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May 10, 2012

VIA FEDERAL EXPRESS

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12 MAY 10 PM 12:33
COMMISSION
CLERK

Ann Cole, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Docket No. 110257-WS - Application for Increase in Water and Wastewater Rates in Seminole County by Sanlando Utilities Corporation
Our File No.: 30057.198

Dear Ms. Cole:

The following is in response to Staff's Third Data Request dated April 10, 2012, filed in the above-referenced docket.

- 1. Please provide detailed explanations of the work performed by Millian, Swain & Associates for the amounts listed on Schedule B-10.

RESPONSE: Please see the attached adobe file titled "MSA Detail.pdf" for the requested documentation.

- 2. What tank maintenance expense has been included in the test year for water? What tank maintenance expense has been included in the test year for wastewater?

RESPONSE: Sanlando Utilities Corporation had one deferred maintenance project on its test year books for tank maintenance that was being amortized. The tank maintenance project cost was \$31,780.00 and the amortization expense each month was \$529.67. For the filing, the Company allocated this monthly expense to water and wastewater based on the ERC counts at test year end. Of the \$529.67, the amount allocated to water and wastewater was \$297.52 and \$323.15 respectively.

- 3. Please provide a response to each of the 19 issues and concerns listed in the April 3, 2012, letter to the Commission from the Office of Public Counsel.

COM _____
APA _____
ECR _____
GCL _____
RAD _____
SRC _____
ADM _____
OPC _____
CLK _____

Forwarded

DOCUMENT NUMBER - DATE

02997 MAY 10 12

RESPONSE: Please see the attached appropriate adobe and excel files in conjunction with the attached word document titled "Responses OPC Issues for Staff on Sanlando.docx" for the requested documentation.

4. Regarding Table 2-A included in Public Counsel's Issues and Concerns letter dated April 3, 2012, please explain why the balances were moved between accounts.

RESPONSE: Please see the response to Item 2 in the attached word document titled "Responses OPC Issues for Staff on Sanlando.docx" for the requested documentation.

5. What is the justification for the 108.96 percent increase in chemical expense since the last rate case?

RESPONSE: Please see the response to Item 9 in the attached word document titled "Responses OPC Issues for Staff on Sanlando.docx" for the requested documentation.

6. What is the justification for the \$124,000 increase in Contractual Services – Other since the last rate case?

RESPONSE: Please see the response to Item 16 in the attached word document titled "Responses OPC Issues for Staff on Sanlando.docx" for the requested documentation.

7. Regarding Public Counsel's Issues and Concerns letter dated April 3, 2012, number 19 regarding miscellaneous expense indicates 11 trips were taken in four months. Please provide the dates and the people involved.

RESPONSE: Please see the response to Item 19b in the attached word document titled "Responses OPC Issues for Staff on Sanalndo.docx" for the requested documentation.

8. Regarding the CIAC retirements shown on Schedule A-12 (OPC Issues & Concerns No. 4). Are there corresponding plant retirements for the CIAC retirements and are they the same amount? If not, please explain.

RESPONSE: Please see the response to Item 4 in the attached word document titled "Responses OPC Issues for Staff on Sanlando.docx" for the requested documentation.

9. Please provide the original cost support for the CIAC retirements listed on Schedule A-12. If the original cost is not known, please provide all the Utility's calculations, basis and supporting documentation estimating the retirement amounts including any use of the Handy-Whitman index.

RESPONSE: Please see the response to Item 8 above.

Please do not hesitate to contact me should the Staff have any questions about these responses.

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

MSF/mp
Enclosures

- cc: Kirsten Markwell, Manager of Regulatory Accounting (w/o enclosures) (via e-mail)
Bart Fletcher, Division of Economic Regulation (w/enclosures) (via hand delivery)
Mark Cicchetti, Division of Economic Regulation (w/enclosures) (via hand delivery)
Stephen C. Reilly, Associate Public Counsel (w/enclosures) (via hand delivery)