

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: August 13, 2014
TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk
FROM: Daniel Q. Lee, Engineering Specialist IV, Division of Engineering *DQ*
RE: Docket No. 130178-SU – Application for staff-assisted rate case in Polk County by Crooked Lake Park Sewerage Company *RV*

Please incorporate the attached document, from Crooked Lake Park Sewerage Company for its partial response to Staff's Third Data Request, into the docket file referenced above.

COMMISSIONERS:
ART GRAHAM, CHAIRMAN
LISA POLAK EDGAR
RONALD A. BRISÉ
EDUARDO E. BALBIS
JULIE I. BROWN

STATE OF FLORIDA



DIVISION OF ECONOMICS
JAMES W. DEAN
DIRECTOR
(850) 413-6410

Public Service Commission

July 15, 2014

RECEIVED FPSC
14 JUL 16 AM 9:15
COMMISSION
CLERK

STAFF'S THIRD DATA REQUEST

Mrs. Deb Null
5578 Commercial Blvd.
Winter Haven, FL 33880

Re: Docket No. 130178-SU - Staff Assisted Rate Case for Crooked Lake Park Sewerage Company in Polk County

Dear Mrs. Null:

- 1. **Settlement Agreement.** Has the Utility received a Notice of Satisfaction of the Final Judgment from the Department of Environmental Protection (DEP) based on the May 27, 2014 Settlement Agreement. If yes, please provide a copy. If no, please describe any additional actions that are required prior to receiving the Notice of Satisfaction and the anticipated completion date of those actions.
- 2. **Pro Forma Plant Items.** For the following questions, please refer to the Excel spreadsheet that was provided by your company in response to staff's second data request.

- a. Have any additional bids been obtained for the pro forma projects? If yes, please provide a copy. *TWO PROPOSALS - BOTH PREVIOUSLY SENT*
- b. Please provide an update on the current status of each of the projects, including any changes to the estimated cost, vendor selected, contract date, project start date, and estimated completion date. *SEE SPREADSHEET FOR WWTP UPDATE*
- c. Please provide supporting documentation for any activities already completed and the costs incurred to date, such as copies of signed contracts and invoices. *n/a*
- d. Please provide the following information regarding the WWTP Modification Project:
 - 1. Please describe why the Utility believes the higher cost proposal is more appropriate and is a prudent expenditure. *GARRARD Building Contractors is building. Contract amount is \$359,612, Lower than the 393,950. Highest Bid*

2. Please provide a breakdown of the estimated proposals of \$393,950 and \$359,612, and describe the specific items that resulted in the \$34,338 cost difference between the bids (e.g., excluded items, difference in construction materials). Please provide this information in Excel format if available.

*Both Bids are Lump Sum
GARRARD IS LOWER.*

3. Please describe any steps taken by the Utility to minimize the costs of this project, and, provide supporting documentation if available.

e. For the remaining three projects, please provide any additional documents that demonstrate the justification of the projects and costs. As part of the response, please provide the following.

*This type of construction
is specialized and we sought to work with companies
familiar with this existing system.*

1. Any documents or evaluations that support the need for the projects. If mandated by DEP, provide applicable compliance requirements.
2. A description of why the Utility believes the proposed estimates are reasonable and prudent, including any additional documentation that was used for comparison and review of the estimated costs.

3. **Contractual Services.** Please provide the following information related to the Utility's contractual services, such as contractual employees, billing services, sludge removal, operator services, and testing:

- a. Subsequent to the test year ended June 2013, have any of the Utility's contractual service fees increased? If yes, please describe which fees have increased and provide invoices to support the current fees being paid.
- b. Based upon staff's audit, several of the contractual service contracts that were in effect during the test year were due to expire during 2013. Please provide a copy of all contracts for contractual services that have been entered into or renewed since June 2013.

4. **Sludge Removal Expense.** Based upon staff's audit, it appears that the test year may not reflect a full year of sludge removal expense. Please provide a copy of all invoices related to sludge removal expense from July 2013 through June 2014.

5. **Officers' Salaries and Wages.** The test year did not reflect any expenses related to salaries and wages for the Utility's officers. Does the Utility currently provide any compensation to its officers? If yes, please provide supporting documentation for those expenses.

6. **Effect of Pro Forma Plant Items on Expenses.** Upon completion of the pro forma plant items, does the Utility anticipate that there will be any increases or decreases in expenses (e.g., purchased power, chemicals, operator expenses, or repairs)? If yes, please provide a description of the expenses that are expected to increase or decrease, the anticipated annual amount of the increases or decreases, and supporting documentation to show how the estimated increases or decreases were calculated.

IN THE CIRCUIT COURT OF THE TENTH JUDICIAL CIRCUIT
IN AND FOR POLK COUNTY, FLORIDA

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION,

Plaintiff,

v.

CASE NO.: 2006-CA-2084

CROOKED LAKE PARK SEWERAGE
COMPANY,

Defendant.

SATISFACTION OF JUDGMENT AND NOTICE OF WITHDRAWAL OF MOTION FOR
CONTEMPT

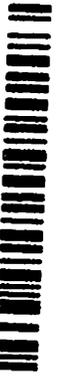
Plaintiff, Florida Department of Environmental Protection ("Department"), does hereby represent that this Court entered a Final Judgment ("Judgment") in the above captioned matter, dated July 9, 2008. A certified copy of the Judgment was recorded in Polk County, Official Records Book 7706 beginning at Page 9. The Department acknowledges the Judgment has been paid in full and satisfied. The Department consents that the Judgment be satisfied of record. Furthermore, the Department withdraws with prejudice any and all outstanding motions for contempt that have been filed in this case.

DATED 15th day of July, 2014.

STATE OF FLORIDA DEPARTMENT
OF ENVIRONMENTAL PROTECTION


Matthew Smith-Kennedy
Senior Assistant General Counsel
Florida Bar No. 737054
3900 Commonwealth Boulevard, MS 35
Tallahassee, FL 32399
Telephone: (850) 245-2250
Facsimile: (850) 245-2301

INSTR # 2014124144
BK 9296 Pgs 1406-1407 PG(S) 2
RECORDED 07/21/2014 09:19:40 AM
STACY M. BUTTERFIELD,
CLERK OF COURT POLK COUNTY
RECORDING FEES \$10.50
RECORDED BY ambezieq



STATE OF FLORIDA
COUNTY OF LEON

The foregoing instrument was acknowledged before me this 15th day of July, 2014 by Matthew Smith-Kennedy as Sr. Assistant General Counsel for the Florida Department of Environmental Protection.



Karen B. Tyre

Notary Public, State of Florida

Printed KAREN B. TYRE

Commission No.: EE 163465

My commission expires: 1/27/16

Personally known X OR produced identification _____
Type of identification produced _____

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished to Craig Hill by email at cbhill@chill-law.com on this 15th day of July, 2014.

Matthew Smith-Kennedy

Matthew Smith-Kennedy
Sr. Assistant General Counsel