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DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

February 18, 2003

Martin S. Friedman, Esquire
Rose, Sundstrom & Bentley, LLP
650 S. North Lake Boulevard
Suite 420
Altamonte Spring, Florida 32701

Re: Docket No. 020407-WS, Application for Rate Increase in Polk County by Cypress Lake Utilities, Inc.

Dear Mr. Friedman:

Attached are several data requests that staff believes are necessary to enable us to complete our analysis of this rate case. Since the statutory deadline is quickly approaching, we will need the responses submitted by Monday, March 3, 2003.

Rate Case Expense

1. For each individual person, in each firm providing consulting services to the applicant pertaining to this docket, provide the billing rate, and an itemized description of work performed. Please provide detail of hours worked associated with each activity. Also provide a description and associated cost for all expenses incurred to date.
2. For each firm or consultant providing services for the applicant in this docket, please provide copies of all invoices for services provided to date.
3. If rate case consultant invoices are not broken down by hour, please provide reports that detail by hour, a description of actual duties performed, and amount incurred to date.
4. For each Utilities, Inc. or Water Services Corp., employee that incurs costs that will be recorded as rate case expense for this docket, please provide a copy of all time sheets supporting those costs with a breakdown by job function performed and including the hourly rate charged.
5. Please provide an estimate of costs to complete the case by hour for each consultant or employee, including a description of estimated work to be performed, and detail of the estimated remaining expense to be incurred through the PAA process.

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6. Please provide an itemized list of all other costs estimated to be incurred through the PAA process.

Customer Growth and Billing Issues

7. Schedule E-3 (monthly residential customers billed or served by class) of the MFRs indicates a decrease of fifty (50) customers between January and February 2001 and a gradual increase through out the year to equal the same level of residential customers at the beginning of 2001. Please explain this significant decrease in billing and/or customers in one month.
8. Please provide the number of customers (not the number of customer equivalents) by customer class and meter size for each month of 2002. For the purposes of this request, if a customer has two meters for example, this should be counted as two customers.
9. Describe all circumstances the utility is aware of that occur when an existing customer requests to discontinue service. Provide an explanation of what utility transactions result for each of these types of occurrences. The occurrences should include but not be limited to the following. If any of the below items do not typically occur, please state so.
 - When a customer rents the land and owns the house and the customer sells the house as is and the meter remains connected;
 - When a customer rents the land and owns the house and the house is moved and the meter disconnected;
 - When a customer owns the land and house and both are sold and the house stays and the meter stays connected;
 - When a customer owns the land and house and sells the land and the house is removed.
 - When both the land and house are rented and the customer moves out and the house is vacant with the meter connected.

For any of the above circumstances, who or what entity, if any, is responsible for paying the base facility charge when a connected lot is vacant? What other fees are charged and or collected for each of the above transactions.

10. If available, provide the number of homes in the service area are owned by the Developer and rented out to individual customers. If this information is not available, provide the number of connections, by meter size and customer class, that the Cypress Lakes Association is listed as the customer of record.
11. Provide the number of new water and wastewater service installations that the utility has

added by year, by meter size and customer class, from 1997 to 2002. This should not include changes for customers for lots that had been previously connected to the system. If an irrigation connection was added subsequent to the original water connection, please identify those separately.

12. Explain why the utility name on customer bills the same as the name of the developer? Explain what action the utility has done or will do to correct this.
13. Please provide a list of all general service water and wastewater customers by meter size for 2000 and 2001.

Water Rate Design

14. Did the utility consider any other allocations of the water revenue requirement between the BFC and gallonage charges other than evenly allocating the approximate 140% revenue requirement increase between the BFC and gallonage charges? If yes, what other percentage allocations did the utility consider, and why did the utility ultimately decide to evenly allocate the revenue requirement between the BFC and gallonage charges? If no, why didn't the utility consider other allocations of the 140% increase between the BFC and gallonage charges?
15. Did the utility consider water inclining-block rate usage blocks other than the ones proposed by the utility? If yes, what other usage blocks did the utility consider, and why did the utility ultimately select the usage blocks proposed in its filing? If no, why didn't the utility consider other combinations of usage blocks?
16. Did the utility consider rate factors for the second and third usage blocks other than what was proposed in its filing? If yes, what other rate factors did the utility consider, and why did the utility ultimately select the rate factors proposed in its filing? If no, why didn't the utility consider other rate factors for the second and third usage blocks?
17. Why did the utility propose the same water gallonage charge for its general service customers as its block 1 rate for its residential customers?
18. Who originally designed the utility's water inclining-block rate structure?
19. Did the utility contact the Southwest Florida Water Management District (District) to determine whether or not it had any concerns that needed to be addressed in this case? If yes, what specific concerns did the District have, and how did the utility address them in this case? If no, why didn't the utility contact the District before filing this case?

Wastewater Rate Design

20. Did the utility consider any other allocations of the wastewater revenue requirement between the BFC and gallonage charges other than evenly allocating the revenue increase between the BFC and gallonage charges? Describe all methods the utility considered. Why did the utility choose the method it used in the MFRs and explain why other allocations were ultimately not used.
21. Why did the utility not use a gallonage rate differential between residential and general service, which is consistent with Commission practice.
22. Did the utility review the residential wastewater gallonage cap in this case for reasonableness. If so, what were the results of that review, and if not, explain why not.

Unaccounted For Water

23. Please refer to Schedule F-1 in the MFRs and define what the utility classifies as "other uses" of water and how these amounts are measured and reported. If estimates are used, please explain how each estimate is determined for each type of use (e.g. plant use, flushing of hydrants and water and sewer lines, line breaks, fire flows, etc.).
24. Provide a schedule of gallons of water pumped, sold and unaccounted for, as required on MFR Schedule F-1 for each month of 2002.
25. Explain what action(s) the utility is taking to reduce unaccounted-for-water.
26. Please provide all logs or documentation of all usage for "other uses" for 2001 and 2002.

Reuse Issues

27. Does the utility currently have a contract to provide reuse to the Cypress Lakes Golf course? If so, can you please provide a copy of the contract?
28. If the utility does not have a contract to provide reuse to the Cypress Lakes Golf course, what agreements exist with the utility and the golf course regarding cost and acceptance of reuse service?
29. Is the golf course able to meet the utility's effluent disposal needs? If not, what alternatives are the utility considering for effluent disposal?
30. Is the reuse provided to the golf course metered, and if so, what is the annual gallons of reuse provided to the golf course for the test year?

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31. Why has the utility not filed a tariff for reuse service?
32. Has the utility considered providing reuse to residential customers?
33. Is the Cypress Lakes Golf course an affiliated or related party to the utility? If so, what is the nature of the affiliation?

Please feel free to contact me at (850)413-6918 if you have any questions regarding this request.

Sincerely,



Patricia W. Merchant

Public Utilities Supervisor

PWM/

cc: Division of Economic Regulation (Platt, Joyce, Greene, G. Edwards, Revell)
Division of Economic Regulation (Echternacht)
Division of the Commission Clerk and Administrative Services