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Public Service Commission

September 10, 2010

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 COMMISSION
 CLERK

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

Re: Docket No. Docket No. 100149-WU - Application for increase in water rates in Lee County by Ni Florida, LLC

Dear Mr. Marcelli:

Staff needs the following information to complete our review of the application filed by Ni Florida, LLC (Utility or Ni Florida).

Miscellaneous Service Charges

<u>Component</u>	<u>Normal Hours</u> <u>Hourly Rate</u>	<u>Normal Hours</u> <u>Typical Time</u>	<u>Normal Hours</u> <u>Total Cost</u>	<u>Description</u>
Clerical & Administrative Labor				
Labor to inspect facilities				
Labor to determine complaint resolution				
Transportation costs				
Computer services				
Overhead				
Etc...				
Total Costs				

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These costs should address, in detail, the following components:

1. Office costs associated with recording and processing a customer request for service, including labor, computer service, and postage.
2. Office costs associated with receiving, recording and processing the subsequent customer request for termination of service and final bill, including labor, computer services, and postage.
3. Field costs associated with the inspection of a facility and connection of service including transportation, labor, and meter reading expense.
4. Field costs associated with the disconnection of service including transportation, labor, and meter reading expense.
5. Overhead costs indirectly related to a specific job including a portion of general office facilities and equipment, supervision, insurance, and small miscellaneous expenses required to support service activities.
6. In addition, please provide the number of initial connections, normal reconnections, violation reconnections and premises visits during the preceding 12 months.
7. Provide the above information for after hours rates as well.

Pro Forma Plant

The following invoices were provided regarding Pro Forma Plant:

<u>Vendor</u>	<u>Invoice #</u>	<u>Date</u>	<u>Amount</u>
Florida Utility Group	9910	12/23/2009	\$455.00
Florida Utility Group	10237	1/29/2010	\$1,425.00
Florida Utility Group	10608	1/30/2010	\$665.00
Florida Utility Group	10572	2/26/2010	\$827.65
Florida Utility Group	10609	2/28/2010	\$270.00
All About Backflows	500755	1/25/2010	\$1,425.00

8. Please explain how the above invoices related to the pro forma projects listed on MFR Schedule A-3.
9. According to the Utility's response to staff's first data request, the meter replacement program was completed in May of 2010, with the installation of 594 new meters. Does this constitute 100 percent of the meters? If not, please explain why 100 percent of the meters were not replaced.

Balance Sheet

10. The 13-Month Average Balance on Schedule A-19 indicates a total of \$200,519 for Accounts Payable to Associated Company. Please provide all documentation relating to this amount. Also, please explain if there is any interest associated with this amount.

O&M Expenses

11. According the Utility's last rate case in 1992, Docket No. 910560-WS, the Utility was granted \$104,135 for O&M expenses, Order No. PSC-92-0807-FOF-WS. If this amount were indexed from 1993 through 2010, the amount would be \$152,163. According the MFRs, the Utility is requesting O&M expenses of \$351,604. Please explain why O&M expenses have increased dramatically more than the indicated Commission approved index amount.
12. Please provide the support documentation for the following entries found in the Ni America, LLC general ledger:

<u>Date</u>	<u>Memo</u>	<u>Amount</u>
3/06/2009	To record additional taxes due to the State of California for 2007	\$55.00
3/06/2009	To record additional taxes due to the State of California for 2007	\$245.00
12/31/2009	Dec. 2009 Amex – Carey Thomas (Company Christmas Party)	\$917.91
1/31/2009	01/2009 home internet service for Mike Miller	\$34.99

13. According to MFR Schedule B-3, the Utility has proposed a Flushing Program with a contract operator for \$3,500 per month. Please explain the necessity of a contract operator for flushing, separate from the general contract operator. Also, please provide an executed copy of the contract.
14. According to MFR Schedule B-3, the Utility has proposed an adjustment of 138,570 gallons for purchased water for flushing. Please explain how this volume was determined. Also, please clarify if any water was purchased for flushing during the test year, and if so, please provide a schedule detailing the monthly flushing volumes.

Allocated Expenses

15. According the MFRs, the Utility is requesting \$175,649 in allocated expenses. The MFR for Ni Florida wastewater system in Docket No. 090182-SU requested \$201,382 in allocated expenses. The MFRs also stated that the total expenses to be allocated were capped at 20 percent of revenue. The \$175,649 requested amount is above the 20 percent cap. Please explain why the 20 percent cap is not being used for this rate case.

Quality of Service

16. Have there been Consent Orders with the Lee County Health Department for the Tamiami Village system since its last rate case in 1992? If so, please provide all documentation regarding these Orders.
17. Please provide the most recent inspection report from the Lee County Health Department, and provide the Monthly Operating Reports (MORs) provided to the health department for each month during the test year.

Flow Data

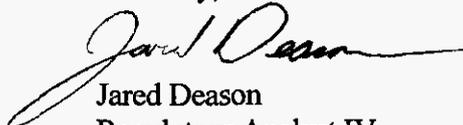
18. Please provide a schedule of monthly flow data for January through August of 2010 that details the gallons of water purchased, the gallons of water sold, and the gallons of water used for flushing or other uses.

Billing

19. Please provide the number of bills rendered and the number of gallons sold by customer class and meter size for each month from January 2010 through June 2010.

Please submit the above information to the Office of Commission Clerk by October 10, 2010. If you have any questions, please contact me by phone at (850) 413-6844 or by e-mail at jdeason@psc.state.fl.us.

Sincerely,



Jared Deason
Regulatory Analyst IV

cc: Division of Economic Regulation (Bulecza-Banks, Maurey, Fletcher, Thompson, Williams)
Office of the General Counsel (Jaeger)
Office of Commission Clerk
Office of Public Counsel