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STATE OF FLORIDA



DIVISION OF ENGINEERING  
TOM BALLINGER  
DIRECTOR  
(850) 413-6910

# Public Service Commission

April 30, 2024

Martin S. Friedman, Esq.  
420 South Orange Ave., Suite 700  
Orlando, FL 32801  
[mfriedman@deanmead.com](mailto:mfriedman@deanmead.com)

**STAFF'S SECOND DATA REQUEST  
VIA EMAIL**

**Re: Docket No. 20240023-WS - Application for certificates to provide water and wastewater service and approval of initial rates and charges in Lake County, by North Lake County Water & Sewer Company LLC.**

Dear Mr. Friedman:

By this letter, the Florida Public Service Commission (Commission) staff requests that North Lake Water & Sewer Company LLC (North Lake or Utility) provide responses to the following data requests:

1. In Exhibit III-A of its application, the Utility stated that it anticipates a total of 547 equivalent residential connections (ERCs), which includes 535 ERCs (residential service) and 12 ERCs (general service). However, staff's analysis of the ERCs shown on Schedule 1A Support, page 1 of 3 indicates that the total ERCs are 569. Schedule 7, page 3 of 3, indicates that at the 80 percent capacity level there is 428 ERCs (residential) and 32 ERCs (general). Schedule 7 Support, page 3 of 3 also provided 535 ERCs (residential) and 32 ERCs (general) at the 100 percent capacity.
  - a. Please provide the correct number of total ERCs, separated by class and meter size, at the 80 percent and 100 percent capacity levels.
  - b. Please explain how the Utility calculated the average daily flow for the proposed potable water supply of 154,500 gallons (page 1 of Exhibit III-A).
2. Please provide the bid estimates for the Utility's proposed water treatment plant and wastewater treatment plant.
3. Please explain what comprises the Utility's total structures and improvements accounts for the proposed water treatment plant (\$2,117,138) and the wastewater treatment plant (\$2,251,513).
4. Please provide the number of fire hydrants and the bid estimate for the fire hydrants (\$213,500) along with the fire hydrant's type and size.

5. Please provide the number of manholes and the manhole bid estimate (\$1,087,500) for the wastewater plant.
6. Please refer to the tab titled "Wtr-Swr CapX" in the Excel file provided by the Utility. Please indicate the NARUC account for each of the proposed costs listed on this page.
7. Schedule 5, Cost Justification for Meter Installation Fees, indicates that the builder is installing the meters. However, based on the accounting schedules, it does not appear that the meters are included in plant or Contributions in Aid of Construction (CIAC).
  - a. Please explain why the meters were not reflected in either of these accounts and where they are accounted for.
  - b. Please provide the calculation of CIAC and accumulated amortization of CIAC for meters, please include the calculations in an excel file with all cells intact.
8. Based on the billing determinants provided in the schedule, staff calculated an average consumption of 9,125 gallons a month, which is considered to be a high average consumption per month. Please provide the data supporting the utility's residential average consumption per month.
9. Shown on Schedule No. 7, the Utility indicated an average general service bill of \$992, which is considered to be a very high bill. Please provide data supporting the Utility's general service average consumption per month.
10. Please explain in detail the demographics of the proposed service territory.
11. It is Commission practice to recover no more than 40 percent of the water revenues through the base facility charge (BFC) with the exception of a seasonal customer base. Based on staff's calculation, the utility's proposed BFC cost recovery is 50 percent for water.
  - a. Please indicate if the Utility is anticipating a seasonal customer base.
  - b. If the Utility is not anticipating a seasonal customer base, please explain the methodology for the Utility's proposed allocation and the appropriateness for this case.
12. Please provide the work papers in support of the Utility's proposed 10,000 gallon wastewater cap.
13. The Commission sets initial residential customer deposits based on two times the average residential consumption for the 5/8" x 3/4" meter size and two times the estimated bill for all general service meter sizes. Based on the above sentence, staff determined a residential customer deposit of \$352. As shown on Schedule 8, the Utility proposed a customer deposit of \$450. The Utility also proposed a \$5,700 customer deposit for general service. Therefore, the Utility's proposed customer deposit appears to be overstated based on the Utility's average consumption.

- a. Please establish the appropriate dollar amount of customer deposits per service (residential and general service) for the water and wastewater systems.
  - b. Please explain the Utility's methodology for determining the initial customer deposits for residential and general service, and if different from the Commission methodology, please explain why.
14. In its application, Schedule Nos. 4A and 4B indicates a plant capacity charge of \$2,000 for water and \$3,000 for wastewater. However, the Utility did not propose a main extension charge for water and wastewater. Please explain why the utility did not propose a main extension charge?
15. The following questions are related to the cost justification of miscellaneous service charges on Schedule 6.
  - a. The Utility's proposed miscellaneous service charges should be consistent with amended Rule 25-30.460, F.A.C. The Utility proposed a premise visit charge, violation disconnection charge, and a violation reconnection charge of \$75 each during regular business hours. The Utility also proposed a violation reconnection charge of \$100 after hours. Please provide cost justification to account for the field labor and the time it takes to perform the tasks involved for a violation reconnection and a premise visit during regular business hours and after hours.
  - b. The Utility proposed a tampered lock fee of \$20. Pursuant to Rule 25-30.320(2)(i), Florida Administrative Code, a customer's service may be discontinued in the event of tampering with the meter or other facilities furnished or owned by the utility. Pursuant to Rule 25-30.345, F.A.C., a utility may charge a reasonable fee to defray the cost of restoring service that was discontinued for proper cause, as specified in Rule 25-30.320, F.A.C. The investigation of meter tampering is based on the costs associated with investigating an incident.
    - i. Please provide the appropriate cost justification for an investigation of meter tampering charge.
    - ii. Please provide what evidence the Utility has to support the need for a meter tampering charge.
    - iii. Does the Utility anticipate providing a replacement lock? If so, please provide cost justification for a replacement lock.
  - c. North Lake proposed a water meter re-read charge of \$95. This cost is required by a third party vendor contracted for billing. Please provide all occurrences in which the Utility would impose this charge to customer.
  - d. The Utility proposed a first and second late fee charge. Please provide in detail why the Utility believes it is necessary to implement two late payment charges for its delinquent customers. Please explain how and when the second late payment charge will be implemented.

- e. The Utility proposed a return charge of \$30 for an electronic item. Please explain in detail the nature of this charge and why it should be implemented. Furthermore, please provide cost justification for the charge.
16. Please provide the documentation supporting the millage rates used to calculate property taxes on Schedule Nos. 3A and 3B.
17. The Utility included Account Nos. 307, 309, 320, 331, and 335 in its calculation of water property tax, why was Account No. 304 not included in the calculation of property tax?
18. The Utility included Account Nos. 360, 361, 371, and 380 in its calculation of wastewater property tax, why were Account Nos. 354 and 382 not included in the calculation of property tax?
19. According to the 'Wtr-Swr CapX' tab in the Excel file provided by the Utility in response to staff's first data request, Lift Stations are listed as a contributed item. However, lift stations are not included on Schedule 1B Support in the calculation of CIAC and accumulated amortization of CIAC.
  - a. Should lift stations be included in CIAC?
  - b. If so, please provide the calculation of CIAC and accumulated amortization of CIAC of the lift stations, please include the calculations in an excel file with all cells intact.
20. In response to staff's first data request, the Utility stated estimated contractual services – plant operations expense was based on the operation costs of comparable utilities. Please provide the utilities used for comparison as well as the associated breakdown of services provided and costs of each utility that was analyzed. Additionally, please detail what makes these utilities comparable to North Lake.
21. In response to staff's first data request, the Utility stated contractual services – engineering expense and contractual services - accounting expense was based on a conservative estimate of \$2,500. How did the Utility determine the estimates? If a comparison to other utilities was made please provide the utilities used for comparison as well as the associated breakdown of services provided and costs of each utility that was analyzed. Additionally, please detail what makes these utilities comparable to North Lake.

Mr. Martin S. Friedman

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Please file all responses no later than **Tuesday, May 14, 2024**, via the Commission's website at [www.floridapsc.com](http://www.floridapsc.com), by selecting the Clerk's Office tab and Electronic Filing Web Form (reference Docket No. 20240023-WS). Please contact me by phone at (850) 413-6974 or by email [aramirez@psc.state.fl.us](mailto:aramirez@psc.state.fl.us), if you have any questions.

Sincerely,

*s/Ailynee Ramirez-Abundez*

Ailynee Ramirez-Abundez  
Public Utility Analyst  
Division of Engineering

ARA:da

cc: Office of Commission Clerk (Docket No. 20240023-WS)