

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: March 3, 2023

TO: Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

FROM: Christopher R. Richards, Public Utility Analyst III, Division of Accounting & Finance *CRR*

RE: Docket No. 20220157-WU -- Applications for staff-assisted rate case in Polk County by Keen Sales, Rentals and Utilities, Inc.

Please place the attached Utility's response to staff's Second Data Request in the docket file listed above.

Attachment.

COMMISSIONERS:
ANDREW GILES FAY, CHAIRMAN
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STATE OF FLORIDA



DIVISION OF
ACCOUNTING AND FINANCE
ANDREW L. MAUREY
DIRECTOR
(850) 413-6900

Public Service Commission

February 17, 2023

Ms. Mindy Keen
Keen Sales, Rentals and Utilities, Inc.
685 Dyson Road
Haines City, FL 33844
mindykeen1964@yahoo.com

STAFF'S SECOND DATA REQUEST VIA EMAIL

Re: Docket No. 20220157-WU - Applications for staff-assisted rate case in Polk County by Keen Sales, Rentals and Utilities, Inc.

Dear Ms. Keen:

Staff is requesting the following information to ensure accurate treatment of the above-referenced rate case for the test year ended December 31, 2021 (test year).

1. **Owners Salaries:** Please explain the type of utility-related duties performed by the Utility owner and the approximate number of hours spent performing these duties.

Mrs Keen helps with some bookkeeping and assisting customers with payments and phone calls. She works approx 25 hrs per week.

2. **Bad Debt Expense:** Please explain the variance in bad debt expense collected from 2019 through 2021. For example:
 - a. Paradise Island reported bad debt expense of \$1,856 in 2019, \$21 in 2020, and zero in 2021.
 - b. Keen Subdivision reported bad debt expense of \$91 in 2019, \$1,812 in 2020, and zero in 2021.

Bad debt expenses are from customers moving and owing a water bill and their deposit doesnt cover the entire bill.

3. **Land Balance:** In the Utility's previous rate case, the Commission approved a land balance of \$578 for Keen Subdivision.¹ However, in the Utility's annual reports beginning in 2009, the Utility recorded a zero balance for land for Keen Subdivision. Please explain why the Utility did not make the Commission-ordered adjustment.

¹Order No. PSC-2009-0716-PAA-WU, issued October 28, 2009, in Docket No. 20090072-WU; *In re: Application for staff-assisted rate case in Polk County by Keen Sales, Rentals and Utilities, Inc.*

Sorry i forgot to add this and yes it should've been added.

4. **Short-Term Debt:** Please explain the \$1,386 balance in short-term debt for Paradise Island.
 - a. What was the loan used for?
 - b. Who is the holder of the loan?
 - c. Does the holder of the loan have any relationship with the Utility?
 - d. Please provide documentation reflecting the short-term debt amount of \$1,386 for Paradise Island.

I have checked the books and the following is the best answer I can give. The Wells Fargo loan money was put in joint corporation bank account (2018). At this time a water tank for "Subdivision" was purchased. These loans are to the corporation as a whole the money goes into the corporate bank account in order to not run out of funds. (all expenses for both divisions are paid from this bank account)

5. **Contractual Services-Other:** Please explain the specific utility-related duties performed by Mr. Gary Morse and Mr. James Coker.

*Gary Morse is a former FPSC employee that handles our indexing.
James Coker changes out our broke meters & curb stops when needed.*

6. Please refer to the 2021 Annual Reports for Keen Subdivision and Paradise Island, and your responses to Staff's First Data Request, Nos. 8 and 9. Please provide your methodology for how the amount listed as Flushing & Other Uses was calculated (such as metered flushing, estimated flushing based on pipe size/duration, mathematical difference between production and sales, etc.). As part of this response, please state whether automatic flushing equipment is used, your typical frequency of flushing, and whether flushing is metered.

Estimated flushing, no automatic flushing equipment is used and manual flushing is done quarterly.

7. Please refer to the 2021 Annual Report for the Keen Subdivision and your response to Staff's First Data Request, No. 8, specifically the Monthly Operating Report (MOR) for October 2021. The Annual Report provides a value of 790,200 and the MOR has a value of 79,020. Please reconcile these values. If the October 2021 MOR is correct, please explain the circumstances associated with the drop in production and how the Utility met customer needs during that period (purchased water, etc.).

Typographical error on the MOR. Should read 790,200. I have contacted our operator and reported it and he agrees it was a typo error.

Ms. Mindy Keen
Page 3
February 17, 2023

Please file the response to Staff's Second Data Request with the Office of the Commission Clerk no later than **March 6, 2023**. Please include the docket number (20220157-WU) on all filings with the Commission Clerk.

If you have any questions concerning items numbered one through five, please contact accounting staff, Christopher Richards at 850-413-6742, or email crichard@psc.state.fl.us. If you have any questions concerning items number six or seven, please contact engineering staff, Greg Davis at 850-413-6582, or email gdavis@psc.state.fl.us.

Sincerely,

/s/ Christopher R. Richards

Christopher R. Richards
Public Utility Analyst III

cc: Office of the Commission Clerk (Docket No. 20220157-WU)