

COMMISSIONERS:
ART GRAHAM, CHAIRMAN
LISA POLAK EDGAR
RONALD A. BRISÉ
EDUARDO E. BALBIS
JULIE I. BROWN

STATE OF FLORIDA



MARSHALL WILLIS, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

RECEIVED FPSC

11 APR 12 AM 9:21

COMMISSION
CLERK

Public Service Commission

April 8, 2011

Mr. Christian Marcelli
Rose, Sundstrom & Bentley, LLP
766 North Sun Drive, Suite 4030
Lake Mary, FL 32746

Staff's Third Data Request

Re: Docket No. 100426-WS - Application for increase in water and wastewater rates in Lake County by Lake Utility Services, Inc.

Mr. Marcelli:

By this letter, the Commission staff requests that Lake Utility Systems, Inc. (LUSI or Utility) provide responses to the following data requests.

1. Please provide a response to the Staff Audit of LUSI, Audit Control No. 11-004-4-1.
2. Please provide a response to Staff's Audit of Utilities, Inc., Audit Control No. 11-004-4-2.
3. Please provide a list of all acquisitions and divestitures by Utilities, Inc. (UI) during the period July 1, 2009, and March 31, 2011.
4. Please provide a list of the number of customers by class as of December 31, 2010.
5. Please provide a list of the number of customers that are currently connected to and using the Utility's reclaimed water system.
6. Please refer to MFR Schedule A-6, page 1 of 2, line 37, column (5). Please describe the assets that are represented by the amount of \$2,720,279 in account 380.5 Treatment and Disposal Equipment. Why are these facilities considered reclaimed water treatment plant and not treatment and disposal plant?
7. Please refer to LUSI's response to Staff's First Data Request, Item 3(a). The response references a file titled *Project 2004092.xlsx* that lists invoices that provide support for the CUP renewal expenses. Three of the invoices listed in that file were not provided. The invoices are identified as 20441, 160491, and 71011, in the amounts of \$1,804.49, \$47,150.00, and

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD • TALLAHASSEE, FL 32399-0850

An Affirmative Action / Equal Opportunity Employer

PSC Website: <http://www.floridapsc.com>

Internet E-mail: contact@psc.state.fl.us

DOCUMENT NUMBER DATE

02417 APR 12 =

FPSC-COMMISSION CLERK

\$5,762.77, respectively. In addition, Invoice 160491 is listed a second time, but in the amount of -\$2,904.95. An invoice marked with the number 160491 was provided, but shows an amount of \$1,558.89.

(a) Please provide a supplemental response that clarifies this apparent discrepancy and includes the appropriate invoices.

(b) Please provide a supplemental response that includes supporting documentation for any amounts included in the pro forma adjustment for the CUP Renewal Permit specific to the period June 30, 2010, through May 30, 2011.

8. Please refer to LUSI's response to Staff's First Data Request, Item 3(a) related to the pro forma adjustment for salary and benefit increases. For the 401(k) contribution portion of the adjustment, it appears the Utility assumed that all UI employees participate in the 401(k) program. Please provide a supplemental response that includes documentation that demonstrates the actual participation rate in the 3 percent salary matching portion of UI's 401(k) program.

9. Please refer to LUSI's response to Staff's First Data Request, Item 3(b). Please provide a supplemental response that includes all correspondence related to the issuance of the LUSI water use permit during the period from January 1, 2010, through April 7, 2011.

10. In LUSI's response to Staff's Second Data Request, Item 5, the Utility indicated that it requested to reduce the treatment capacity of the WWTF on an interim basis in order to reduce the compliance staffing requirements. In MFR Schedule B-8, page 1 of 2, the increase in Salaries & Wages is explained in Note 1 on page 2 of 2, and states that, "This increase can be attributed to the addition of another WW operator position to meet the regulatory requirement to staff the new reuse plant for a minimum of 16 hours a day, 7 days a week." However, per the Operation and Maintenance requirements of the revised WWTF permit, a class C or higher operator is required 6 hours a day, 7 days a week as long as flows are less than .500 MGD AADF.

(a) Please provide information regarding the current volume of wastewater treated (MGD AADF) for the periods July 1, 2010, through December 31, 2010, and January 1, 2011, through March 31, 2011.

(b) Please provide information regarding the current applicable staff requirements, per the revised WWTF permit.

(c) Please verify if the reduced staffing requirements referenced in the response to staff's second data request are reflected in the employee salaries and wages information in the MFRs.

Mr. Christian Marcelli

Page 3

April 8, 2011

Please file the requested information by May 9, 2011, with Ms. Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6536 if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Dale R. Buys". The signature is written in black ink and is positioned above the printed name and title.

Dale R. Buys
Regulatory Analyst IV

cc: Division of Economic Regulation (Maurey, Daniel, Fletcher, Lingo, Stallcup, Williams, Thompson)
Office of the General Counsel (Young)
Office of Commission Clerk
Office of Public Counsel