

April 15, 2026

**VIA ELECTRONIC FILING**

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

Re: 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. Teitzman:

On behalf of Buttonwood Bay Utilities (“Utility”), this letter is the response to Staff’s Second Data Request dated March 30, 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.

*Response: The proposed pro forma investments will be financed with owner equity.*

- 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.

*Response: Milian, Swain & Associates, Inc. invoices to date total \$6,150, and should be split between water and wastewater. Invoices to date are attached.*

- 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.

*Response: The bad debt expense is accurate.*

- b. If not, please provide the correct bad debt expense amounts for each year.

*Response: N/A.*

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

*Response: The operator performs five site visits to the water and wastewater treatment plants per week. Attached are sample invoices from 2024 and 2025 demonstrating the increased charge, an Excel spreadsheet of invoices from the operator, and the calculation of the increase.*

- 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.

*Response: Please see the attached invoice from US Water detailing the services provided and the date incurred. The expenses only pertain to wastewater service. The invoice was not recorded until January 2025, and is not reflected on the books during the 2024 test year.*

- 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.

*Response: The utility recorded a property tax accrual totaling \$7,538 for the year. When the property bill for \$7930.39 was received and paid, the utility did not record the additional cost for the year. The correct property tax expense for 2024 is \$7,930.39.*

- b. Please confirm whether the Utility recovers property taxes from services. If not, please explain how these costs are recovered.

*Response: Property tax expense for the utility is only recovered through water and wastewater utility rates.*

- c. Please describe the method used by the Utility to allocate property taxes between the water and wastewater systems

*Response: Property taxes are allocated equally between water and wastewater.*

If there are any questions, please do not hesitate to contact me.

Sincerely,  
/s/ Daniel J. McGinn

DJM:

cc: Coby Worrall (CWorrall@psc.state.fl.us)  
discovery-gcl@psc.state.fl.us (via email)