

STATE OF FLORIDA



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Public Service Commission

April 14, 2022

Mr. Troy Fonder
A Utility Inc.
P.O. Box 669
Zephyrhills, FL 33539
Housingmanagementinc@yahoo.com

**STAFF'S SECOND DATA REQUEST
VIA EMAIL**

Re: Docket No. 20210098-WU – Application for staff-assisted rate case in Pasco County by A Utility Inc.

Dear Mr. Fonder:

Staff requires additional information to ensure accurate treatment of your staff-assisted rate case. Please submit the following information for the period of January 1, 2020, through December 31, 2020 (test year).

General

1. Please explain the duties and responsibilities of MCL Environmental Services, LLC as they relate to A Utility's operations.
2. Please explain the duties and responsibilities of Housing Management, Inc. as they relate to A Utility's operations.
3. Provide all transaction detail for cash account.

Capital Structure

A Utility, Inc. has a loan in the amount of \$117,000 with a maturity date of 2057.

4. Is D.S.I. the current holder of the loan?
5. If not, please provide the name of the holder of the loan.
6. Is D.S.I. affiliated with A Utility Inc. or Housing Management, Inc. in any way?

O&M Expense

Salaries and Wages – Officers Expense (603): Please refer to the 2020 Annual Report, page F-4, specifically the “Past Due Salaries” in the amount of \$14,851, for the following questions:

7. Provide the name of the individual(s) to whom these fees are owed. The response should include a detailed description of the duties and responsibilities of the individual(s).
8. Provide the methodology used to calculate the amount listed in the 2020 Annual Report. Please provide the same information for the amount listed in the 2021 Annual Report.
9. Are there any penalties included in these amounts due to non-payment?
10. Provide a detailed explanation as to why these salaries are past due.

Chemicals Expense (618): Please reference pages 95 and 96 in the Utility’s response to Staff’s First Data Request, Document No. 00041-2022, filed on January 4, 2022, in Docket No. 20210098-WU for the following questions:

11. Is the chlorine purchased from Pools & Things of Pasco used in the maintenance of the Utility’s wells?
12. If so, how much chlorine is used by the Utility on an annual basis and what is the total annual cost?
13. Did the Utility purchase any additional chlorine, other than the 27.5 gallons shown on page 95, during the test year? If so, provide copies of all invoices and receipts.
14. Per invoice WS2021-065, dated August 31, 2021, please explain the \$400 charge on the invoice. Is this a recurring expense? If yes, how often is this expense incurred?

Contractual Services – Accounting (632): As discussed in Audit Finding 7 of the Auditor’s Report issued on March 30, 2022, in this docket, Commission audit staff determined that A Utility is not maintaining its books and records in accordance with Commission rules. A Utility must address this issue in order to be in compliance with Commission regulations. However, it also appears that the Utility does not currently have an employee or contractual service provider responsible for handling the Utility’s day-to-day bookkeeping operations.

15. Has the Utility explored hiring an employee or contracting with a third-party vendor, such as a bookkeeping firm that has experience using the National Association of Regulatory Commissioners’ Uniform System of Accounts (NARUC USOA), to handle the day-to-day bookkeeping activities for A Utility?
16. If yes, please provide the following information: (a) A copy of any bids or quotes that A Utility has received from any third-party vendors that have been contacted to provide accounting services; (b) A copy of the employment agreement that describes the work to be performed by the employee with respect to the Utility’s day-to-day bookkeeping activities; (c) A description of the employee wage calculation, such as the hours to be

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worked and hourly rate, or the contractual service fees that will be charged by the third-party vendor; and (d) When the Utility anticipates having a new employee or third-party vendor in place to begin maintaining the Utility's books and records on a monthly basis as required by the Commission.

17. If no, describe the steps A Utility will take to resolve the recordkeeping issues and provide a timeline for implementation.

Contractual Services – Management Fees (634): Please refer to the 2020 Annual Report, page F-4, specifically the “Past Due Management Fees” in the amount of \$4,819, for the following questions:

18. Provide the name of the individual or the entity to whom these fees are owed. The response should include a copy of the contract as well as the duties and responsibilities of the individual or entity.
19. Provide the methodology used to calculate the amount listed in the 2020 Annual Report. Please provide the same information for the amount listed in the 2021 Annual Report.
20. Are there any penalties included in these amounts due to non-payment?
21. Provide a detailed explanation as to why these management fees are past due.

Rental Expense (640): Per the 2020 Annual Report, the Utility lists 36645 Sunshine Road as the address where the records are located. Provide a detailed response for the following questions. These responses should include, but not be limited to, contracts and invoices, methodologies, and calculations.

22. Who owns the building at this location and is the Utility charged a monthly rental fee?
23. If the Utility pays rent, what is the monthly rental fee and what is included in rent? Please also provide a copy of the current rental agreement.
24. What day-to-day tasks are completed at this location by the Utility?
25. If this location is shared, what percentage of the office space and utilities are used solely to provide service to the customers A Utility?

Transportation Expense (650): Based on the Utility's Annual Reports, it appears that the Utility does not have any vehicles on its books and does not record transportation expense.

26. For the test year, please provide any utility-related mileage using personal vehicle(s).
27. Please provide the same information for 2021.
28. As part of your response to (1) and (2), please explain what the mileage was for and how the mileage was calculated.

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Insurance Expense (655): Per the 2020 Annual Report, there is no insurance expense reported.

29. Does the Utility have insurance, or does the Utility self-insure?
30. If the Utility has insurance, please provide a copy of the policy as well as the most recent premium notice and proof of payment.

Bad Debt Expense (670):

31. Please explain in detail the Utility's policy or procedure for writing off bad debt. For example, how does the Utility determine which accounts are uncollectible and how long does it hold the uncollectible debt on its records before writing it off as bad debt?
32. Was any bad debt written-off by the Utility during 2020 or 2021? If yes, please provide a list showing each account and amount that has been written-off. As part of the response, please show how A Utility calculated the bad debt write-off for each account shown on the list; the specific months and years that were written-off; the billed amount for each of the months that was written off; and a copy of the collection records used to calculate the bad debt amount.

Miscellaneous Expense (675): Per the Board of Director Minutes, dated January 3, 2017, it was noted that lawn service was necessary.

33. Did the Utility hire a lawn service company?
34. If so, provide a copy of the lawn service contract and invoices for the test year and 2021 if available.

If you have any questions, please contact the following staff regarding this data request:

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| Donna Brown ddbrown@psc.state.fl.us 850-413-6469 | Christopher Richards crichard@psc.state.fl.us 850-413-6742 | Todd Brown tbrown@psc.state.fl.us 850-413-6550 |
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Please file the response to Staff's Second Data Request with the Office of Commission Clerk no later than **April 29, 2022**. Please include the docket number (20210098-WU) on all filings with the Commission Clerk.

Sincerely,

/s/Emily Knoblauch

Emily Knoblauch
Engineering Specialist

cc: Office of the Commission Clerk (Docket No. 20210098-WU)