

COMMISSIONERS:  
ANDREW GILES FAY, CHAIRMAN  
ART GRAHAM  
GARY F. CLARK  
MIKE LA ROSA  
GABRIELLA PASSIDOMO

STATE OF FLORIDA



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

# Public Service Commission

December 4, 2023

Mr. Michael Smallridge  
Pinecrest Utilities, LLC  
5911 Trouble Creek Road  
New Port Richey, FL 34652-5128  
mike@fus1llc.com

## STAFF'S FOURTH DATA REQUEST VIA EMAIL

**Re: Docket No. 20230071-WU – Application for staff-assisted rate case in Polk County by Pinecrest Utilities, LLC.**

Dear Mr. Smallridge:

Staff requires additional information to ensure accurate accounting of Pinecrest Utility, LLC's (Pinecrest or Utility) staff-assisted rate case.

1. Please provide an explanation for the Utility's zero property tax liability.
2. Please provide an explanation for the Utility's higher than average bad debt expense recorded in its 2021 Annual Report.
3. Please explain how the Utility plans to fund its requested pro forma projects. If the Utility intends to fund these projects with debt, please provide a copy of the loan agreement.
4. Please reference the Utility's response to the Staff Audit Report, Audit Finding 3. The Utility stated replacing the control box was an "incidental recurring maintenance item that does not increase the life of the pumping equipment that it controls."
  - a. How often is the "recurring maintenance" that requires the Utility to replace the control box?
  - b. The NARUC Uniform System of Accounts for Class C Water Utilities has a cost limit of \$150 for capitalization. The Utility recorded the cost to replace the control box of \$1,093. Please explain why the Utility believes this cost should be expensed and not capitalized per NARUC standards?
5. Please describe the process the Utility intends to use to replace/retrofit residential meters. As part of this response, please identify the period that meter replacements/retrofits will take place, how often the Utility intends to replace/retrofit the meters, and when the Utility anticipates meter replacements/retrofits will be complete.

Mr. Michael Smallridge

Page 2

December 4, 2023

6. Please provide the original cost data, if available, for each of the following:
  - a. Current residential meters.
  - b. Failed flow meter.
  - c. Current lawn mower.
7. Please indicate whether or not the new lawn mower will only be used for Pinecrest. If not, please provide a cost allocation schedule for the facilities it will be used for.
8. Please describe the methodology used to determine the flushing values provided in the Utility's 2022 Annual Report. If flushing is unmetered, please explain how these values were calculated.

Please file response to Staff's Fourth Data Request with the Office of the Commission Clerk no later than **December 22, 2023**. Please include the docket number (20230071-WU) on all filings with the Commission Clerk.

If you have any questions regarding items 1 through 4 above, please contact Christopher Richards at 850-413-6742, or email [crichard@psc.state.fl.us](mailto:crichard@psc.state.fl.us). If you have any questions regarding items 5 through 8, please contact Takira Thompson at 850-413-6592, or email [tthomps@psc.state.fl.us](mailto:tthomps@psc.state.fl.us).

Sincerely,

*/s/ Christopher R. Richards*

Christopher R. Richards  
Public Utility Analyst III

cc: Office of the Commission Clerk (Docket No. 20230071-WU)