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Public Service Commission

June 7, 2011

Mr. Christian Marcelli
 Rose, Sundstrom & Bentley, LLP
 766 North Sun Drive, Suite 4030
 Lake Mary, FL 32746

Staff's Seventh Data Request

VIA FACSIMILE: (407) 830-8522

Re: Docket No. 100426-WS - Application for increase in water and wastewater rates in Lake County by Lake Utility Services, Inc.

Dear Mr. Marcelli:

By this letter, the Commission staff requests that Lake Utility Systems, Inc. (LUSI or Utility) provide responses to the following data requests.

1. Please file updated MFR Schedule F-1, pages 1 of 3, 2 of 3, and 3 of 3, for the ten-month period from July 1, 2010, through April 30, 2011.
2. Please provide both the number of bills and kgals sold for the period July 1, 2010 through April 30, 2011 (or through May 31, 2011, if the information is available). This information should be provided by customer class, meter size, service type (water, wastewater) and billing period(s) containing different rates for each applicable customer class. Furthermore, the requested information should be provided in a format consistent with MFR Schedule E-14, e.g., each page should be presented in the following format:

(1) Consumption Level	(2) Number of Bills	(3) Cumulative Bills	(4) Gallons Consumed (1) x (2)	(5) Cumulative Gallons	(6) Reversed Bills	(7) Consolidation Factor [(1)x(6)]/(5)	(8) Percentage Of Total
0							
1,000							
2,000							
Etc.							

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3. The following items relate to the Utility's requested rate case expense.
 - a. Please file an updated MFR Schedule B-10 with the most recent rate case expenses.
 - b. 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.
 - c. For each firm or consultant providing services for the applicant in this docket, please provide copies of all invoices for services provided to date.
 - d. 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.
 - e. 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.
 - f. Please provide an itemized list of all other costs estimated to be incurred through the PAA process.

4. In the Utility's response to Staff's First Data Request, Item 8(a), LUSI provided detailed time sheets for WSC employees related to rate case expense. The time sheet for Kirsten Weeks listed 162 hours for "Work on depreciation restatement and corrected 13-month average." Please provide a detailed explanation of the work performed and why it is necessary for the rate case.

The following items relate to Miscellaneous Expenses. On MFR Schedules B-7 and B-8, LUSI explained that the increase in Miscellaneous Expenses was due to a substantial increase in the cost of services, office supplies, office utilities, and office maintenance. In Staff's First Data Request, Item 6(a), the Utility was requested to provide a copy of all invoices related to Miscellaneous Expenses with an invoice amount over \$1,000. However, most all of the invoices provided related to purchased power, chemicals, and contractual services (meter reading).

5. Please refer to Miscellaneous Expenses listed in MFR Schedules B-5, Column (2), page 1 of 2, Line 26. The Utility lists an amount of \$341,912 for water for the test year ended June 30, 2010. In the prior test year ended June 30, 2007, the amount of miscellaneous expenses for water was \$163,894. The following table illustrates the amount of miscellaneous expenses for the past four years as filed in LUSI's annual reports.

Miscellaneous Expenses	
Year	Water
2007	\$131,636
2008	\$261,461
2009	\$343,506
2010	\$157,641

It appears that the amount of \$341,912 for miscellaneous expenses for the test year ended June 30, 2010, may be an anomaly. On MFR Schedule B-5, page 2 of 2, Column (7), Line 26, the Utility lists miscellaneous expenses of \$130,436 for the month of December 2009. The average monthly miscellaneous expenses for the other eleven months is \$19,225.

- a. Please provide a detailed explanation for the amount of \$130,456 in miscellaneous expenses for the month of December 2009.
 - b. Please indicate if the amount includes non-recurring expenses, and if so, please provide a list of said expenses.
 - c. Please provide documentation supporting the miscellaneous expenses in December 2009. The documentation should include:
 - i. a spreadsheet listing all individual expenses over \$1,000, and the total amount of all other expenses by category, e.g., office supplies, office furniture, office maintenance, office utilities, etc.; and
 - ii. all receipts and invoices over \$1,000 that would support the entries in the spreadsheet.
6. Please refer to Miscellaneous Expenses listed in MFR Schedules B-6, Column (2), page 1 of 2, Line 27. The Utility lists Miscellaneous Expenses of \$94,454 for wastewater for the test year ended June 30, 2010. In the prior test year ended June 30, 2007, the amount of miscellaneous expenses was \$50,932. The table below illustrates the amount of miscellaneous expenses for the past four years as filed in LUSI's annual reports.

Miscellaneous Expenses	
Year	Wastewater
2007	\$19,040
2008	\$92,997
2009	\$150,706
2010	\$51,337

It appears that the amount of \$94,454 for miscellaneous expenses for the test year ended June 30, 2010, may be an anomaly. On MFR Schedule B-6, page 2 of 2, Column (7), Line 27, the Utility lists miscellaneous expenses of \$66,379 for the month of December 2009. The average monthly miscellaneous expenses for the other eleven months is \$2,552.

Mr. Christian Marcelli

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- a. Please provide a detailed explanation for the amount of \$66,379 in miscellaneous expenses for the month of December 2009.
- b. Please indicate if the amount includes non-recurring expenses, and if so, please provide a list of said expenses.
- c. Please provide documentation supporting the miscellaneous expenses in December 2009. The documentation should include:
 - i. a spreadsheet listing all individual expenses over \$1,000 and the total amount of all other expenses by category, e.g., office supplies, office furniture, office maintenance, office utilities, etc.; and
 - ii. all receipts and invoices over \$1,000 that would support the entries in the spreadsheet.

Please file the requested information by June 24, 2011, with Ms. Ann Cole, Commission Clerk, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850. Please feel free to call me at (850) 413-6536 if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Dale R. Buys". The signature is written in a cursive style with a large, sweeping initial "D".

Dale R. Buys
Regulatory Analyst IV

cc: Division of Economic Regulation (Maurey, Daniel, Fletcher, Lingo, Stallcup, Williams, Thompson)
Office of the General Counsel (Young)
Office of Commission Clerk
Office of Public Counsel