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REPLY TO CENTRAL FLORIDA OFFICE

May 19, 2009

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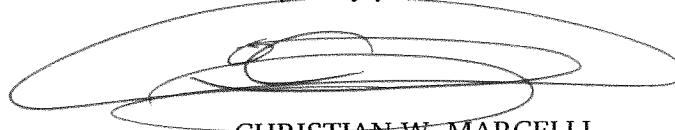
RE: Docket No. 080249-WS; Labrador Utilities, Inc.'s Application for an Increase in Water and Wastewater Rates in Pasco County, Florida
Our File No.: 30057.157

Dear Ms. Cole:

Enclosed for filing in the above-referenced docket is Labrador Utilities, Inc.'s Supplemental Response to Staff's First Data Request, Item No. 1, dated March 5, 2009.

Should you or the Staff have any questions, please do not hesitate to give me a call.

Very truly yours,



CHRISTIAN W. MARCELLI
For the Firm

CWM/tlc
Enclosure

cc: Curtis Mouring, Division of Economic Regulation (w/enclosure) (via e-mail)
Ralph Jaeger, Esquire, Office of General Counsel (w/enclosure) (via e-mail)
Ms. Kirsten Weeks (w/enclosure) (via e-mail)
Patrick C. Flynn, Regional Director (w/enclosure) (via e-mail)
Ms. Deborah Swain (w/enclosure) (via e-mail)
Mr. Frank Seidman (w/enclosure) (via e-mail)

LABRADOR UTILITIES, INC.
DOCKET NO. 080249-WS
ADDITIONAL SALARY INFORMATION FOR AGENDA
EMPLOYEE DETAIL

<u>Employee Name</u>	<u>Region</u>	<u>Classified As</u>	<u>Full Yr Employee in 2007?</u>	<u>Full Yr Employee in 2007 at Labrador?</u>	<u>Pro Forma Salary Increase Resulting From?</u>	<u>Increase Attributable</u>	<u>Per TY</u>	<u>Employee for Labrador in 2003?</u>
Bonagura, John	FL/South	Operator	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(162) 23 37	1,192	No, business manager position created in 2006
Chard, Ronald	FL	Operator	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	3,014 105	-	No, cross connection specialist position created in 2007
Davis, Nevile	FL	Operator	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	2,867 100	-	No, part time position created in 2006
Durham, Rick	FL/South	Operator	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	933 74	1,179	No, regional VP position created in 2006
Flynn, Patrick	FL	Operator	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	151 (80) 77	2,143	Yes
Franklin, Kennedy	FL	Operator	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	3,324 116	-	No, replaced Christopher Lanni who was a 2003 employee
Harper, Scott	FL	Operator	Yes	Yes	Should not be allocated to Labrador	(30,101)	30,101	N/A
Haws, Scotty	FL/South	Operator	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(170) 34 39	1,247	No, safety and compliance manager position created in 2006
Hoy, John	FL/South	Operator	No	No	No longer in position (Rick Durham replaced)	(699)	699	N/A
Neal, William	FL	Operator	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(127) 154 161	4,572	No, replaced Gary Armstrong who was a 2003 employee
Rainey, Shantavious	FL	Operator	No	No	No longer in position (Jason Wright replaced)	(23,977)	23,977	N/A
Wilson, Michael	FL/South	Operator	Yes	No	Allocating portion of current year salary to TV based on TYE ERCs Cost of living increase	4,257 149	-	No, replaced Garth Armstrong who was a 2003 employee

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Worrell, David	FL	Operator	No	No	Annualization for full year current salary allocated at TYE ERCs	3,312		
					Cost of living increase	116		
							-	No, new operator position created in 2008
Wright, Jason	FL	Operator	No	No	Annualization for full year current salary allocated at TYE ERCs	42,897		
					Cost of living increase	1,501		
							-	No, was a replacement to Shantavious Rainey
Leadership Ops	FL	Operator	N/A	N/A	Included in officers	(1,660)		
							1,660	N/A
Total Operations						<u>6,468</u>	<u>66,770</u>	<u>73,237</u> (ties to total requested operator salaries)

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Abbott, Loretta	FL/South	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(77) 31 17	544	Yes
Baranska, Debora	FL/South	Office	Yes	Yes	No longer in position (Leanne Loeffel replaced)	(462)	462	Yes
Bennett, Kimberly	FL/South	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(86) (5) 18	606	Yes
Borges, Robert	FL/South	Office	Yes	No	Position terminated	(389)	389	N/A
Ceballos, Isabel	FL/South	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(81) (1) 17	569	No, replaced Sarah Gentilucci who was a 2003 employee
Chandler, Matthew	FL/South	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(73) 33 17	513	Yes
Christian, Elise	FL/South	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(129) 32 28	908	Yes
Copley, Wanda	FL/South	Office	Yes	No	No longer in position (Susan Dipasquale replaced)	(452)	452	N/A
Dipasquale, Susan	FL/South	Office	No	Yes	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	156 16	299	No, was a replacement to Wanda Copley
Hanks, Peggy	FL/South	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	439 15	-	No, was a replacement to Jackie Tappan

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Mayeski, Lorie	FL/South	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	568 20	-	No, new position created in 2008	
Loeffel, Leanne	FL/South	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	568 20	-	No, replaced Debora Baranska who was a 2003 employee	
Noell, Sandra	FL/South	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(70) 29 16	493	Yes	
Patricio, Rheginald	FL/South	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	474 17	-	No, new position created in 2008	
Paulk, Stella	FL/South	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(93) 31 21	653	Yes	
Raponi, Ann	FL/South	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(84) 18 18	589	Yes	
Ratliff, Josephine	FL/South	Office	Yes	Yes	Position terminated	(499)	499	Yes	
Sasic, Karen	FL/South	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(155) (26) 32	1,091	Yes	
Sillitoe, Jacqueline	FL/South	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(78) (36) 15	552	No, replaced Kathleen Kinsley who was a 2003 employee	
Trovinger, Ferrellyn	FL/South	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(89) 27 20	627	Yes	
Other	FL/South	Office	N/A	N/A	Accruals/accounting entries	(198)	198	N/A	
Other	FL/South	Office	N/A	N/A	Unreconcilable difference	(14)	14		
Total Regional Office						(384)	9,455	9,071	(ties to total requested FL office salaries)

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<u>Employee Name</u>	<u>Region</u>	<u>Classified As</u>	<u>Full Yr Employee in 2007?</u>	<u>Full Yr Employee in 2007 at TV?</u>	<u>Pro Forma Salary Increase Resulting From?</u>	<u>Increase Attributable</u>	<u>Per TY</u>	<u>Employee for Labrador in 2003?</u>
Arnoux, Diane	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(19) (38) 10	344	Yes
Barrett, Jason	Corporate	Office	Yes	Yes	Should not be allocated to Labrador	(253)	253	N/A
Bartusch, Lee	Corporate	Office	No	No	Position terminated	(144)	144	N/A
Bell, William	Corporate	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	32 16	416	No, corporate operations director position created in 2007
Campuzano, Linda	Corporate	Office	Yes	Yes	No longer in position (Agnes Chlebowicz replaced)	(178)	178	N/A
Carrie, Dennis	Corporate	Office	Yes	Yes	No longer in position	(503)	503	N/A
Casados Jr, Jimmy	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(31) 49 20	550	Yes, but was transferred to billing and corporate customer service manager position created in 2008
Chang, Tae	Corporate	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	146 5	-	No, was a replacement to Ellisa Gallis
Chlebowicz, Agnes	Corporate	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	191 7	-	No, was a replacement to Linda Campuzano
Constable, Alissa	Corporate	Office	No	No	No longer in position (Stacy Krugman replaced)	(42)	42	N/A
Crossett, Lisa	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(61) 81 20	1,099	Yes
Dann, Brian	Corporate	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	276 10	-	No, replaced Karen Gingery who was a 2003 employee
Dave, Hardik	Corporate	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	192 8	44	No, replaced Erica Berlet Gamauf who was a 2003 employee

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Delgado, Daniel	Corporate	Office	Yes	Yes	No longer in position (Ron Kazlo replaced)	(864)	864	Yes
Di Marca, Michelle	Corporate	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	328 13	34	No, replaced Michelle Cohn who was a 2003 employee
Dryjanski, Michael	Corporate	Office	Yes	Yes	Should not be allocated to Labrador	(503)	503	N/A
Duggan, Michael	Corporate	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	270 9	-	No, replaced Chris Kocan who was a 2003 employee
Federico, Antoinette	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(16) 36 11	289	No, accounts payable manager position created in 2006
Friedman, Avelina	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(17) 35 11	303	Yes
Gallis, Ellisa	Corporate	Office	No	No	No longer in position (Tae Chang replaced)	(31)	31	
Georgiev, Lena	Corporate	Office	Yes	Yes	Should not be allocated to Labrador	(381)	381	N/A
Gomez, Samuel	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(11) 23 7	198	Yes
Granite, Deborah	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(17) 9 10	301	No, new billing specialist position created in 2006
Guidice, Joyce	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(16) 18 10	294	Yes
Harrell, Janice	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(10) 40 7	177	No, new A/P clerk position created in 2004
Harris, Khalifat	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(18) 37 12	319	No, capital projects accountant position created in 2006
Haynes Jr, John	Corporate	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	676 24	-	Yes

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Hopkins, John	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(19) 157 17	349	No, replaced Justine Silvey who was a 2003 employee
Hoy, John	Corporate	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	142 36	894	No, replaced Steve Lubertozzi (transferred to CFO position)
Kazlo, Allen	Corporate	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	676 24	-	No, replaced Daniel Delgado who was a 2003 employee
Kim, Christine	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(27) 39 17	482	No, accounting manager position created in 2006
Krugler, Adrienne	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(19) 28 13	350	Yes
Krugman, Stacy	Corporate	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	160 13	204	No, was a replacement to Alissa Constable
Lau, Alice	Corporate	Office	Yes	Yes	No longer in position (Elizabeth Triggiani replaced)	(260)	260	N/A
Lawrence, Brent	Corporate	Office	No	No	Position terminated	(93)	93	N/A
Lingeman, Samuel	Corporate	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	248 11	52	No, was a replacement to Joseph Mischik
Lubertozzi, Steven	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(57) 59 36	1,034	Yes, but was a replacement to Lawrence Schumacher (transferred to CEO position)
Luppino, Nancy	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(15) 14 10	274	Yes

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Luppino, Phyllis	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(14) 35 9	246	Yes
Martinov, Slobodan	Corporate	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	270 9	-	No, fixed asset accountant position created in 2007
Marzouk, Michelle	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(188) 111 6	246	No, accounting and regulatory administrative assistant position created in 2006
Matthews, Mary	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(18) 19 12	328	Yes
McGrain, Pamela	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(16) 27 10	280	Yes
McLean, Pamela	Corporate	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	153 10	141	No, payroll manager position created in 2006
Melchiorre, Barbara	Corporate	Office	No	No	No longer in position (Lawanda Valrie replaced)	(16)	16	N/A
Miranda, Margarita	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(13) 17 8	235	No, A/P clerk position created in 2006
Muema, Ruth	Corporate	Office	No	No	Position terminated	(50)	50	N/A
Ostler, Tom	Corporate	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	595 21	-	No, hired into IT manager position (Jim Casados's previous position)
Mischik, Joseph	Corporate	Office	Yes	Yes	No longer in position (Sam Lingeman replaced)	(292)	292	N/A
Murphy, John	Corporate	Office	No	No	No longer in position (Slobodan Martinov replaced)	(312)	312	N/A
Neyzelman, Dimitry	Corporate	Office	Yes	Yes	Should not be allocated to Labrador	(377)	377	N/A

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Pannos, Nicholas	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(12) 23 8	216	No, IT specialist position created in 2006
Paule, Nancy	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(8) 54 7	144	Yes
Pietras, Victoria	Corporate	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	325 11	-	No, replaced Igor Turov who was a 2003 employee
Povich, Erin	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(15) 544 28	272	No, replaced Kirsten Weeks (who was promoted to manager for regulatory)
Rochow, Michelle	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(17) 584 30	300	No, regulatory accountant position created in 2006
Rose, Kendra	Corporate	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	229 13	137	No, safety coordinator position created in 2007
Scherer, William	Corporate	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	408 14	-	No, tax accountant position created in 2008
Schiopu, Mircea	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(11) 15 7	196	Yes
Schumacher, Lawrence	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(105) 108 66	1,886	Yes
Serrill III, George	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(23) 31 15	409	No, replaced Brad Bernardi who was a 2003 employee
Shrake, Brian	Corporate	Office	No	No	Should not be allocated to Labrador	(173)	173	

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Siegel, Trisha	Corporate	Office	No	No	Position terminated	(20)	20	N/A
Silvey, Justine	Corporate	Office	Yes	Yes	No longer in position (John Hopkins replaced)	(412)	412	Yes
Simmons, Rodney	Corporate	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	171 12	166	No, office specialist position created in 2007
Smutny Jr., Thomas	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(10) 167 12	173	No, systems specialist position created in 2005
Sowell, George	Corporate	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	392 14	-	No, new accounting manager position created in 2008
Stoica, Monica	Corporate	Office	Yes	Yes	No longer in position	(333)	333	N/A
Stone, Leslie	Corporate	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	128 12	217	No, replaced Sue Aylin who was a 2003 employee
Stover, John	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(60) 100 39	1,080	No, corporate council position created in 2007
Sudduth, Donald	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(48) 50 30	868	No, business director position created in 2006
Tabang, Liliana Popa	Corporate	Office	No	No	Position terminated	(3)	3	N/A
Triggiani, Elizabeth	Corporate	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	216 8	-	No, was a replacement to John Hopkins (promoted to HR manager)
Valrie, Lawanda	Corporate	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	143 6	19	No, was a replacement to Barb Melchiorre
Ward, Inger	Corporate	Office	No	No	No longer in position	(47)	47	N/A
Weeks, Kirsten	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(24) 813 43	441	Yes

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Williams, John	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(12) 344 19	220	No, director of governmental affairs position created in 2006
Yap, Lowell	Corporate	Office	Yes	Yes	Should not be allocated to Labrador	(220)	220	N/A
Yount, Darrin	Corporate	Office	Yes	Yes	Adjusting to TYE ERCs Adjusting to current salary Cost of living increase	(30) 58 20	549	No, director of strategic planning position created in 2006
Yount, Sherri	Corporate	Office	Yes	Yes	No longer in position	(22)	22	N/A
Zawacki, Maureen	Corporate	Office	Yes	Yes	Position terminated	(187)	187	N/A
Zawadzki, Diane	Corporate	Office	No	No	Annualization for full year current salary allocated at TYE ERCs Cost of living increase	82 13	297	No, operation's analyst position created in 2007
Other	Corporate	Office	N/A	N/A	Unreconcilable difference	1,058	(1,058)	
Total Corporate Office						5,398	21,729	27,128 ties to total requested corporate office salaries
Total - All Salaries						11,482	97,954	109,436

LABRADOR UTILITIES, INC.
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ADDITIONAL SALARY INFORMATION FOR AGENDA
SUMMARY EXPLANATIONS

	<u>2003</u>	<u>2007</u>	<u>Difference</u>	<u>Percentage</u>	
Operator Salary Expense	41,074	73,237	32,163	78.31%	(1) (3)
Capitalized Time	(35,515)	(6,012)	29,503	-83.07%	(2)
Total Operator Expense	5,559	67,225	61,666		

	<u>2003</u>	<u>2007</u>	<u>Difference</u>	<u>Percentage</u>	
Florida Office Expense	12,856	9,071	(3,785)	-29.44%	(4)

	<u>2003</u>	<u>2007</u>	<u>Difference</u>	<u>Percentage</u>	
Corporate Office Expense	14,781	27,128	12,347	83.54%	(5)

- (1) Actual operator salaries for Labrador increased by 78.31% over four years. This increase is attributable to several reasons. First, the Company gives a standard cost of living increase to its employees on an annual basis. Second, the adjustment in 2007 has been annualized to account for full year salaries of all personnel allocated to Labrador. The last rate case, Docket No. 030443-WS, included only actual salaries, not annualized salaries. Annualizing is a normal practice in determining revenues and expenses for a full test year. Third, between 2003 and 2007, six new positions were created within the Company, including a regional vice president serving the Florida and South regions, a business manager serving the same, and a cross connection specialist, an operator, and a part-time operator, all of whom are allocated to various Florida companies. The new employees alone account for \$13,940 of the difference between 2003 and 2007. A current annual operator expense of \$73,237 is not unreasonable to efficiently run both a water and wastewater system consisting of over 1,567 ERCs in total. In fact, if Labrador were a stand-alone system, it would be difficult to run it efficiently and effectively for a little over \$73,000. Labrador benefits by being among a group of well-run systems in Florida.
- (2) One of the reasons that net salaries appeared as low as they were in 2003 is due to capitalized time. As evidenced above, Labrador had a heightened amount of capitalized time in 2003, due to the fact that the system was dilapidated at purchase. There were several capital projects put into place shortly after purchase, causing capitalized time to be unusually high. High capitalized time causes net salary expense to be reduced, and is not representative of the actual salary cost to run the system.
- (3) Regarding the part-time operator, this position was created in order to assist the field operator and to provide support for the water and wastewater systems. This position parallels a part-time position in 2003, held by Justin Weber. Cross connection is a mandated DEP rule; the new cross connection specialist position reflects the requirements of this rule. The necessity of weekend checks, also mandated by the DEP in order to maintain Labrador's operating permit fulfilled the need for another full time operator. All the positions currently held at Labrador help maintain the integrity and the efficient operating status of the plant. The company also notes that during its last rate case, customers had requested additional measures by the Company in order to uphold, continue, and improve the water and wastewater facilities. Finally, the Company created a regional vice president position, as well as a business manager and safety and compliance manager position. Prior to the creation of the RVP, field operations staff all reported to the RD, who in turn reported directly to the chief operating officer in Northbrook, who had direct responsibility for operations in 17 states. The customer service staff reported through a different chain of command. The size of operations in Florida, the wide area of responsibility for the COO, and the greater demands on the operating staff dictated the need for a leadership position with primary focus on the Florida region. The RVP position was created, and all Florida operations were consolidated into one functional area within the individual located in the regional office to direct and manage the increased demands at the local level. The business manager position was also created to assist the RVP in making strategic decisions for the respective region. Please note that the RVP and business manager position for Florida oversee both the Florida and South regions of the Company. The RVP and business manager duties include:
- developing a strategic plan for the region which entails looking out long term at the supply, resources, and demand conditions and formulating plans to meet those needs
 - establishing annual and long term goals and measures to focus operations on meeting the balanced needs of customers, regulators, shareholders, and employees
 - establishing annual capital plans and operating budgets to improve the cost effectiveness of operations
 - developing the business case and securing the resources from the parent company to meet the regional needs of the Florida and South regions
 - bringing together field operations and customer service and providing the tools to improve the level of service to the customer
 - providing additional resources and focus to regulatory compliance and safety within the organization

LABRADOR UTILITIES, INC.
DOCKET NO. 080249-WS
ADDITIONAL SALARY INFORMATION FOR AGENDA
SUMMARY EXPLANATIONS

The safety and compliance manager position was created to stay abreast of and ensure compliance with the increasing local, state, and federal regulations governing the delivery of safe and reliable water, treatment and disposal of wastewater, and reuse in both the Florida and South regions. The Company owns and manages over 400 water and wastewater facilities, well sites, and lift stations in the state. In addition, the position is responsible for employee safety and training. Given the level of responsibility and the importance of the duties, the safety and compliance manager reports directly to the RVP. Specific duties include:

- developing and implementing new processes to ensure compliance with all regulations impacting company operations
 - staying abreast of all new regulations to determine the impact on the Company and developing plans to meet new or revised requirements
 - monitoring all monthly tests and reports
 - coordinating the development and distribution of the annual CCR reports and any customer notifications regarding water quality
 - developing and implementing a cross connections control program state-wide
 - serving as the primary point of contact for the regulatory agencies responsible for compliance and following up on any issues to ensure timely completion and closure
 - performing local safety inspections and training
 - providing reports to senior management to demonstrate compliance with company policies and environmental regulations
- (4) The Company has been able to reduce its Florida office expense over the past four years due to more efficient practices and the combining of some positions. Also, the Florida office now performs many duties for the South region, as the office in Louisiana has closed. Therefore, certain regional costs, including Florida office salaries, are now allocated to the South region as well.
- (5) Corporate office salaries have increased by 83% in four years. However, there have been several needs of the Company that have required this increase. Generally speaking, Utilities, Inc. was in a growth period between 2003 and 2007. Total revenues in 2007 were \$107,492,665. Compared to 2003 total revenues of \$78,242,046, that's growth of over \$29,250,000 in four years. In addition, the Corporate office was understaffed for a number of years, and due to the growth in the Company, the 2003 through 2007 time period was a good time to increase staffing to an adequate level to keep the corporate level of the business running smoothly. It is important to note that while several new positions were created, the Company also terminated some positions, determining that these positions were not required for the Company to run its business in an effective manner. The new positions created include:
- Corporate operations director - reports to the COO, manages projects in the corporate office, and ensures that the maintenance in the corporate office is done, as well as making sure the office meets building code requirements, etc.
 - Corporate customer service and billing manager - manages all billing in the new CC&B system, performs refunds, tracks A/R
 - A/P manager - with the increase in revenue comes increased expenses, an A/P manager was needed to oversee the A/P clerks and to ensure timely paying of bills, etc.
 - Billing specialist - due to the increased customers, a second billing specialist was required to make rate changes, track customer billings, bill customers, etc.
 - A/P clerks - increased Company expenses and growth required more A/P clerks to ensure that bills are paid on time
 - Capital projects accountant - position created to track capital projects, assist with budgeting; works directly with RDs, RVPs, business managers, and safety and compliance managers
 - Accounting managers - the Company's structure in accounting did not have a manager to oversee month end closings, accruals, various entries, etc; part of a new reporting structure in accounting
 - Fixed asset accountants - hired to track assets in the new accounting system, ensure correct depreciation rates, perform retirement and depreciation entries
 - Accounting and regulatory administrative assistant - assists these two departments with pulling invoices, photocopying, calling vendors, and other various duties upon request
 - Payroll manager - with the increase in employees, the need for a payroll manager surfaced
 - IT specialist - as the Company's headcount increased, an additional IT specialist was needed to address related issues
 - Safety coordinator - works directly with safety and compliance coordinators in the field to ensure regulatory requirements, necessary tariff changes, etc.
 - Tax accountant - specialized position created in order to help with tax returns, annual reports, deferred tax entries, and other accounting needs related to tax
 - Systems specialist - created to assist with specific IT systems needs, specifically Microsoft packages
 - Corporate counsel - created to help with general legal issues of a growing company and to work with attorneys in the states in which the Company operates. Also leads any lawsuits or legal issues the Company may have at any given point in time
 - Business development director - specifically in charge of seeking out acquisitions and divestments
 - Director of governmental affairs - part of the regulatory department, helps with relations with Commissions, consumer advocates, customers, and other Company employees; keeps up on rules and regulations affecting rate cases
 - Director of strategic planning - helps with streamlining expenses in operations, assists with budgeting and operations management
 - Operations analyst - assists with overall operations management

LABRADOR UTILITIES, INC.
DOCKET NO. 080249-WS
ADDITIONAL SALARY INFORMATION FOR AGENDA
INCREASE SUBTOTALS AND COMPARISONS

Comparing 2007 to 2003

	<u>Amount in \$61,666</u>	<u>Percentage</u>
Operators - net salary increase	61,666	
New positions created (includes any annualization or cost of living increase for employees added since 2003)	13,940	22.61%
Cost of living increase over four years for employees existing in both 2003 and 2007	196	0.32%
Change in salary and cost of living increase for employees that replaced employees existing in 2003	24,151	39.16%
Employees with the Company in 2003 but not with the Company in 2007 (either not replaced or replaced internally)	(6,125)	-9.93%
Decrease in capitalized time from 2003 to 2007 (results in increase in salary expense - see footnote 2 from "Summary Explanations for explanation of change in captime)	29,503	47.84%
Total	<u>61,666</u>	<u>100.00%</u>

2007 Pro Forma Increase Subtotals

	<u>Amount in \$11,023</u>	<u>Percentage</u>
Total increase requested in salaries over per books amount	11,023	
Adjusting to TYE ERCs		
Operators	(307)	
Regional Office	(1,016)	
Corporate	(977)	
		(2,300) -20.87%
Adjusting to current salary/annualization for full year for allocated employee:		
Operators	60,736	
Regional Office	2,339	
Corporate	10,136	
		73,210 664.13%
Cost of living increase		
Operators	2,477	
Regional Office	307	
Corporate	899	
		3,682 33.40%
Terminated positions/no longer in position		
Operators	(24,676)	
Regional Office	(1,801)	
Corporate	(3,810)	
		(30,287) -274.75%
Should not be allocated		
Operators	(30,101)	
Regional Office	-	
Corporate	(1,907)	
		(32,008) -290.36%
Accruals/adjustments		
Operators	(1,660)	
Regional Office	(212)	
Corporate	1,058	
		(815) -7.39%
Increase in capitalized time due to salary increases		(459) -4.16%
Total		<u>11,023</u> <u>100.00%</u>