

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: September 12, 2018

TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk

FROM: Todd M. Brown, Public Utilities Supervisor, Division of Accounting & Finance 

RE: Docket No. 20180022-WU – Application for staff-assisted rate case in Lake County by Pine Harbour Waterworks, Inc.

Please place the attached documents in the above-referenced docket. The documents were provided to Commission staff via email on August 31, 2018 in response to a data request.

Thank you.

Attachment

RECEIVED-FPSC
2018 SEP 12 PM 4:24
COMMISSION
CLERK

Todd Brown

From: Troy Rendell <trendell@uswatercorp.net>
Sent: Friday, August 31, 2018 9:19 AM
To: Martha Golden
Cc: Todd Brown; Kordell Wilson
Subject: RE: Docket No. 20180022-WU - Pine Harbour - Request for Additional Information
Attachments: Pine Harbour - 2018 Legal Expenses.pdf

Good morning,

See the answers below:

- 1) Yes. There was an additional expense in July. I've attached all legal expenses in 2018 for review. Part of these expenses include the Corporate Annual Report that is required annually by the Department of State – Division of Corporations.
- 2) No. Through July 2018 there has been no Bad Debt Expense recorded
- 3) In October 2017, the future 1,000 ERCs were removed from the Administrative portion of the contract since it is unlikely that these will be reached in the immediate future. Also, actual expenses were utilized for the Administrative Vehicle Fuel and Maintenance – consistent with recent Commission decisions. It should be noted that a fully comprehensive audit of actual costs for all contracts for all of the investor owned utilities was recently conducted. We anticipate revising all contracts in the very near future – (estimate within the next month). Based on this review and analysis – Pine Harbour is still receiving a subsidy of around \$372 annually. The revised contract for Pine Harbour will be going up slightly. Also, this anticipated increase includes adding back the 1,000 future ERCs due to the financial impact on the regulated IOUs. It was also discovered that in the previous original contract for Pine Harbour there was not enough employee staff (FTEs) included for the actual work being performed in that region.
- 4) I have instructed the maintenance manager to go ahead and schedule the replacement due to the current condition of the fence. I do not have an anticipated replacement date – but anticipate it being completed within the next few months, if not sooner.
- 5) No retirement amount has been contemplated. However, in the transfer order – Order No. PSC-2017-0043-PAA-WU, the total amount of plant in Account 304 – Structure and Improvements was \$2,869. Since this was in existence at the time of the acquisition it is unknown what constitutes this amount. However, it is believed to include the small chemical shed and fence. If the normal 75% is utilized this will retire almost the entire amount that was approved in the transfer Order.
- 6) No. However, this may have been previously included in either Account 304 or Account 330 by the previous owner since they were installed on the outside of the ground storage tank and water treatment plant. These were three outdoor flood lights and an indoor timer for the electrical supply.
- 7) This was a portion of the screen and lattice on around the top of the ground storage tank where the aeration is located. It is believed that this was part of the storage tank previously recorded in Account 330 by the previous owner.
- 8) It is not anticipated to request any additional pro forma plant for Pine Harbour.

Thank you.

From: Martha Golden [mailto:MGolden@PSC.STATE.FL.US]
Sent: Thursday, August 30, 2018 5:58 PM
To: 'Troy Rendell'
Cc: Todd Brown; Kordell Wilson
Subject: Docket No. 20180022-WU - Pine Harbour - Request for Additional Information

Hello Mr. Rendell,

As follow-up to the voice message I left for you, please provide the following additional information to assist Commission staff with completing the Pine Harbour Waterworks, Inc. (Pine Harbour or Utility) SARC revenue requirement.

1. Has Pine Harbour incurred any expenses for legal services from 3/17/18 to the present? If yes, please provide a copy of the invoices and proof of payment.
2. Has Pine Harbour recorded any bad debt expense for 2018? If yes, please provide documentation for those expenses.
3. What subsidies were minimized in the revised October 1, 2017 Operation and Maintenance Agreement?
4. When does Pine Harbour estimate the water treatment plant fence replacement project will be completed?
5. Has Pine Harbour determined a retirement value for the existing four foot high water treatment plant fence that will be replaced with a higher six foot fence? If yes, please provide documentation for the estimated retirement value and indicate if the retirement is based on original cost or a 75 percent retirement value. If a 75 percent retirement value will be used, please provide an estimated retirement value based on an estimated project cost to replace the four foot fence with a similar four foot fence if possible.
6. Has Pine Harbour determined a retirement value for the water treatment plant light and timer replacements? If yes, please provide documentation for the estimated retirement value and indicate if the retirement is based on original cost or a 75 percent retirement value.
7. If the storage tank screen repair project included the replacement of any plant items, please provide the retirement value for the replaced items and indicate if the retirement is based on original cost or a 75 percent retirement value.
8. Is Pine Harbour planning to request consideration of any other pro forma repairs or replacements in this SARC? If yes, please provide the invoices or quotes, and indicate when the projects either were or will be completed.

Thank you for your assistance with this information. Please feel free to call me at (850) 413-7015 if you have any questions or want to discuss the requested information.

Martha

HILL WARD HENDERSON
ATTORNEYS AT LAW

Page:1
Invoice# 10534738
July 10, 2018
016537.000001-RRH

Pine Harbour Waterworks, Inc.
Attention: Edward Mitchell
4939 Cross Bayou Blvd.
New Port Richey, FL 34652

Re: Corporate Representation

For professional services rendered through June 30, 2018

Attorney Time Detail

Date	Tkr	Narrative	Rate	Hours	Amount
06/07/18	RR	Exchange emails with T. Rendell re: status of shareholder and corporate documents; Compile and prepare all documents for signatures and email to T. Rendell; Electronic file management.	165.00	0.20	\$33.00
06/18/18	RR	Attention to emails from T. Rendell; Review and compile fully executed shareholder documents received from client; Follow up email to T. Rendell re: missing signatures; Update digital minute book as well as client file.	165.00	0.30	\$49.50

Entered: [Signature]
COA Code: 633
Approved: [Signature] 7-18-18
Paid: _____
Date: _____

Total Fees Billed: \$82.50

BILL SUMMARY:

Total Fees Billed: \$82.50
Total Bill Amount Due: \$82.50

HILL WARD HENDERSON
ATTORNEYS AT LAW

Page:1
Invoice# 10526875
March 16, 2018
016537.000001-RRH

Pine Harbour Waterworks, Inc.
Attention: Edward Mitchell
4939 Cross Bayou Blvd.
New Port Richey, FL 34652

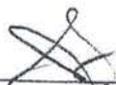
Re: Corporate Representation

For professional services rendered through February 28, 2018

Annual corporate maintenance fee for PINE HARBOUR WATERWORKS, INC., including review of prior years' minutes, client file, and organization status with the Florida Secretary of State; Prepared shareholder annual minutes, and director annual minutes in lieu of annual meetings; Electronic file management of same.

300.00

Total Fees Billed: \$300.00

Entered: 
COA Code: 633
Approved:  3-22-18
Paid: _____
Date: _____

HILL WARD HENDERSON
ATTORNEYS AT LAW

Page:1
Invoice# 10526875
March 16, 2018
016537.000001-RRH

Entered: [Signature]
COA Code: 633
Approved: e 3-22-18
Paid: _____
Date: _____

Pine Harbour Waterworks, Inc.
Attention: Edward Mitchell
4939 Cross Bayou Blvd.
New Port Richey, FL 34652

Re: Corporate Representation

For professional services rendered through February 28, 2018

Attorney Time Detail

Date	Tkr	Narrative	Rate	Hours	Amount
02/26/18	RR	Review entity information re: Pine Harbour Waterworks, Inc.; Correspondence with T. Rendell re: filing of annual report.	165.00	0.20	\$33.00
02/27/18	RR	Electronically file 2018 annual report with the Florida Secretary of State re: Pine Harbour Waterworks, Inc.	165.00	0.30	\$49.50
02/28/18	RR	Attention to filed 2018 annual report re: Pine Harbour Waterworks, Inc.; Correspondence to client providing copy of filed report; Attention to payment of filing fee; Electronic file management.	165.00	0.20	\$33.00
Total Fees Billed:					\$115.50

Summarized Disbursements

Narrative	Amount
Filing Fees	\$150.00
Total Disbursements:	\$150.00

BILL SUMMARY:

Total Fees Billed:	\$115.50
Total Disbursements:	\$150.00
Total Bill Amount Due:	\$265.50