

STATE OF FLORIDA



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# Public Service Commission

May 5, 2016

Silver Lake Utilities, Inc.  
Mr. Chris Shoemaker  
106 S.W. County Road 721  
Okeechobee, FL 34974-8613  
[Chris.Shoemaker@LykesRanch.com](mailto:Chris.Shoemaker@LykesRanch.com)

**STAFF'S SECOND DATA REQUEST  
VIA EMAIL AND U.S. MAIL**

**RE: Docket No. 150149-WS - Application for staff-assisted rate case in Glades and Highlands Counties by Silver Lake Utilities, Inc.**

Dear Mr. Shoemaker:

Based on a letter from the Office of Public Council placed in the docket file on April 11, 2016, staff requests that Silver Lake provide responses to the following data requests.

1. System Design: The Utility operates 26 water systems for 66 customers. Please provide an explanation why the Utility is not pursuing the interconnection of the water systems in order to take advantage of economies of scale.
2. Please refer to the 2009 purchase of five treatment plants:
  - a. Please provide an explanation of why these were not included in the original 2007 purchase.
  - b. Please describe how many customers these new plants served at the time of the purchase.
  - c. Please explain whether any of the 2009 systems added were purchased to serve the proposed Muse development.
  - d. What were the in-service dates for the Brighton Ranch and Brighton Grove plants?
  - e. Were the recorded costs of these plants the original cost or the purchase price?
  - f. Please provide the asset costs for the Brighton Ranch and Brighton Grove treatment plants.
3. General System Information: Please describe what major changes have occurred in the Utility's operations and customer base from 2007 to present.

Mr. Shoemaker

Page 2

May 5, 2016

4. Original Costs: Please refer to Audit Finding 1 (Utility Plant in Service). Please provide original cost amounts for the Brighton Ranch, Brighton Grove, Lake Placid, and Dinner Lake water treatment plants, along with their age and accumulated depreciation at the time of acquisition.
5. December 3, 2007, lease agreement:
  - a. Please explain why a royalty per thousand gallons pumped is reasonable, and how the royalty figure was determined.
  - b. Please provide details on the cost of the lease payments for each well site. Is the lease payment price derived from the land price for each well? If so, please provide supporting documentation. If not, please explain how the lease payments are determined and why they are reasonable.
6. Account 301 (Organization): Please explain why organization costs included for wastewater, bulk water, and bulk treated water should be allowed when these plants were never developed. Please provide supporting documentation determining the amount of organization costs that were allocated to these plants.
7. Contractual Services – Management and Contractual Services – Other: This category currently accounts for \$79,354, or 50.4 percent of operation and maintenance expense. Please explain why Contractual Services – Management and Contractual Services – Other expenses are warranted for a Utility currently serving under 100 customers. Why should these amounts be approved for such a small customer base?

Please file the responses by **May 27, 2016**. You may file the responses electronically on the Commission's website at [www.floridapsc.com](http://www.floridapsc.com), by selecting the Clerk's Office tab and Electronic Filing Web Form or by mailing the responses to the Office of Commission Clerk, 2540 Shumard Oak Blvd., Tallahassee, FL 32399-0850.

Should you have any questions, please do not hesitate to contact me by telephone at (850) 413-6425 or by email at [ahill@psc.state.fl.us](mailto:ahill@psc.state.fl.us).

Sincerely,



Adam Hill  
Engineering Specialist II  
Bureau of Reliability and Resource Planning  
Division of Engineering

ARH:pz

cc: Office of Commission Clerk (Docket No. 150149-WS)