

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
KATRINA J. MCMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

February 9, 2009

Mrs. Lisa Davis
Damon Utilities, Inc.
47 Lake Damon Drive
Avon Park, FL 33825-8902

RE: Docket No. 080709-WS; Application of Damon Utilities, Inc. for a staff-assisted rate case in Highlands County, FL.

Dear Mrs. Davis:

For the engineering portion of this rate case, staff requires that several items be completed prior to my field audit to ensure fast, expedient treatment of your rate case. Please have the following information for the period of January 1, 2008 to December 31, 2008 (test year) ready and available for the investigation.

1. Employees Salaries and Wages

List all of the field employees, their duties and responsibilities, certificates held, salary and explanation of how allocated to utility (if employees work for more than Damon).

2. Purchased Power

All utility related electricity bills from the beginning of the test year to present which include meter number and location, kilowatts used, dollars paid, and electric company's account numbers.

3. Chemicals

A list of all chemicals used in the treatment of water and wastewater, amounts purchased, quantity purchased, unit prices paid, and dosage rates used.

4. Sludge Removal Expenses

Provide a schedule showing the total cost and the quantity of removing the sludge, if persons other than owners, stockholders, and employees of the utility perform such work during the test year.

5. Material and Supplies

Total cost along with copy of invoices for purchased parts, materials and supplies used in the operation and maintenance of the water and wastewater system during the test year.

DOCUMENT NO. DATE
01004-09 02/10/2009
FPSC - COMMISSION CLERK

6. Contractual Services – Billing/ Meter Reading
 The monthly costs associated with billing customers or reading the meters if such work is not performed by employees of the utility.
7. Contractual Services – Professional
 The cost of accounting, legal, and engineering if such work is not performed by employees of the utility.
8. Contractual Services – Testing
 A list of tests along with costs paid to outside laboratories for testing the water and wastewater treatment during the test year.
9. Contractual Services – Other
 Provide a schedule showing the costs of operation and maintenance work not performed by utility employees. These costs might include the operator’s fee, mowing and ground keeping, and contracted repair for the water and wastewater system.
10. Transportation Expense
 The schedule of all vehicles by serial number and description, whether owned or leased by the utility, original cost or lease documents, to whom assigned, and an explanation of how allocated to the utility, or a copy of log book showing miles on personal vehicles associated with utility business. All vehicles are to be available for inspection.
11. Copies of monthly operation reports for water and wastewater from January 1, 2008 to December 31, 2008 (test year) which includes:

FOR WASTEWATER	- Total treated, total wash water, total of each chemical in pounds, chemical dosage rates (average)
FOR WATER	- total raw pumped, total wash water, total water treated leaving plant, total of each chemical in pounds, chemical dosages rates (average)
12. Copy of monthly totals of metered water sold for each month of the test year.
13. A written summary, by permit number, of all Department of Environmental Protection, Water Management District, and/or County Health Department permits.
14. If any plant addition has been or will be made due to a written order from a governmental agency, please provide a copy of that order.
15. A list of all service complaints received during test year and an explanation of how each was resolved.

Mrs. Lisa Davis
February 9, 2009
Page 3 of 3

16. A listing (engineering plans) of all assets owned by the utility.

Example: 100' – 8" PVC (Sewer)
250' – 6" PVC Pipe (Water)
50' – 6" Fire Hydrants (Water)

This information for feet of pipe is already contained in your 2007 Annual Report, but if there are differences from those numbers, those updated figures should be provided.

17. Number of customers classified as to meter size and class (commercial or residential) for the four years prior to the beginning of the test year.
18. Please provide a copy of the utility's engineering maps for water and wastewater showing location and size of water and wastewater mains throughout the service area.

I will be calling you soon to arrange an agreeable time to inspect the water and wastewater plants, the distribution and collection systems, and the general service area. Please have someone (lead operator, chief maintenance person, or an assigned person with access to the plant) available for this tour. Commission practices dictate that this docket be processed within the statutory time frame, and therefore your full cooperation would be appreciated.

If you have any questions, call me at 850-413-6950.

Sincerely,



Thomas Walden
Engineer Specialist

TW:kb

cc: Lydia Roberts, Division of Economic Regulation
Anna Williams, Office of General the General Counsel
Office of Commission Clerk