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DIVISION OF ENGINEERING
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Public Service Commission

December 5, 2017

Mr. Martin S. Friedman, Esquire
Friedman & Friedman, P.A.
766 N. Sun Drive, Ste. 4030
Lake Mary, FL 32746
mfriedman@ff-attorneys.com

**STAFF'S FIRST DATA REQUEST
VIA EMAIL & US MAIL**

**Re: 20170166-WS-Application for limited proceeding rate increase in Orange County by
Pluris Wedgefield, Inc.**

Dear Mr. Friedman:

Please provide the additional information requested below regarding Pluris Wedgefield, Inc. (Pluris or Utility) by January 11, 2018.

Pro Forma Projects.

1. Please provide invoices for all pro forma projects completed or partially completed.
2. Please provide an updated spreadsheet showing the cost of all pro forma plant additions by NARUC account number.
3. The Utility's application states that the wastewater main break occurred during debris clearing. Please provide all internal reports and memos describing the incident, including any accident reports.
4. The Utility stated that the wastewater main had been repaired in that section prior to Pluris Wedgefield ownership. Please describe the reasoning used to come to this conclusion and provide any photographs taken documenting this event.

Customer Concerns. As of December 1, 2017, 31 customers have provided written comments in the docket file. At the November 2, 2017 customer meeting, 21 customers spoke with several concerns for the Utility.

1. Several customers raised concerns regarding the safety of the water, including 55 percent of customers who provided written comments and 57 percent of customers who spoke at the customer meeting. Prior to the Utility's pilot study in 2016, Total Trihalomethanes (TTHM) levels had measured above maximum allowable limits.

- a. Please provide all testing from the past five years which shows TTHM levels above the 80 micrograms per liter level.
 - b. On November 1, 2017, Mr. Kuhns stated that the TTHM levels had historically been much lower and that the increase did not correspond to a change in water treatment process at Pluris. Is this correct?
 - c. Please provide the four TTHM tests prior to the first 80 micrograms per liter exceedance, to provide an indication of what signs the Utility may have seen that the TTHMs were approaching unsafe levels.
 - d. Please describe any change in the source water or Pluris's treatment which would explain why the TTHM levels increased from historically safe levels.
2. Several customers raised concerns regarding bleaching of laundry, including 42 percent of customers who provided written comments and 38 percent of customers at the customer meeting. At any time during the past three years, have disinfectant residuals tested above the maximum allowable limit?
 3. Please describe any mechanisms by which water treatment chemicals used by Pluris Wedgefield, directly or through reactions with plumbing or laundry chemicals, may lead to bleaching or spotting of clothing for customers.

Deferred Income Taxes. The Protecting Americans from Tax Hikes (PATH) Act, signed into law on December 18, 2015, provided for the extension of bonus depreciation with the 50 percent bonus depreciation provisions being effective from 2015 through 2017, the 40 percent bonus depreciation for 2018 and the 30 percent bonus depreciation for 2019. In its filing, Pluris did not include the impacts of the 50 percent bonus depreciation on its proposed plant additions.

1. Does Pluris Wedgefield plan to take advantage of the PATH Act and utilize the bonus depreciation provision for water and wastewater utilities?
2. If not, please explain why Pluris Wedgefield does not plan to use the bonus depreciation on its Federal Income tax filings.
3. Please list the plant additions in Pluris Wedgefields' limited proceedings request that qualifies for bonus depreciation under the PATH Act?
4. If any of the plant additions do not qualify for the bonus depreciation provisions, please indicate as such and explain why the additions do not qualify for the bonus depreciation under the tax rules.
5. Please explain whether Pluris considered the increase in credit accumulated deferred income taxes that would be generated from the requested additions to plant based on the impact of the bonus depreciation provisions in effect for 2015 through 2017.

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6. Please provide the amount and calculations to determine the accumulated deferred income tax credits associated with the plant additions requested in Pluris Wedgefield's limited proceeding.

Please contact me by phone at (850) 413-6425 or by email at ahill@psc.state.fl.us, if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Hill", written in a cursive style.

Adam Hill
Engineering Specialist
Division of Engineering
Florida Public Service Commission

AH:tj

cc: Office of Commission Clerk (Docket No. 20170166-WS)