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STATE OF FLORIDA



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

# Public Service Commission

January 29, 2020

D. Bruce May, Jr.  
Holland & Knight LLP  
315 South Calhoun Street, Suite 600  
Tallahassee, FL 32301

**Re: Docket No. 20190118-WU- Application for increase in water rates in Gulf County by Lighthouse Utilities Company, Inc.**

Dear Mr. May:

By this letter, the Commission staff requests that Lighthouse Utilities Company, Inc. (Lighthouse or Utility) provide responses to the following data requests.

1. Please provide the most recent actual and estimated rate case expense, in addition to detailed explanations, calculations, and support documentation to justify estimated expense to complete this rate case.
2. Please refer to the Utility's third response to Staff's Second Data Request, No. 1. Provide an itemized list of expenses charged by Roberson & Associates, P.A. in regards to invoice PSJ20-0004, dated 12/31/2019.
3. Please refer to the Utility's response to Staff's First Data Request, No. 4. The Utility provided checks to J V Gander Distributors. According to the Utility's general ledger, the Utility expensed approximately \$1,150 monthly to J V Gander Distributors during the test year. The Utility also expensed approximately \$200 monthly to Gulf Coast Real Estate Group during the test year. Please explain what these expenses are and provide all support documentation.
4. In response to Audit Finding No. 1, the Utility provided an attachment, "Audit Response Schedule 1," which contained additional invoices, totaling \$165,385, it located to support plant additions removed from Account No. 333 – Services. For every invoice, please specify the line items that make up the \$118,555 of plant additions listed under the column "Variance Identified" in the Utility's chart.
5. Please refer to Staff's Audit Finding No. 1. Staff's audit did not reclassify the amortization expense for the permit renewals because the permits are in the process of

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- being renewed. Please provide the, actual and projected total cost of the permit renewals and all support documentation.
6. The Utility indicated in response to the audit and staff's data requests that it shares office space with a related party, Gulf Coast Real Estate Group. Are any other aspects of the office operations shared, such as computers, other office equipment, office supplies, contractual labor, etc.?
  7. Please refer to the Utility's response to Staff's First Data Request, Nos. 7 and 8.
    - a. Please provide the qualifications of the directors.
    - b. Please provide any documentation of the director's meetings, such as minutes, notices, etc.
    - c. Please provide a breakdown of the president's time between the Utility and his other business, or businesses?
  8. Please refer to the Utility's response to Staff's First Data Request, No. 16c. As the Utility has not received the Florida State Revolving Fund, how is the Utility planning to fund the pro forma plant projects?
  9. Please refer to MFR Schedule B-9. The Utility has \$3,750 in expenses paid to Rish, Gibson, & Sholz for "cellular tower lease review."
    - a. Please explain what this expense is and provide all support documentation.
    - b. Is the provider a related party?
    - c. If so, specify the relationship of Lighthouse to the party.
  10. Please refer to MFR Schedule B-9, specifically contractual services – accounting.
    - a. Please provide all support documentation for expenses related to SDEJEE LLC.
    - b. Please explain which services each accounting firm provides for the Utility.
    - c. The description of work performed by Roberson & Associates includes tax returns. Whose tax returns did Roberson & Associates work on?
  11. According to the Utility's general ledger, there was monthly contractual services expense to Verizon Wireless, Fair Point Communications, Consolidated Communications, and Gulf Coast Real Estate Group for telephone services.
    - a. Please explain the expense to Gulf Coast Real Estate Group.
    - b. Are any of these expenses for the office?

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- c. If yes, should they be split with Gulf Coast Real Estate Group? If not, please explain why.
  - d. Identify each individual is on the cellphone plan?
  - e. Please provide all support documentation.
12. Please refer to Staff's Audit Finding No. 5. Audit staff increased miscellaneous expense by \$595, most of which was for a \$500 check to DEP related to the consent order. Was this expense a penalty from the consent order? If not, please explain the nature of this expense.

Please provide responses to the above requests for data no later than February 12, 2020. If you have any questions, please contact me by phone at (850) 413-6510 or by email at [dandrews@psc.state.fl.us](mailto:dandrews@psc.state.fl.us).

Sincerely,



Dylan Andrews  
Public Utilities Analyst II

cc: Division of Accounting and Finance (Bulecza-Banks, Fletcher, Norris, Thurmond)  
Division of Economics (Bruce, Draper, Hudson)  
Division of Engineering (Graves, King, Knoblauch, Salvador)  
Office of the General Counsel (J. Crawford, Simmons)  
Office of Commission Clerk (Docket No. 20190118-WU)  
Office of the Public Counsel