7 – Other Tangible Plant as (\$467,287) and MFR Schedule A-10, page 1, identifies the average test year accumulated depreciation balance in Account 398.7 – Other Tangible Plant as (\$792,442). The net result (plant in service less accumulated depreciation) for wastewater Other Intangible Plant is an increase or net addition to rate base of \$325,155. Please explain, in detail, what factors caused the negative accumulated depreciation balance to exceed the negative plant in service balance and explain why it is appropriate that rate base be higher as a result of the negative balance Other Tangible Plant.
74	1	Rate Base - Seminole County. Seminole County water MFR Schedule A-6, page 1, identifies the average test year balance in Account 380.4 – Treatment & Disposal Equipment as (\$496,163). Please identify what assets are recorded in this account and explain, in detail, why this account has a negative balance during the test year.
75	1	Rate Base – Seminole County. Please refer to Seminole County MFR Schedule A-13. Please explain, in detail, why the 2014 "Additions" to the accumulated amortization of CIAC shown on line 12 was negative for both water and wastewater and explain how the negative amortization amounts were determined.
76	1	Working Capital. MFR Schedule A-18 (any of the systems) shows the Other Miscellaneous Deferred Debits balance varies throughout the test year, with an average test year balance of \$71,595. MFR Schedule A-17 shows that the average test year balance of \$71,595 is included in the calculation of the working capital allowance. Please specifically identify what "miscellaneous" items are included in the "Miscellaneous Deferred Debits," with a breakdown of the \$71,595 average test year balance by item included.

77	1	Working Capital. MFR Schedule A-19 (any of the systems) shows the accumulated deferred income tax balance as changing a few times during the test year and an average test year balance of \$1,210,459. Please provide a breakdown of the monthly balances included in the "Accumulated Deferred Income Taxes" line by FERC account, clearly distinguishing between the ADIT asset and the ADIT credit accounts.
78	4	Labor Costs. MFR Schedule B-3 for several of the systems includes a pro-forma adjustment "To adjust Salary & Benefits for addition of 5 FTE". a. Please identify the 5 FTE positions the Company is adding to the test year and for each position explain, in detail, why the position is needed and why the position is being added. b. For each position being added in the adjustment, provide the amount of salary and wages being added for the position and explain, in detail, how the amount was determined. c. For each of the 5 FTE positions that were filled subsequent to the test year, please identify when the position was filled and provide the actual annual salary and wages for the position. d. Please provide the number of employees, by month, for each month from January 2013 to the most recent date available.
79	3	Labor Costs. MFR Schedule B-3 for the various systems indicates that an adjustment was made to annualize 2015 salary and benefits. a. Provide a listing, by employee, of each of the positions included in the annualized salary amounts, identify the annualized salary and wages by position. Employee positions may be used in the response with employee names excluded. b. Please identify any of the employees identified in the response to subpart (a), above, that are no longer with the Company and indicate the month the employee left the Company's employment. Also, for any that have left, indicate if the position has either been filled or if the Company is currently attempting to fill the position. c. Provide a listing, by employee title, of each of the currently filled positions as of the most recent date available.
80	3	Vehicles. The pro-forma adjustments on MFR Schedule B-3 for several of the systems indicate that a pro forma adjustment is being made to reflect an increase in expense to reflect increase of truck fleet by 3 units. a. Please identify the type of new trucks included in this adjustment and explain, in detail, why each of the 3 new vehicles is needed. b. Please provide a listing of all vehicles used by UIF during the test year by year, make and model of the vehicle.c. Provide a current vehicle listing for vehicles used by UIF as of the most recent date available by year, make and model of the vehicle.
81	1	Depreciation Expense. Refer to Seminole County Schedule B-3, page 2 of 3. Line 25 shows \$149,444 being removed from test year depreciation expense for water main replacements in Account 331.4 for pro forma retirements. Seminole County MFR Schedule B-13 shows the total amount included in test year depreciation expense associated with Account 331.4 as \$44,435. Please explain why the Company is removing more depreciation expense in Account 331.4 for plant retirements than what was recorded as depreciation expense for that account during the test year.
82	1	Revenues - Other. For the "Other Water Revenues" identified by account (e.g., accounts 470 - 474) for each of the systems on MFR Schedule B-4, please provide a schedule that shows the amount of revenues for each of the accounts by year for the period 2012 through 2016 year to date. If the balances in any of the Other Water Revenue accounts vary by the amount included in the 2015 test year on MFR Schedule B-4 by more than 10%, explain the factors that caused the change in Other Water Revenues.
83	1	Revenues - Other. For the "Other Sewer Revenues" identified by account (e.g., accounts 530 - 541) for each of the systems on MFR Schedule B-4, please provide a schedule that shows the amount of revenues for each of the accounts by year for the period 2012 through 2016 year to date. If the balances in any of the Other Sewer Revenue accounts vary by the amount included in the 2015 test year on MFR Schedule B-4 by more than 10%, explain the factors that caused the change in Other Sewer Revenues.
84	3	O&M Expenses. Please refer to Seminole County MFR Schedule B-5, page 2 of 2. a. Please explain, in detail, what caused the Account 610 - Purchased Water Expense to be so much higher in July 2015 (\$18,930) than in any of the other months of the test year. Please also indicate if the factor causing the higher monthly amount is anticipated to be recurring, and if so, how often. b. Please explain, in detail, what caused the Account 635 - Contractual Services - Testing Expense to be so much higher in February 2015 (\$11,340) than in any of the other months of the test year. Please also indicate if the factor causing the higher monthly amount is anticipated to be recurring, and if so, how often. c. Please explain, in detail, what caused the Account 675 -Miscellaneous Expense to be so much higher in August 2015 (\$9,335) and December 2014 (\$13,025) than in any of the other months of the test year. Please also indicate if the factors causing the higher August and December monthly amounts are anticipated to be recurring, and if so, how often.
85	4	O&M Expenses. Please refer to Seminole County MFR Schedule B-7. The cause of the increase in expenses in Account 610 - Purchased Water is described as "Loss of Crystal Lake well required the purchase of bulk water until proforma project is completed." a. Is the referenced pro forma project included in the adjusted test year? If yes, identify specifically which project is referenced and indicate which of Mr. Flynn's exhibits pertain to the project. If no, identify when it is anticipated the project will be completed. b. Has the referenced project been completed and placed into service? If yes, identify the month completed, indicate when the project was closed to plant in service, and provide the total actual project cost. c. If the pro forma project is included in the adjusted test year, explain, in detail, why an adjustment was not made to remove the purchased water expenses associated with the purchase of bulk water. d. Please identify the amount of expense included in the adjusted test year for Seminole County for the purchase of water that will discontinue when the referenced project is completed.
86	3	O&M Expenses. Please refer to Seminole County MFR Schedule B-7. The cause of the increase in expenses in Account 635 - Contractual Services - Testing is described as "Increase in sample analysis; triennial sampling of all Seminole systems."a. Please provide the amount of "triennial sampling" expense for Seminole systems, by year, for each year 2012 through 2016 year to date. b. Identify the amount of triennial sampling expense included in the adjusted test year. c. Please explain why an adjustment was not made to normalize the triennial sampling expense that was incurred during the test year. If an adjustment was made, identify where the adjustment is reflected in the Seminole County MFR s.
87	1	Allocated Expense. Please refer to Schedule B-12 for the various MFR s, which pertain to the allocation of expenses from Water Service Corp. In most of the months presented on Schedule B-12, under the section for "Water Service Corp. Allocated Expenses", the monthly total amount of Employee Benefits expense exceeds the monthly total amount of Salaries expense. Please explain, in detail, what factors caused the amount of employee benefits expense incurred by Water Service Corp to exceed the salaries expense.
88	1	Allocated Expense. Please refer to Schedule B-12 for the various MFR s, which pertain to the allocation of expenses from Water Service Corp. Please explain, in detail, what caused the amount of "Water Service Corp. Allocated State Expenses" in account 403 - Depreciation Expenses to be significantly higher in March 2015 (\$115,099) than in any of the other months presented. For example, the depreciation expense was \$20,685 in February 2015, \$24,470 in April 2015, \$29,332 in December 2015 and \$115,099 in March 2015.
89	1	Allocated Expense. Please refer to Schedule B-12 for the various MFR s, which pertain to the allocation of expenses from Water Service Corp. Please explain, in detail, what caused the amount of "Water Service Corp. Allocated Expenses" in account 659/759 - Other Insurance to be negative in December 2015 (negative \$26,610).
90	1	Allocated Expense. Please refer to Schedule B-12 for the various MFR s, which pertain to the allocation of expenses from Water Service Corp. Please explain, in detail, what caused the amount of "Water Service Corp. Allocated State Expenses" in account 601/701/603/703 - Salaries to be higher in December 2013 than in the other months presented.
91	1	Employee Benefits. Please refer to Schedule B-12 of the various MFR s, which pertain to the allocation of expenses from Water Service Corp., at page 13, which provides the total historical test year amounts. Please provide a breakdown of the Account 604/704 - Employee Benefits Expenses totaling \$6,181,510 for the test year ended December 31, 2015 by benefit type (i.e., health insurance, dental insurance, 401-K, etc.).
92	2	Gallons of Water. Please refer to Schedule F-1 for UIF-Seminole - Bear Lake (252-015). a. Please explain, in detail, why the "Total Gallons Pumped Per MORs" was 0 in January 2015. b. Please explain what factors caused the unaccounted for water to be negative in June 2015.
93	1	Plant Additions - SW Seminole. The UIF-Seminole County Volume I MFR's, Schedule A-4 identifies a \$1,000,022 reduction to Wastewater plant in service during 2014 identified as "Adjustments - UIF Allocations." Please explain, in detail, what this adjustment for "UIF Allocations" is for and explain how the amount of adjustment was determined.

94	2	Eagle Ridge – Plant Additions. At page 3 of Mr. Flynn’s direct testimony, starting at line 18, he discusses the pro forma capital project for the replacement of two carbon steel flow equalization tanks with a single tank at the Eagle Ridge WWTP. Order No. PSC-11-0587-PAA-SU, dated December 21, 2011, starting at page 8, discusses the Eagle Ridge pro forma plant additions for the retirement of Equalization Tank #1 and modifications to Equalization Tank #2.a. Did the Company retire Equalization Tank #1 and modify Equalization Tank #2 as addressed in the prior order? If no, why not? If yes, identify when the changes were made and booked to plant in service and provide the amount booked to plant in service for the modification of Equalization Tank #2.b. Are the two existing equalization tanks the Company is seeking to replace in this case with the single glass-fused steel tank the same tanks addressed in Order No. PSC-11-0587-PAA-SU?
95	1	Eagle Ridge – Accumulated Depreciation. Please refer to Eagle Ridge MFR Schedule A-8. The schedule shows that “Adjustments” were made to the accumulated depreciation balances in each year, 2011 through 2015. Additionally, there is an asterisk (“*”) after the word “Adjustments” with no explanation or footnote for the asterisk (“*”). Please explain, in detail, what each of the annual “Adjustments” to accumulated depreciation was for and explain, in detail, how the amount of each of the annual adjustments was determined.
96	3	Eagle Ridge – Accumulated Depreciation. Please refer to Eagle Ridge MFR Schedule A-8. a. Please explain, in detail, why the amount of annual “Additions” to the accumulated depreciation balance is so much lower in 2012 (\$113,798) as compared to the other years that are presented on the table (ranging from \$272,571 to \$292,468). b. Please provide the amount of depreciation expense for Eagle Ridge for each year, 2011 through 2014. c. For any year in which the “additions” to accumulated depreciation shown on MFR Schedule A-8 differs from the amount of annual depreciation expense being provided in response to subpart (b), above, please explain, in detail, why the amounts differ.
97	1	Eagle Ridge – Accumulated Amortization of CIAC. Please refer to Eagle Ridge MFR Schedule A-13. Please explain, in detail, why the amount of annual “Additions” to the accumulated amortization of CIAC balance is so much higher in 2012 (\$238,341) as compared to the other years presented on the table (ranging from \$117,626 to \$124,436).
98	3	Eagle Ridge – Working Capital Allowance. Please refer to Eagle Ridge MFR Schedules A-17 and A-19, page 2 of 2.a. Please explain, in detail, why the accrued taxes are in a prepaid position for Eagle Ridge causing an increase in working capital during the test year.b. Please provide a breakdown of the accrued taxes on MFR Schedule A-19, page 2 of 2, by tax type.c. Please provide the accrued taxes balance for Eagle Ridge for each month starting January 2016 through the most recent date available. Please include a breakdown of the total accrued taxes balances by tax type.
99	3	Eagle Ridge – O&M Expense. Please refer to Eagle Ridge MFR Schedule B-6.a. Please explain, in detail, why the amount of expense in Account 701 – Salaries & Wages – Employees is higher in January 2015 and December 2015 than in the other months in the test year.b. Please explain, in detail, why the amount of expense in Account 704 – Employee Pensions & Benefits is higher in January 2015 and December 2015 than in the other months in the test year.c. Please explain, in detail, why expenses in Account 720 – Materials & Supplies are higher in February 2015 (\$9,692) and October 2015 (\$13,827) than in the other months of the test year.
100	5	Eagle Ridge – O&M Expense. Please refer to Eagle Ridge MFR Schedule B-8.a. The variance explanation for the \$3,762 difference in Account 710 – Purchased Sewage Treatment is “Miscoded expense, there was no purchased sewer in Eagle Ridge or Cross Creek.” Please explain, in detail, what the \$3,762 recorded to Account 710 during the test year was for.b. Please explain why the \$3,762 Purchased Sewage Treatment expense was not removed from the test year.c. The variance explanation for the \$44,482 or 145.80% difference in Account 720 – Materials and Supplies states: “Nominal variance from year to year in repair activities, materials used and their unit costs.” Please explain why the Company considers \$44,482 or 145.80% variance to be “nominal”.d. Please provide a more detailed explanation of the variance in Account 720 – Materials and Supplies.e. Please provide the amount of expense recorded in Account 720 – Materials and Supplies for each year, 2011 through 2014, and for each month of 2016 year to date.
101	1	Tierra Verde – Plant In Service. Please refer to Tierra Verde Schedule A-4, which shows additions to plant in service of \$449,207 during 2008. Please provide a listing of all capital additions closed to Tierra Verde plant in service during 2008 exceeding \$50,000. For each asset listed, identify the plant account the project was recorded in, provide the amount closed to plant in service, and provide a brief description of the plant addition. Also, please explain why there were no plant retirements recorded during 2008 or 2009 associated with the plant additions.
102	1	Tierra Verde – Accumulated Depreciation. Please refer to Tierra Verde Schedule A-8. Please explain, in detail, what the “Adjustments” made to the accumulated depreciation balance of \$44,816 were for and explain how the adjustment amount was determined.
103	2	Tierra Verde – O&M Expense. Refer to Tierra Verde MFR Schedule B-3 page 1 of 2.a. Please explain what the “25% surcharge” shown on line 16 is for and explain how the surcharge amount was determined. Additionally, please indicate if the 25% surcharge is part of a contractual obligation.b. Explain, in detail, how the 1.1% October 2017 price increase shown on line 25 was determined. Please also indicate if the 1.1% price increase is based on a contractual amount of increase.
104	4	Tierra Verde – O&M Expense. Please refer to Tierra Verde MFR Schedule B-8. The explanation for the \$5,899 or 177.21% variance in Account 950 – Transportation Expenses is: “Incorrect posting of fuel and fleet repairs, all should have been allocated across all FL co’s.”a. Please explain why an adjustment was not made in the Company’s filing for this “incorrect posting”.b. Identify specifically what costs were incorrectly posted and identify what vehicle(s) the costs are associated with.c. Please provide the amount that is incorrectly included in Tierra Verde’s expenses in Account 950 – Transportation Expense.d. Please provide the adjustment(s) to the various MFRs that would be needed to correct for this “incorrect posting.”
105	2	Tierra Verde – Accumulated Deferred Income Taxes. Please refer to Tierra Verde MFR Schedule A-19.a. Page 1 shows the “Adjusted Test Yr Ended 12/31/15” Accumulated Deferred Income Taxes balance on line 38 as \$295,294. Please explain, in detail, how this amount was determined and explain why it is not incorporated in the adjusted test year average balance.b. Please explain, in detail, what each of the adjustments shown on line 38 to accumulated deferred income taxes is for and explain, in detail, how the adjustment was determined.
106	3	Tierra Verde – Accumulated Deferred Income Taxes. Please refer to Tierra Verde MFR Schedule D-2.a. Line 8 for ADIT states “(see Note 1)”, however, there is no note providing an explanation of the ADIT on the Schedule. Please provide the referenced note explaining the ADIT balances shown on line 8.b. Please explain, in detail, what factors caused the ADIT balance to increase from \$124,271 at December 31, 2014 to \$295,294 as of December 31, 2015.c. Please provide the monthly balance of Tierra Verde accumulated deferred income taxes for each month of January 2016 to the most recent date available. If the amounts vary from the December 31, 2015 balance of \$295,294 by more than 5%, explain, in detail, what factors caused the balance to change.
107	1	Cypress Lakes – Plant in Service. Please refer to Schedule A-4. Please provide a reconciliation of the amounts in line 8 “Adjustments – COA per Order No. PSC-14-0283-PAA-WS” to the various plant adjustments identified in Order No. PSC-14-0283-PAA-WS.
108	2	Cypress Lakes – Accumulated Depreciation. Please refer to Schedule A-8.a. Please provide a detailed explanation of the “Adjustments” shown on line 4 and explain, in detail, how the amounts were determined.b. Please provide a reconciliation of the amounts in line 8 “Adjustments – COA per Order No. PSC-14-0283-PAA-WS” to the various plant adjustments identified in Order No. PSC-14-0283-PAA-WS.
109	1	Cypress Lakes – Accumulated Depreciation - Water. Please refer to Schedule A-9, page 1 of 2. Please explain, in detail, why the accumulated depreciation in Account 304.3 – Structures & Improvements on line 18, is a negative amount thereby increasing rate base and explain how the negative balance occurred.
110	1	Cypress Lakes – Accumulated Depreciation - Water. Please refer to Schedule A-10, page 1 of 2. Please explain, in detail, why the accumulated depreciation in Account 354.4 – Structures & Improvements on line 24, is a negative amount thereby increasing rate base and explain how the negative balance occurred.
111	1	Cypress Lakes – WWTP Sediment Removal. Please refer to Cypress Lakes MFR Schedule B-11. Has the Cypress Lakes WWTP Sediment Removal project been completed? If no, please indicate when it is anticipated the project will be done. If yes, please provide the actual costs incurred and explain any variance between the projected cost of \$50,200 and the actual cost.

112	1	Cypress Lakes – Depreciation Expense. Cypress Lakes MFR Schedules B-13 and B-14 show a \$1,371 reduction to Stores Equipment depreciation expense for water and a \$1,371 increase to Stores Equipment depreciation expense for wastewater. However, both MFR schedules also show \$0 depreciation expense for the Stores Equipment during the test year. Additionally, MFR Schedules A-5 and A-6 show \$0 balance for Stores Equipment plant in service for both water and wastewater. Please provide a detailed explanation of why the Stores Equipment depreciation expense is being reduced by \$1,371 for water and increased by \$1,371 for wastewater.
113	1	Cypress Lakes – Unaccounted for Water. Please refer to Cypress Lakes MFR Schedule F-1. Please provide a more detailed description of the Other Uses of water shown in column 4 for September 2015 and December 2015. As part of the explanation, also explain why these Other Uses were so much higher than the other months and describe how the water was measured and quantified.
114	2	Property Taxes. Several of the MFR Schedules B-3 show that the adjustment to Ad Valorem Taxes is calculated by applying a millage rate to the pro forma net plant additions amount. For example, Eagle Ridge MFR Schedule B-3 applies a 16.10 millage to the net plant additions and Orange County MFR Schedule B-3 applies a 17.3778 millage rate to the net plant additions.a. Please explain and show, in detail, how the various millage rates were determined.b. For each of the respective taxing authorities, please indicate if the ad valorem taxes are determined by the taxing authority by applying the millage rate to the net plant addition amount, or if the millage rate is applied to a reduced amount, such as a percentage of new plant costs. If based on a reduced amount, explain, in detail, how the reduced amount to which the millage rate is applied is determined.
115	1	Working Capital – Accrued Taxes. For the MFRs that use an allocation of the calculated working capital based on ERCs (i.e., Marion County, Orange County, Pasco County, Pinellas County and Seminole County), the Accrued Taxes are shown as a reduction to working capital on MFR Schedule A-17, with the exception of MFR Schedule A-17 for Pinellas County. Please confirm that the increase in working capital for accrued taxes in Pinellas County MFR Schedule A-17 is an error. If not an error, please explain, in detail, why not.
116	4	Sanlando – Plant Additions. Please refer to the direct testimony of Patrick Flynn, at page 7. The description of the Autumn Drive WM Replacement indicates, in part, that three pipe failures occurred within eight months on the street, each causing significant property damages to certain residents and temporary loss of service to approximately 45 customers.a. Please identify when (month and year) each of the three pipe failures occurred and for each failure, indicate (i) how long residents were without service; (ii) duration of the service outage; and (iii) number of customers without service as a result of the failure.b. Please provide all expenses included in the adjusted test year that were incurred as a result of the pipe failures, by account. Additionally, please explain why these expenses were not removed from the test year.c. If any of the customer outages caused by the pipe failures occurred during the test year, please provide the impact of the outage on test year sales and revenues.d. If any of the customer outages caused by the pipe failures occurred during the test year, please provide the adjustment that should be made to the annualized revenues included in the adjusted test year to remove the impacts of these outages. Include all workpapers and calculations used to determine the adjustment amount. If no adjustments should be made to increase revenues to account for the outages, explain, in detail, why not.
117	3	Sanlando – Plant Additions. Please refer to the direct testimony of Patrick Flynn, at page 8. The description for the Myrtle Lake Hills Water Mains indicates the project is to "Design, obtain permits and construct water facilities to serve as many as 116 homes in Myrtle Lake Hills subdivision whose current homeowners are experiencing failing private wells and inferior water quality." The testimony also indicates that the net project costs "...will be reduced by main extension and plant capacity charges collected from the future customers when they request service and are connected to the new facilities..."a. Please provide the Company's current best estimate of when the additional homes will connect to the Company's system (i.e., # customers in November, 2016, # customers in December 2016, etc.)b. Please provide the number of customers in the Myrtle Lake Hills subdivision that have expressed interest in connecting to the Company's system, to date.c. Since the projected new water mains will be used to serve new customers that will be hooked up at a future time and no revenues are included in the case associated with the anticipated new customers, please explain why the full projected cost of the mains is being included in rate base in this case.
118	1	Sanlando – Plant in Service. Please refer to Sanlando MFR Schedule A-6, page 2 of 2. Please explain why the balance in Account 353.5 – Land & Land Rights, decreased from \$203,894 in July 2015 to \$158,435 in August 2015. If the decrease was the result of land being sold, please provide the book value of land that was sold, the sale price of the land, and the net gain or loss on the sale. If a net gain or loss resulted, please indicate where the gain/loss is reflected in the filing. If not reflected please explain, in detail, why not.
119	1	Sanlando – Plant in Service. Please refer to Sanlando MFR Schedule A-3, page 2 and MFR Schedule A-6, page 2. Please provide a detailed description of the asset(s) that were added to Account 381.4 – Plant Sewers in December 2015 for \$2,454,613.
120	1	Sanlando – Accumulated Depreciation/Depreciation Expense. Sanlando MFR Schedule A-8 shows that the additions to accumulated depreciation in 2015 were \$755,295 for water and \$646,228 for wastewater. MFR Schedule B-13 shows that test year water depreciation expense was \$1,216,748 and MFR Schedule B-14 shows that test year wastewater depreciation expense was \$1,219,880. Please explain, in detail, why the test year additions to accumulated depreciation were so much lower than the amount of test year depreciation expense for the Sanlando water and wastewater operations. Additionally, explain where the additional depreciation expense that was not used to increase the accumulated depreciation balances was recorded on the Company's books.
121	1	Sanlando – Plant in Service/Accumulated Depreciation. Sanlando MFR Schedule A-6, page 2, shows that the balance in Plant in Service Account 381.4 – Plant Sewers decreased by \$342,675 from \$2,156,910 in July 2015 to \$1,814,235 in August 2015. Sanlando MFR Schedule A-10 shows that the balance in Accumulated Depreciation Account 381.4 – Plant Sewers decreased by \$308,751 from \$1,065,355 in July 2015 to \$756,604 in August 2015. Please explain, in detail, what factors caused the Plant Sewers plant in service and the associated accumulated depreciation to decline in July 2015. If the decline was the result of assets being sold, please identify the net book value at time of sale, sales price and net gain/loss on sale of the assets.
122	1	Sanlando – CIAC. Please refer to Sanlando MFR Schedule A-11. Please explain, in detail, what the adjustments on line 8, reducing water CIAC by \$1,447,973 and increasing wastewater CIAC by \$1,476,104 were for.
123	1	Sanlando – O&M Expense. Please refer to Sanlando MFR Schedule B-3. Please provide a detailed explanation of the adjustments shown on lines 32 – 33 (Chemical Expense) and 37 – 41 (various "Proforma Adjustments"), and explain, in detail, the purpose of each of the adjustments, explaining why the adjustment should be made, and describe how the amount of adjustment was determined.
124	1	Sanlando – O&M Expense. Please refer to Sanlando MFR Schedule B-5. Please explain, in detail, why the expense in Account 675 – Miscellaneous Expenses, is so much higher in March (\$20,442) and April (\$19,568) than in the other months of the test year.
125	3	Sanlando – O&M Expense. Please refer to Sanlando MFR Schedule B-6.a. Please explain, in detail, why the expense in Account 675 – Miscellaneous Expenses, is so much higher in December (\$17,778) than in the other months of the test year.b. Please explain why the expense in Account 735 – Contractual Services – Testing, is so much higher in December (\$7,027) than in the other months of the test year.c. Please provide the amount of expense in Account 735 – Contractual Services – Testing, for each year, 2010 through 2016 year to date.
126	2	Sanlando – O&M Expense. Please refer to MFR Schedules B-7 and B-8. The variance explanation for water and wastewater employee pension and benefits expense between the last adjusted test year (12/31/13) and the adjusted test year in this case is "large increases in health care costs since the last TY".a. Please explain, in detail, what factors caused the healthcare costs to increase so significantly since the last Sanlando rate case.b. Please provide a breakout, by benefit type (i.e., health insurance, vision, 401K, etc.) of the water and wastewater employee pension and benefit expenses for the "Adjusted TY 12/31/13" column, the "Current TY 12/31/15" column and the "Adjusted TY 12/31/15" column shown on Sanlando MFR Schedules B-7 and B-8.
127	3	Sanlando – O&M Expense. Please refer to MFR Schedule B-8. The variance explanation for Account 742 – Rental of Equipment, states "Pump rentals in 2015 while doing maintenance on travelling bridge filters."a. Please provide the amount of expense included in the test year for the referenced pump rentals.b. Please explain why the expense for the pump rentals was not removed from test year expenses as a non-recurring item.c. Please provide the amount of expenses in Account 742 – Rental of Equipment, for each year, 2011 through 2016 year to date.

128	1		Sanlando – Contractual Services. Please refer to Sanlando MFR Schedule B-9. Please provide a detailed description of the services provided by Kimbly-Horn and Associates, Inc. and CPH, Inc. during the test year and provide a breakdown of the associated expenses by account they were recorded in during the test year.
129	2		Sanlando – Major Maintenance Projects. Please refer to Sanlando MFR Schedule B-11.a. For each of the “Test Year Amortization” amounts listed in the final column of the schedule, please identify which account(s) the amortization expense is included in during the test year and provide a breakdown of the expense between water and wastewater operations. Please confirm that the amortization expense is included in the Operations and Maintenance Expense line on MFR Schedules B-1 and B-2. If not, indicate where the expense is located on these schedules.b. For each of the major maintenance programs identified on lines 11 through 17, explain, in detail, what the expenditure was for.
130	2		Sanlando – Unaccounted for Water. Please refer to Sanlando MFR Schedule F-1. a. Please explain, in detail, what factors caused the amount of unaccounted for water to be negative in six months of the test year. b. Please explain, in detail, what factors caused the large unaccounted for water balances in March, May, October and December of 2015.
131	2		Sandalhaven – Working Capital. Please refer to Sandalhaven MFR Schedules A-17 and A-19 and the Commission’s Order PSC-16-0013-PAA-SU at page 41, Schedule No. 1. a. Please explain, in detail, what factors caused the Sandalhaven working capital balance to increase from the Commission approved amount for the test year ended December 31, 2014 of \$70,647 to \$476,681 in the current case. b. Please explain, in detail, what factors caused the Accrued Taxes balance to be in a prepaid position during the test year (i.e., reflected as an increase in working capital of \$384,771 on MFR Schedule A-17).
132	3		Sandalhaven – O&M Expense. Please refer to Sandalhaven MFR Schedule B-6. a. Please explain, in detail, why the expense in Account 711 – Sludge Removal was not removed from the test year as non-recurring. b. Please provide the amount of sludge removal expense, by month, for each month subsequent to the test year to date. c. Please explain, in detail, why the expense in Account 775 – Miscellaneous Expenses, is so much higher in November 2015 (\$4,664) than the other months of the test year.
133	1		Sandalhaven – Contractual Services. Please refer to Sandalhaven MFR Schedule B-9. Please provide a description of the engineering services provided by CPH, Inc. during the test year totaling \$28,651 and provide a breakdown of the costs by account charged.
134	1		Sandalhaven – Major Maintenance Projects. Please refer to Sandalhaven MFR Schedule B-11. For each of the “Test Year Amortization” amounts listed in the final column of the schedule, please identify which account(s) the amortization expense is included in during the test year.
135	1		Sandalhaven – Taxes Other Than Income. Please refer to Sandalhaven MFR Schedule B-15. Please explain, in detail, why ad valorem taxes are not being reduced as a result of the retirement of the WWTP. Additionally, please provide the amount included in the adjusted test year real estate & personal property tax expense for the retired WWTP.
136	3		Sandalhaven – Accumulated Deferred Income Taxes. Please refer to Sandalhaven MFR Schedule D-2. a. Line 8 for ADIT states “(see Note 1)”, however, there is no note providing an explanation of the ADIT on the Schedule. Please provide the referenced note explaining the ADIT balances shown on line 8. b. Please explain, in detail, what factors caused the ADIT balance to increase from \$167,043 at December 31, 2014 to \$386,916 as of December 31, 2015. c. Please provide the monthly balance of Sandalhaven accumulated deferred income taxes for each month of January 2014 to the most recent date available. If the amounts for the months of January 2016 to the most recent date available vary from the December 31, 2015 balance of \$386,916 by more than 5%, explain, in detail, what factors caused the balance to change.
137	1		Labrador Billing Analysis. Please refer to Volume II, Schedule E-14 for the Labrador systems. Please explain why the 12 General Service 5/8” metered customers used zero consumption for water and 119,000 gallons for wastewater. a. If this is in error, please provide corrected schedules reflecting the impact on annualized test year revenues.
138	1		UIF – Seminole Billing Analysis. Please refer to Volume II, Schedule E-14 for the UIF – Seminole systems. Please explain why the 48 General Service 5/8” metered customers used 8,000 gallons consumption for water and only 24 sewer customers used 36,000 gallons for wastewater. a. If this is in error, please provide corrected schedules reflecting the impact on annualized test year revenues.
139	1		Sanlando Billing Analysis. Please refer to Volume II, Schedule E-14 for the Sanlando systems. Please explain why the 72 General Service 4” metered customers used 27,974,000 gallons consumption for water and only 21,016,000 gallons for wastewater. a. If this is in error, please provide corrected schedules reflecting the impact on annualized test year revenues.
140	1		UIF – Pasco Billing Analysis. Please refer to Volume I Schedule E-2 and Volume II, Schedule E-14 for the UIF – Pasco systems. Schedule E-2 appears to include all Orangewood General Service Customers in the total Residential bills. Please explain why. a. If this is in error, please provide corrected schedules reflecting the impact on annualized test year revenues.
141	1	Pennbrooke A-3	Pennbrooke – Plant Additions. MFR Schedule A-3, page 1, line 9 shows a \$520,000 pro forma plant addition for the Pennbrooke water system described as “311.3 Electrical improvements.” At page 7 of Mr. Flynn’s direct testimony, starting at lines 9 - 15, he discusses the pro forma capital project for the Pennbrooke Water Treatment Plant (WTP) Electrical Improvements, identifying the projected cost as \$270,000. Please explain, in detail, the difference between the \$520,000 included in MFR Schedule A-3 and the \$270,000 referenced in Mr. Flynn’s testimony. Please also indicate the correct amount to include as a pro forma plant addition in the Pennbrooke MFRs.
142	1	Pennbrooke A-3	Pennbrooke – Plant Retirements. MFR Schedule A-3, page 1, line 16 for the Pennbrooke water system shows that the Company is retiring \$390,000 from plant in service account 311.3 for the electrical improvements. Pennbrooke MFR Schedule A-5 shows that the total December 31, 2015 balance in Account 311.3 was \$162,264. Please explain, in detail, why the Company is retiring a greater amount than the value of the assets in the account on the Company’s books.
143	1	Pennbrooke A-8	Pennbrooke – Accumulated Depreciation. Please refer to Pennbrooke MFR Schedule A-8. The schedule shows “Additions” to wastewater accumulated depreciation of \$1,565,497 in 2014 and \$1,579,248 in 2015 and “Retirements” to wastewater accumulated depreciation of \$1,476,988 in 2014 and \$1,476,998 in 2015. Please explain, in detail, what caused the substantial amount of additions and retirements to wastewater accumulated depreciation in both 2014 and 2015.
144	1	Pennbrooke A-19	Pennbrooke – Accumulated Deferred Income Taxes (ADIT). Please refer to Pennbrooke MFR Schedule A-19, page 1, line 38. Please explain, in detail, what the adjustments to ADIT are for and explain, in detail, how each of the adjustments were determined. Include assumptions, calculations, and workpapers used in deriving the ADIT adjustment amounts.
145	3	Pennbrooke B-5 and B-6	Pennbrooke – O&M Expense. Please refer to Pennbrooke MFR Schedules B-5 and B-6. a. Please explain, in detail, why the amount of Materials & Supplies Expense in September 2015 is negative \$14,303 for the water operations and negative \$14,912 for the wastewater operations. b. Explain, in detail, what caused the amount of Miscellaneous Expense for the water operations to be so much higher in March 2015 (\$3,734) and April 2015 (\$4,390) than in the remaining months of the test year. c. Explain, in detail, what caused the amount of Miscellaneous Expense for the wastewater operations to be so much higher in April 2015 (\$5,969) than in the remaining months of the test year.
146	2	Pennbrooke B-7 and B-8	Pennbrooke – O&M Expense. Please refer to Pennbrooke MFR Schedules B-7 and B-8. These schedules indicate an increase in the Employee Pensions and Benefits Expense since the last rate case of 90.84% for the water operations and 69.58% for the wastewater operations. The explanation for the increases states “Reflects large increases in health care costs since the last TY.” Please provide a more detailed explanation of the factors that caused these significant percentage increases in employee pensions & benefits costs. Additionally, provide a breakdown of the “Prior TY 9/30/2011”, “Current TY 12/31/15”, and “Adjusted TY 12/31/15” amounts for Employee Pensions & Benefits by benefit type for both the water and wastewater operations.
147	1	Pennbrooke B-13	Pennbrooke – Depreciation Expense. Please refer to Pennbrooke MFR Schedule B-13 for Depreciation Expense. Please explain, in detail, what the “Non-Used & Useful Amount” shown on line 37 – 341.5 – Transportation Equipment, is for and explain why this non-used and useful amount was not removed on the Schedule of Adjustments to Operating Income, MFR Schedule B-3.
148	3	Mid-County A-10	Mid-County – Accumulated Depreciation. Please refer to Mid-County MFR Schedule A-10, page 1 of 2. Please explain, in detail, why the amount of accumulated depreciation in each of the following accounts was a negative balance during the test year and describe what factors led to the negative balance occurring on the Mid-County’s books: (i) Account 351.1 – Organization; (ii) Account 371.3 – Pumping Equipment; and (iii) Account 381.4 – Plant Sewers.
149	3	Mid-County A-18	Mid-County – Working Capital. Please refer to Mid-County MFR Schedule A-18, page 2 of 2. a. Please explain why the materials and supplies balance on line 18 did not change from December 2014 through November 2015 (balance of \$34,974).b. Please provide an itemized listing of the items in the Materials & Supplies balance on line 18 totaling the \$34,974.c. Please provide the Materials & Supplies balance for Mid-County as of December 31, 2012, December 31, 2013 and as of the most recent date available.

150	2	Mid-County A-17 and A-19	Mid-County – Working Capital. Please refer to Mid-County MFR Schedules A-17 and A-19. Explain, in detail, what taxes are included in the “Deferred Taxes (debit balance)” of \$95,909 for the test year and explain why a debit balance exists for these deferred tax items. Additionally, please provide a breakdown of the monthly “Accrued Taxes” amounts on MFR Schedule A-19, page 2, line 20 by subaccount or type of tax.
151	6	Mid-County A-19	Mid-County – Accumulated Deferred Income Taxes. Please refer to MFR Schedules A-19 and D-1 and D-2. a. Please explain, in detail, what factors caused the amount of accumulated deferred income taxes shown on Schedule A-19, page 2, to increase from \$22,251 or December 2014 through November 2015 to \$137,674 in December 2015. b. Please provide the current balance of accumulated deferred income taxes for Mid-County.c. Please explain, in detail, why there are no accumulated deferred income taxes included in determining the weighted cost of capital on MFR Schedule D-1 for Mid-County. If this is in error, please provide the correct amount that should be included for accumulated deferred income taxes and provide a corrected version of MFR Schedules D-1 and D-2 for Mid-County.d. MFR Schedule D-2 states “see note” on line 8 for the Accumulated Deferred Income Taxes; however, there is no note included with regards to the ADIT item. Please provide the referenced note.e. Please explain, in detail, why the accumulated deferred income taxes for Mid-County shown on Schedule D-2 is a negative amount. If Mid-County does, in fact, have a negative ADIT amount (i.e., net ADIT asset balance instead of a liability balance) explain, in detail, what factors caused the balance to be negative.f. Please explain, in detail, the reductions to ADIT shown on Schedule A-19, Page 1, Line 38, for 2014 (\$126,311) and 2015 (\$136,581). Please provide all support and calculations.
152	1	Mid-County B-6	Mid-County – O&M Expense. Please refer to Mid-County MFR Schedule B-6. The adjustments to Salaries & Wages - Employees Expense of \$46,690 results in a 20.2% increase in the test year Salaries & Wages – Employee Expense. Explain, in detail, what factors caused the need for a 20.2% increase in Mid-County salaries and wages.
153	4	Mid-County B-6	Mid-County – O&M Expense. Please refer to Mid-County MFR Schedule B-6. a. Please explain, in detail, what factors caused the Materials & Supplies Expense to be negative \$26,524 in September 2015. b. Please provide the amount of Chemicals Expense for Mid-County for each year, 2012 through 2014 and for 2016 year to date. c. Please provide the amount of Materials & Supplies Expense for Mid-County for each year, 2012 through 2014 and for 2016 year to date. d. Provide an itemization and detailed description of the Contractual Services – Engineering Expense of \$2,380 in November and \$4,426 in December. Additionally, please indicate if these are anticipated to be annual recurring costs. If not, indicate how often they are anticipated to recur.
154	7	Mid-County B-8	Mid-County – O&M Expense. Please refer to Mid-County MFR Schedule B-8. The variance explanation for the \$70,940 variance in Account 720 – Materials & Supplies Expense states “Reflects the removal of grit and sediment from the EQ tank in 2015 plus ongoing repairs.”a. Please provide all expenses included in the test year for the removal of grit and sediment. b. Please explain why the Company did not make an adjustment to normalize the test year level of grit and sediment expense. c. Provide the amount of expense incurred for the removal of grit and sediment for each year, 2012 through 2014, and for 2016 year to date. d. Please provide a description of the ongoing repairs performed in Mid-County during the test year and provide the test year expense associated with the ongoing repairs. e. The variance explanation for Contractual Services – Other Expense indicates that the engineering services were required to support the renewal of the Wastewater Treatment Plant (WWTP) operating permit. Please provide the total expenses associated with the renewal of the operating permit and explain why these expenses were not normalized in the test year. f. How often is the Company required to renew the Mid-County WWTP operating permit? g. The variance explanation for Account 736 – Contractual Services – Other” is “Reflects a 2007 TY negative adjustment and”. Please provide a more detailed description of the variance, provide the amount of the 2007 negative adjustment, and explain the purpose of the negative adjustment.
155	2	Mid-County B-9	Mid-County O&M Expense. Please refer to Mid-County MFR Schedule B-9 a. Please identify what account the tree service expenses of \$5,875 was recorded in during the test year.b. Please provide a description of the test year tree services costs of \$5,875 and indicate how often the services occur in Mid-County.
156	8	Longwood A-3, A-4, A-6, and A-10	Longwood – Plant in Service. Please refer to Longwood MFR Schedules A-3, A-4, A-6 and A-10.a. The “Adjustments” shown on line 29 of MFR Schedule A-4 of (\$1,370,082) are not included in the 12/31/15 balance on line 30 of that schedule, and are also not included in the 12/31/15 total plant in service shown on MFR Schedule A-6, line 52. Please explain, in detail, what the (\$1,370,082) adjustment on Schedule A-4 line 29 is for and explain why it is not included in the final 12/31/15 balance per books.b. Please explain, in detail, why the “Wastewater Treatment Plant Retirement” adjustments shown on MFR Schedule A-3, lines 15 – 21 and 46 – 51 are being made and describe, in detail, what plant is being retired and why it is being retired.c. Based on a review of MFR Schedule A-10, it appears that the wastewater treatment plant is being retired early as the accumulated depreciation balance is significantly lower than the plant balance. How many years before the originally estimated useful life is the wastewater treatment plant being retired?d. If the wastewater treatment plant is being retired early, please explain in detail the circumstances and why the utility was unable to operate the plant to its full useful life.e. If the wastewater treatment plant is being retired early, explain, in detail, why an amortization of the unrecovered balance is not being requested by the Company rather than removing the full plant balance from accumulated depreciation.f. With reference to MFR Schedule A-10, page 1, please explain, in detail, what factors caused the 12/31/14 balance in accumulated depreciation Account 354.4 to be a negative amount.g. With reference to MFR Schedule A-10, page 1, line 24, please explain, in detail, how the significant adjusted negative balance in accumulated depreciation Account 354.4 of (\$1,537,433) would be recovered or removed from the Company’s books over time.h. If a wastewater treatment plant is being retired, please explain, in detail, why test year operation and maintenance expenses and property tax expenses were not reduced to reflect the cost savings associated with retiring the plant. If cost savings should be reflected, please provide the amount of resulting cost savings and explain how the savings were determined.
157	2	Labrador B-7 and B-8	Labrador – O&M Expense. Please refer to MFR Schedules B-7 and B-8 for the Labrador systems.a. The utility explains the substantial increases in Accounts 641 and 741 – Rental of Building/Real Property as “increase in lease payments.” Please explain, in detail, what factors caused the lease payments to increase substantially between 2012 and 2015.b. Please provide a description of the properties being leased and indicate who the properties are being leased from.
158	1	Labrador B-9	Labrador – O&M Expense. Please refer to Labrador MFR Schedule B-9. Please identify in which accounts the costs associated with the invoice(s) from Gaydos Hydro Services, LLC during the test year, totaling \$10,000, were recorded and provide the amount recorded by Account. Additionally, explain why these costs were not normalized in the adjusted test year.
159	2	Orange County A-3, A-5, and A-9	Orange County Plant Additions/Retirements. Please refer to Orange County MFR Schedules A-3, A-5, and A-9. MFR Schedule A-3 shows a \$1,358,520 retirement to both plant account 331.4 and accumulated depreciation account 331.4 associated with the Crescent Heights Water Main Replacement Project. MFR Schedule A-5 shows \$495,494 in Plant Account 331.4 as of 12/31/15. MFR Schedule A-9 shows \$106,435 in accumulated depreciation account 331.4 as of 12/31/15. Additionally, Mr. Flynn’s Exhibit PCF-33 indicates that the existing Crescent Heights water mains being replaced are 57 years old.a. Considering the existing water mains are approximately 57 years old, explain why such a small accumulated depreciation balance exists as of 12/31/15 as compared to the plant balance in Account 331.4.b. Since only \$495,494 was recorded in plant Account 331.4 as of 12/31/15, please explain why \$1,358,520 is being retired from the account.
160	3	Cypress Lakes E-1	Cypress Lakes – Billing Determinants. Schedule E-1 of the MFRs for Cypress Lakes indicates that the Cypress Lakes billing blocks for water residential usage are 0 – 8,000 gallons, 8,001 – 16,000 gallons and over 16,000 gallons. However, Exhibit JFG-2, Schedule W-5 and Schedule E-2 of the MFRs indicate that the billing blocks are 0 – 6,000 gallons, 6,001 – 12,000 gallons, and over 12,000 gallons.a. Please verify the correct billing blocks.b. If Exhibit JFG-2, Schedule W-5 and Schedule E-2 of the MFRs are incorrect, please provide corrected schedules.c. Please also provide any corrections to Exhibit JFG-2, Schedule W-2.
161	3	Sandalhaven E-1	Sandalhaven – Billing Determinants. Schedule E-1 of the MFRs for Sandalhaven indicates that the Sandalhaven cap for wastewater residential usage is currently 6,000 gallons. However, Exhibit JFG-3, Schedule S-5 indicates that the cap is 8,000.a. Please verify the correct wastewater cap.b. If Exhibit JFG-3, Schedule S-5 is incorrect, please provide a corrected schedule.c. Please also provide any corrections to Exhibit JFG-3, Schedule S-2.
162	2		Deferred Income Taxes. Please refer to the response to Citizens’ Interrogatory No. 24. a. Please explain, in detail, why the bonus depreciation was not included in the determination of the deferred income tax adjustment for the pro forma plant additions. b. Will the Company be claiming bonus depreciation on the pro forma plant additions? If not, please explain, in detail, why not.

163	2	Income Taxes. Is the Company still in a Net Operating Loss position for State income tax purposes? If yes, please indicate when (month and year) it is currently anticipated that the net operating loss carryforward will be fully utilized for State Income tax purposes and provide the current net operating loss carryforward deferred income tax asset balance.
164	1	Income Taxes. Is the Company still in a Net Operating Loss position for Federal income tax purposes? If yes, please indicate when (month and year) it is currently anticipated that the net operating loss carryforward will be fully utilized for Federal Income tax purposes and provide the current net operating loss carryforward deferred income tax asset balance.
165	2	Net Compensation. The response to Citizens' Interrogatory No. 30 states: "No separate JDE account exists for incentive and bonus program." Please provide the amount included in the unadjusted test year expense and the adjusted test year expense, for each of the systems included in this docket and on a total consolidated basis for the systems incorporated in this docket, for incentive and bonus programs. (Note: This should include amounts specific to the system as well as amounts allocated to each system by affiliate entities (in other words, provide the full amount included in expense associated with incentive and bonus programs)). If the Company is unable to determine the amount of expense included in its adjusted test year expenses in the filing, please explain, in detail, why not.
166	1	Rate Case Expense. Please provide a detailed itemization of all rate case expenses incurred by the Company to date in this case that is associated with (a) correcting the MFR deficiencies and (b) revising and refiled past annual reports. This should include, but not be limited to, charges associated with revising the MFRs, researching revisions that needed to be made to the MFRs, and legal costs associated with the preparation and filing of such revised MFRs and deficiency responses as well as revising and refiled past annual reports.
167	1	Allocated Expenses. Please refer to the response to Citizens' Interrogatory No. 89. Please explain, in detail, why \$89,638 was receivable from Liberty Mutual (i.e., prior overpayment, change in policy or insurers, receipt of damages, etc.). If the total amount receivable differed from the \$89,638 (i.e., higher in total), then please provide the total amount received from Liberty Mutual and indicate in which month(s) the payment(s) were received.
168	1	Purchased Water. Please refer to the response to Citizens' Interrogatory No. 92(a). Please provide the amount of expense included in the test year, by month for UIF – Seminole MFRs associated with acquiring purchased water while the Bear Lake WTP was temporarily off line.
169	5	Sanlando - O&M Expense. Please refer to the response to Citizens' Interrogatory No. 124. With regards to the "large reclassification of office landscaping expense", please respond to the following: a. Identify the amount of office landscaping expense that was reclassified; b. Explain why the office landscaping expense was reclassified; c. Identify when the office landscaping cost being reclassified was initially incurred (month and year); and d. Indicate what NARUC USOA account the office landscaping costs were recorded in prior to being reclassified in March 2015.
170	1	Employee Benefits. Please provide a detailed description of all changes in benefits for the Florida employees that were implemented during the period January 2013 to the most recent date available in 2017. For each change, identify the date (month and year) the change became effective.
171	1	Employee Benefits. Please provide a detailed description of all changes in benefits for the WSC employees that were implemented during the period January 2013 to the most recent date available in 2017. For each change, identify the date (month and year) the change became effective.
172	1	Employee Benefits. For each of the Florida systems, please provide the amount of Health Insurance Reimbursements expense included in Account 604 and 704 – Employee Pensions and Benefits for each year, 2012 through 2016. This should be similar to the \$211,675 for water and \$170,272 for sewer for the Sanlando system for 2015 identified in response to Citizens' Interrogatory No. 126.
173	1	Employee Benefits. Please explain, in detail, why the 3.75% labor expense increase factor is being applied to all test year employee benefits instead of being limited to the benefits that are directly correlated with labor costs (i.e., 401K expense).
174	1	Employee Benefits. Please provide a detailed description of the health insurance benefits and reimbursements offered to the Florida employees during the 2015 test year and as of the present time.
175	1	Sanlando – Unaccounted for Water. Please refer to the response to Citizens' Interrogatory No. 130. Please identify which months the Des Pinar WTP production meter was under registering, and indicate when the meter was replaced (month and year).
176	4	Working Capital – Accrued Taxes. Please refer to the responses to Citizens' Interrogatories 98 and 131(b). a. Please identify who the State and Federal income taxes that were overpaid were overpaid to (i.e., State of Florida, IRS, WSC, parent company, etc.) b. Please indicate when a refund was received for the overpaid taxes (month and year) and indicate who the refund was received from (i.e., State of Florida, IRS, WCS, parent company, etc.). c. Indicate what tax year(s) the overpayment pertains to. d. Explain, in detail, what factors caused the state and federal income taxes to be overpaid.
177	4	Sandalhaven – Materials & Supplies Expense. Please refer to the response to Citizens' Interrogatory No. 134 and Sandalhaven MFR Schedules B-3, B-6 and B-11. The response to Citizens' Interrogatory No. 134 indicates that the test year amortization amounts listed on MFR Schedule B-11 is booked in Account 720 during the test year. MFR Schedule B-11 identifies \$26,828 of test year amortization expense. MFR Schedule B-6 shows that after the adjustment to Account 720 on MFR Schedule B-3 of \$69,473, only \$22,954 remains in the adjusted test year in Account 720. a. Please explain and show, in detail, how the \$69,473 adjustment to Account 720 was determined. b. Please explain why the remaining adjusted expense in Account 720 is less than the annual amortization expense booked to the account in the test year. c. Please identify which of the amortization expenses on MFR Schedule B-11 remain in the adjusted test year and explain why they were not removed. d. Since the Company has decommissioned the WWTP, does it propose to continue recovering the costs identified on lines 2 and 3 of MFR B-11? If yes, explain why.
178	3	Labor Costs. Please provide the number of employees, by month, for the period January 2014 through December 2016, in electronic excel format, for each of the following: a. The Employees specific to systems, by systems; b. Florida employees for which their labor costs are charged (direct and/or allocated) to the Florida systems (i.e., shared employees and Utilities Inc., Florida regional office); and c. WSC employees for which their labor costs are charged (direct and/or allocated) to the Florida systems.
179	1	Sandalhaven Force Main. Please refer to Schedule F-7 of the Sandalhaven MFR's. The Utility states "Sandalhaven, taking advantage of economies of scale, constructed a 12" force main...." Please describe in detail all analyses conducted demonstrating with specificity the economies of scale as it pertains to the 12" force main.
180	1	Sandalhaven Force Main. Please refer to Schedule F-7 of the Sandalhaven MFR's. The Utility states "As part of the force main project, the Utility constructed a receiving well for this lift station adequate for a total demand as the most economical choice...." Please describe in detail all analyses conducted demonstrating with specificity the how constructing a lift station for total demand is the most economical choice.
181	3	Mid-County – Miscellaneous Expense. Please refer to the response to Staff Interrogatory 29. a. Please explain, in detail, what expense was accrued in December 2015 in Account 775 - Miscellaneous Expense for \$5,000 and explain how the amount was determined. b. Please provide the amount recorded in Account 775 for Mid-County for each month, January 2016 to June 2016. c. If any of the \$5,000 that was accrued in December 2015 was subsequently removed from the books in 2016 because the amount of accrual was overestimated or overstated, please identify the amount associated with the overstatement of the December 2015 accrual.
182	3	LUSI – Sludge Removal Expense. Please refer to the response to Staff Interrogatory 33. a. For each of the "end of year accrual transactions" booked to sludge hauling expenses in December 2015 in Account 711 – Sludge Removal Expense, please provide a listing of each amount accrued in December 2015 and explain how the amount was determined. c. If any of the amount that was accrued in December 2015 was subsequently removed from the books in 2016 because the amount of accrual was overestimated or overstated, please identify the amount associated with the overstatement of the December 2015 accrual.
183	3	Pasco County – Purchased Sewage Treatment Expense. Please refer to the response to Staff Interrogatory 53. Please explain, in detail, what "other adjustments" were booked in February 2015. Provide a listing of each "other adjustment", the amount of each of these adjustments as well as a description of each adjustment. Additionally, please identify the period (month and year) each adjustment pertains to."

184	4	Longwood – Miscellaneous Expense. Please refer to the response to Staff Interrogatory 57. a. Please explain, in detail, what caused the “large accrual” in telemarketing (telemetering) phone expense and sewer testing. b. Provide the amount of each of the accruals referenced in the response. c. Please describe, in detail, the telemarketing (telemetering) phone expenses incurred during the test year. d. If any of the amount that was accrued in December 2015 was subsequently removed from the books in 2016 because the amount of accrual was overestimated or overstated, please identify the amount associated with the overstatement of the December 2015 accrual.
185	2	Labrador – Miscellaneous Expense. The responses to Staff Interrogatories 61 and 63 indicate that the increase in contractual services – other expense for both water and wastewater in October 2015 appear “to be because of the invoice from Gaydos.” Please explain, in detail, why the response indicates that the increase “appears to be” from the Gaydos invoice. If the Company is uncertain if the invoice is the cause of the increase in expense in October 2015, then explain what factors cause the uncertainty.
186	4	Sanlando – Materials and Supplies Expense. Please refer to the response to Staff Interrogatory 68. a. Please explain, in detail, what deferred maintenance items were reclassified to expenses in September 2015; b. Explain why each of the deferred maintenance items were reclassified to expense; c. Provide a listing of each of the costs being reclassified to expense. For each, identify the vendor and provide the date the cost was incurred by the Company (month and year).
187	1	Sanlando – Contractual Services – Testing Expense. Please refer to the response to Staff Interrogatory 69. Several of the invoices provided show testing performed during 2014. Please explain, in detail, why the invoices for testing performed during 2014 were reclassified to 2015.
188	1	Acquisitions. Please refer to the response to Citizens POD 34. For each new acquisition consummated during 2016 and 2017 year to date, please provide the number of ERCs for each new system acquired.
189	5	Billing Services Received. If Utilities, Inc. is receiving billing services from another entity, please provide the names of each entity and respond to the following: a. Please provide the monthly amounts paid for these services, by system, for each month of the years 2013, 2014, 2015, and 2016. b. Please provide the amount included in the adjusted test year expense, by system and by account, for billing services provided by another entity. c. For each entity from which the Company received billing services during the test year, please describe whether the charge is a flat rate, based on the number of bills, or some other basis. d. For each entity, please describe which systems are included and where the customers for that system are required to mail their payment. e. Please describe what services the entity provides regarding customer service (such as answering customer calls, billing customers, forwarding calls, mailing delinquent notices, etc.)
190	3	Billing Services Received. For each Utilities, Inc. system that is required to mail payments either to another entity or out of state, please provide for 2015, by month: a. A list of accounts that are shown as paying one day late b. A list of accounts that are shown as paying two days late c. A list of accounts shown as paying three or more days late
191	5	Billing Services Provided. If Utilities, Inc. is providing billing services or other utility related services (i.e., meter reading, answering calls, etc.) for any another entity, please provide the names of each entity and respond to the following: a. Please provide the monthly amounts received for these services for each month of the years 2013, 2014, 2015, and 2016 b. Please describe whether the charge is a flat rate, based on the number of bills, or some other basis. c. Please provide the amount of revenue received for these services during the test year and identify the amount included in the adjusted test year for such revenues, by system and by account. d. Please describe the services provided to the entities (such as, meter reading, billing, answering customer calls, collections of bills, submittal of payments received, field visits to customers’ homes, etc.) e. Please describe how these costs incurred by UIF for the provision of these services to other entities are accounted for and explain how the costs for the provision of these services are excluded from the revenue requirements in this case. If not excluded, explain, in detail, why not.
192	5	Unamortized Rate Case Expense. Please identify each of the UIF systems which has a balance of unamortized rate case expense as of December 31, 2016. For each of these systems, please provide: a. The Commission Order Number approving the rate case expense, b. The starting balance for unamortized rate case expense, c. The date when the rate case expense will be fully amortized, d. The projected balance of the unamortized amount for each system as of July 1, 2017, and e. The total projected balance of unamortized rate case expense outstanding as of July 1, 2017.
193	1	Eagle Ridge. For the Eagle Ridge WWTP EQ tank and headworks, in response to Staff ROG 84.a. the Utility states “the equalization tank, headworks equipment and associated components will be bid out.” What is the date the Utility is expected to receive bids for the work?
194	1	Mid-County. For the Mid-County WWTP electrical improvements, Exhibit PCF-14, please explain why the project requires 2 days a week on-site monitoring by AGP Engineering?
195	2	Eagle Ridge. Please Refer to Attachment 4 d. (10) i. of the utility’s response to staff’s second deficiency letter (Document No. O8956-16). PDF Pages 50 – 62 are labelled Cypress Lakes Test Year 2015 Customer Billing Complaints and Resolutions. PDF Pages 63 – 65 are labelled Eagle Ridge Test Year 2015 Customer Billing Complaints and Resolutions. a. Please explain why these pages are duplicated in the response. b. If this is in error, please provide the correct 2015 Customer Complaints for Cypress Lakes and for Eagle Ridge, separately.
196	4	Summertree Interconnection. Please refer to the MFRs for UIF-Pasco County, Schedule F-1 for the Summertree System. Since the system has been interconnected with the Pasco County Water System please provide the following information: a. Monthly gallons pumped b. Monthly gallons purchased c. Monthly gallons sold d. Monthly gallons for Other Uses
197	1	Summertree Interconnection. Please describe the steps being taken by UIF and Pasco County to maintain proper disinfectant levels, minimize the amount of flushing, and maintain water pressure in the Summertree system since the interconnection.
198	2	Summertree Interconnection. When does UIF project that the Summertree wells will be retired, and does UIF have any plans to delay the retirement of the wells until after the flushing has been minimized and/or water pressure issues resolved?
199	1	Summertree Interconnection. In order to maintain the proper levels of disinfectant and water pressure in the Summertree water system, please describe what UIF plans to do and whether any of the existing Summertree water treatment plant can be repurposed to support maintaining the proper levels of disinfectant and water pressure.
200	1	Pro Forma Plant. Please refer to Exhibit PCF -1 and the response to Staff ROG 82.a. Please provide the status of the Cypress Lakes Hydro Tank Replacement project.
201	1	Pro Forma Plant. Please refer to Exhibit PCF – 3 and the response to Staff ROG 84.a. Please provide the status of the bidding for the construction of the equalization tanks, headworks equipment and associated components
202	1	Pro Forma Plant. Please refer to PCF – 5 for the LUSI Sludge dewatering project. What is the capacity of the proposed Solar Organite system to process sludge?
203	7	Pro Forma Plant. Please refer to PCF – 37. The same documents are provided to support engineering and survey costs for exhibits PCF 37, 38, 39, 40, 42, 43, and 44. Please describe how these documents support the “CPH (CEI, As Built, ROW permits)” in the Bid Information and Budget Breakdown Sheets in each of the referenced Exhibits?
204	1	Pro Forma Plant. Please refer to the MFRs for LUSI, Schedule F-1 for the Lake Saunders system. Please provide a specific accounting for the “Other Uses” for the Lake Saunders WTP.
205	1	Pro forma projects. Please identify which of the pro forma projects identified in the test year request letter, UIF MFRs, and Mr. Flynn’s testimony will <u>not</u> be placed into service by December 31, 2017.
206	4	Pennbrooke. At the February 1, 2017 customer service hearing, customers testified about a proposed tank replacement project. Please explain whether that tank was replaced, when it was placed into service, and at what cost; and if not replaced, why not.
207	1	Customer Noticing. When sending customer notices related to the rate request and customer service hearings, what portions of the Commission approved customer notice did UIF send to the customers (i.e., did UIF send the entire customer notice approved by the Commission staff, if not entire, what portions were sent, and why)?
208	1	Customer Noticing. Please describe how UIF used its website and other online social mediato notify customers about its requested rate case, the time and location of customer service hearings, the proposed rate change(s) affecting their individual system(s), and how customers could contact the FPSC, FDEP, or FOPC with their concerns.

209	1	Customer Noticing. In the notices sent to customers for the customer service hearings, please explain how UIF tailored each of the Commission approved notices to each system for the proposed rate increase so that customers understood which rate schedule(s) applied to their address.
210	1	Customer Noticing. In counties with multiple systems, like Seminole County, how did UIF ensure that the proper customer notice with the proper rate schedule reached the proper customer?
211	3	Customer Noticing. In Seminole County which consists of UI-Sanlando water and wastewater, UI-Longwood wastewater, and UIF-Seminole County (subsystems: Bear Lake, Crystal Lake, Jansen, Little Wekiva, Oakland Shores, Park Ridge, Phillips, Ravenna, Park / Lincoln Heights, Weathersfield / Trail Wood, Oakland Hills): a. How did UIF ensure that UI-Sanlando customers received the correct customer notice and rate schedule applicable to their address? b. How did UIF ensure that UI-Longwood customers received the correct customer notice and rate schedule applicable to their address? c. How did UIF ensure that the customers of UIF-Seminole County systems received the correct customer notice and rate schedule applicable to their address?
212	10	Customer Service. Please describe the customer service provided to the customers of Utilities, Inc. of Florida (UIF). Please include the following information in your response. a. What phone numbers are provided to the customers in each system to call for bill inquiries, emergencies related to the water or wastewater systems, quality of service concerns, general information, etc.? b. How are these phone numbers provided to the customers of each system? c. What other options does the utility provide customers for these same concerns and how are these options communicated? d. When a customer contacts the utility how is the contact logged in, tracked, and resolved? What controls are included and what software is used? e. What supervisory reviews are made of the number of calls and how the calls are resolved? f. How many customer call centers does UIF utilize? g. How are the call center(s) organized and how are calls routed? h. How are customer concerns routed to field staff? i. What parameters are established for field staff responses? j. Customer Service. Please provide a list and full description of the company codes used to classify customer contacts.
213	1	Customer Service Metrics. Please identify each customer service metric, and identify the benchmark(s) at which UIF believes supports a finding of adequate or satisfactory customer service. Provide the results of the metrics for the period 2013 – 2016.
214	3	Customer Service Metrics. Please describe all customer service performance metrics (or equivalent) used by UI in its customer call centers when evaluating customer service. As part of this response, please describe each metric's benchmark and/or acceptable performance level. Please provide monthly metric results for 2013 – 2016.
215	3	Customer Service Metrics. How does UIF's customer service compare to other UI systems in the US, what is the basis for the comparison, and if not compared, why not?
216	3	Customer Service Metrics. How does UIF's customer service rank when compared to other non-UI systems in the US, what is the basis for the comparison, and if not compared, why not?
217	4	Employee Benefits Expense. Please refer to the attachment provided for the response to OPC ROG 91, specifically line 549 pertaining to the Health Insurance Claims subaccount. Please respond to the following: a. Explain, in detail, why the health insurance reserves adjustment of \$110,000 booked on December 31, 2015 was made. b. Please explain and show, in detail, how the amount of the reserve adjustment was determined. c. Please describe the Company's policy of reserving health insurance claims and indicate when the policy was implemented. d. Please provide the amount of health insurance reserves adjustments booked in 2013, 2014 and 2016, by month.
218	1	Employee Benefits Expense. Please refer to the response to OPC ROG 172. Based on the information provided in the attachment, the health insurance claim expense was \$926,599 in 2014, \$1,153,840 in 2015 and \$1,034,444 in 2016. Please explain, in detail, what factors caused the amount of health insurance claims expense to decline by approximately \$120,000 between the 2015 test year and 2016.
219	1	For each of the 10 development projects identified on this Schedule A-12 (attached to the request for admissions) and shown as having paid CIAC, please describe how the company verified or determined that the number of "ERCs not built" were in fact not built.
220	3	For each of these 10 development projects shown on Schedule A-12 (attached to the request for admissions) that are shown as <i>having paid CIAC</i> , but have "ERCs not built": a. has the company contacted the developer to ascertain whether any of those "ERCs not built" can or will ever be built (For example, has the developer changed the scope of the project to reduce the number of ERCs that will connect to UI-Sandalhaven?); b. and if not, why not; c. and if so, what did the company learn?
221	1	For any of the prepaid CIAC development projects shown on Schedule A-12 (attached to the request for admissions), please explain the differences in ERCs in 2006 and ERCs in 2015.
222	1	Please refer to Schedule A-12 (attached to the request for admissions), please update the number of "ERCs not built" and "Prepaid Capacity Not Used" and explain the reasons for the update.
223	1	RFA 4 - UI shareholders do not earn a return on bulk wastewater costs passed through to the customer. a. Please explain denial.
224	1	RFA 5 - UI shareholders earn a greater return on plant investments than on passing through purchased water and wastewater costs to the customer. a. Please explain denial.
225	1	RFA 7 - The Department of Environmental Protection (DEP) mandates that UIF resolve primary water quality issues and customers pay for that in their water rates. a. Please explain denial.
226	4	RFA 9 - The following water systems are out of compliance with DEP secondary water quality standards: a. How does UI define "out of compliance with DEP secondary water quality standards"? a. How does UI define "out of compliance with DEP secondary water quality standards"? b. Please explain the denial for each system. c. UI would agree that each of the systems identified above have some issues with taste, smell, color, iron, particulates, or some other secondary water quality issue, and if not, please identify the system that does not have these issues? d. UI would agree that UI has received customer complaints from each of the systems identified above about some secondary water quality issue, and if not, please identify the system without any customer complaints?
227	1	RFA 10 - Other than resolving the secondary water complaints in the Summertree water system, UIF has not resolved any secondary water quality complaints in any of its other Florida systems. a. Please explain denial.
228	1	RFA 11 - Having failed to resolve the secondary water quality complaints in its other Florida systems, UIF has sought a rate increase affecting all UIF systems in Florida. a. Please explain denial.
229	1	RFA 12 - UIF's current rate increase does not include any programs to resolve secondary water complaints in its Florida systems. a. Please explain denial.
230	2	RFA 13 - At the time UIF filed its petition seeking a rate increase (August 30, 2016), UIF did not have any plans to resolve the secondary water quality complaints in any of UIF's systems which currently have secondary water quality complaints. a. Please explain denial. b. Please identify and describe the plans UIF has to resolve the secondary water quality issues and complaints.
231	3	RFA 14 - If the Commission grants UIF's request for consolidated rates, customers of Pennbrooke, Sanlando, and UIF-Marion will each see rate increases without resolution to their secondary water quality complaints. a. Please explain denial for Pennbrooke. b. Please explain denial for Sanlando. c. Please explain denial for UIF-Marion.
232	2	RFA 15 - If the Commission does not grant UIF's request for consolidated rates, all customers of the systems with secondary water quality complaints will see rate increases. a. Please explain denial. b. Does UIF think that some UIF systems will see a rate decrease without consolidated rates, and if so, which system will receive a rate decrease?
233	5	RFA 23 - Regarding many of the major projects identified in UIF's MFRs, UIF delayed starting major infrastructure improvement projects in its various water and wastewater systems until it planned to file for its 2016 rate case. a. Please explain the denial. b. Please identify each of the pro forma projects described in UIFs MFRs for this case where construction started or commenced prior to December 31, 2015. c. Please identify each of the pro forma projects described in UIFs MFRs for this case where construction started or commenced between January 1, 2016 and December 31, 2016. d. Please identify each of the pro forma projects described in UIFs MFRs for this case where construction started or commenced after January 1, 2017. e. For each of the pro forma projects described in UIFs MFRs for this case where construction started or commenced after January 1, 2016, please explain why UIF waited until this rate case to start these projects.

234	2	RFA 16 - When UIF acquired the Summertree water system, UIF knew there were secondary water quality complaints. Response: UIF has made reasonable inquiry and the information known or readily obtainable by UIF is insufficient to enable it to admit or deny. a. UIF would agree that UIF became aware of secondary water quality issues and complaints shortly after acquiring Summertree water system, and if disagrees, why? b. UIF would agree that UIF sought rate increases affecting Summertree without resolving the known secondary water quality complaints, and if disagrees, why?
235	3	RFA 17 - UIF waited almost 25 years (1991-2016) to resolve the secondary water quality complaints in the Summertree water system (i.e. – the interconnection with Pasco Utilities was not completed until 2016). a. Please explain the denial. b. Please explain in detail if UIF resolved or attempted to resolve any of the secondary water quality complaints between 1991 and the time it filed for a rate increase in Docket No. 120209-WS, as part of this response, please provide a timeline for UIF's attempted resolution(s). c. UIF would agree it made no attempt to resolve any secondary water quality complaints between 1991 and the time it filed for a rate increase in Docket No. 120209-WS, and if disagree, why?
236	1	RFA 18 - UIF could have interconnected with Pasco County Utilities in the early 1990s, and have resolved Summertree's secondary water quality complaints. Response: UIF has made reasonable inquiry and the information known or readily obtainable by UIF is insufficient to enable it to admit or deny. a. Please explain whether UIF reviewed any of the first five FPSC orders applicable to the Summertree system (including the transfer docket, rate increase requests, and predecessor utility), and if not, why not?
237	2	RFA 19 - Instead of solving those [Summertree] secondary water quality complaints in the early 1990s, UIF chose to make additional water treatment plant investments. a. Please explain the denial. b. Please explain whether UIF would agree that it did not make any investments in the early 1990s to resolve the secondary water quality complaints, and if no, why not?
238	1	RFA 20 - When UIF-Summertree had problems complying with the primary water quality standards in the early 2000s, UIF could have interconnected to Pasco County Utilities which would have resolved both the primary and secondary water quality complaints. a. Please explain denial.
239	4	RFA 21 - Instead of solving those [Summertree] primary and secondary water quality complaints in the early 2000s, UIF chose to make additional water treatment plant investments. a. Please explain the denial. b. Please explain whether UIF would agree that it did not make any investments in the early 2000s to resolve the secondary water quality complaints, and if no, why not? c. Please explain why UIF decided to make additional water treatment plant investments to solve the primary water quality issues (i.e. – switch to Chloramine disinfection treatment) instead of interconnecting with Pasco County Utilities. d. UIF would agree that UIF would earn more off of making plant investments to resolve primary water quality issues (i.e. – conversion to Chloramines) than it would through interconnecting with Pasco County Utilities, and if not, please explain.
240	1	RFA 22 - UIF's shareholders have earned a return on and return of the additional water treatment plant investments made in Summertree from 1991 to 2016 even though those investments did not resolve the secondary water quality complaints. a. Please explain denial.
241	5	RFA 24 - After losing the Wildflower Golf Course as a reuse customer, UI did not seek to find any additional reuse customers for the reuse water produced by the Sandalhaven wastewater treatment plant. a. Please explain why UI did not seek any additional reuse customers. b. Please explain if UI or the Sandalhaven WWTP plant operator was approached by any customers existing at that time for reuse, and if so, why was reuse not extended? c. Please explain if UI or the Sandalhaven WWTP plant operator was approached by any of the new development projects along Placida Road for reuse, and if so, why was reuse not extended? d. Please explain whether UI discussed internally about contacting any of the new development projects along Placida Road or existing customers about offering reuse, and if yes, why was reuse not extended? e. Please explain whether the Sandalhaven WWTP plant operator discussed with UI or request permission to extend reuse to any existing customers or the new development projects along Placida Road.
242	1	If UI had found a replacement reuse customer for Wildwood reuse flows, UI would not have downgraded the Sandalhaven WWTP capacity; please explain response?
243	1	If UI had found a replacement reuse customer for Wildwood reuse flows, the Sandalhaven WWTP percolation ponds would not have failed as quickly as they did without a reuse customer; please explain response?
244	1	Prior to losing the Wildwood Golf Course as a reuse customer, what was the planned retirement date for the Sandalhaven WWTP?
245	1	UIF would agree that by retiring the Sandalhaven WWTP, all the redirected wastewater flows automatically increased the calculated used and useful percentage for the other wastewater assets (i.e. – EWD capacity; force main; master lift station; and pumps)?
246	1	RFA 25 - In 2005, UI Sandalhaven knew that development projects in the Sandalhaven service territory had stalled.
247	1	RFA 26 - In 2006, UI Sandalhaven knew that development projects in the Sandalhaven service territory had stalled. a. Please explain the denial.
248	1	RFA 27 - Despite the slowdown in development, UI Sandalhaven entered into two capacity agreements with the Englewood Water District (EWD) for 100,000 and 200,000 gpd. a. Please explain the denial.
249	1	RFA 28 - Despite purchasing too much capacity from the Englewood District, UI Sandalhaven has not sought a refund from EWD for capacity payments. a. Please explain the denial.
250	7	RFA 29 c - Eagles Preserve prepaid CIAC for 68 ERCs, currently pays BFCs to Sandalhaven, but has not connected to Sandalhaven. Deny. [We collect guaranteed revenue from lot owners because the Eagles Preserve developer did not pre-pay CIAC] a. Please explain the denial. b. How much does each lot pay UIF each month? c. When did UIF start collecting guaranteed revenues from these lots? d. Have any of these lots connected with the Sandalhaven system? e. How much in guaranteed revenues has UI received from the 68 Eagles Preserve lot owners (individually and collectively) from the time UI acquired Sandalhaven through December 31, 2015? f. What is the plant capacity charge required to connect to the Sandalhaven system for the Eagles Preserve lot owners? g. Does the amount of guaranteed revenues collected from each of the 68 Eagles Preserve lot owners equal or exceed the plant capacity charges required to connect to the Sandalhaven system; if yes, how much ?
251	5	RFA 29 d - Shamrock Shores prepaid CIAC for 57 ERCs, and 57 ERCs have connected to Sandalhaven. Deny. [The utility seller did not provide any documentation regarding prepayment of CIAC for Shamrock Shores.] a. Please explain the denial. b. Please explain "[The utility seller did not provide any documentation regarding prepayment of CIAC for Shamrock Shores.]" and if no prepayment of CIAC has been made for Shamrock Shores, why does UI show 57 ERCs have prepaid? c. Please describe where in the service territory Shamrock Shores is located (please provide a map showing its location)? d. Please describe how many homes or units have been built in that development. e. Please explain whether any of those homes or units have connected to the Sandalhaven system.
252	2	RFA 29 j - Sandalhaven has not refunded any of the unused CIAC back to Hammocks at Cape Haze. Admit. [We don't refund CIAC] a. Please explain why UI does not refund CIAC. b. Could the Hammocks, Cape Haze Resort, Coral Caye, or any other development with prepaid CIAC request a refund; if yes, please explain; and if no, please explain why not?
253	1	RFA 29 n. through r. - The 422 unit condominium referenced in these responses is now known as Coral Caye, correct; if not, please explain?
254	1	Bonus Depreciation. Has the consolidated group with which the Company participates in the federal income tax returns claimed bonus depreciation on the 2014 and 2015 consolidated federal income tax returns for capital additions made in the Florida systems included in the current case associated with wastewater treatment plants and other wastewater plant assets (i.e., main replacements, lift stations, etc.)?

255	1		Bonus Depreciation. Please identify all pro forma plant additions the Company is seeking to include in the adjusted test year in this case that qualify for bonus depreciation.
256	3		Sandalhaven. In response to Staff Interrogatory No. 2 regarding purchased power expense, the utility provided a document for a customer Guarantee Deposit Certificate. The amount of \$3,637 appears to have been accrued in November 2015 and paid in December 2015. Please respond to the following questions: a. Is this amount included in the adjusted test year expense? b. If so, does the utility agree that it should be removed from the expense? c. If not, please provide specific detail and calculations showing how the adjusted test year expense was calculated. The detail should include all actual costs used as a basis plus all assumptions for the expense on a going forward basis.
257	2		Sandalhaven. In response to Staff Interrogatory No. 4 regarding materials and supplies expense, the utility provided the following documents: a. For each document, please explain whether this is a recurring cost that will be paid by the utility now that the WWTP plant is retired. b. Please state for Sandalhaven's retired wastewater plant whether the ponds remain in utility plant, future plans to retire the ponds, specific locations for electric equipment inspected, and the future need for the electric equipment.
258	1		Sandalhaven. Please provide the specific detail and calculations showing how the \$69,473 adjustment to the test year expense for materials and supplies was calculated. The detail should include all actual costs used as a basis plus all assumptions for the expense on a going forward basis.
259	1		Sandalhaven. The test year balance for contractual services – engineering expense appears to include two invoices from CPH Engineering for \$504.22 and \$2,817.00. These two invoices dated January 9, 2015 list the following projects: Invoice 91892: Sandalhaven Master Lift Station and Force Main, and Invoice 91893: Sandalhaven Force Main Improvements for wastewater Flow Transfer. For each invoice, please explain whether it is a recurring cost that will be paid by the utility now that the Lift Station and Force Main are built and operational and why these costs were not capitalized as part of the plant construction.
260	3		Lake Placid. In response to Staff Interrogatory No. 12 regarding contractual services – engineering expense, the utility provided two invoices from Excel Engineering for WWTP Permit Renewal work. The two invoices are dated 3/2/15 (Invoice 9626 for \$2,979.20) and 7/15/15 (Invoice 9684 for \$875.00). Please respond to the following questions. a. Please verify whether these charges were split between the water and wastewater expenses and if so, how much was charged to water and how much was charged to wastewater. b. Please verify whether the permit renewal is for a five year period. c. Please provide all other expenses included in the 2015 test year that were incurred as part of the permit renewal process.
261	1		Lake Placid. In response to Staff Interrogatory No. 14 regarding miscellaneous expense, the utility provided a "Request for Check" for payment to the Florida Department of Environmental Protection for \$1,000. Please verify whether this expense was related to the permit renewal included in the question above and what amounts were charged to water and wastewater.
262	3		Pennbrooke. In response to Staff Interrogatory No. 22 regarding materials and supplies expense, the utility provided a "Request for Check" for payment to the Florida Department of Environmental Protection for \$3,000. Please respond to the following questions: a. Please verify whether this charge was only charged to the wastewater expense. b. Please verify whether the permit renewal is for a five year period. c. Please provide all other expenses included in the 2015 test year that were incurred as part of the permit renewal process.
263	2		Mid-County. In response to Staff Interrogatory No. 27 regarding materials and supplies expense, the utility provided an invoice from Polston Applied Technologies in the amount of \$32,403.52. Please respond to the following questions. a. Please verify whether this is a recurring cost that will continue to be paid on an annual basis. b. The invoice shows an initial charge for a "partial cleaning" of 30 tons. The next charge is for an "additional cleaning" of 96.56 tons. Please explain why there are two services listed and whether both services will be required on an annual basis.
264	3		LUSI. In response to Staff Interrogatory No. 31 regarding contractual services – testing expense, the utility provided, in part, the invoices listed below from Eurofins Eaton Analytical. These invoices are stamped received February 17, 2015 but indicate services were provided in 2014. a. Please verify if each of these are included in the adjusted test year expense for water? b. If so, does the utility agree that each of these should be removed from the expense? c. If not, please explain in detail, why not.
265	2		UIF-Marion. In response to Staff Interrogatory No. 50 regarding miscellaneous expense, the utility provided an invoice from Utility Services Associates for \$3,533.53. This invoice includes the description "survey for and pinpoint leaks in the water distribution system." Please respond to the following questions. a. Please verify that this is not an annual service b. Please provide all other expenses included in the 2015 test year that were incurred as part of this project.
266	1		UIF-Pasco. In response to Staff Interrogatory No. 53 regarding purchased wastewater expense, the utility provided invoices from Pasco County Utility Services as well as an Excel file that listed the invoices, General Ledger (GL) dates and Invoice date. The utility provided 26 invoices representing thirteen months of billings. The Excel files indicates that the invoices provided included the months December 2014 – December 2015. Does the utility agree that the two invoices in the amount of \$11,088 for December 2014 should be removed from the test year expense? If not, please explain in detail.
267	2		Labrador. In response to Staff Interrogatory No. 61 regarding contractual services – other expense, the utility provided an invoice from Gaydros Hydro Services for \$10,000. The project is titled "Forest Lakes Evaluation". Please respond to the following questions. a. Please verify that this is not an annual service b. Please provide all other expenses included in the 2015 test year that were incurred as part of this project.
268	3		Sanlando. In response to Staff Interrogatory No. 65 regarding contractual services – engineering expense, the utility provided an invoice from Kimley Horn for \$6,000. The project is titled "Sanlando SVC – Myrtle Lake". Please respond to the following questions. a. Please verify that this is related to the pro form plant project included in Exhibit PCF-25. b. Please explain why this is expensed and not included as part of the capital project. c. Please identify all other costs included in the test year related to this project.
269	1		Sanlando. In response to Staff Interrogatory No. 68 regarding materials and supplies expense, the utility provided an Excel file that included a two Journal Entries for \$12,998.50 indicating "RCL DEF MAINT TO EXPENSE". Please explain this adjustment and include the following information: the original charges, the dates of the original charges, the account(s) credited as an offset to this entry, all previous amortization amounts (by year), any remaining balances, and why this was a single charge for the year instead of a monthly amortization.
270	1		Sanlando. In response to Staff Interrogatory No. 69 regarding contractual services – testing expense, the utility provided invoices and an Excel schedule. The Excel schedule indicates four entries for accruals in the amounts of \$1,150, \$600, \$710, and \$1,230. Please provide specific detail and calculations to support these accruals. The detail should include all actual costs used as a basis plus all assumptions.
271	2		Cypress Lakes. The General Ledger includes JDE Account 6270 (NARUC Account 635) for Test-Sewer. The total included in this account for 2015 appears to be \$18,615.36. a. Please indicate in which account this is included in the MFRs. b. The General Ledger appears to include twelve monthly invoices to Advanced Environmental Labs and one accrual. Please verify whether the accrual includes a thirteenth month in the annual expense. If not, please explain.
272	2		Cypress Lakes. The General Ledger includes JDE Account 6390 (NARUC Account 675) for Weather/Hurricane/Fuel. The total included in this account for 2015 appears to be \$3,209.08. a. Please indicate where this amount is included in the MFRs. b. The General Ledger includes two accruals dated 12/31/15 for \$334.72 and \$983.85. Please provide specific detail and calculations to support these accruals. The detail should include all actual costs used as a basis plus all assumptions.
273	2		Mid-County. The General Ledger includes JDE Account 6270 (NARUC Account 635) for Test-Sewer. The total included in this account for 2015 appears to be \$24,652.53. a. Please indicate in which account this is included in the MFRs. b. The General Ledger appears to include twelve monthly invoices to Advanced Environmental Labs and one accrual for \$1,359. Please verify whether the accrual includes a thirteenth month in the annual expense. If not, please explain.
274	2		Mid-County. The General Ledger includes JDE Account 6340 (NARUC Account 775) for Sewer-Permits. The total included in this account for 2015 appears to be \$10,625. The December 31, 2015 entry to this account is for \$5,000 for an accrual. a. Please indicate in which account this is included in the MFRs. b. Please provide specific detail and calculations to support this accrual. The detail should include all actual costs used as a basis plus all assumptions.

275	3	Sandalhaven. The General Ledger includes JDE Account 6050 (NARUC Account 636) for Other Outside Services. The total included in this account for 2015 appears to be \$14,311.18. There is a December 31, 2015 journal entry for an accrual to this account in the amount of \$864 which appears to be for Charlotte County Utilities. a. Please indicate in which account this is included in the MFRs. b. Please verify if the account includes 13 monthly amounts for this charge. If not, please explain fully. c. Please provide specific detail and calculations to support this accrual. The detail should include all actual costs used as a basis plus all assumptions.
276	3	Sanlando. The General Ledger includes JDE Account 5950 (NARUC Account 675) for Office Garbage Removal. The total included in this account for 2015 appears to be \$15,993.20. There are two December 31, 2015 journal entries for accruals to this account in the amounts of \$602.82 and \$416.57 which appear to be for Progressive Waste Solutions. a. Please indicate in which account this is included in the MFRs. b. Please verify if the account includes 13 monthly amounts for this charge. If not, please explain fully. c. Please provide specific detail and calculations to support this accrual. The detail should include all actual costs used as a basis plus all assumptions.
277	2	Sanlando. The General Ledger includes JDE Account 6270 (NARUC Account 635) for Test-Sewer. There are four December 31, 2015 journal entries for accruals to this account in the amounts of \$1,150, \$600, \$710, and \$1,230. a. Please indicate in which account this is included in the MFRs. b. Please provide specific detail and calculations to support these accruals. The detail should include all actual costs used as a basis plus all assumptions.
278	2	Sanlando. The General Ledger includes JDE Account 6285 (NARUC Account 620) for Water-Maint Supplies. There is a December 31, 2015 journal entry for an accrual to this account in the amount of \$2,317.57. a. Please indicate in which account this is included in the MFRs. b. Please provide specific detail and calculations to support this accrual. The detail should include all actual costs used as a basis plus all assumptions.
279	2	UIF. The General Ledger includes JDE Account 6390 (NARUC Account 675) for Weather/Hurricane/Fuel. There are three December 31, 2015 journal entries for accruals to this account in the amounts of \$778.96, \$177.15, and \$879.54. a. Please indicate in which account this is included in the MFRs. b. Please provide specific detail and calculations to support this accrual. The detail should include all actual costs used as a basis plus all assumptions.
280	1	Please identify which witness at the hearing will be responsible for addressing each of the OPC Interrogatories and Request for Production of Documents provided by a person not scheduled to testify at the hearing.
281	3	Please refer to JDE Account 6370 (NARUC Account 675) for Cypress Lakes and Labrador. The test year General Ledger reflects \$22,356 for Cypress Lakes and \$486 for Labrador. The total of the account is "Oper Contracted Workers". Please describe the labor charged to this account and include the following information: a) Are these costs for emergency purposes? b) Are these routine, recurring costs? c) Will these costs continue of the requested new positions included in the MFRs are filled?