

Dean, Mead, Egerton, Bloodworth, Capouano & Bozarth, P.A.  
420 South Orange Avenue, Suite 700  
P.O. Box 2346 (ZIP 32802-2346)  
Orlando, FL 32801

**Attorneys and Counselors at Law**  
Orlando  
Fort Pierce  
Tallahassee  
Viera/Melbourne  
Vero Beach  
Stuart (By Appointment)

(407) 841-1200  
(407) 423-1831 Fax  
www.deanmead.com

**MARTIN FRIEDMAN**  
407-310-2077  
mfriedman@deanmead.com

January 5, 2024  
via efilng

Adam Teitzman, Commission Clerk  
Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Re: Docket No. 20230083-WS – Application for Increase in Water and Wastewater Rates in Orange County by Pluris Wedgefield, LLC.

Dear Mr. Teitzman:

On behalf of Pluris Wedgefield, LLC (“Pluris” or “Utility”) this letter is the response to Staff’s Second Data Request dated December 8, 2023.

1. According to MFR Schedule B-3, the Utility has proposed to increase O&M expenses for both the water and wastewater systems by \$237,010 annually. The following questions pertain to the justification for this increase in expense.

- a. Please explain the justification for the \$237,010 increase in O&M expense for both the water and wastewater systems. For purposes of this response, discuss the reasons for the corporate restructuring and specifically identify what quantifiable benefits, if any, accrued to Pluris customers as a direct result of the restructuring.

***Response:*** *The reasons for the restructuring are two-fold. First, Pluris had been allocating corporate overhead to Pluris Alabama for several years. Pluris Alabama is the owner of two (2) water wells that service one customer, a County in Alabama. The County, with its own employees provides all operations and maintenance, and customer service and bills its customers. Following the end of each month, the County provides the amount of water purchased from the wells and Pluris forwards one monthly bill for payment. The monthly single invoice accounts for very little oversight required by Pluris management at this point in time. Several years ago, there was*

*ongoing construction that required additional planning and management time. As a result, Pluris Alabama allocated a virtual number of customers to bear some of the corporate allocation, that otherwise would have required all of the other utilities to subsidize the increased time spent on the Alabama construction. With conclusion of the wellsite construction work, Pluris' management oversight has returned to very limited time and the corporate allocation has been reduced to the earlier allocation level, with Alabama having one customer. At this point, this charge is tantamount to a royalty and not actually providing water service to a customer.*

*Second, Pluris sold two wastewater-only utilities in November 2023, which had shared in the allocated costs. As a result of the sale, Pluris reduced corporate billing and collection (B&C Group) staff levels commensurate with the reduction of customers (see further detail below in b.). Remaining staffing costs must be redistributed to the remaining utilities as Management redistributes its time and resources to focus its efforts on maximizing utility performance and operational efficiency. Pluris Management is committed to providing managerial and operational direction, payroll processing, accounts payable services, and other administrative assistance. As wastewater-only utilities are billed on a flat monthly fixed amount authorized by the North Carolina Utilities Commission they do not require the amount of customer contact as does a water utility, whose customers are billed on a metered basis with a majority of issues directly related to water quality, meters and the corresponding claimed amount of water usage per the meter readings*

- b. In the Utility's response to staff's First Data Request, Question 1, it is stated that cost savings of approximately \$150,000 are expected and "these savings have been factored into the calculations." Please specify which accounts these cost savings are recorded in and specifically identify what the costs were in the year prior to the corporate restructuring.

**Response:** *These cost savings had not yet occurred in the 2022 Test Year so they were not recorded to any accounts, but when they are realized then they will be recorded to Account 634 Contractual Services – Mgmt. Fees. The proforma savings are expected to occur starting in November 2023 in our B&C Group. The "B&C Group" is our Billing & Collections team located in North Carolina that handles all the billing, collections, and other customer service tasks related to serving all Pluris utilities in all states. The staffing needs have decreased within that group due to the decreased customer base which represents the \$150,238.99 estimated decrease in the total allocated costs. The collective allocation amount is decreasing from \$2,794,197.75 to \$2,643,958.76, representing a decrease of \$150,238.99.*

January 5, 2024

Page 3

- c. In the Utility's response to staff's First Data Request, Question 1, it is stated that "two utilities will be sold effective November 9, 2023, so the continuing costs will increase to the remaining utilities." What impact, if any, will the sale of the two utilities have on the corporate costs allocated to Pluris for purposes of this rate case?

***Response:** The sale of the two utilities will impact the allocated costs as discussed in the responses to Items 1. (a) and (b) above and are included in the proposed increase in O&M expenses for both the water and wastewater systems by \$237,010 annually. The impact of each component is as follows: redistribution of allocated costs from the sale of the two utilities of \$196,394; reduced customer count for Alabama utility of \$68,804; savings from B&C Group of -\$28,188 ( $\$196,394 + \$68,804 - \$28,188 = \$237,010$ ).*

Should you or Staff have any questions regarding this response please do not hesitate to contact me.

Very truly yours,

/s/ Martin S. Friedman

Martin Friedman

MSF:

Cc: Justin Sowards (via email)

Wesley Thurmond (via email)

Octavio Simoes-Ponce, Esq. (via email)