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Aqua Utilities Florida, Inc.
2228 Capital Circle NE, Ste. 2A
Tallahassee, FL 32308

COMMISSION
CLERK

December 1, 2010

Katherine E. Fleming
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 100330-WS - Application for increase in water/wastewater rates in Alachua, Brevard, DeSoto, Hardee, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties by Aqua Utilities Florida, Inc. – Staff Second Data Request

Dear Ms. Fleming:

By this letter, Aqua Utilities Florida, Inc. (AUF or Company) provides its response to the Staff's Second Data Request.

Engineering & Inspection Fees

1. Please provide all of the Utility's calculations, bases, workpapers, and support documentation used in determining the proposed Administration and Engineering Fees and Field Inspection Fees.

RESPONSE:

See attachment PSC_Data_Req_Set 2_#1, New Development Fees

Customer Deposits

2. Please provide all of the Utility's calculations, bases, workpapers, and support documentation used in determining the proposed \$100 deposit for water and \$171 deposit for wastewater.

RESPONSE:

The calculations for these numbers are all part of the MFR files which are on the CD provided with this response. Specifically, on Schedules E-2w and E-2s, the proposed monthly bill at 5,000 gallons

COM _____
 APA _____
 ECR _____
 GCL _____
 RAD _____
 SSC _____
 ADM _____
 OPC _____
 CLK _____

5+3cd's also fwd to ECR Fletcher.

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usage is calculated in a cell to the right of the printable area. Then on Schedule E-4, the values in those cells are multiplied by 2 (for 2 months) and rounded to the nearest whole dollar amount.

Miscellaneous Deferred Debits

3. For each specific miscellaneous deferred debits included in AUF's working capital allowance, please provide a detailed description of what project it resulted from, the total amount of the project, and the amortization period used.

RESPONSE:

To avoid duplicity, this information concerning miscellaneous deferred debits will be provided in the Company's response to OPC Interrogatory No. 99, which will be served on December 13, 2010.

Corporate IT Projects

4. Please provide a list of all major Corporate IT projects that address accounting, customer service, customer billing, and financial and regulatory reporting functions of AAI and its subsidiaries. Please indicate the in-service dates, list the systems that have been/will be replaced, and their corresponding service lives.

RESPONSE:

Please see the Company's response to OPC Interrogatories Nos. 6, 7 and 8.

Fines and Penalties

5. Please provide, by system and rate band (if applicable), the amount and nature of all penalties and/or fines incurred by AUF during the test year. In your response, please indicate operation & maintenance account(s) each penalty and/or fine was recorded. If any penalty and/or fine was incurred by an affiliate of AUF, and allocated to AUF, please state the amount allocated to AUF, by system and rate band (if applicable), and in which account during the test year.

RESPONSE:

Please see the Company's response to OPC Interrogatory No. 25.

Relocation Expense

6. Please identify, by system and rate band (if applicable), the amount of expenses incurred by AUF for the years 2007, 2008, 2009, and the test year associated with employee relocations and to which operation & maintenance account(s) they were booked. For each employee relocated, please identify where the employee was relocated to, and the reason for the relocation. To the extent that employee relocation expenses are a result of

allocations from any AUF affiliate, please identify the amount charged and the account to which it was booked.

RESPONSE:

To avoid duplicity, this information will be provided in the Company’s response to OPC Interrogatory No. 94, which will be served on December 13, 2010.

Pro Forma Plant

7. The following items relate to the pro forma plant improvements reflected in adjustments on MFR Schedules A-3. These improvements include the Purchase of Trucks for Replacement, Administrative Assets, IT, as well as the following system specific improvements:

<u>System</u>	<u>Pro Forma Plant Improvement</u>
Peace River	Gross Alpha Treatment
Breeze Hill	I & I Study and Improvements
Breeze Hill	Collection System
Ocala Oaks	Hydro Tank Replacement
Tangerine	Looping Project on Scott St.
Jasmine Lakes	Disinfection Contact Time
Jasmine Lakes	Generator for Lift Station #5
Jasmine Lakes	WWTP Security Upgrades
Western Shores/Silver Lake Estates	Water Chlorine Conversion
Tangerine	Water Hardness Sequestering
Lake Gibson	Hydro Tank Replacement
Piney Woods	Hydro Tank Replacement
Sunny Hills	Connect Well #4 to Storage Tanks to Well #1 Site
Sunny Hills	Additional Storage
48 Estates	Hydro Tank Replacement
Ravenswood	Hydro Tank Replacement
Arrendondo Farms and Estates	Hydro Tank Replacement
Arrendondo Farms	WWTP Upgrade
The Woods	Hydro Tank Replacement
The Woods	Sewer Perc Pond Rehab
Tomoka/Twin Rivers	New Tank Liners
Tomoka/Twin Rivers	Chloramine Project
Tomoka/Twin Rivers	Water Main Relocation
Lake Suzy	Fire Flow Upgrades
Lake Suzy	New Air Headers and New Surge Tank
Sebring Lakes	Secondary Water Treatment
Lake Josephine	Secondary Water Treatment
Leisure Lakes	Secondary Water Quality
Leisure Lakes	Water Chlorine Conversion
Summit Chase	Water Sand Strainer Project

System	Pro Forma Plant Improvement
Zephyr Shores	Water Quality Project
Skycrest	Water Well #1 Pump Replacement
Valencia Terrace	WWTP Improvements
Park Manor	I & I Study and Improvements
South Seas	Replacement of Reject Tank
South Seas	WWTP Upgrades and New Diffusers
Jungle Den	I & I Study and Improvements
Rosalie Oaks	Lift Station Relocation to Plant Site
Village Water	Effluent Reuse Solution

For each improvement, provide the following information:

- (a) a statement why each improvement is necessary;
- (b) a copy of all invoices and other support documentation if the plant improvement has been completed or in process;
- (c) a copy of the signed contract or any bids, if the plant improvement has not been completed;
- (d) a status of the engineering and permitting efforts, if the plant improvement has not been through the bidding processing;
- (e) the projected in-service date for each outstanding plant improvement; and
- (f) If any outstanding estimated completion dates for the pro forma improvements have changed, please state how many times the date was revised and explain, in detail, why each completion date was changed.

RESPONSE:

A list of each project and its status is included with this response and on the enclosed CD. Also, see AUF’s initial response to OPC Interrogatory No. 7 and OPC Request for Production of Documents No. 12. Additional invoices are also included on the enclosed CD.

Additionally, supplemental responses will be provided in response to OPC Interrogatory 104 for the projects not included in this response.

Tele – Unified Communications Project

- 8. In AAI’s Project Financial Worksheet for its Tele- Unified Communications Project, AAI stated that this project entails installing video conferencing equipment at its corporate headquarters and strategic remote offices across its enterprise. In addition, AAI asserted this project would increase its operational efficiencies by reducing travel required for meetings, training, and interviews. Moreover, based industry benchmarks, AAI contends this project would provide cost savings to its customers by reducing its travel budget of those individuals using this equipment by approximately 30 percent. Please respond to the following:

a. Please identify where in the MFRs has AUF reduced its allocated expenses to capture the cost savings discussed above? As part of your response, please provide all workpapers and calculations, including but not limited to, a list of all individuals that will be utilizing this equipment, their respective gross travel expenses during the test year before any allocation, and their respective allocation methodology to allocate these travel expenses to AUF.

b. If the Utility has not made any such cost saving adjustments in its MFRs, please provide all workpapers and calculations, including but not limited to, a list of all individuals that will be utilizing this equipment, their respective gross travel expenses during the test year before any allocation, and their respective allocation methodology to allocate these travel expenses to AUF.

RESPONSE:

a) The Company did not file any cost savings in its MFRs case which may, or may not result from this IT project.

b) Contained in the project description there was a statement of 30% savings in travel. However, this was an estimate provided by the vendor who is installing the product and not a statement made by Aqua. This project is a prudent investment, in that for a small incremental capital cost and leveraging off of the Company's current network infrastructure the company can enhance current audio conference calls with video. The impact of this video is primarily improved communications with field employees, but also may also result in a slight reduction in travel from Bryn Mawr management. Currently, the only person who may be impacted by reduced travel as a result of video conferencing is Chris Franklin, President for Aqua Midwest and Southern operations. In the last twelve months Mr. Franklin incurred \$18,431.19 in travel related cost to his geographic states of management responsibility. However, many of these trips were to locations within Aqua states where the video conferencing equipment will not be installed. Of this \$18,431.19 in total state travel expenses, \$2,124.20 was to Florida. In addition, of the trips to Florida, \$1,451.60 of this expense was for travel to Tallahassee for Commission related items. The remainder of the Florida travel expenses totaling \$672.60 may see a reduction as result of the video conferencing but it would be a relatively small percentage of the remaining expense. The primary purpose of travel into the state's operation centers is direct personal interaction with all utility employees. This one on one interaction is often at the employee's work sites. None of this type of travel can be managed effectively with video conferencing. AUF did not reflect any potential savings in the rate filing since it is not known and measureable. Likewise, AUF also did not reflect any increases in other Sundry Expenses that are expected to increase such as fuel prices and other vendor price increases.

Advertising Expense

9. Please identify, by system or rate bands, operation and maintenance account(s) and year, the amount of advertising and marketing expenses directly incurred by AUF or allocated to AUF since January 1, 2008 through the test year. Please indicate the purpose of each advertising initiative/project.

RESPONSE:

Please see the Company's response to OPC Interrogatory No. 37.

Lobbying Expense

10. Please provide the total amount of lobbying expenses allocated or directly charged to each of the system or rate band involved in the immediate rate case proceeding since January 1, 2008 through the test year, and identify the primary operation and maintenance expense account(s) in which it is recorded.

RESPONSE:

Please see the Company's response to OPC Interrogatory No. 34.

Salary Expenses

11. Since January 1, 2008 through the test year, please provide a detailed breakdown of work performed and the percentage of time recorded by each employee for their specific AUF related-duties, excluding field employees.

RESPONSE:

This request specifically excludes field employees. The remaining AUF employees are Administrative. All non-field employees charge their time to an Admin expense. There is no specific recording of "work performed" for the Admin employees. All work performed are contained in their respective Job Descriptions.

Please see the Company's response to Staff Data Request No. 21 below.

Meter Reading Expenses

12. Please explain any and all cost savings and other benefits realized by AUF that correspond to the RF meter replacement program. This should include any reduction in salaries expense associated with meter readers as well as any reductions in administrative time needed for correcting inaccurate meter readings since January 1, 2008 through the test year.

RESPONSE:

Please see the Company's response to OPC Interrogatory No. 10. In addition, as demonstrated in the Affiliated Transactions Audit – Audit Control No. 10-181-4-1, at page 4, "The Florida payroll was approximately 11% less in the test year than in 2008."

Affiliate Charges

13. Please provide a copy of the Organizational Chart for AAI, clearly illustrating the relationships between AAI and its subsidiaries for the period 2007 through 2010. For each of the subsidiaries please describe, in detail, the corporate functions that they perform.

RESPONSE:

Please see the Company's response to OPC Production of Documents No. 47.

14. Please provide a copy of the Organizational Charts for AAI and all other subsidiaries that allocate costs to AUF, that lists the employees, their respective job titles, the salaries for each employee, and a list of the duties and responsibilities of each employee for the period 2007 through 2010.

RESPONSE:

Please see the Company's response to OPC Production of Documents No. 48.

15. Please provide a copy of any and all documentation (formal and/or informal) and/or policy and procedures manuals that address how costs are allocated or charged by AUF to its various water and wastewater systems; and how costs from all other affiliates (including parent and service companies) are allocated to AUF and all affiliates of AUF.

RESPONSE:

Please see the Company's response to OPC Production of Documents Nos. 33 and 34.

16. Please provide documentation for any and all costs directly assigned to AUF by its affiliates including the type of cost and basis for assignment. Provide each and every document related to affiliate costing guidelines and related studies utilized or relied on for comparison with or analysis of cost allocation practices affecting AUF in this proceeding.

RESPONSE:

Please see the Company's response to OPC Production of Documents Nos. 33 and 34.

17. Please provide any and all AUF system allocation workpapers, calculations, and all necessary documents that would allow an individual to recompute the amounts allocated by Aqua America, Aqua Services, and any other affiliate/subsidiary for 2007, 2008, 2009, test year twelve months ending April 30, 2010, and for each month of 2010 thereafter. The above documents should include, but is not limited to, by affiliate: the total dollars by general ledger account number to be allocated, the name of the general ledger account, the allocation factor applied to each account, the calculation of the allocation factor including the numerator for each company that is allocated a portion of the cost and the denominator of the allocation factor, and a description of the allocation factor. The information provided should allow one to recompute allocations and then redistribute or carry forward adjustments made, by system, to the expense and rate base items included in the instant rate proceeding.

RESPONSE:

Please see the Company's response to OPC Production of Documents Nos. 35, 36 and 41.

18. Please provide all AUF systems direct charge workpapers, calculations, and all other necessary documents that would allow an individual to adjust the amounts directly charged by Aqua America, Aqua Services, and any other affiliate/subsidiary for 2007, 2008, 2009, test year twelve months ending April 30, 2010, and for each month of 2010 thereafter. The information provided should allow one to redistribute direct charges that have been charged by AUF to its various systems in Florida.

RESPONSE:

Please see the Company's response to OPC Production of Documents Nos. 35, 36 and 41.

19. Please provide all AUF system allocation workpapers, calculations, and all other necessary documents that would allow an individual to recompute the amounts allocated by AUF for 2007, 2008, 2009, test year twelve months ending April 30, 2010, and for each month of 2010 thereafter. The above documentation should include, but is not limited to: the total dollars by general ledger account number to be allocated, the name of the general ledger account, the allocation factor applied to each account, the calculation of the allocation factor including the numerator for each system that is allocated a portion of the cost and the denominator of the allocation factor, and a description of the allocation factor. The information provided should allow one to recomputed allocations and then redistribute and carry forward adjustments made, by system, to the expense and rate base items included in the instant rate proceeding.

RESPONSE:

Please see the Company's response to OPC Production of Documents Nos. 35, 36 and 41.

20. Please provide the AUF system direct charge workpapers, calculations, and other necessary documents that would allow an individual to adjust the amounts directly charged by AUF for 2007, 2008, 2009, test year twelve months ending April 30, 2010, and for each month of 2010 thereafter. The information provided should allow one to redistribute direct charges that have been charged by AUF to its various systems in Florida.

RESPONSE:

Please see the Company's response to OPC Production of Documents Nos. 35, 36 and 41.

21. Please provide a list, by system, of activities AUF employees billed to each system and the amounts booked for 2007, 2008, 2009, test year twelve months ending April 30, 2010, and for each month of 2010 thereafter. Also provide the accounts those expenses were booked to.

RESPONSE:

AUF field employees record time worked on weekly timesheets using the NARUC Uniform System of Accounts. The employees record both the time spent on capital items and the remaining time is currently recorded based on the consolidated grouping of systems. These payroll expense items are normal activities covered in the job descriptions.

Please see the file entitled “Second Data Request Number 21” contained on the enclosed CD labeled “Staff Second Data Request Response.”

For the field employees – the related Job Descriptions are contained in Volume 5 of the MFRs.

For the Administrative employees, please find the Job descriptions located on the enclosed CD.

For these employees’ payroll expense the amounts are allocated based on number of customers throughout the state of Florida.

22. Please provide a list by system of sundry expenses either allocated or directly charged to each system and the activities associated with each sundry expense for 2007, 2008, 2009, test year twelve months ending April 30, 2010, and for each month of 2010 thereafter. If the sundry expenses are allocated, please provide the allocation factor for each system including both the numerator and denominator for each year requested.

RESPONSE:

Please see the Company’s response to OPC Production of Documents No. 40.

23. Please provide the Excel spreadsheet used to allocate the direct and indirect costs for the accounting units associated with AUF for 2007, 2008, 2009, test year twelve months ending April 30, 2010, and for each month of 2010 thereafter.

RESPONSE:

Please see the Company’s response to OPC Production of Documents No. 41.

24. Please provide any and all documents in your possession, custody or control that demonstrate whether charges from all unregulated affiliates are provided to AUF at the lower of cost or market.

RESPONSE:

In a recent study relating to Aqua Virginia operations, Aqua compared its service rates comparable to industry rates. The following is a discussion of that study:

There are economies of scale from a centralized organization. For example, affiliated companies can share accounting and billing software, saving the individual companies from the cost of acquiring software on their own.

A centralized staff of professional engineers available to Aqua Virginia is another example of the benefits of being an affiliate of Aqua America. This saves the time and cost of obtaining and preparing requests for proposals and evaluating the proposals from various engineering firms every time there is a need for engineering services. In addition, the cost of sharing the expense of an engineering staff is less than contracting to outside engineering firms which will bill to not only cover the cost of their engineering staff but also to make a profit. The average hourly cost of engineering services allocated to Aqua Virginia from the Service Company, including overhead, is approximately \$66. Two Richmond area engineering firms were surveyed for their billing rates. The rates ranged from \$90 per hour for entry level professional staff to \$150 for principals. Hourly rates for project managers ranged from \$100 to \$120.

As a stand alone company, Aqua Virginia would have to contract out all legal services to outside law firms, however as a subsidiary of Aqua America it is able to utilize the legal service from the legal staff at the Service Company. The average 2009 billing rate for Virginia law firms, as published in the Virginia Lawyers Weekly, was \$275. The hourly rate, including overhead, for legal services in the test year to Aqua Virginia by Aqua Services was approximately \$154 an hour.

Aqua Virginia has access to a full accounting staff at Aqua Services, including accounts payable, property accountants, tax accountants, general ledger accountants, payroll, purchasing and accounts receivable. The average hourly rate billed from Aqua Service was approximately \$54. Our research shows that the national average rate for accounting professionals was Directors - \$156, Managers- \$133, Senior Associates - \$107 and Associates - \$85.¹ The average rate charges by the Aqua affiliates appear reasonable, particularly when it includes the cost of the top level financial and tax accountants. The lowest rate is 57% higher than Aqua.

As part of Aqua America, Aqua Virginia has access to a full range of management professionals. Some, but not all, of the functions these professional perform include human resources, information systems, investor relations, financial planning, internal audit, regulatory affairs, and corporate governance. Our research shows that the average billing rate of management consultants in the U.S.² was \$140 for an entry level consultant, \$200 for a midlevel consultant, \$250 for an advanced level consultant, \$275 for an upper level consultant and \$300 for the highest level. The average hourly cost of management services allocated from Aqua Service for the test year was approximately \$98. This is approximately \$42 an hour less than the billing rate for an entry level management consultant. Being an affiliate of Aqua America is beneficial to Aqua Virginia and its customers. The services provided to it by other affiliates of Aqua America are provided at a fair and reasonable cost. These services

¹ The 2008 PCPS/TSCPA National MAP Survey prepared by the Private Companies Practice Section

² 2008 Guide to Pricing in the Consulting Industry conducted by the Corporate Executive Board.

have been provided to Aqua Virginia at a lower cost than it could have obtained these services from outside non-affiliated sources.

For example, Aqua Virginia was allocated affiliate charges of \$908,835 for Service Company charges and \$403,189 for Customer Service charges. These costs translate to a per customer cost for Aqua Virginia's 23,031 weighted customers of approximately \$39 for Service Company and approximately \$18 for Customer Service. The "Benchmarking Performance Indicators for Water and Wastewater Utilities: 2007 Annual Survey Data and Analysis Report" released by the American Water Works Association listed an average customer service cost per account to be approximately \$23, which is 28% higher than the Aqua customer service charge. The per hour costs for services and costs per customer show that operating Aqua Virginia as an affiliate of Aqua America is beneficial to Virginia customers.

Normalization Expense Adjustments

25. According to MFR Schedules B-3 (Pages 1 and 2), the Utility has proposed adjustments to Salaries, Officer's Salaries, Pensions and Benefits, Contractual Services – Management Fees, Contractual Services – Other, Insurance – Vehicle, Insurance – General Liability, Insurance – Workman's Comp, Insurance – Other, Property Taxes, and Payroll Taxes. Please provide any and all of the Utility's calculations, bases, workpapers, and support documentation for the above-mentioned adjustments.

RESPONSE:

For the proposed Normalization Adjustments for "Salaries and Officer's Salaries" please see Confidential Audit Workpapers from Audit Control Number 10-181-4-1, as follows:

Number 40-12
Number 40-12/1
Number 40-13
Number 40-20
Number 40-20/1
Number 40-20/2

These items are subject to the Motion for Protective Order.

The calculations, bases, workpapers, and support documentation for the proposed adjustments shown in MFR Schedules B-3 (Pages 1 and 2) are contained in the enclosed CD labeled "MFR – As Filed, September 1, 2010 & Revised D-2" provided with this response. This CD contains all the MFRs as filed and their source files for all systems in a spreadsheet format with all formulas intact.

The remaining proposed normalization adjustments and the workpaper filenames are shown below:

<u>Adjustment</u>	<u>Filename</u>
Pensions and Benefits	AUF Corp Health Insurnc.xlsx
Contractual Services – Management Fees	SrvCo&ACO Labor & Bnfts Adjs.xlsx
Contractual Services – Other	SrvCo&ACO Labor & Bnfts Adjs.xlsx
Insurance – Vehicle	Insurance Exp Adjs.xlsx

Insurance – General Liability
 Insurance – Workman’s Comp
 Insurance – Other
 Property Taxes

Insurance Exp Adjs.xlsx
 Insurance Exp Adjs.xlsx
 Insurance Exp Adjs.xlsx
 Property Tax Nrmlztn Adjs.xlsx

The Payroll Tax adjustment is calculated as 7.65% of the total Salary & Wage adjustments.

Pro Forma Expense Adjustments

26. According to MFR Schedules B-3 (Pages 3 through 5), the Utility has proposed pro forma adjustments to Salaries, Officer’s Salaries, Pensions and Benefits, Contractual Services - Management Fees, Contractual Services - Other, Insurance – Vehicle, Insurance – General Liability, Insurance – Workman’s Comp, Insurance – Other, Property Taxes, Payroll Taxes, as well as the following system specific pro forma adjustments:

<u>System</u>	<u>Pro Forma Expense Item</u>	<u>Amount</u>
Tangerine	Chemical for Sequestering	\$5,565
Palm Terrace	Purchased Water	\$42,245
Zephyr Shores	Purchased Sewer Treatment	\$323

Please provide any and all of the Utility’s calculations, bases, workpapers, and support documentation for the above pro forma adjustments.

RESPONSE:

For the proposed Pro Forma adjustments for “Salaries and Officer’s Salaries” please see Confidential Audit Workpapers from Audit Control Number 10-181-4-1, as follows:

- Number 40-12
- Number 40-12/1
- Number 40-13
- Number 40-20
- Number 40-20/1
- Number 40-20/2

These items are subject to the Motion for Protective Order.

The calculations, bases, workpapers, and support documentation for the Pro Forma adjustments shown in MFR Schedules B-3 (Pages 1 and 2) are in the enclosed CD labeled “MFR – As Filed, September 1, 2010 & Revised D-2” provided with this response. This CD contains all the MFRs as filed and their source files for all systems in a spreadsheet format with all formulas intact.

The remaining Pro Forma adjustments and the workpaper filenames are shown below:

<u>Adjustment</u>	<u>Filename</u>
Pensions and Benefits	AUF Corp Health Insurmc.xlsx
Contractual Services – Management Fees	SrvCo&ACO Labor & Bnfts Adjs.xlsx
Contractual Services – Other	SrvCo&ACO Labor & Bnfts Adjs.xlsx

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Insurance – Vehicle	Insurance Exp Adjs.xlsx
Insurance – General Liability	Insurance Exp Adjs.xlsx
Insurance – Workman’s Comp	Insurance Exp Adjs.xlsx
Insurance – Other	Insurance Exp Adjs.xlsx
Property Taxes	Property Tax Nrmlztn Adjs.xlsx
Tangerine Chemical for Sequestering	AUF 2009-10 Chem Adjs.xlsx
Palm Terrace Purchased Water	Pasco Cnty Wtr & Swr Pass-Thru, ProForma.xlsx
Zephyr Shores Purchased Sewer Treatment	Pasco Cnty Wtr & Swr Pass-Thru, ProForma.xlsx

The Payroll Tax adjustment is calculated as 7.65% of the total Salary & Wage adjustments.

Rate Case Expense

The following questions relate to AUF’s requested rate case expense.

27. For each individual person, in each firm providing consulting services to the applicant pertaining to this docket, please provide the billing rate, and an itemized description of work performed. Please provide detail of hours worked associated with each activity. Also, please provide a description and associated cost for all expenses incurred to date.

RESPONSE:

See the enclosed CD labeled “Staff Second Data Request Response,” containing documents in response to this request.

28. For each firm or consultant providing services for the applicant in this docket, please provide copies of any and all invoices for services provided to date.

RESPONSE:

See the enclosed CD labeled “Staff Second Data Request Response,” containing documents in response to this request.

29. 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.

RESPONSE:

See the enclosed CD labeled “Staff Second Data Request Response,” containing documents in response to this request.

30. 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.

RESPONSE:

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See the enclosed CD labeled “Staff Second Data Request Response,” containing documents in response to this request.

31. Please provide an itemized list of any and all other costs estimated to be incurred through the PAA process.

RESPONSE:

See the enclosed CD labeled “Staff Second Data Request Response,” containing documents in response to this request.

Please acknowledge receipt of this filing by stamping the extra copy of this letter “filed” and returning the copy to me. Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "T. Rendell", with a stylized flourish at the end.

Troy Rendell
Rates Manager

cc: Bruce May, Holland & Knight
Office of Commission Clerk
Charles Beck, Office of Public Counsel
Kimberly A. Joyce, Aqua America, Inc.

New Connection Time for Review 11-50 customer development

<u>Design and Permitting</u>	Administrative Assistant	Utility Technician	Engineer Aide	Engineer	Manager of Operations	President & COO	
Service Availability	0.5	0.5		0.5			
Initial contact with design engineer			0.25				
Provide information for completion of permit application			0.75				
Review permit application and constructin drawings			1	0.25	0.25		
Construction drawings Field Technicians review		0.75					
Provide written comments to engineer			0.5	0.25			
Review revised permit application and construction drawings			0.25	0.25	0.25		
Execute permit application						0.25	
 <u>During Construction</u>							
Pre Construction Meeting			0.5				
Field inspection witness connection			0.5				
Field inspection witness pressure test (water or force main)			1.5				
 <u>Certification of Completion</u>							
Reivew As-builts and certify completion				0.5	0.25		
Execute Certification of Completion						0.25	
Update system maps				0.75			
Total Hours		0.5	3.75	4	1.5	0.5	
Hourly Rate	\$	18.54	\$ 16.47	23.37	\$ 36.45	\$ 49.32	\$ 59.11
Overheads	35% \$	6.49	\$ 8.65	8.18	\$ 12.76	\$ 17.26	\$ 20.69
Cost		12.52	94.20	126.20	73.82	33.29	39.90 \$ 379.92

New Connection Time for Review 51-250 customer development

<u>Design and Permitting</u>	Administrative Assistant	Utility Technician	Engineer Aide	Engineer	Manager of Operations	President & COO	
Service Availability	0.5	0.5		0.5			
Initial contact with design engineer			0.25				
Provide information for completion of permit application			0.75				
Review permit application and constructin drawings			1.25	0.5	0.5		
Construction drawings Field Technicians review		1					
Provide written comments to engineer			0.5	0.25			
Review revised permit application and construction drawings			0.5	0.5	0.5		
Execute permit application						0.25	
 <u>During Construction</u>							
Pre Construction Meeting		0.5					
Field inspection witness connection		0.5					
Field inspection witness pressure test (water or force main)		1.5					
 <u>Certification of Completion</u>							
Reivew As-builts and certify completion				0.5	0.25		
Execute Certification of Completion						0.25	
Update system maps				1			
Total Hours	0.5	4	4.75	2	1	0.5	
Hourly Rate	\$ 18.54	\$ 16.47	23.37	\$ 36.45	\$ 49.32	\$ 59.11	
Overheads	35% \$ 6.49	\$ 8.65	8.18	\$ 12.76	\$ 17.26	\$ 20.69	
Cost	12.52	100.48	149.86	98.42	66.58	39.90	\$ 467.76

	Hrly Rate	Overheads	Total Hrly 35% Rate
Engineer	\$ 36.45	\$ 12.76	\$ 49.21
Engineering Aide	\$ 23.37	\$ 8.18	\$ 31.54
Manager of Operations	\$ 49.32	\$ 17.26	\$ 66.59
President	\$ 59.11	\$ 20.69	\$ 79.80
Administrative Assistant	\$ 18.54	\$ 6.49	\$ 25.03

	Hourly Rate	Overtime Rate	Benefits 0.35
Area Coordinator	\$ 27.45	\$ 41.18	\$ 14.41
Utility Tech II	\$ 13.71	\$ 20.57	\$ 7.20
Utility Tech II	\$ 14.13	\$ 21.20	\$ 7.42
Utility Tech Coordinator	\$ 20.50	\$ 30.75	\$ 10.76
Utility Tech I	\$ 12.98	\$ 19.47	\$ 6.81
Utility Tech III	\$ 17.22	\$ 25.83	\$ 9.04
Utility Tech I	\$ 11.46	\$ 17.19	\$ 6.02
Utility Tech II	\$ 14.35	\$ 21.53	\$ 7.53
	\$ 16.48	\$ 24.71	\$ 8.65

**Florida Public Service Commission
Docket No. 100330-WS**

PSC Staff Data Request – Set 2, No. 7

RESPONSE:

Ocala Oaks Hydropneumatic Tank Replacement

1. status of the addition;
Tank was ordered during the month of August 2010
2. the original estimated date of completion;
December 2010
3. the current estimated date of completion and/or the actual date of completion;
We expect delivery and installation late November or early December 2010
4. identification of any plant additions carried over from 2008 and/or 2009;
None
5. the status of the engineering and permitting efforts;
Complete, only DEP notification is required
6. the status of the bidding process;
Complete
7. the actual cost to complete the addition;
\$32,658 includes capital administration and overhead costs
8. the amount expended as of April 30, 2010 if the addition is not complete;
None

This project is necessary due to upon the inspection of the tanks, as required by DEP, it was determine the tank needed replacement due to condition and age.

Please see supporting documents provided in response to OPC POD #12

Rosalie Oaks Hydropneumatic Tank Replacement (previously identified as Ocala Oaks #2 this was a typo)

1. status of the addition;
Tank was ordered during the month of August 2010
2. the original estimated date of completion;
December 2010
3. the current estimated date of completion and/or the actual date of completion;
We expect delivery and installation late November or early December 2010
4. identification of any plant additions carried over from 2008 and/or 2009;
None
5. the status of the engineering and permitting efforts;
Complete, only DEP notification is required
6. the status of the bidding process;
Complete
7. the actual cost to complete the addition;
\$39,439 includes capital administration and overhead costs
8. the amount expended as of April 30, 2010 if the addition is not complete;
None

This project is necessary due to upon the inspection of the tanks, as required by DEP, it was determine the tank needed replacement due to condition and age.

Please see supporting documents provided in response to OPC POD #12

Lake Gibson Estates Hydropneumatic Tank Replacement

1. status of the addition;
Construction is complete
2. the original estimated date of completion;
December 2007
3. the current estimated date of completion and/or the actual date of completion;
Complete
4. identification of any plant additions carried over from 2008 and/or 2009;
None
5. the status of the engineering and permitting efforts;
Tank has been placed into service
6. the status of the bidding process;
Complete
7. the actual cost to complete the addition;
\$65,282 includes capital administration and overhead costs
8. the amount expended as of April 30, 2010 if the addition is not complete;
Project complete

This project is necessary due to upon the inspection of the tanks, as required by DEP, it was determine the tank needed replacement due to condition and age.

Please see supporting documents provided in response to OPC POD #12

Piney Woods Hydropneumatic Tank Replacement

1. status of the addition;
Construction is complete
2. the original estimated date of completion;
June of 2010
3. the current estimated date of completion and/or the actual date of completion;
Complete
4. identification of any plant additions carried over from 2008 and/or 2009;
None
5. the status of the engineering and permitting efforts;
Complete
6. the status of the bidding process;
Complete
7. the actual cost to complete the addition;
\$35,913.18 includes capital administration and overhead costs
8. the amount expended as of April 30, 2010 if the addition is not complete;
Project complete

This project is necessary due to upon the inspection of the tanks, as required by DEP, it was determine the tank needed replacement due to condition and age.

Please see supporting documents provided in response to OPC POD #12

48 Estates Hydropneumatic Tank Replacement

1. status of the addition;
Construction is complete
2. the original estimated date of completion;
June of 2010
3. the current estimated date of completion and/or the actual date of completion;
May 27, 2010
4. identification of any plant additions carried over from 2008 and/or 2009;
None
5. the status of the engineering and permitting efforts;
Complete
6. the status of the bidding process;
Complete
7. the actual cost to complete the addition;
\$35,913.18 includes capital administration and overhead costs
8. the amount expended as of April 30, 2010 if the addition is not complete;
Project complete

This project is necessary due to upon the inspection of the tanks, as required by DEP, it was determine the tank needed replacement due to condition and age.

Please see supporting documents provided in response to OPC POD #12

Ravenswood Hydropneumatic Tank Replacement

1. status of the addition;
Construction is complete
2. the original estimated date of completion;
June of 2010
3. the current estimated date of completion and/or the actual date of completion;
May 26, 2010
4. identification of any plant additions carried over from 2008 and/or 2009;
None
5. the status of the engineering and permitting efforts;
Complete
6. the status of the bidding process;
Complete
7. the actual cost to complete the addition;
\$27,808.17 includes capital administration and overhead costs
8. the amount expended as of April 30, 2010 if the addition is not complete;
Project complete

This project is necessary due to upon the inspection of the tanks, as required by DEP, it was determine the tank needed replacement due to condition and age.

Please see supporting documents provided in response to OPC POD #12

Arredondo Estates Hydropneumatic Tank Replacement

1. status of the addition;
Tank was ordered during the month of August 2010
2. the original estimated date of completion;
December 2010
3. the current estimated date of completion and/or the actual date of completion;
We expect delivery and installation late November or early December 2010
4. identification of any plant additions carried over from 2008 and/or 2009;
None
5. the status of the engineering and permitting efforts;
Complete, only DEP notification is required
6. the status of the bidding process;
Complete
7. the actual cost to complete the addition;
\$59,862 includes capital administration and overhead costs
8. the amount expended as of April 30, 2010 if the addition is not complete;
None

This project is necessary due to upon the inspection of the tanks, as required by DEP, it was determine the tank needed replacement due to condition and age.

Please see supporting documents provided in response to OPC POD #12

The Woods Hydropneumatic Tank Replacement

1. status of the addition;
Construction is complete
2. the original estimated date of completion;
June of 2010
3. the current estimated date of completion and/or the actual date of completion;
May 4, 2010
4. identification of any plant additions carried over from 2008 and/or 2009;
None
5. the status of the engineering and permitting efforts;
Complete
6. the status of the bidding process;
Complete
7. the actual cost to complete the addition;
\$26,878.25 includes capital administration and overhead costs
8. the amount expended as of April 30, 2010 if the addition is not complete;
Project complete

This project is necessary due to upon the inspection of the tanks, as required by DEP, it was determine the tank needed replacement due to condition and age.

Please see supporting documents provided in response to OPC POD #12

Tangerine Looping

1. status of the addition;
Construction is complete
2. the original estimated date of completion;
December 31 2010
3. the current estimated date of completion and/or the actual date of completion;
Construction is complete as of September 29, 2010
4. identification of any plant additions carried over from 2008 and/or 2009;
This project started in Fall of 2009 and we spent \$31,315
5. the status of the engineering and permitting efforts;
Project is complete and the new facilities have been placed into service
6. the status of the bidding process;
Complete
7. the actual cost to complete the addition;
We are currently waiting to receive the final invoices – Cost to date is \$104,000
During construction it was determined that additional piping was needed. The cost increased with the scope of work
8. the amount expended as of April 30, 2010 if the addition is not complete;
Project is complete

This project was necessary due to address water quality and pressure concerns. In addition dead end lines were looped during this project.

Please see supporting documents provided in response to OPC POD #12

Sunny Hills Connect Well #4 to plant #1 storage facilities

1. status of the addition;

The permit applications have been executed and the preliminary design is complete

2. the original estimated date of completion;

April 2011

3. the current estimated date of completion and/or the actual date of completion;

April 2011

4. identification of any plant additions carried over from 2008 and/or 2009;

None

5. the status of the engineering and permitting efforts;

Currently being designed by Hatch-Mott MacDonald. We anticipate submitting to FDEP mid-December 2010

6. the status of the bidding process;

Currently being designed by Hatch-Mott MacDonald. We anticipate the bidding process to be complete by mid-January

7. the actual cost to complete the addition;

\$60,000 includes capital administration and overhead costs

8. the amount expended as of April 30, 2010 if the addition is not complete;

\$0.00

This was a DEP requirement due to the fact that if well # 1 is down, the system does not have adequate required storage under the current design which was installed by the previous owner.

Please see supporting documents provided in response to OPC POD #12

Jungle Den Sewer I and I

1. status of the addition;
Complete
2. the original estimated date of completion;
December 2010
3. the current estimated date of completion and/or the actual date of completion;
October 2010
4. identification of any plant additions carried over from 2008 and/or 2009;
None
5. the status of the engineering and permitting efforts;
No permitting required for this project
6. the status of the bidding process;
We decided to perform most of the work in-house with the assistance of Florida Rural Water Association and Utility Technicians
7. the actual cost to complete the addition;
Currently we are waiting for invoices, approximately \$10,000 includes capital administration and overhead costs
8. the amount expended as of April 30, 2010 if the addition is not complete;
Project complete

This project is necessary to address the excessive amount of inflow and infiltration. This project decreased the amount of I&I throughout the system.

Please see supporting documents provided in response to OPC POD #12

Park Manor I and I

1. status of the addition;
Project not started
2. the original estimated date of completion;
April 2011
3. the current estimated date of completion and/or the actual date of completion;
The study is complete however the work to resolve the I and I has not been initiated
4. identification of any plant additions carried over from 2008 and/or 2009;
None
5. the status of the engineering and permitting efforts;
No permitting required for this project
6. the status of the bidding process;
Not started
7. the actual cost to complete the addition;
\$40,000
8. the amount expended as of April 30, 2010 if the addition is not complete;
None

This project is necessary to address the excessive amount of inflow and infiltration. This project will decrease the amount of I&I throughout the system.

Breeze Hill Sewer I and I

1. status of the addition;
Just started
2. the original estimated date of completion;
December 2010
3. the current estimated date of completion and/or the actual date of completion;
April 2011
4. identification of any plant additions carried over from 2008 and/or 2009;
None
5. the status of the engineering and permitting efforts;
No permitting required for this project
6. the status of the bidding process;
This project is currently in the bidding process
7. the actual cost to complete the addition;
\$100,000
8. the amount expended as of April 30, 2010 if the addition is not complete;
Just starting Project

**This project is necessary to address the excessive amount of inflow and infiltration.
This project will decrease the amount of I&I throughout the system.**

Please see supporting documents provided in response to OPC POD #12

Arredondo Farms WWTF Upgrades

1. status of the addition;
Complete
2. the original estimated date of completion;
December 2009
3. the current estimated date of completion and/or the actual date of completion;
September 2010
4. identification of any plant additions carried over from 2008 and/or 2009;
None
5. the status of the engineering and permitting efforts;
Project Complete
6. the status of the bidding process;
Project complete
7. the actual cost to complete the addition;
Waiting receipt of final invoices – Cost to date is \$230,000
8. the amount expended as of April 30, 2010 if the addition is not complete;
project complete

This was a DEP requirement due to excessive spills and poor treatment due to the improper design of the plant installed by the previous owner.

Please see supporting documents provided in response to OPC POD #12

Jasmine Lakes Generator

1. status of the addition;

We are currently investigating if a high head pump may be a better fit for this application than a generator.

2. the original estimated date of completion;

December 2010

3. the current estimated date of completion and/or the actual date of completion;

December 2010

4. identification of any plant additions carried over from 2008 and/or 2009;

None

5. the status of the engineering and permitting efforts;

No permitting required for this project

6. the status of the bidding process;

Not Started

7. the actual cost to complete the addition;

\$50,000

8. the amount expended as of April 30, 2010 if the addition is not complete;

None

This project was necessary for reliability and to address concerns around a lift station located adjacent to a water canal.

Please see supporting documents provided in response to OPC POD #12

Jasmine Lakes weir and walkway replacement

1. status of the addition;

Not Started

2. the original estimated date of completion;

December 2010

3. the current estimated date of completion and/or the actual date of completion;

December 2010

4. identification of any plant additions carried over from 2008 and/or 2009;

None

5. the status of the engineering and permitting efforts;

No permitting required for this project

6. the status of the bidding process;

Not Started

7. the actual cost to complete the addition;

\$65,000

8. the amount expended as of April 30, 2010 if the addition is not complete;

None

This project was necessary due to corroded wiers and walkways. This is safety issue that is required to be addressed.

Lake Suzy Air Headers and Surge Tank

1. status of the addition;
Currently being constructed
2. the original estimated date of completion;
December 2010
3. the current estimated date of completion and/or the actual date of completion;
December 2010
4. identification of any plant additions carried over from 2008 and/or 2009;
None
5. the status of the engineering and permitting efforts;
No permitting required for this project
6. the status of the bidding process;
Bidding is complete
7. the actual cost to complete the addition;
Project not complete - Costs to date \$133,000
8. the amount expended as of April 30, 2010 if the addition is not complete;
\$33,929.25

This project was necessary due to the condition of the plant items (headers and surge tank) being corroded due to age.

Please see supporting documents provided in response to OPC POD #12

Tomoka View and Twin Rivers Tank Liners

1. status of the addition;
2. the original estimated date of completion;
December 2010
3. the current estimated date of completion and/or the actual date of completion;
December 2010
4. identification of any plant additions carried over from 2008 and/or 2009;
None
5. the status of the engineering and permitting efforts;
No permitting required for this project
6. the status of the bidding process;
Project currently being bid
7. the actual cost to complete the addition;
Project not complete - Estimated Cost is \$70,000
8. the amount expended as of April 30, 2010 if the addition is not complete;
\$0.00

This project is necessary due to the age and condition of the concrete block tank. The concrete was not coated by the previous owner and exposed to corrosive chlorine contact.

Lake Suzy Fire Flow

1. status of the addition;
Project currently in design
2. the original estimated date of completion;
December 2010
3. the current estimated date of completion and/or the actual date of completion;
February 2010
4. identification of any plant additions carried over from 2008 and/or 2009;
None
5. the status of the engineering and permitting efforts;
Permits expected to be submitted late November
6. the status of the bidding process;
Project currently in design
7. the actual cost to complete the addition;
Project not complete - Estimated Cost is \$65,000
8. the amount expended as of April 30, 2010 if the addition is not complete;

This project is necessary to address and meet the County Fire Marshall's requirement.

Lake Josephine / Sebring Secondary Water Quality

1. status of the addition;
Design has been awarded and we are finalizing contracts
2. the original estimated date of completion;
April 2011
3. the current estimated date of completion and/or the actual date of completion;
December 2010
4. identification of any plant additions carried over from 2008 and/or 2009;
None
5. the status of the engineering and permitting efforts;
Permitting expected to be complete by December 15, 2010
6. the status of the bidding process;
Not Started
7. the actual cost to complete the addition;
\$300,000
8. the amount expended as of April 30, 2010 if the addition is not complete;
None

Please see supporting documents provided in response to OPC POD #12

This project is part of AUF's secondary aesthetics project and is necessary to address the naturally occurring sulfur content in the water.

The Highlands county systems, Lake Josephine, Sebring Lakes, and Leisure Lakes systems are part of AUF's secondary aesthetics water project. AUF and OPC have met with the customers of these systems to discuss the efforts being made to address the aesthetic water concerns. AUF has explained that these issues revolve around the level of sulfur in the water supply. AUF has proposed and is actively pursuing the installation of an AdEdge filtering system to remove the sulfur content.

Leisure lakes Secondary Water Quality

1. status of the addition;
Design has been awarded and we are finalizing contracts
2. the original estimated date of completion;
April 2011
3. the current estimated date of completion and/or the actual date of completion;
December 2010
4. identification of any plant additions carried over from 2008 and/or 2009;
None
5. the status of the engineering and permitting efforts;
Permitting expected to be complete by December 15, 2010
6. the status of the bidding process;
Not Started
7. the actual cost to complete the addition;
\$150,000
8. the amount expended as of April 30, 2010 if the addition is not complete;
None

This project is part of AUF's secondary aesthetics project and is necessary to address the naturally occurring sulfur content in the water.

The Highlands county systems, Lake Josephine, Sebring Lakes, and Leisure Lakes systems are part of AUF's secondary aesthetics water project. AUF and OPC have met with the customers of these systems to discuss the efforts being made to address the aesthetic water concerns. AUF has explained that these issues revolve around the level of sulfur in the water supply. AUF has proposed and is actively pursuing the installation of an AdEdge filtering system to remove the sulfur content.

Please see supporting documents provided in response to OPC POD #12

Village Water Effluent Disposal

1. status of the addition;

We are currently investigating options which include connection to city of Lakeland, Connecting to Polk County or building a new spray field

2. the original estimated date of completion;

April 2011

3. the current estimated date of completion and/or the actual date of completion;

December 2010

4. identification of any plant additions carried over from 2008 and/or 2009;

None

5. the status of the engineering and permitting efforts;

Not Started

6. the status of the bidding process;

Not Started

7. the actual cost to complete the addition;

\$250,000

8. the amount expended as of April 30, 2010 if the addition is not complete;

None

This project is required by DEP to address the appropriate effluent disposal.

Peace River Gross Alpha Treatment

1. status of the addition;

Completing Pilot Study

2. the original estimated date of completion;

April 2011 – If additions are required

3. the current estimated date of completion and/or the actual date of completion;

4. **April 2011 – If additions are required**

5. identification of any plant additions carried over from 2008 and/or 2009;

None

6. the status of the engineering and permitting efforts;

Not Started

7. the status of the bidding process;

Not Started

8. the actual cost to complete the addition;

\$50,000 (this will need to be increased if full treatment is required)

9. the amount expended as of April 30, 2010 if the addition is not complete;

None

This is required by DEP to address Radium 226 exceedance which occurred in this system. AUF is currently under a monitoring program and is determining the appropriate treatment.

Please see supporting documents provided in response to OPC POD #12

South Seas Reject and Surge Tank Replacement

1. status of the addition;
Scheduled to break ground mid October
2. the original estimated date of completion;
December 2010
3. the current estimated date of completion and/or the actual date of completion;
December 2010
4. identification of any plant additions carried over from 2008 and/or 2009;
None
5. the status of the engineering and permitting efforts;
No permitting required
6. the status of the bidding process;
Complete
7. the actual cost to complete the addition;
\$400,000
8. the amount expended as of April 30, 2010 if the addition is not complete;
None

This project is necessary to address the aging surge and reject tanks. This is required to meet DEP standards and to replace the aged tanks due to their condition.

Please see supporting documents provided in response to OPC POD #12