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DIVISION OF
ACCOUNTING AND FINANCE
MARK A. CICHETTI
DIRECTOR
(850) 413-6900

Public Service Commission

March 30, 2026

STAFF'S SECOND DATA REQUEST VIA EMAIL

Mr. Daniel McGinn
Jones Walker Law Firm
106 E. College Ave., Suite 1200
Tallahassee, FL 32301
dmcginn@joneswalker.com

Docket No. 20250122-WS - Application for staff-assisted rate case in Highlands County, by Sun Communities Acquisitions, LLC d/b/a Buttonwood Bay Utilities.

Dear Mr. McGinn:

Staff requests the following information to ensure the accurate treatment of the above-referenced rate case for Sun Communities Acquisitions, LLC d/b/a Buttonwood Bay Utilities (Utility) for the test year ended December 31, 2024. Please submit the Utility's response no later than **Wednesday, April 15, 2026**.

1. Pro Forma Financing: Please explain how the Utility intends to finance the proposed pro forma investments. Please identify whether the funding will be obtained through debt, equity, or other financing sources. If funding has already been secured for the pro forma investments, please provide any supporting documentation.

2. Milian, Swain & Associates, Inc. Expenses: In its application, the Utility is requesting to recover pro forma expenses in the amount of \$5,000 for accounting consulting services. Please indicate when this service will be completed and provide any invoices, if available. Please indicate if the expenses are related to both water and wastewater services.

3. Bad Debt Expense: According to the Utility's Annual Reports for the years 2022, 2023, and 2024, it recorded \$0 for bad debt expense.

- a. Please confirm that the reported bad debt expense of \$0 is accurate for the years 2022, 2023, and 2024.
- b. If not, please provide the correct bad debt expense amounts for each year.

4. Outside Operator Costs: In its application, the Utility is requesting to recover a pro forma expense of \$995.88 due to an increase in outside operator costs. Please provide a breakdown of

Mr. Daniel McGinn

Page 2

March 30, 2026

the requested increase including any associated outside operator contracts and other supporting documentation. Please describe the tasks performed by the outside operator.

5. Storm Recovery: Please provide a detailed breakdown of the \$12,542.10 of costs associated with Hurricane Milton including all supporting documentation (invoices, contracts, etc.), the account each cost was recorded in, and the date each cost was incurred, paid, and recorded. Please indicate if the expenses are related to both water and wastewater services.

6. Property Taxes: The Highlands County Tax Collector website shows the Utility paid \$7,930.39 of property tax in 2024, while the audit and the Utility's application has a property tax expense of \$7,538.

- a. Please confirm the total property tax the Utility paid for the 2024 test year is associated with the Utility's regulated operations and provide any supporting documentation. Please explain the difference and confirm the total amount paid.
- b. Please confirm whether the Utility recovers property taxes from services. If not, please explain how these costs are recovered.
- c. Please describe the method used by the Utility to allocate property taxes between the water and wastewater systems.

Please file all responses electronically via the Commission's website at www.floridapsc.com, by selecting the Clerk's Office tab and Electronic Filing Web Form (reference Docket No. 20250122-WS) and also please email the filed response to discovery-gcl@psc.state.fl. Please contact me by phone at (850) 413-6912 or by email, CWorrall@psc.state.fl.us if you have any questions.

Sincerely,

Coby Worrall

Public Utility Analyst

CW:lg

CC: Office Commission Clerk (Docket No. 20250122-WS)