

STATE OF FLORIDA

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DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(850) 413-6900

Public Service Commission

November 5, 1998

Kenneth A. Hoffman, Esquire
Rutledge, Ecenia, Underwood, Purnell & Hoffman, P.A.
215 South Monroe Street
Suite 420
Tallahassee, Florida 32301

Re: Docket No. 980242-SU, Application for a Limited Proceeding for Wastewater Rates by Lindrick Service Corporation in Pasco County (data request)

Dear Ken:

We have received the utility's revised application for the referenced limited proceeding. Staff requests that the utility please respond to the following data request by December 3, 1998:

- On page 3 of the utility's response to the staff audit it is stated that the utility has received financial commitment for the plant improvements from Republic Bank. Provide a copy of the loan agreement.
- The wastewater treatment plant is proposed to be converted to a flow equalizing master pumping station. Who will be responsible for the maintenance of the pumping station?
- For the years 1995, 1996 and 1997, provide a list of the utility's salaried employees, including the operator and their salaries. In addition, provide duties, number of hours spent conducting utility business and their hourly rate of pay.
- For the years 1995, 1996 and 1997, provide the utility's officers salaries. In addition, provide duties, number of hours spent conducting utility business and their hourly rate of pay.

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5. The utility's response to the staff audit provided job code and tasks for engineering services. Job Code E11-WWTP: Evaluation of treatment options, preliminary designs of all systems components, appears to be non-recurring since the decision to interconnect with the city has been made. The number of hours billed for this service is 89.5 hours annually. Have you taken into consideration a reduction in your engineering expense to reflect this non-recurring expense?
6. The utility's response to the staff audit also listed job code E07 for WWTP: Analyze system operation, flows, equipment, air system, biology/chemistry (influent/effluent) vs. compliance with permit parameters, appears to be non-recurring since the decision to interconnect with the city has been made. The number of hours billed for these services is 188 hours. Have you taken into consideration a reduction in your engineering expense to reflect this non-recurring expense?
7. Another job code E13: Meeting attendance, was also included in the utility's audit response. Are any of the billed hours for meetings related to the interconnection with the City of New Port Richey; i.e., meetings with City, DEP, etc.? If so, specify the hours and initials of engineer.
8. Schedule No. 9, page 11 of the revised application, includes contingencies of 10% for estimated construction costs, engineering, permitting and construction management. What is the rationale for using this percentage?
9. Schedule No. 9, page 11 of the revised application, also includes engineering, construction management and permitting costs of \$156,708 for Phase I and \$216,371 for Phase II. Provide a list of the services and providers for the costs listed.
10. Hourly billings for engineering services provided by Borda Engineers, included in the utility's audit response, exhibit 4, shows a 1.75% mark up for engineering services provided to the utility. A mark up of 25% for reimbursables is also listed. Explain why.
11. Provide a breakdown of the hours and billing rates for the \$54,000 from Borda Engineers & Energy Consultants (BEEC) on page 29 of Exhibit D in the original report.
12. Provide a breakdown of the \$25,000 accounting fee and the \$20,000 legal fee included on page 6 in the revised report.
13. Provide a revised Schedule No. 4 using the amounts for operation & maintenance expense as of December 31, 1997.

Mr. Kenneth A. Hoffman, Esquire
Page 3
November 5, 1998

14. Did the utility have to pay any fines to DEP? If so, is the utility requesting recovery of the penalties and/or legal fees? If so, why is it appropriate to include such expenses in the utility rates?
15. Provide a breakdown of the \$30,297 reduction in payroll taxes on page 8 in the revised report.
16. In your application you stated that, after the interconnection, the utility's wastewater treatment plant will be removed from service and that it will be retrofitted at a later date to a master lift station to equalize flows to the City's wastewater treatment facilities. Will all of the plant and land remain in service after the retrofit? If not, do you intend to sell the land and/or plant that is not used and useful?

If you have any questions, please call Paulette Dewberry at (850) 413-6962.

Sincerely,



Ralph R. Jaeger
Senior Attorney

RRJ/PD/tyg

cc: Division of Records and Reporting
Division of Water and Wastewater (Hill, Willis, Rendell, Dewberry, Chu, Monroe)