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# Public Service Commission

June 12, 2013

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CLERK

Martin S. Friedman, Esquire  
Sundstrom, Friedman & Fumero, LLP  
766 North Sun Drive, Suite 4030  
Lake Mary, FL 32746

**Re: Docket No. 130025-WU – Application for increase in water rates in Highlands County by Placid Lakes Utilities, Inc.**

Dear Mr. Friedman:

Staff needs the following information to complete our review of the application filed by Placid Lakes Utilities, Inc. (Placid Lakes or Utility).

1. The following items relate to the Utility's requested rate case expense.
  - (a) 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.
  - (b) For each firm or consultant providing services for the applicant in this docket, please provide copies of all invoices for services provided to date.
  - (c) If rate 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.
  - (d) 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.
2. The following items relate to the pro forma plant additions reflected in adjustment (C)(9) on MFR Schedule A-3.

For the pro forma addition, provide the following:

- (a) All documentation (i.e. invoices) for the original cost of any corresponding retirements.
3. The following items relate to the pro forma plant additions reflected in adjustments C(10) through C(12) on MFR Schedule A-3.

For the pro forma addition, provide the following:

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- (a) a copy of the executed quote or contract, if the addition has not been completed.
  - (b) all documentation (i.e. invoices) for the original cost of any corresponding retirements.
4. The following items relate to the pro forma plant additions reflected in adjustment (C)(13) and C(14) on MFR Schedule A-3.
- For the pro forma addition, provide the following:
- (a) any supporting documentation for the original date of any corresponding retirements.
5. According to MFR Schedule B-3, the Utility has proposed an increase of \$4,423 for water for Contract Services-Testing. Please provide a description of what the new tests are, whether they will be reoccurring on an annual basis, and all invoices associated with these new tests in the test year.
6. According to MFR Schedule B-3, the Utility has proposed an increase of \$3,407 for water for Contract Services-Other. Please provide executed copies of the invoices corresponding to MFR Schedule B-11 regarding the tank maintenance program.
7. According to MFR Schedule B-3, the Utility has proposed an increase of \$7,078 for water for Salaries & Wages expense. Please provide a detailed description of duties and responsibilities for all non-field employees.
8. According to MFR Schedule B-3, the Utility has proposed an increase of \$10,682 for the Employee Pensions & Benefits expense to start an employee 401k plan. Please provide an executed agreement between Placid Lakes and the third party administrator/provider of this plan.
9. According to MFR Schedule B-5, Fuel for Power Purchased increased substantially in November 2012 when compared to other months. Please provide all of the Utility's calculations, basis, workpapers, and support documentation (i.e. invoices) for the above increase in Fuel for Power Purchased.
10. According to MFR Schedule B-5, Materials & Supplies expense increased substantially in June 2012 and December 2012 when compared to other months. Please provide all of the Utility's calculations, basis, workpapers, and support documentation (i.e. invoices) for the increase in Materials & Supplies expense.
11. According to MFR Schedule B-5, Contractual Services – Other increased substantially in May 2012 and November 2012 when compared to other months. Please provide all of the Utility's calculations, basis, workpapers, and support documentation (i.e. invoices) for the increase in Contractual Services – Other.
12. According to MFR Schedule B-5, Transportation Expenses increased substantially in August 2012 when compared to other months. Please provide all of the Utility's calculations, basis, workpapers, and support documentation (i.e. invoices) for the increase in Transportation Expenses.

Martin S. Friedman, Esquire

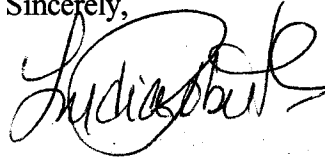
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13. According to MFR Schedule B-5, Bad Debt Expense remained constant the entire year. Please provide a detailed explanation of the Utility's Bad Debt policy.
14. In reference to MFR Schedule B-9, please provide contracts and invoices for all contractual services rendered for \$1,000 or more.
15. According to MFR Schedule B-9, the Utility contracted with TAW to inspect and repair the plant generator for \$4,407. Please provide documentation that this amount was capitalized.
16. According to MFR Schedule B-9, the Utility contracted with A&D Water Systems to repair water meters for \$922. How often has the Utility had to repair meters in the past two years?
17. According to MFR Schedule B-9, the Utility has contracted with Pugh Utilities Service, Inc to repair water line leaks. How many line breaks has the Utility experienced per year over the past two years?

Please submit the above information to the Office of Commission Clerk no later than July 11, 2013. If you have any questions, please contact me by phone at (850) 413-6877 or by email at [lroberts@psc.state.fl.us](mailto:lroberts@psc.state.fl.us).

Sincerely,



Lydia Roberts  
Public Utilities Analyst  
Division of Economics

cc: Division of Economics (Daniel, Hudson, Roberts)  
Division of Accounting and Finance (Bulecza-Banks, Maurey, Fletcher, Norris)  
Division of Engineering (Ballinger Vickery, Lewis, Watts)  
Office of the General Counsel (Gilcher)  
Office of Commission Clerk (Docket 130025-WU)