



March 16, 2015

**VIA E-FILING**

Carlotta S. Stauffer, Commission Clerk  
Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

Re: Docket No. 140060-WS - Application for increase in Water and Wastewater rates in Seminole County by Sanlando Utilities Corporation  
Our File No. 30057.214

Dear Ms. Stauffer:

The following is Sanlando Utilities Corporation's response to the Staff's Fourth Data Request dated February 27, 2014:

23. A utility is entitled to an amortization period for forced abandonment or the prudent retirement of plant assets prior to the end of their depreciable life using a prescribed formula set forth in Rule 25-30.433(9) Florida Administrative Code (F.A.C.).
- a. Do the circumstances of the Utility's decommissioning of WDP make this adjustment appropriate?  
Response: Yes.
  - b. If so, please provide the appropriate calculations and support documentation.  
Response: Please see the attached document titled "23b Des Pinar WWTP Retirement".
30. In the Utility's response to Item 26(c) of staff's third data request, the Utility provided invoices for Contractual Services-Engineering, Acct. No. 631. One of the invoices included a water main removal and replacement with a corresponding reimbursement from the Florida Department of Transportation (FDOT) totaling \$5,650. The following items relate to this response.
- a. For the entire project, what was the total contribution received from FDOT? Please provide support documentation of the entire amount.  
Response: The total contribution by FDOT was \$5,650. See attached document "4-30a FDOT reimbursements". [documents were provided in original response]

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- b. In addition to capitalizing this project to plant, did the Utility also make a corresponding adjustment to CIAC as well for the amount of the reimbursement? If so, please provide supporting documentation.

Response: No. Although the reimbursements not treated as CIAC they were booked so as to reduce the project cost. The bookkeeping entries were as set forth in attachment document "30b G/L Entries for DOT Reimbursement".

33. In the settlement between OPC and Utilities, Inc. approved by Commission Order No. PSC-14-0044-FOF-WS, the Utility agreed that for rate cases, Utilities, Inc. should make adjustments to its capital structure as necessary to reflect the proper amount of deferred income taxes on proforma plant additions." Please provide the amount of all actual and projected deferred income taxes associated with the Utility's requested pro forma plant additions.

Response: Please see the attached document "33 Estimated Deferred Tax Calculation."

If you or the Staff have any questions, please feel free to contact me.

Very truly yours,



MARTIN S. FRIEDMAN

For the Firm

MSF/

cc: John Hoy (via e-mail)  
Patrick Flynn (via e-mail)  
Darrien Pitts (via e-mail)  
Keino Young, Esquire (via e-mail)  
John Truitt, Esquire (via e-mail)

**Des Pinar WWTP Retirement**  
**Amortization of Remaining Net Book Value**

*Application of Rule 25-30.433(9)*

Original Cost	\$256,581
Year Placed in Service	1989
Year Retired	2014
Depreciation Life	32
Remaining Life	7
Net Book Value	\$56,127
Removal less Salvage Cost	\$12,270
Annual Depreciation	\$8,018
Return on RB	7.96%
Return on Net Book Value	\$4,468
Amortization Period (Years)	<u>5.5</u>

516 Th. 00  
Payments

APPLICATION FOR PAYMENT NO. 7

To Sanlando Utilities Corporation (OWNER)  
Contract for 500,000 GPD Stabilization STP Dated 5-24-88  
OWNER's Project No. \_\_\_\_\_ ENGINEER's Project No. 88347  
For Work accomplished through the date of 12-01-88

ITEM	CONTRACTOR'S Schedule of Values			Work Completed	
	Unit Price	Quantity	Amount	Quantity	Amount
Down Payment	\$ 21,810.00		\$ 21,810.00	100%	\$ 21,810.00
Delivery	109,050.00		109,050.00	100%	109,050.00
Erection	65,430.00		65,430.00	100%	65,430.00
Start-Up	21,810.00		21,810.00	100%	21,810.00
<b>Total</b>	<b>218,100.00</b>		<b>\$ 218,100.00</b>	<b>100%</b>	<b>\$ 218,100.00</b>
(Orig. Contract)					
C.O. No. 1	795.00		795.00	100%	795.00
C.O. No. 2	16,455.43		16,455.43	100%	16,455.43
C.O. No. 3	732.00		732.00	100%	732.00
C.O. No. 4	287.50		287.50	100%	287.50
C.O. No. 5	211.13		211.13	100%	211.13
Accompanying Documentation:			GROSS AMOUNT DUE.....		\$ 236,581.06 ✓
			LESS <u>0</u> % RETAINAGE.....		\$ _____
			AMOUNT DUE TO DATE.....		\$ 236,581.06 ✓
			LESS PREVIOUS PAYMENTS.....		\$ 212,922.96 ✓
			AMOUNT DUE THIS APPLICATION.....		\$ 23,658.10 ✓

CONTRACTOR'S Certification:

The undersigned CONTRACTOR certifies that (1) all previous progress payments received from OWNER on account of Work done under the Contract referred to above have been applied to discharge in full all obligations of CONTRACTOR incurred in connection with Work covered by prior Applications for Payment numbered 1 through \_\_\_\_\_ inclusive; and (2) title to all materials and equipment incorporated in said Work or otherwise listed in or covered by this Application for Payment will pass to OWNER at time of payment free and clear of all liens, claims, security interests and encumbrances (except such as covered by Bond acceptable to OWNER).

Dated 12/1, 19 88 Allen's Environmental Equipment, Inc.  
CONTRACTOR

By \_\_\_\_\_  
David V. Hayes, Vice-President

ENGINEER'S Recommendation:

This Application (with accompanying documentation) meets the requirements of the Contract Documents and payment of the above AMOUNT DUE THIS APPLICATION is recommended.

Dated 3/8/89, 19 89 C.P.H. Eng Inc  
By \_\_\_\_\_  
ENGINEER

<u>Co#</u>	<u>Object</u>	<u>Account Type</u>	<u>Description</u>	<u>G/L Date</u>	<u>Explanation-Remark</u>	<u>Vendor</u>	<u>Amount</u>
255	2795	Balance Sheet	Prepaid Reimbursements	2/20/2013	SR 434 Widening to Rangeline	CPH Engineers Inc. SR 434 Reloc	\$ 5,000.00
255	2795	Balance Sheet	Prepaid Reimbursements	4/25/2013	DEPOSIT 04/25/13	STATE OF FLORIDA CK # 4625	\$ (5,000.00)
255	6020	Expense	Engineering Fees	1/1/2013	Pond#1 FDEP Permit Fee	CPH Engineers Inc. SR 434 Reloc	\$ 650.00
255	6020	Expense	Prepaid Reimbursements	4/25/2013	DEPOSIT 04/25/13	STATE OF FLORIDA CK # 4625	\$ (650.00)

Sanlando Proforma Plant Additions  
 Estimated Deferred Tax Calculation

Projects	Total Project Cost	Book Depr to Date	Depreciation Life		Full Year Depreciation		Income Tax Rate	Deferred Tax
			Book	Tax	Book	Tax		
380 Wekiva Hunt Club WWTP EQ Tank and Headworks	2,195,225	-	18	25	121,957	87,809	39.5%	(13,488)
354 Wekiva Hunt Club WWTP Electrical Improvements	220,478	-	12	25	18,373	8,819	39.5%	(3,774)
361 Correct I&I Defficiencies in Gravity Mains	915,696	9,229	45	25	20,349	36,628	39.5%	6,430
380 Wekiva Hunt Club Air Header	38,634	-	18	25	2,146	1,545	39.5%	(237)
345 Backhoe	74,241	-	12	25	6,187	2,970	39.5%	(1,271)
Total Pro Forma Plant Additions	<u>\$ 3,444,274</u>							<u>\$ (12,340)</u>