

COMMISSIONERS:
JULIE I. BROWN, CHAIRMAN
LISA POLAK EDGAR
ART GRAHAM
RONALD A. BRISÉ
JIMMY PATRONIS

STATE OF FLORIDA



DIVISION OF
ACCOUNTING AND FINANCE
ANDREW L. MAUREY
DIRECTOR
(850) 413-6900

Public Service Commission

September 8, 2016

STAFF'S SECOND DATA REQUEST

Mr. Michael Smallridge
3336 Grand Blvd. Suite 102
Holiday, Florida 34690
mike@fus1llc.com

RECEIVED-FPSC
16 SEP -8 PM 4:02
COMMISSION
CLERK

Re: Docket No. 150257-WS Application for a staff-assisted rate case in Marion County, by East Marion Utilities, LLC.

Dear Mr. Smallridge,

Based on staff's evaluation of East Marion Utility, LLC's (East Marion or Utility) invoices and additional information provided, staff has identified several follow-up questions in order to complete our analysis for the staff-assisted rate case. Please submit responses to the following questions by **September 30, 2016**.

1. Please refer to the lease agreement entered into by the parties on July 5, 2015. Commission Order PSC-02-1168-PAA-WS, issued August 26, 2002, in Docket No. 010869-WS, which was the last rate case proceeding that set rates, states that the maximum lease amount should be the annual rate of return times the original cost of the land when placed in service. For rate setting purposes, the utility was allowed an annual rent amount of \$405 for water and \$582 for wastewater.
 - a. Please provide details and support documentation on the cost of the lease payments.
 - b. Please explain why the utility is not paying land lease amount established in Commission Order PSC-02-1168-PAA-WS.
 - c. The difference in land lease payments in 2015, \$7,491, and what has been approved by the Commission, \$987, is \$6,504. Please explain why customers should be responsible for this additional cost.

2. Please provide a detailed description regarding the need for the planned replacement of the hydro-pneumatic tank and flow meter.
3. Please state whether or not the Utility obtained additional quotes for the above system components, other than from Aqua Pure? If so, please provide the quotes and the names of the companies from which they were obtained.
4. Please provide an estimated date for when the current tank was installed.

Please file all responses electronically no later than **September 30, 2016**, at the Commission's website at www.floridapsc.com, by selecting the Clerk's Office tab and Electronic Filing Web Form. Should you have any questions please feel free to call me at (850) 413-6453 or email me at mvogel@psc.state.fl.us.

Sincerely,



Matthew A. Vogel

cc: Division of Commission Clerk (Docket No. 150257-WS)