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# Public Service Commission

November 9, 2009

## STAFF'S FOURTH DATA REQUEST

Christian W. Marcelli, Esquire  
Rose, Sundstrom & Bentley, LLP  
2180 West State Road 434  
Sanlando Center Suite 2118  
Longwood, FL 32779

**Re: Docket No. 090349-WS – Application for limited proceeding rate increase in Polk County by Cypress Lakes Utilities, Inc.**

Dear Mr. Marcelli:

Please provide staff with the following information to facilitate our review of the application filed by Cypress Lakes Utilities, Inc. (Cypress Lakes or Utility).

- 1) During the October 22, 2009 meeting between Cypress Lakes and the Cypress Lake Estates Home Owner's Association (HOA), Cypress Lakes noted that certain modifications to the wastewater treatment plant were a holdover from 2000. Please provide a detailed description of these modifications as well as the costs associated with them.
- 2) Please provide a copy of the request for bid proposals issued by Cypress Lakes for all major projects relating to the modification to the wastewater treatment plant, as well as copies of all of the bid proposals that Cypress Lakes received.
- 3) Please provide a copy of the property tax bills for Cypress Lakes for 2006 through 2008.
- 4) In Cypress Lakes 2008 annual report, O&M Expenses for water have increased by approximately 52 percent since 2007. Several expense accounts seem to be driving this substantial increase. Please explain the following:
  - a) Please explain why the salaries and employee pensions and benefits accounts (accounts 601, 603, and 604) have increased by a total of \$33,641 or approximately 40.12 percent since 2007, particularly in light of the fact that little, if any, growth appears to have occurred during this time period. Please also list the name, title, and a detailed description of the duties and responsibilities of any new employees, both for the Utility and any new employees with allocated salaries and benefits.

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- b) Please explain why, in 2008, \$2,386 was recorded to account 610 – Purchased Water.
- c) Please explain the substantial increases for account 631 - Contractual Services – Engineering and account 659 – Contractual Services – Other. These account increased by a total of \$12,692 or approximately 145.8 percent. Please indicate what portion, if any, of this increase can be attributed to the ongoing maintenance projects; for all items or projects of \$400 or more, please include invoices or other support documentation.
- d) Please explain why, in 2008, the amount recorded in accounts 659 and 759 – Insurance - Other increased by \$7,569 or 319.91 percent for water and \$4,793 or 110.77 percent for wastewater. Please include support documentation for these accounts.
- e) Please explain why, in 2008, the amount recorded in accounts 675 and 775 – Miscellaneous Expenses increased by \$19,874 or 109.01 percent for water and \$25,916 or 146.31 percent for wastewater. Please include support documentation for these accounts.
- 5) In prior Utilities, Inc. (UI) cases, UI cited customer growth and increased revenues as the justification for adding several new customer support employees, both in the state of Florida as well as positions in Northbrook, IL whose salaries were allocated to Labrador and all other UI subsidiaries. Due to the recent sale of UI systems causing a decline in revenues, please explain why no reductions to Salaries and Wages – Employees or Contractual Services – Other have been made to reflect the reduction of revenues.

Please submit the requested information to the Office of Commission Clerk by November 9, 2009. If you have any questions, please contact me by phone at (850) 413-6427 or by email at [cmouring@psc.state.fl.us](mailto:cmouring@psc.state.fl.us).

Sincerely,



Curt Mouring  
Regulatory Analyst

cc: Division of Economic Regulation (Bulecza-Banks, Daniel, Fletcher, Redemann)  
Office of the General Counsel (Brubake, Hartman)  
Office of Commission Clerk (Docket 090349-WS)