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January 28, 1998

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Jennifer Brubaker
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Mid-County Services, Inc. -- Docket No. 971065-SU
Response to Staff Data Request dated 1/13/98

Dear Ms. Brubaker:

By letter dated January 13, 1998, the staff requested that Mid-County Services, Inc. supply four items of additional information in connection with its review of the company's request for a rate increase.

Attached is the utility's response to this request.

If you have any questions regarding this information, please call.

Very truly yours,



Richard D. Melson

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RDM/mee
cc: Blanca Bayó (for docket file)
Mr. Garcia

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FPSC-RECORDS/REPORTING

Mid-County Services, Inc.
Docket No. 971065-SU
January 27, 1998

1. The term "customer" on B-8 and E-3 represents the number of single family dwellings, apartments, mobile homes, condos and commercial properties served by Mid-County Services, Inc. We refer to these using the term "customer equivalents." Forthcoming, will be an updated schedule E-3 that reclassifies multi-residential customers that were misclassified as residential. As we discussed in our telephone conversation, we do not perform the billing function for Mid-County.

2. The customers referred to on B-8 and E-3 both refer to customer equivalents.

3. The number of bills shown on E-2 differs from the number of customers on E-3 due to the fact that E-2 reflects the actual amount of bills that were issued on bi-monthly basis. E-3 provides the number of single family homes, apartments, mobile homes, and commercial properties that Mid-County services.

A single family residence would be considered one customer equivalent and would receive one bill. If, however, the "customer" is a master meter serving many residents, the customer equivalents are determined by the number of households served. This is best explained through an example:

For example, Mid-County provides wastewater service for Chesapeake Apartments. There are 354 apartments receiving service from one master meter. Chesapeake will receive one bill covering all of the wastewater demand of the 354 apartments. Since each apartment requires wastewater service, all 354 are considered equivalent customers.

6,143 is the total equivalent number of customers at 12/31/96.

Schedule E-2 notes 9,042 bills issued in 1996. Pinellas County bills bi-monthly on our behalf.

Schedule F-7 indicates that there are 2,622 ERC's based on the FPSC's standard gallons per day of 275. However, based upon our conversation on 1/26/98, we have updated F-7 to reflect actual consumption per ERC. An updated schedule F-7 is forthcoming.

4. Company wide salary calculations are located in the previously provided "Distributions of Expenses." Specifically, SE.50 lists all operational employees and the direct distribution to the companies in which they work.

Total operator salaries are \$179,618. The calculation of salaries is shown in the "Distribution of Expenses" previously provided. The operators are divided into their areas of responsibility. Gary Armstrong works in Pebble Creek and Mid-County. His salary and benefits are divided between those companies based on customer equivalents. Glaspy, Hostetler, and Ryniak work in Mid-County and Terre Verde. Their salaries are divided between those companies based on customer equivalents. Part-timers Garth and Scott Armstrong, Johns and Minguela worked solely at Mid-County. Rasmussen and Dunn work in the Orlando office managing all operations and are allocated to Florida companies based on customer equivalents.

The \$110,993 of salary expense on B-6 reflects office salaries. \$46,146 of this amount is Florida office salaries. This \$46,146 of office salary expense is calculated using customer equivalents. The excess reflects Mid-County's share of the Illinois office salary costs.

The basis for the allocations are to specifically identify the areas in which operators work and directly assign those operator's salaries to the appropriate companies. In some instances, such as with Don Rasmussen, vice president, his salary is allocated based on customer equivalents. This is the same methodology used and approved in Mid-County's prior rate case and those rate cases of Mid-County's sister companies.