

STATE OF FLORIDA



COMMISSIONERS:
JULIE I. BROWN, CHAIRMAN
ART GRAHAM
RONALD A. BRISÉ
JIMMY PATRONIS
DONALD J. POLMANN

DIVISION OF ENGINEERING
TOM BALLINGER
DIRECTOR
(850) 413-6910

Public Service Commission

March 17, 2017

Mr. Frank Seifert
C/O Beaches Sewer System
509 E. 4th Street
Port St. Joe, FL 32456
Seifert13@msn.com

STAFF'S FOURTH DATA REQUEST VIA EMAIL & US MAIL

Re: Docket No. 160165-SU – Application for staff-assisted rate case in Gulf County by ESAD Enterprises, Inc., d//b/a Beaches Sewer System, Inc.

Dear Mr. Seifert:

As you are aware, staff performed its site visit on March 9, 2017. Based on the results of that visit, staff is prepared to recommend that many of the pro forma projects requested in this case are justified. However, in order to be included in the final recommendation to the Commission, staff must have further documentation to complete the record. Please be aware, Section 367.081(2)(a)(1), Florida Statutes, requires that the Commission set rates which are just, reasonable, compensatory, and not unfairly discriminatory to any customers. In order for the Commissioners to fulfill this statutory requirement, it is vital that the Commissioners be provided with information that is accurate, reliable, and complete. Consequently, Commission staff is charged with the responsibility to ensure that its recommendation to the Commissioners is based on known, measureable, and verifiable data. All of staff's requests are necessary in order for staff to prepare an accurate, reliable, and complete recommendation to be presented to the Commissioners for their consideration of the Utility's requested rate increase.

Therefore, please provide the information and documentation requested below which will help address staff's concerns. Without further supporting documentation, many of the requested pro forma projects and financial issues that were included in the March 3, 2017 staff report, will not be included in the final recommendation, and the recommended rate increase may be significantly lower.

Financial

1. Please provide an updated list of all vehicles currently available for utility use.
2. Please explain why it was necessary for the Utility to borrow the following amounts on December 31, 2016:
 - a. \$20,000 from Gulf Coast Property Services
 - b. \$28,400 from Donna Seifert
 - c. \$13,000 from Frank Seifert
3. For each amount listed above, how were the proceeds used by the Utility?
4. For each amount listed above, how does the Utility plan to pay off the loan within the one-year term of each note?
5. Please explain why it was necessary for the Utility to borrow \$10,411.75 from Centennial Bank on October 25, 2016? How were the proceeds used by the Utility?
6. In the Utility's response to Staff's Third Data Request, the Utility indicated that customers would be given a credit memo at the end of December 2016, which would reduce their January 2017 receivable, and that interest would be paid at the rate of 3% per annum as a credit memo to their account. For customers who have moved, the Utility said it would make appropriate refunds.
 - a. What is the status of the referenced credit memos and refunds?
 - b. If completed, please provide documentation showing the Utility's calculations for each customer, and the amount issued as a credit memo or refund.
 - c. If not complete, when does the Utility anticipate that all credit memos and refunds will be done?

O&M

7. Please provide invoices for the \$2,600 of sludge hauling expense the Utility referenced in its response to the March 3, 2017 staff report.
8. The Utility stated in its response to the March 3, 2017 staff report that the cost of maintaining the ponds in the future "will not be as great at this time, because it had not been done for a few years."
 - a. What does the Utility expect the pond-related costs to be going forward?
 - b. How often has pond maintenance occurred in the past?
 - c. How often does the Utility expect pond maintenance to occur in the future?

9. The Utility stated to staff during the site visit on March 9, 2017, that the removal of sand and grit from the wastewater treatment plant (WWTP) had not been done since the current owners acquired the plant, and provided an estimate of \$19,000 for the work to be performed.
 - a. When was the sand removal work last done?
 - b. What does the Utility expect the sand removal costs to be going forward?
 - c. How often does the Utility expect sand removal to occur in the future

Customer Service

10. Please refer to the letter received by the Commission on March 6, 2017, from Beaches customer Louise Chapman. In her letter, Mrs. Chapman stated that she believes the pond on the Utility property, which is adjacent to her back yard, is causing an odor and standing water on her property.
 - a. Please describe any actions taken to address Mrs. Chapman's concerns.
 - b. Please describe any future actions planned to address this issue.

Pro Forma Projects

11. Regarding the removal of sand and grit from WWTP and disposal of material, please provide the following information.
 - a. Please state whether a regulatory authority is requiring the work to be done.
 - b. Please provide a detailed explanation of the reason the work needs to be done.
 - c. Please provide copies of all bids for the performance of the work.
 - d. If only one bid has been received, please explain the reason(s).
 - e. If the lowest bid has not been selected, please explain reason(s).
12. Regarding the replacement of two lift station (LS) pumps, please provide the following information.
 - a. Please provide a detailed explanation of the reason the work needs to be done.
 - b. Please provide copies of all bids for the performance of the work.
 - c. If only one bid has been received, please explain the reason(s).
 - d. If the lowest bid has not been selected, please explain reason(s).
13. Regarding the replacement of rail system at LS Americus, please provide the following information.
 - a. Please provide a detailed explanation of the reason the work needs to be done.
 - b. Please provide copies of all bids for the performance of the work.
 - c. If only one bid has been received, please explain the reason(s).
 - d. If the lowest bid has not been selected, please explain reason(s).

14. Regarding the replacement of control panel at LS Americus, please provide the following information.
 - a. Please provide a detailed explanation of the reason the work needs to be done.
 - b. Please provide copies of all bids for the performance of the work.
 - c. If only one bid has been received, please explain the reason(s).
 - d. If the lowest bid has not been selected, please explain reason(s).
 - e. If the lowest bid has not been selected, please explain reason(s).

15. Regarding the purchase of new second blower at WWTP, please provide the following information.
 - a. Please state whether a regulatory authority is requiring the work to be done. Please provide a detailed explanation of the reason the work needs to be done.
 - b. Please provide copies of all bids for the performance of the work.
 - c. If only one bid has been received, please explain the reason(s).
 - d. If the lowest bid has not been selected, please explain reason(s).
 - e. If the lowest bid has not been selected, please explain reason(s).

16. Regarding the replacement of clarifier at the WWTP, please provide the following information.
 - a. Please state whether a regulatory authority is requiring the work to be done.
 - b. Please provide a detailed explanation of the reason the work needs to be done.
 - c. Please provide copies of all bids for the performance of the work.
 - d. If only one bid has been received, please explain the reason(s).
 - e. If the lowest bid has not been selected, please explain reason(s).

17. Regarding the purchase of two portable generators for the WWTP and the LS, please provide the following information.
 - a. Please state whether a regulatory authority is requiring the work to be done.
 - b. Please provide a detailed explanation of the reason the work needs to be done.
 - c. Please provide copies of all bids for the performance of the work.
 - d. If only one bid has been received, please explain the reason(s).
 - e. If the lowest bid has not been selected, please explain reason(s).

18. Regarding the replacement of electrical control panel at the WWTP, please provide the following information.
 - a. Please state whether a regulatory authority is requiring the work to be done.
 - b. Please provide a detailed explanation of the reason the work needs to be done.
 - c. Please provide copies of all bids for the performance of the work.
 - d. If only one bid has been received, please explain the reason(s).
 - e. If the lowest bid has not been selected, please explain reason(s).

19. Regarding the replacement of piping at the WWTP, please provide the following information.
- a. Please state whether a regulatory authority is requiring the work to be done.
 - b. Please provide a detailed explanation of the reason the work needs to be done.
 - c. Please provide copies of all bids for the performance of the work.
 - d. If only one bid has been received, please explain the reason(s).
 - e. If the lowest bid has not been selected, please explain reason(s).
20. Regarding the repair of fencing at the WWTP, please provide the following information.
- a. Please state whether a regulatory authority is requiring the work to be done.
 - b. Please provide a detailed explanation of the reason the work needs to be done.
 - c. Please provide copies of all bids for the performance of the work.
 - d. If only one bid has been received, please explain the reason(s).
 - e. If the lowest bid has not been selected, please explain reason(s).
21. Regarding the removal of sludge from ponds at the WWTP and disposal of material, please provide the following information.
- a. Please state whether a regulatory authority is requiring the work to be done.
 - b. Please provide a detailed explanation of the reason the work needs to be done.
 - c. Please provide copies of all bids for the performance of the work.
 - d. If only one bid has been received, please explain the reason(s).
 - e. If the lowest bid has not been selected, please explain reason(s).
22. Please complete the following table by providing the estimated date of completion for each of the Utility's requested pro-forma projects.

Pro Forma Project	Estimated Date of Completion
Removal of sand and grit from WWTP	
Replacement of two LS pumps	
Replacement of rail system at LS Americus	
Replacement of control panel at LS Americus	
Purchase of new blower at WWTP	
Replacement of clarifier at WWTP	
Purchase of two portable generators	
Replacement of electrical panel at WWTP	
Replacement of piping at WWTP	
Repair of fencing at WWTP	
Removal of sludge from WWTP ponds	

Mr. Frank Seifert

March 17, 2017

Page 6

Please file all responses electronically no later than Wednesday, April 14, 2017, via the Commission's website at www.floridapsc.com by selecting the Clerk's Office tab and the Electronic Filing Web Form.

Please do not hesitate to contact me with any questions by telephone at (850)-413-6682 or email tmatthew@psc.state.fl.us.

Sincerely,



Traci Matthews
Engineer Specialist

TM:tj

cc: Office of Commission Clerk (DN-160165-SU)