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STATE OF FLORIDA



DIVISION OF ENGINEERING
TOM BALLINGER
DIRECTOR
(850) 413-6910

Public Service Commission

April 5, 2013

RECEIVED-FPSC
13 APR -5 PM 12:31
COMMISSION
CLERK

Mr. Martin P. McDonnell
Rutledge, Ecenia & Purnell
119 South Monroe Street, Suite 202
Tallahassee, FL 32301-1841

Re: Docket No. 130010-WS – Application for increase in water rates in Lee County and waster rates in Pasco County by Ni Florida, LLC.

Dear Mr. McDonnell:

Enclosed please find Staff's First Data Request concerning Ni Florida, LLC's application for rate increase. We ask that you please provide a response to this data request by May 6, 2013. Should you have any questions, or need further information, please do not hesitate to contact Melissa L'Amoreaux at (850) 413-6980 or Stan Rieger at (850) 413- 6970.

Sincerely,

A handwritten signature in black ink, appearing to read "Melissa L'Amoreaux".

Melissa L'Amoreaux
Engineering Specialist II
Division of Engineering

ML:jc

cc: Division of Engineering (L'Amoreaux, Rieger)
Division of Accounting & Finance (M. Brown)
Division of Economic (Bruce, Hudson)
Office of General Counsel (Brownless, Crawford)
Office of Commission Clerk (Docket No. 130010-WS)

DOCUMENT NUMBER - DATE
01709 APR -5 2013
FPSC-COMMISSION CLERK

1st Data Request
Ni Florida
Docket No. 130010-WS

1. The following items relate to all pro forma plant additions reflected 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 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;
 - (e) the projected in-service date for each outstanding plant addition; and
 - (f) all documentation (e.g. invoices) for the original cost of any corresponding retirements.
2. According to MFR Schedule B-3, the Utility has proposed adjustment (A) on Lines 1 through 18 and proposed adjustment (C) on Lines 23 through 28 for O&M expenses. Please provide all of the Utility's calculations, bases, workpapers, and support documentation for the above pro forma adjustments.
3. MFR Schedule B-6 notes that Contractual Services-Accounting is included in the parent overhead amount that is allocated to the Utility. Please provide the details of this account including the amount and the vendors that conducted the services.
4. MFR Schedule B-6 notes that General Liability Insurance has increased. Does this insurance include Directors Liability Insurance? Please provide a copy of the most current policy.
5. Please provide the current contract for Florida Utility Group/KBHS and a description of all the services that are included in its contractual services-management fees. Also provide a description of how this operator was chosen. Was a bidding process utilized to ensure the most cost-effective operator was selected? If not specifically outlined in the service agreement, please provide a list of expenses the plant operator is responsible to cover.
6. MFR Schedule B-6 states that the Utility does not have any employees. Are there allocated salaries from the parent-level? If so, please provide the breakdown of salaries and benefits for each employee with allocated salaries.
7. MFR Schedule B-6 states that O&M expenses would have been lower if the sewage treatment costs were excluded. Please provide the most recent 12 months of invoices from Pasco County for sewage treatment.

8. Please provide invoices for the work completed pursuant to the contractual services outlined on MFR Schedule B-9.
9. MFR Schedule B-12 outlines the allocated expenses from the parent company to Ni Florida. To the extent that it is not duplicative, please provide an itemized list of all of the expenses in this account with the list of the amounts and vendors for each expense.
10. Please provide an itemized list of all bank fees and telephone expenses directly reported as Ni Florida expenses.
11. MFR Schedule B-12 identifies \$90,000 of expenses that have been excluded from the parent overhead allocation. Please provide a breakdown of this amount.
12. According to MFR Schedule B-12, the parent company is in the process of acquiring a system in Columbia, South Carolina, in early 2013. Please provide information regarding the status of this acquisition. Does the parent company have any plans to acquire any additional systems in 2013?
13. In Order No. PSC-10-0168-PAA-SU in the last rate case, it was noted that the Utility's wastewater collection system in Pasco County had problems with elevated chloride concentrations. Pasco County had identified the Utility as a high chloride source and required it to meet 250 milligrams per liter (mg/l) chloride levels. The Commission determined that the overall quality of service was marginal in the last rate case, because the 250 mg/l chloride level had not yet been achieved. Has the Utility lowered the chloride levels to 250 mg/l or lower? Please provide all data updating the chloride situation at the Utility's Pasco County wastewater system. This information should include the present chloride compliance status with Pasco County and a breakdown of all improvements made to reduce chloride levels, including dollars spent, since the last rate case. Also, please provide a breakdown of chloride testing results since the last rate case.
14. MFR Schedule F-9, the total water gallons sold during the test year, 21,500,000 gallons, does not reconcile with the total water consumption during the test year of 20,386,000 gallons, found in MFR Schedule E-2, page 1 of 2. Please explain, and revise these schedules if necessary.
15. MFR Schedule F-10, the total wastewater gallons sold during the test year, 153,953,000 gallons, does not reconcile with the total consumption during the test year of 151,667,000 gallons, found in MFR Schedule E-2, page 2 of 2. Please explain, and revise these schedules if necessary.