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

Public Service Commission

February 17, 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. In response to Staff's Third Data Request, No. 2, Lighthouse provided an itemized list of expenses charged by Roberson & Associates, P.A. in regards to invoice PSJ20-0004, dated 12/31/2019. Using this list, please identify all expenses charged by Roberson & Associates, P.A. between August 8, 2019, (date of initial MFR deficiency notice) and November 4, 2019, (date that MFRs were satisfied) that pertain specifically to MFR deficiencies.
2. In the Utility's response to Audit Finding 2, the Utility referenced an early retirement of a booster station. Was there any salvage value or cost of removal associated with this asset? If so, what were these amounts?
3. Please refer to Lighthouse's response to Staff's Third Data Request, No. 8.
 - a. Please provide all documentation associated with the loans secured from the Utility's shareholders.
 - b. Are the loans secured from the Utility's shareholders sufficient to cover all costs associated with the proposed pro forma projects?
 - c. If not, how is the Utility going to fund all the proposed pro forma projects?

4. In response to Staff's Third Data Request, No. 9 the Utility stated that the \$3,750 in expenses for "cellular tower lease review," is a monthly retainer paid to a law firm. Is the retainer associated with the "cellular tower lease review?" If so, please explain how this relates to the Utility's operations.
5. According to the Utility's general ledger, there was a monthly purchased power expense to Duke Energy for "Total ofc electric." Was this expense for electricity for the shared office? If so, please explain why this expense should not be allocated with the other business in the office?
6. In the Utility's last rate case, James McArdle was contracted as the operator of the Utility for \$10,400 annually. Presently, he is salaried by the Utility as the operator for \$57,696 annually. Please explain the Utility's justification for creating the salaried-position.
7. The following items relate to the employee positions of Thomas Dixon, Maintenance Tech/Meter Reader, and Matthew Pope, Assistant to Maintenance Tech/Meter Reader, Operator, and President.
 - a. Please provide the hourly rate for each position.
 - b. Not including overtime related to Hurricane Michael, Mr. Pope's salaries and wages expense exceed Mr. Dixon's by nearly \$7,000, despite being considered an Assistant. Please explain the difference in salary levels.
8. Please provide justification for not allocating the expense for the President's health insurance, given that he splits his time with another business.
9. Please refer to Lighthouse's response to Staff's First Data Request, No. 18c:
 - a. Have plans and/or permit applications for the treatment option to address the disinfection byproducts exceedances been submitted to the Florida Department of Environmental Protection (DEP)? If so, when were the plans/permit applications submitted to DEP?
 - b. If not, when does the Utility anticipate that the plans and/or permit applications will be submitted to the DEP?
10. Please refer to Lighthouse's response to Staff's Second Data Request, No. 11. Is the Utility still on track for funding to be secured in the first quarter of 2020 with construction beginning shortly thereafter? If not, when does the Utility anticipate funding will be secured and construction will begin?

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11. Please refer to Lighthouse's response to Staff's Second Data Request, No. 12, and Lighthouse's response to Staff's First Data Request, No. 16a, Attachment 11.
 - a. Is the Utility still anticipating that substantial portions of the improvement project will be completed and in service by December 31, 2020?
 - b. If so, please identify which improvements listed on Attachment 11 will have been completed by December 31, 2020.
 - c. When does the Utility anticipate the remaining improvements will be completed?
12. In reference to the Lighthouse customer meeting held on January 23, 2020, please list any follow up action taken by the Utility to address the comments made by each customer who spoke at the meeting.
13. Did Lighthouse have any insurance coverage at the time of Hurricane Michael?
 - a. If so, please provide the amount of insurance proceeds received to date to cover damages from Hurricane Michael and all support documentation, including insurance claims.
 - b. If not, please explain why the Utility did not have insurance coverage.

Please provide responses to the above requests for data no later than February 26, 2020. If you have any questions, please contact me by phone at (850) 413-6510 or by email at dandrews@psc.state.fl.us.

Sincerely,



Dylan Andrews
Public Utilities Analyst II

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