

Ruth Nettles

090381-SU

**From:** Assistant 1 [A1@RSBattorneys.com]  
**Sent:** Tuesday, February 23, 2010 4:48 PM  
**To:** Filings@psc.state.fl.us  
**Cc:** Michele Parks; keweeks@uiwater.com; pcflynn@uiwater.com; JDWilliams@uiwater.com; frankdenjup@att.net; dswain@milianswain.com; smlubertozi@uiwater.com; Bart Fletcher; Caroline Klancke; Christian W. Marcelli; Martin Friedman  
**Subject:** 090381-SU : Utilities, Inc. of Longwood  
**Attachments:** Notice of Intent to Request Confidential Classification (Longwood).pdf

- a) Christian W. Marcelli, Esquire  
 Rose, Sundstrom & Bentley, LLP  
 2180 West State Road 434, Suite 2118  
 Longwood, FL 32779  
 (407) 830-6331  
 cmarcelli@rsbattorneys.com
- b) Docket No. 090381-SU  
 Application for Increase in Wastewater Rates in Seminole County by Utilities, Inc. of Longwood
- c) Utilities, Inc. of Longwood
- d) 5 pages
- e) Notice of Intent to Request Confidential Classification in Connection with Staff's First Data Request Item No. 4

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[CLK note: confidential document not filed as of this date.] *mmclean*

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of  
UTILITIES, INC. OF LONGWOOD  
for an increase in wastewater  
rates in Seminole County, Florida

DOCKET NO.: 090381-SU

NOTICE OF INTENT TO REQUEST CONFIDENTIAL CLASSIFICATION

UTILITIES, INC. OF LONGWOOD, by and through its undersigned attorneys and pursuant to Rule 25-22.006, Florida Administrative Code and Section 367.156, Florida Statutes, hereby gives notice that it intends to request confidential classification of certain work papers provided by UTILITIES, INC. OF LONGWOOD in connection with Staff's First Data Request, Item No. 4.

As required by Rule 25-22.006(3)(a), a copy of the written request for the confidential material is attached hereto.

WHEREFORE, UTILITIES, INC. OF LONGWOOD requests this Commission find and determine that the described work papers are entitled to confidential treatment pursuant to Section 367.156, Florida Statutes, and Rule 25-22.006, Florida Administrative Code, and exempt from public disclosure.

Respectfully submitted on this 23<sup>rd</sup>  
day of February, 2010, by:

ROSE, SUNDSTROM & BENTLEY, LLP  
2180 W. State Road 434, Suite 2118  
Longwood, FL 32779  
(407) 830-6331

BY: 

CHRISTIAN W. MARCELLI

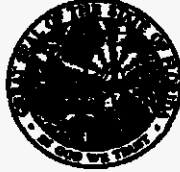
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FPSC-COMMISSION CLERK

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STATE OF FLORIDA



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

Public Service Commission

January 26, 2010

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STAFF'S FIRST DATA REQUEST

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

Re: Docket No. 090381-SU - Application for increase in wastewater rates in Seminole County by Utilities, Inc. of Longwood.

Dear Mr. Marcelli:

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

1. The following items relate to the pro forma plant additions reflected in adjustment (A)(4) totaling \$370,000 on MFR Schedule A-3.

For each addition, provide the following:

- (a) a statement why each addition is necessary;
  - (b) a copy of all invoices and other support documentation if the plant addition has been completed or is in process;
  - (c) a copy of the signed contract or any bids, if the plant addition has not been completed;
  - (d) a status of the engineering and permitting efforts, if the plant addition has not been through the bidding processing; and
  - (e) the projected in-service date for each outstanding plant addition.
2. The following items relate to the three projects described as "Deferred Maintenance" reflected in adjustment (B)(1) totaling \$61,352 (\$25,800, \$11,402, and \$24,150) on MFR Schedule A-3.

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For each project, provide the following:

- (a) a statement why each project was necessary;
  - (b) a copy of all invoices and other support documentation; and
  - (c) an explanation of why such transfers were not already recorded on the Utility's books if two projects were "closed" on 1/1/08 and the remaining one was "closed" on 4/1/08.
3. The following items relate to the pro forma amortization of deferred maintenance projects reflected in adjustment (B)(2)(a) totaling \$6,000 and (B)(4) totaling \$1,186 on MFR Schedule B-3.

For each of these, provide the following:

- (a) a statement why each project was necessary; and
  - (b) a copy of all invoices and other support documentation.
4. On MFR Schedule B-8, salaries have increased by \$50,622 or 79.80 percent for Account 701 and \$8,611 or 100 percent for Account 703 since 2003. 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 UI's subsidiaries.
- (a) Due to the recent sale of UI systems (including, but not limited to, Miles Grant, Wedgefield, and a large subsidiary in North Carolina) which should cause a decline in UI's revenues and because Longwood's customer base has declined since 2003, please explain why no reductions to salaries have not been made.
  - (b) Please provide all the Utility's support justifying its salary increases since 2003. At a minimum, please include in your response each employee's name, title, salary amount for all direct employees, gross salary amount and allocated salary amount for all indirect employees, and a detailed description of the duties and responsibilities of all direct and allocated personnel employed in 2003 and those employed in 2008. Please include an explanation and a detailed support for any new direct or allocated salary employees and provide support for any salary increases from 2003 to 2008 for existing direct and allocated salary employees that are still employed by UI in 2008.
5. In past rate proceedings for several of Longwood's sister utilities, UI has stated that the purpose of the Project Phoenix was to improve the Utility's capabilities and processes in their accounting, customer service, customer billing, and financial and regulatory reporting areas. As Project Phoenix has been fully deployed for nearly one year, please provide the benefits realized as a result of the Project Phoenix in regard to the Utility's accounting, customer service, customer billing, and financial and regulatory reporting areas, including the cost savings realized (i.e. personnel reductions) and all quantifiable benefits.

6. The following items relate to Longwood'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.
    - (e) Please provide an itemized list of all other costs estimated to be incurred through the PAA process.
  7. In the current rate cases for Utilities, Inc. of Pennbrooke and Sanlando Utilities Corporation, Longwood's sister companies, UI's counsel had instructed that them to cease the collection of NSF charges until such time that the Commission approved such charges. Has Longwood also ceased the collection of its NSF charges? If so, when did the collection of these charges cease? If not, explain why.
  9. Provide a copy of Longwood's trial balance for the months of October 2009, November 2009, and December 2009.
  10. The following items relate to Longwood's audit response.
    - (a) In its response to Audit Finding No. 10 (Payroll Increases), Longwood stated that it "will provide this documentation to Staff upon request, as it has done with Audit Staff." Please provide said support documentation.
    - (b) With regard to Longwood's "w/p AF 13(a)", please all support documentation for "UI - PWC engagement letter (Estimated)" for \$168,000.
    - (c) With regard to Longwood's "w/p AF 13(b)", are the "Oracle - License and Support" expenditures related to UI's Phoenix Project? If not, explain, in detail, what these expenditures are.
    - (d) With regard to Longwood's "w/p AF 13(b)", explain, in detail, what the "Sanders Rd, L.L.C", "Bowe Bell + Howell", and "Mayo Clinic" expenditures are.
    - (e) In response to Audit Finding No. 13 (Headquater's Sample), Longwood provided, among other documentation, a copy of a CITI card statement, which reflected several lodging, fuel, food, and entertainment charged expenses by Steven M. Lubertozi and Tom Ostler. These charges were also made in various different states. Please provide an explanation of the nature and purpose of each expenditure. If any expenditure
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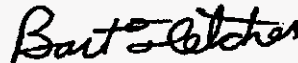
Christian Marcelli  
Page 4  
January 26, 2010

related to a particular UI subsidiary, please provide the name of the subsidiary for each expenditure.

(f) Provide a copy of all electronic files of Longwood's response to the audit.

Please submit the above information to the Office of Commission Clerk by February 16, 2010. If you have any questions, please contact me by phone at (850) 413-7017 or by e-mail at [bart.fletcher@psc.state.fl.us](mailto:bart.fletcher@psc.state.fl.us).

Sincerely,



Bart Fletcher  
Public Utilities Supervisor

cc: Division of Economic Regulation (Bulecza-Banks, Walden)  
Office of the General Counsel (Klancke)  
Office of Commission Clerk  
Office of Public Counsel