

MESSER CAPARELLO & SELF, P.A.

Attorneys At Law
www.lawfla.com

May 5, 2011

RECEIVED-FPSC
11 MAY -5 PM 2:33
COMMISSION
CLERK

BY HAND DELIVERY

Ms. Ann Cole, Commission Clerk
Office of Commission Clerk
Room 110, Easley Building
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Docket No. 100128-WU

Dear Ms. Cole:

Enclosed for filing on behalf of Lighthouse Utilities Company, Inc. is Lighthouse Utilities Company, Inc.'s Response to Staff's Second Data Request in the above referenced docket.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me.

Should you have any questions, please do not hesitate to contact me. Thank you for your assistance with this filing.

Sincerely,


Norman H. Horton, Jr.

NHH:amb

cc: Keino Young, Esq. (with enclosures)
Office of Public Counsel (with enclosures)
Mr. Jay Rish
Mr. Michael McKenzie

DOCUMENT NUMBER - DATE
03131 MAY -5 =
FPSC-COMMISSION CLERK

Lighthouse Utilities Company's Responses to STAFF'S SECOND DATA REQUEST

**Re: Docket No. 100128-WU, Application for increase in water rates in Gulf County
by Lighthouse Utilities Company**

1. **Account 604-Employee Pensions & Benefits: On Line No. 3, Column No. 6 of MFR Schedule B-7, the Utility stated that employees were overpaid and refunded in 2010. Please provide documentation of the refunds in 2010.**

Response: See attached documentation.

2. **The following items relate to the Utility's requested rate case expense.**
- (a) **Please provide an estimate of costs to complete the case by hour for each consultant or employee, including a description of estimated work to be performed, and detail of the estimated remaining expense to be incurred through the PAA process.**
 - (b) **Please provide an itemized list of all other costs estimated to be incurred through the PAA process.**

Response: See attached response. Also legal work to be performed includes preparation and coordination of notices and filings (2 hours); ; review and/or preparation of documents and filings as may be required (2 hours); attend customer meeting (5 hours); review and analysis of staff recommendation (2 hours); conferences with Company and consultants regarding the recommendation (2 hours); attendance at Agenda Conference (3 hours); and Review, analysis and conferences regarding PAA Order (2 hours). Estimate 20 to 30 hours to complete.

3. **The Utility's requested pro forma for plant improvements provided in their response to Staff's First Data Request No. 1, is incomplete. The documentation provided does not support the \$240,000 Lighthouse is requesting. In order to receive pro forma in your requested rates, you must provide the following information.**
- (a) **a statement as to why each addition is necessary;**
 - (b) **a copy of all invoices and other support documentation if the plant addition has been completed or is in process;**
 - (c) **a copy of the signed contract or any bids, if the plant addition has not been completed;**
 - (d) **a status of the engineering and permitting efforts, if the plant addition has not been through the bidding process; and**
 - (e) **the projected in-service date for each outstanding plant addition.**

Response: Per discussions with Stan Reiger on 4/21/11, the only asset Lighthouse can establish is currently needed is the new auto (see response to item 4) . The generator, though required by DEP as soon as possible, has not been contracted out to be completed as of 4/28/11.

Lighthouse Utilities Company's Responses to STAFF'S SECOND DATA REQUEST

**Re: Docket No. 100128-WU, Application for increase in water rates in Gulf County
by Lighthouse Utilities Company**

- 4. How many company vehicles does Lighthouse currently own? What positions are assigned to those vehicles? Will the requested vehicle for pro forma plant additions replace a current vehicle or will it be added to the fleet? If the new vehicle will replace an existing vehicle, please list the vehicle being replaced, and provide the original cost of the retired vehicle.**

Response: LUCI owns 2 vehicles; both are service trucks and are used for operation/maintenance of the water system. The oldest vehicle is a 1998 Chevrolet half ton, 159,923 miles, \$17,862.76 original cost. The newest vehicle is a 2005 Chevrolet half ton, 128,948 miles, \$18,216.91 original cost. Based on discussions with Stan Reiger on 4/21/11, the Company wishes to retire the 1998 Chevrolet when a new truck is soon purchased. No auto has yet to be identified as the funds are not available for an acquisition.

- 5. What is McArdle Investments LLC? How is this company's services related to plant operations? Please provide detailed invoices related to all of the 2010 transactions with this company.**

Response: See attached documentation.

- 6. In the Utility's 2009 test year, they employed a bookkeeper. Is that bookkeeper still employed? If so, how many hours per week do they work? The Utility 2010 records show they hired Pennco Financial Services to do their bookkeeping. Will this company continue to do their bookkeeping in the future?**

Response: The previous bookkeeper, Janell Kersey, is no longer employed with the Company. Lighthouse contracted with Pennco Financial Services to maintain bookkeeping and clerical operations for the Company at a rate of \$750 per month and this is for an estimated 86.67 hours per month, or 20 hours per week and the contract will continue indefinitely

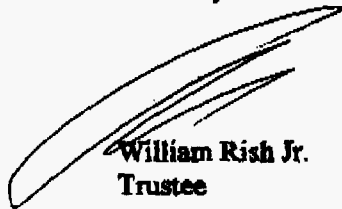
RESPONSE TO STAFF'S SECOND DATA REQUEST NO. 1

February 23, 2010

Customer Accounts: LOA

**Please issue a check for \$11,195.60 out of account 14448468. The check should be made payable to Lighthouse Utilities and mailed to:
PO Box 428
Port St. Joe, FL 32457**

Sincerely



**William Rish Jr.
Trustee**

880 Carillon Parkway
St. Petersburg, Florida 33716

RAYMOND JAMES

For RJ Use Only

Deliver Via	Regular Mail
Call Back Info	
Transaction Number	000000002839811
Branch Number	19C
Type/UserID	CNM3RP / 13ARJ002

Funds Disbursements

Name: LIGHTHOUSE UTILITIES
Date: 02/25/10
Description: CHECK TO LIGHTHOUSE UTILITIES

Account	Amount	Federal Withholding	State Withholding	Net Amount
14448488	11,195.60			11,195.60

Check Number	948754	Total Net Amount	\$11,195.60
--------------	--------	------------------	-------------

RESPONSE TO STAFF'S SECOND DATA REQUEST NO. 2

Lighthouse Utilities Company, Inc.
 Unbilled Accounting Fees for Rate Case
 Docket No 100128-WU

<u>Date</u>	<u>Staff</u>	<u>Description</u>	<u>Time</u>	<u>Rate</u>	<u>Amount</u>
02/02/11	MDM	Responses to audit findings	1.50	120	\$ 180.00
02/03/11	MDM	Responses to audit findings	0.25	120	\$ 30.00
02/07/11	MDM	Discussion with Philip Jones, follow-up	1.00	120	\$ 120.00
02/21/11	MDM	Conference call, follow-up	2.00	120	\$ 240.00
02/25/11	MDM	Research UPIS paperwork, transactions	6.00	120	\$ 720.00
03/14/11	MDM	Research UPIS paperwork, transactions	2.00	120	\$ 240.00
04/21/11	MDM	Meeting with Stan Reiger, Jay, Philip	1.00	120	\$ 120.00
4/28/2011	MDM	Response to Staff Data Request # 3	2.50	120	\$ 300.00
					\$ -
		Total Progress Billing, 2-1-11 to 4-28-11	16.25	60	<u>\$ 1,950.00</u>

The above time has not been billed to Lighthouse as of 4-28-11

An estimate of remaining accountant's billable time related to the rate case is as follows:

MDM	Michael McKenzie	10.00	120	\$ 1,200.00
RCR	Ralph Roberson	2.00	195	\$ 390.00
	Total estimated future rate case billing	28.25	60	<u>\$ 1,590.00</u>

GRAND TOTAL: Unbilled services and future estimated billing \$ 3,540.00

RESPONSE TO STAFF'S SECOND DATA REQUEST NO. 5

Michael McKenzie

From: Rick Simmons [luci@gtcom.net]
Sent: Monday, April 11, 2011 12:37 PM
To: 'Michael McKenzie'
Cc: 'Jay Rish'
Subject: McArdle Investments LLC
Attachments: DI3010F20110411121228.pdf

Michael,

Per PSC Staff's Second Data Request #5 - Attached please find an annual invoice from McArdle Investments L.L.C. for 2010.

Larry McArdle is our plant operator as required for compliance with DEP.

He has a verbal contract with Mr. Rish for his services.

Thanks,

Rick

McArdle Investments LLC 508609

CUSTOMER'S ORDER NO. <i>Verbal</i>	DEPT.	DATE:
NAME: <i>Lighthouse Utilities INC.</i>		
ADDRESS: <i>3010 CR 30</i>		
CITY, STATE, ZIP: <i>Port St. Joe, FL 32452</i>		
SOLD BY:	CASH	E.O.D. CHARGE
		ON ACC'T: MDSE RTD. PAID OUT

QUANTITY	DESCRIPTION	PRICE	AMOUNT
1	<i>Annual Service for</i>		
2	<i>Professional Services</i>		
3	<i>for Calendar year</i>		
4	<i>2010</i>		<i>10,400 00</i>
5			
6	<i>Payable in Monthly</i>		
7	<i>Installments of</i>		
8	<i>\$866.67, 6 visits per</i>		
9	<i>week. Department of</i>		
10	<i>Environmental Protection</i>		
11	<i>Certification number</i>		
12	<i>A 0000589</i>		
13			
14	<i>James P. McArdle</i>		
15	<i>Total</i>		<i>\$ 10,400 00</i>

RECEIVED BY:

McArdle Investments LLC 508609

CUSTOMER'S ORDER NO. <i>Verbal</i>	DEPT.	DATE:
NAME: <i>Lighthouse Utilities INC.</i>		
ADDRESS: <i>2010 CR 30</i>		
CITY, STATE, ZIP <i>Port St. Joe, FL 32452</i>		

SOLD BY:	CASH	C.O.D.	CHARGE	ON ACC'T	MOSE RTD.	PAID OUT
----------	------	--------	--------	----------	-----------	----------

QUANTITY	DESCRIPTION	PRICE	AMOUNT
1	<i>Annual Invoice for</i>		
2	<i>Professional Services</i>		
3	<i>for Calendar year</i>		
4	<i>2010</i>	<i>10,400</i>	<i>00</i>
5			
6	<i>Payable in Monthly</i>		
7	<i>Installments of</i>		
8	<i>\$866.67, 6 visits per</i>		
9	<i>week. Department of</i>		
10	<i>Environmental Protection</i>		
11	<i>Certification number</i>		
12	<i>A 0000589</i>		
13			
14	<i>James P. McArdle</i>		
15	<i>Total</i>	<i>10,400</i>	<i>00</i>

RECEIVED BY:

Response to SDR 2
Lighthouse Utilities Company Inc.
Docket No 100128-WU

1. See attached documentation
2. See attached billing summary for accounting services unbilled and estimated future billed
3. Per discussions with Stan Reiger on 4/21/11, the only asset Lighthouse can establish is currently needed is the new auto (see response to item 4) . The generator, though required by DEP as soon as possible, has not been contracted out to be completed as of 4/28/11.
4. LUCI owns 2 vehicles; both are service trucks and are used for operation/maintenance of the water system.
The oldest vehicle is a 1998 Chevrolet half ton, 159,923 miles, \$17,862.76 original cost.
The newest vehicle is a 2005 Chevrolet half ton, 128,948 miles, \$18,216.91 original cost.
Based on discussions with Stan Reiger on 4/21/11, the Company wishes to retire the 1998 Chevrolet when a new truck is soon purchased. No auto has yet to be identified as the funds are not available for an acquisition.
5. See attached documentation.
6. The previous book-keeper, Janell Kersey, is no longer employed with the Company. Lighthouse contracted with Pennco Financial Services to maintain book-keeping and clerical operations for the Company at a rate of \$750 per month and this is for an estimated 86.67 hours per month, or 20 hours per week and the contract will continue indefinitely.

Response to SDR 3
Lighthouse Utilities Company Inc.
Docket No 100128-WU

- 1-5, 7: See attached cost and hourly rate calculations
- 6: See attached email (18 initial, zero reconnects, zero violation reconnects, zero premises visits for collection purposes)