

**ALTURAS WATER, LLC
5911 TROUBLE CREEK ROAD
NEW PORT RICHEY, FLORIDA 34652
863-904-5574**

4/22/19

Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

RE: Docket No. 20180175-WU – Application to transfer facilities and Certificate No. 628-W in Polk County from Alturas Utilities, LLC to Alturas Water, LLC - Audit Control No. 2018-275-1-1

Commission Clerk

Alturas Water, LLC, (ALT) hereby submits its response to the Staff Audit Report in the above referenced docket.

Audit Finding 1:

ALT takes no position on this finding.

Audit Finding 2:

Customer Deposits: ALT records reflect a customer deposit balance of \$1,836 as of June 15, 2018, the transfer date. Included within this balance are nine customer accounts referenced in the audit finding with deposits totaling \$562. ALT performed a detailed review of customer activity for these 9 accounts and determined that 5 of the accounts are current customers and that only 1 of these 5 customers payment history warrants a refund of their deposit. ALT review indicates that the remaining 4 accounts are no longer customers of the utility. ALT processed refunds for 3 of the 4 customers on February 22, 2019, and we are continuing to reach out to the 4th customer at this time. A tenth customer was identified on staff's list provided to ALT on March 20, 2019. ALT has no record of this customer or means to contact. In the event of unsuccessful efforts to contact these last two customers, ALT proposes to post the two deposits totaling \$145 to Contributions in Aid of Construction (CIAC) by December 31, 2019.

Interest on Customer Deposits: ATL proposes to posts credits of \$4.55 to the 5 current customers accounts for the accrued interest on customer deposits from June 2015 through December 2018.

Schedule 1 that contains of our findings and calculations is attached.

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Audit Finding 3:

The seller asserts that all refunds of over collected rate case expense plus interest was to be refunded to ALT customers in June 2015 (Commission Document 03433-2015). Our review of utility billing files provided by the seller at closing does not support this assertion. Staff provided us with an over-collected amount of \$281 to be refunded as of May 2015 (Order No. PSC-16-0128-PAA-WU, pg. 29). Using this amount and the requirements for calculating refunds and interest accruals as prescribed in Rule 25-30.360 F.A.C., ALT is prepared to post credits of \$8.24 to each customer account as of April 30, 2019.

Schedule 2 that contains our calculations is attached.

If you have any further questions please do not hesitate to contact me.

On behalf of the utility,



Mike Smallridge
Alturas Water, LLC
Managing Member

SCHEDULE 1

Alturas Water, LLC

<i>These are current Alturas customers that should be refunded if payment history is clean</i>						
Line	Date Collected	Name	PSC List	Refund	Event Date	Description of Event
5	03/08/12	AC#2851P	\$65.00	no	6 of 7 in 2018	late payment of bills
7	11/10/11	AC# 2905ODR	\$65.00	no	5 of 7 in 2018	late payment of bills
11	09/16/10	AC# 3640CA	\$65.00	yes	none	
16	04/06/09	AC# 3592CA	\$65.00	no	2 of 7 in 2018	late payment of bills
17	06/01/09	AC# 3148ODR	\$65.00	no	6 of 7 in 2018	late payment of bills
<i>No longer customer - refund required</i>						
Line	Date Collected	Name	PSC List	Refund	Contact info available?	
22	08/15/12	AC# 2610ODR	\$80.00	yes	redacted	
24	02/07/14	AC# 8110AR1	\$65.00	no	refund processed 2/22/19	
27	01/01/13	AC# 3400EC	\$64.00	no	refund processed 2/22/19	
29	08/01/10	AC# 4507	\$28.25	no	refund processed 2/22/19	
Total Refunds			\$562.25			
<i>No record or customer history</i>						
Line	Date Collected	Name	PSC List	Refund	Contact info available?	
30	unknown	Unknown - Lee	\$65.00			

Interest Rate		
Annual	Month	Months
2.00%	0.17%	42

\$4.55
\$4.55
\$4.55
\$4.55
\$4.55
\$22.75

SCHEDULE 2

Period	Non Financial Commercial Paper Rate		Refund Amt
	1st Day	Average	\$281.00
Aug-14	0.00070	0.00065	\$281.18
Sep-14	0.00060	0.00050	\$281.32
Oct-14	0.00040	0.00050	\$281.46
Nov-14	0.00060	0.00065	\$281.65
Dec-14	0.00070	0.00075	\$281.86
Jan-15	0.00080	0.00085	\$282.10
Feb-15	0.00090	0.00085	\$282.34
Mar-15	0.00080	0.00070	\$282.54
Apr-15	0.00060	0.00070	\$282.73
May-15	0.00080	0.00085	\$282.97
Jun-15	0.00090	0.00090	\$283.23
Jul-15	0.00090	0.00085	\$283.47
Aug-15	0.00080	0.00090	\$283.72
Sep-15	0.00100	0.00110	\$284.04
Oct-15	0.00120	0.00105	\$284.33
Nov-15	0.00090	0.00120	\$284.68
Dec-15	0.00150	0.00245	\$285.37
Jan-16	0.00340	0.00340	\$286.34
Feb-16	0.00340	0.00345	\$287.33
Mar-16	0.00350	0.00335	\$288.29
Apr-16	0.00320	0.00340	\$289.27
May-16	0.00360	0.00370	\$290.34
Jun-16	0.00380	0.00370	\$291.42
Jul-16	0.00360	0.00355	\$292.45
Aug-16	0.00350	0.00390	\$293.59
Sep-16	0.00430	0.00410	\$294.80
Oct-16	0.00390	0.00410	\$296.01
Nov-16	0.00430	0.00450	\$297.34
Dec-16	0.00470	0.00550	\$298.97
Jan-17	0.00630	0.00625	\$300.84
Feb-17	0.00620	0.00625	\$302.72
Mar-17	0.00630	0.00715	\$304.89
Apr-17	0.00800	0.00820	\$307.39
May-17	0.00840	0.00850	\$310.00
Jun-17	0.00860	0.00880	\$312.73
Jul-17	0.00900	0.00990	\$315.82
Aug-17	0.01080	0.01095	\$319.28
Sep-17	0.01110	0.01100	\$322.79
Oct-17	0.01090	0.01105	\$326.36
Nov-17	0.01120	0.01160	\$330.15
Dec-17	0.01200	0.01345	\$334.59
Jan-18	0.01490	0.01495	\$339.59
Feb-18	0.01500	0.01580	\$344.95
Mar-18	0.01660	0.01760	\$351.03
Apr-18	0.01860	0.01880	\$357.62

SCHEDULE 2, cont.

Period	Non Financial Commercial Paper Rate		Refund Amt
	1st Day	Average	\$281.00
May-18	0.01900	0.01880	\$364.35
Jun-18	0.01860	0.01930	\$371.38
Jul-18	0.02000	0.01985	\$378.75
Aug-18	0.01970	0.01995	\$386.31
Sep-18	0.02020	0.02075	\$394.32
Oct-18	0.02130	0.02185	\$402.94
Nov-18	0.02240	0.02255	\$412.03
Dec-18	0.02270	0.02385	\$421.85
Jan-19	0.02500	0.02460	\$432.23
Feb-19	0.02420	0.02420	\$442.69
Mar-19	0.02420	0.02425	\$453.43
Apr-19	0.02430		\$453.43
		Number of Customers	55
		Refund w/interest per customer	\$8.24