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# Public Service Commission

June 30, 2011

Norman H. Horton, Jr.  
Messer, Caparello & Self, P.A.  
Post Office Box 15579  
Tallahassee, FL 32317

## STAFF'S SEVENTH DATA REQUEST

**Re: Docket No. 100128-WU - Application for increase in water rates in Gulf County by Lighthouse Utilities Company, Inc.**

Dear Mr. Horton:

Staff needs the following information to complete its review of the application filed by Lighthouse Utilities Company (Lighthouse or Utility). All questions in this data request pertain to information contained in: 1) the Utility's back billing that appears in its MFRs; 2) the Excel spreadsheet titled "LUC 2010 Customer Detail with Adjustments.xls" provided to Staff on June 14<sup>th</sup>, 2011; 3) the Utility's responses to Staff's Sixth Data Request; and 4) Patricia Merchant's letter from OPC to Staff dated June 23, 2011.

1. In response to Question 1 of Staff's Sixth Data Request, the Utility stated in part that, "When we find no usage is billed for an extended period of time we acquire the mechanical reading and reconcile that reading with the transmitted reading."
  - (a) When there is no usage billed for an extended period of time, how many months does the Utility consider "an extended period of time" before a mechanical reading is obtained and reconciled with a transmitted reading?
  - (b) If the response to (a) above is greater than 12 months, based on the language contained in Rule 25-30.340, Florida Administrative Code, did the Utility realize it would suffer lost revenues?
  - (c) If the response to (b) above is affirmative, why did the Utility wait for periods of greater than 12 months to check customers' meters?
  - (d) If the response to (b) above is not affirmative, was the Utility unaware of Rule 25-30.340, F.A.C.?
  - (e) Has the Utility taken steps to implement checks of "drive by" meter readings versus mechanical meter readings on a regular basis?

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- (f) Have all of the Utility's billing problems involving meter reading been rectified?
  - (g) If the response to (f) above is negative, please state any billing problem(s) involving meter reading that still exists, and provide an explanation of why the(those) problem(s) still exist.
2. In response to Question 2 of Staff's Sixth Data Request, the Utility stated in part that, "The manufacturer replaced all of our meters. Not all of our meters quit transmitting but were replaced as a preventative measure."
- a) How many of the Utility's "drive by" meters were malfunctioning? Please provide this information both in terms of the number of malfunctioning "drive by" meters and the percentage of those malfunctioning meters to total "drive by" meters.
  - b) Did the manufacturer of the "drive by" meters replace all of the meters referenced in (a) above at no charge to the Utility?
  - c) If the response to (b) above is negative, what did the manufacturer charge the Utility for replacing all of the meters?
  - d) Did the Utility seek compensation from the manufacturer because of the faulty meters?
  - (e) If the response to (d) above is positive, please provide any and all correspondence related to the Utility's request.
  - (f) If the response to (d) is positive, please state the dollar amount of compensation received from the manufacturer.
  - (g) If the response to (d) above is negative, please explain why the Utility did not seek compensation from the manufacturer.
  - (h) Has the Utility incurred any costs associated with replacing any of the faulty meters?
  - (i) If the response to (h) above is positive, please state the costs incurred by the Utility, and when these costs were incurred.
3. During the informal meeting held between the Utility, OPC and Staff on June 9<sup>th</sup>, 2011, Staff asked the Utility to provide customer-specific back billing details affecting the test year. On June 14<sup>th</sup>, 2011, the Utility provided the Excel spreadsheet titled "LUC 2010 Customer Detail with Adjustments.xls" in response to that request. The following questions pertain to that Excel spreadsheet.

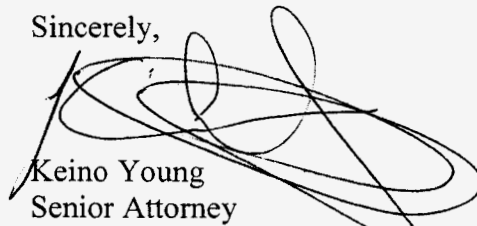
- (a) Specifically, for each of the 28 customer accounts listed in the tab titled "Back Billed by Month," please identify the following:
- What circumstance(s) led to the necessity to back bill?
  - What circumstance(s) led to the discovery of the billing errors?
  - For each customer that was back billed, has the Utility resolved the problem(s) that led to the need to back bill that customer? To the extent back billing problems have been resolved, please indicate the specific remedy(ies) (i.e., new meter, discovery of unbilled usage, discovery of unauthorized usage, etc.) and the cost to implement the remedy(ies) for each customer.

4. In regards to the letter from Patricia Merchant of OPC dated June 23, 2011, please provide reconciliations of the following:

<b>Utility Excel Files in Response to Data Requests</b>	<b>Adjustment</b>	<b>Residential</b>	<b>All Other</b>
Received May 26 <sup>th</sup> , 2011, p. 20 of pdf	\$41,090	\$7,479	\$33,611
Versus			
Received May 26 <sup>th</sup> , 2011, p. 24 of pdf	\$40,948	\$22,394	\$18,554
<b>Difference:</b>			
<b>Explanation:</b>			

Please submit the above information to the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850, by July 7, 2011. Please feel free to call me at (850) 413-6226 or email me at [kyoung@psc.state.fl.us](mailto:kyoung@psc.state.fl.us) if you have any questions.

Sincerely,



Keino Young  
Senior Attorney  
Office of the General Counsel

KY/sh

cc: Division of Economic Regulation (Maurey, Fletcher, Brown, Lingo, Rieger, Thompson)  
Office of Commission Clerk (Docket No. 100128-WU)  
Office of Public Counsel