



# Public Service Commission

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**DATE:** February 21, 2000  
**TO:** Division of Records and Reporting  
**FROM:** Division of Water and Wastewater (Lingo) H  
**RE:** Docket No. 970409-SU, Initiation of limited proceeding to restructure wastewater rates for Florida Water Service Corporation's Tropical Isles service area in St. Lucie County

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Please file the attached documents in the above-referenced docket file. Thank you.

\FJL

Attch: 02/25/98 letter w/attchs from FWSC/Feil to WAW/Lingo re: response to information request

cc w/ Attch: Division of Legal Services (Gervasi, Fudge)

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Florida Public Service Commission  
Division of Water and Wastewater

February 25, 1998

Ms. Jennie Lingo  
Economic Analyst  
Division of Water & Wastewater  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0865

by Federal Express

Re: Request for Information on Tropical Isles Facility  
in St. Lucie County

Dear Ms. Lingo:

On behalf of Florida Water Services Corporation ("Florida Water"), I write to provide you with information in response to the outstanding requests of your January 15, 1998, letter.

As was set forth in my letter to you of January 22, 1998, Florida Water does not object to producing the referenced information at this time. However, by producing said information, Florida Water does not waive any of its legal rights in this matter.

For ease in reference, all of the requests of your January 15 letter are repeated below with heretofore outstanding responses provided.

**Please refer to the MFRs, Vol. III, Book 6 [Docket No. 950495-WS]**

- 1) **The individual line items of plant in service as of 9/30/88 that correspond to the \$457,467 figure shown on Schedule A-4(S), page 550. Please provide this information in the same detail as the individual plant account balances shown on Schedule A-6(S), page 552, column (2).**

Provided as stated in letter of January 22, 1998.

- 2) **The individual line items of accumulated depreciation as of 9/30/88 that are associated with the plant in service figure of \$457,467 referenced above. Please provide this information in the same detail as the individual accumulated depreciation balances shown on Schedule A-10(S), page 562, column (2).**

Provided as stated in letter of January 22, 1998.

- 3) **A description of each plant addition shown on Schedule A-4(S), page 550, as well as the amount and account to which each addition was booked.**

Provided as stated in letter of January 22, 1998.

**Other information**

- 1) **A copy of the DEP operating permit.**

Provided as stated in letter of January 22, 1998.

- 2) **DEP monthly operating reports for 1997.**

Provided as stated in letter of January 22, 1998.

- 3) **Actual O&M expenses for 1997, separated by account number. For each expense that is allocated, please explain the allocation method and provide the associated amount allocated to that expense.**

Attachment "A" to this letter contains a schedule setting forth actual direct O&M expenses for Tropical Isle for the year 1997. For regulatory purposes, Florida Water allocates administrative and general ("A&G") expenses and customer service expenses to water and wastewater service areas based on number of customers. (Pension and benefits expense and workers compensation are allocated on the basis of direct labor.) These expense allocations are not made on Florida Water's books; they are only made in annual reports filed with regulatory agencies and in rate filings submitted to those agencies. As of this writing, Florida Water's auditors have not finalized their review of and report on Florida Water's 1997 year-end information. While Florida Water believes there will be no significant adjustments as a result of the audit, the final audited numbers are not yet available. (Since adjustments to the Tropical Isle directs are highly unlikely, I thought it appropriate to provide those to you now.) Once final numbers are approved, the completion of the annual report will take place and the allocations made. The preparation of the annual report, as you know, is not done overnight, and various cross-checking and verification processes must be undertaken. Accordingly, while I will exercise reasonable efforts to provide you with the allocated costs information before Florida Water's annual report is filed with the PSC, it should be understood that there may be some adjustments necessary to any data we may provide you prior to the filing of the annual report.

- 4) **A description of any planned or anticipated plant improvements or expenses during the next 12 months, and the anticipated month (if known) that the plant improvement or expense will be made or incurred. If any of these items are the result of a DEP requirement, please explain.**

Florida Water does not anticipate at this time that there will be any notable changes to recurring expenses for the Tropical Isle facility. No capital projects have been budgeted for the Tropical Isle facility other than what falls under a so-called "blanket" budget item, such as service line additions. Florida Water does, however, expend funds for repairs and improvements through an operations repair budget. Florida Water plans on using funds from this budget to make modifications in Tropical Isle, specifically, Florida Water intends to regROUT two of the manholes, install intrusion bonnets on eight others, and raise at least five of the manholes by early March. Estimated costs for this work is approximately \$1,000.

- 5) **Customer growth from 12/31/95 to 12/31/97.**

Provided as stated in letter of January 22, 1998.

- 6) **For each plant addition that has occurred subsequent to the test year in Docket No. 950495-WS, please indicate the account in which the addition was recorded, and the amount of the addition.**

Provided as stated in letter of January 22, 1998.

If you have any questions or comments concerning this information, please call me at (407) 884-8777, ext. 260.

Sincerely yours,



Matthew Feil, Esq.  
Staff Attorney

Attachment

**TROPICAL ISLE (# 2101)****January - December 1997****DIRECT EXPENSES:**

Salaries & Wages	9,485
Employee Pensions & Benefits	2,252
Purchased Sewer	-
Sludge Removal	4,391
Purchased Power	8,752
Fuel for Power Production	-
Chemicals	569
Materials & Supplies	3,910
Contractual Services - Engineering	53
Contractual Services - Other	801
Rental of Bldg/Real Property	-
Rental of Equipment	-
Transportation Expense	-
Insurance - Worker's Compensation	187
Miscellaneous	3,708
Total Direct Expenses	<u>34,108</u>