

State of Florida



Public Service Commission

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

COMMISSION
CLERK

DATE: March 14, 2011
TO: Ann Cole, Commission Clerk, Office of Commission Clerk
FROM: Jared Deason, Regulatory Analyst IV, Division of Economic Regulation
RE: 100149-WU; Application for increase in water rates in Lee County by Ni Florida, LLC.

Please add the attached document to the above referenced docket file.

DOCUMENT NUMBER-DATE

01657 MAR 14 =

FPSC-COMMISSION CLERK

Jared Deason

From: Andrew Maurey
Sent: Monday, March 14, 2011 2:16 PM
To: Bart Fletcher; Jared Deason
Cc: Cheryl Bulecza-Banks
Subject: FW: Tamiami REVISED Allocated Overhead

Attachments: 2010 overhead expenses by account Tamiami.xlsx



2010 overhead
expenses by acco

-----Original Message-----

From: Martin Friedman [mailto:MFriedman@RSBattorneys.com]
Sent: Monday, March 14, 2011 1:36 PM
To: Andrew Maurey
Cc: Ralph Jaeger; Benny Wilkinson; Ed Wallace; Christian W. Marcelli; Steve Reilly
Subject: Tamiami REVISED Allocated Overhead

Andrew,

Ralph asked me to have the Utility review the response to Item 2 of the Staff's 1/27/11 data request and the GL, explaining a difference in accounts 601, 603 & 604. Attached is the revised schedule correcting the error in the data request response. The overhead allocation goes from \$101,826 to \$94,276. I apologize for the error. Please do not hesitate to contact me should you have any questions.

Regards, Marty

Martin S. Friedman
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Ni America Operating, LLC and Ni America Capital Management, LLC
Overhead Allocation for 2010

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sen-10	Oct-10	Nov-10	Dec-10	Total
Ni America Operating, LLC													
Operation and Maintenance													
601 Salaries-Employees	\$14,445	\$17,711	\$14,790	\$16,269	\$16,261	\$20,770	\$22,111	\$21,958	\$21,951	\$25,135	\$25,400	\$25,405	\$ 242,206
603 Salaries-Officers & Directors	69,229	66,164	63,186	66,051	66,051	66,051	65,799	65,069	73,774	78,063	77,816	43,826	801,078
604 Employees Pensions and Benefits	12,943	12,755	12,755	12,753	12,753	12,752	12,834	17,351	18,331	19,178	20,034	20,289	184,728
620 Repairs & Maintenance	1,046	1,046	1,320	1,611	1,067	939	1,046	1,042	918	939	1,050	939	12,966
632 Contract Services-Accounting/Tax	-	788	25,000	(1,251)	-	(25,000)	2,404	-	-	-	-	-	1,941
633 Contract Services-Legal	11,465	2,508	9,469	(11,987)	5,794	(8,667)	4,506	3,866	5,333	2,184	1,401	810	26,680
635 Contract Services-Development	-	-	85,000	-	-	(85,000)	-	-	-	-	-	-	-
636.1 Contract Services-Computer Svcs	4,480	-	2,240	2,430	2,240	2,240	2,240	4,140	2,447	2,447	2,447	2,447	29,798
636.2 Contract Services-Other	-	-	-	557	1,794	4,508	3,832	4,821	3,772	794	3,840	25,325	49,243
641/642 Rent Expense	2,820	2,820	3,957	2,820	2,820	2,820	2,843	2,843	4,237	4,124	4,359	4,381	40,845
650 Travel Expense	5,429	7,696	4,552	(13,053)	13,657	6,345	12,127	7,870	3,423	20,476	15,618	13,396	97,536
657 General Liability	64	598	64	62	62	1,237	1,237	1,197	1,197	1,197	1,197	1,237	9,428
658 Workman's Compensation	506	88	97	94	97	94	422	445	415	445	430	(1,858)	1,277
659 Crime	250	250	250	250	250	250	250	250	250	250	250	250	3,000
660 Advertising & Promotion	-	-	-	-	2,355	902	760	-	-	1,125	-	-	5,143
661 Bank Fees	401	250	333	251	321	157	394	257	391	283	290	426	3,753
667 Regulatory Commission Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operation and Maintenance	\$123,077	\$112,673	\$223,012	\$76,858	\$125,522	\$398	\$132,808	\$131,149	\$136,438	\$156,680	\$154,133	\$136,874	\$ 1,509,622
Miscellaneous													
675.1 Telephone	\$4,251	\$3,201	\$4,598	\$4,473	\$3,871	\$2,722	\$3,665	\$4,391	\$4,512	\$4,673	\$4,559	\$4,612	\$ 49,528
675.2 Utilities	1,537	382	93	2,935	1,172	1,739	1,898	2,031	1,697	1,011	786	917	16,198
675.3 Meals & Entertainment	692	3,116	9,290	603	4,143	641	202	549	2,337	5,524	5,541	6,338	38,967
675.4 Dues/Subscriptions/Prof Orgs	-	445	600	215	880	406	-	1,295	310	1,457	(35)	(190)	5,383
675.5 Computer/Internet Expenses	325	395	826	954	1,522	79	74	585	1,043	74	333	783	6,991
675.6 Utility Associations	-	-	-	-	-	-	-	-	-	-	-	-	400
675.7 Office Supplies	1,071	330	914	2,093	489	277	410	2,045	695	1,442	823	1,614	12,203
675.8 Postage/Freight/Overnight	290	204	612	88	169	479	179	509	95	201	485	298	3,606
675.9 Other Expenses	16	-	124	-	281	43	-	430	178	-	465	3,101	4,638
675.10 Education & Seminars	-	-	1,305	-	-	-	-	640	2,928	100	1,210	1,210	6,183
Total Miscellaneous	\$8,182	\$8,073	\$18,362	\$11,362	\$12,528	\$6,385	\$6,427	\$11,834	\$11,508	\$17,310	\$13,055	\$19,073	\$ 144,098
Other													
680.1 Travel	\$4,262	\$2,854	\$606	(\$368)	\$6,874	\$2,229	\$792	\$9,031	\$12,726	-	\$1,800	\$1,163	\$ 41,967
680.2 Legal	13,233	1,927	10,400	(9,802)	2,486	315	10,333	10,581	12,752	7,419	7,041	5,069	71,754
680.3 Outside Accounting	12,079	-	13,000	(25,079)	1,208	-	33	-	2,600	-	-	-	3,840
680.4 Outside	-	-	-	-	-	-	2,500	750	725	-	6,678	-	10,652
680.5 Engineering	6,713	-	3,558	4,872	49,433	93,588	35,003	26,890	23,440	-	135	5,325	250,956
Total Other	\$36,286	\$4,780	\$27,563	(\$30,378)	\$60,001	\$96,131	\$48,660	\$99,252	\$52,243	\$7,419	\$15,653	\$11,557	\$379,169
Total O&M	\$167,545	\$128,527	\$268,938	\$57,842	\$198,051	\$102,914	\$187,894	\$192,235	\$200,189	\$181,409	\$182,842	\$167,504	\$2,032,889
Ni America Capital Management, LLC													
Corporate Governance													
	\$15,148	\$14,941	\$97,382	\$42,794	\$115,115	\$41,350	\$46,804	\$53,308	\$55,052	\$50,642	\$75,534	\$225,405	833,476
Total Allocable O&M Before Exclusions	\$182,693	\$140,468	\$366,320	\$100,635	\$313,167	\$144,265	\$234,698	\$245,544	\$255,240	\$232,050	\$258,376	\$392,909	\$ 2,866,364
Less: Excluded Overhead	\$0	(\$2,826)	(\$8,600)	(\$2,163)	(\$4,240)	(\$902)	\$0	(\$1,474)	(\$413)	(\$6,881)	(\$3,765)	(\$8,093)	\$ (39,356.95)
Total Allocable O&M After Exclusions	\$182,693	\$137,642	\$357,720	\$98,472	\$308,926	\$143,362	\$234,698	\$244,070	\$254,828	\$225,169	\$254,611	\$384,817	\$ 2,827,007
Percentage of Allocable Payroll	89.22%												
Total Allocable to Utilities	\$162,999	\$122,804	\$319,157	\$87,857	\$275,624	\$127,908	\$209,398	\$217,759	\$227,357	\$200,896	\$227,164	\$343,334	\$ 2,522,256
ERCs													
Shaded Lane	200	198	200	197	196	196	197	195	196	197	195	196	
Hudson	2,992	2,992	2,994	2,995	2,995	2,991	2,984	2,989	2,983	2,981	2,984	2,983	
Tamiami	769	743	742	742	744	744	741	776	775	784	784	784	
Brighton	724	720	722	729	729	725	742	736	736	734	726	725	
Palmetto	15,399	15,463	15,517	15,566	15,662	15,685	15,735	15,736	15,755	15,799	16,001	16,044	
Total	20,084	20,116	20,175	20,229	20,326	20,341	20,399	20,432	20,445	20,495	20,690	20,732	
Allocated Overhead													
Shaded Lane	\$ 1,623	\$ 1,209	\$ 3,164	\$ 856	\$ 2,658	\$ 1,232	\$ 2,022	\$ 2,078	\$ 2,180	\$ 1,931	\$ 2,141	\$ 3,246	\$ 24,340
Hudson	24,283	18,266	47,363	13,008	40,613	18,808	30,631	31,856	33,172	29,220	32,763	49,400	369,382
Tamiami	6,241	4,536	11,738	3,223	10,089	4,678	7,606	8,270	8,618	7,685	8,608	12,983	94,276
Brighton	5,876	4,395	11,422	3,166	9,885	4,559	7,617	7,844	8,185	7,195	7,971	12,006	90,121
Palmetto	124,976	94,398	245,470	67,605	212,380	98,630	161,521	167,710	175,202	154,865	175,682	265,698	1,944,137
Total	\$ 162,999	\$ 122,804	\$ 319,157	\$ 87,857	\$ 275,624	\$ 127,908	\$ 209,398	\$ 217,759	\$ 227,357	\$ 200,896	\$ 227,164	\$ 343,334	\$ 2,522,256

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Total
Tamiami Allocated Overhead by Account													
NI America Operating, LLC													
Operation and Maintenance													
601 Salaries-Employees	\$493	\$584	\$485	\$532	\$531	\$678	\$717	\$744	\$742	\$858	\$859	\$857	\$ 8,080
603 Salaries-Officers & Directors	2,365	2,180	2,073	2,162	2,157	2,155	2,133	2,205	2,495	2,664	2,631	1,479	26,699
604 Employees Pensions and Benefits	442	420	419	417	416	416	416	588	620	655	677	685	6,171
620 Repairs & Maintenance	36	34	43	53	35	31	34	35	31	32	36	32	431
632 Contract Services-Accounting/Tax	-	26	820	(41)	-	(816)	78	-	-	-	-	-	67
633 Contract Services-Legal	392	83	311	(392)	189	(283)	146	131	180	75	47	27	906
634 Contract Services-Regulatory	-	-	2,789	-	-	-	-	-	-	-	-	-	15
636.1 Contract Services-Computer Svcs	153	-	74	80	73	73	73	140	83	84	83	83	997
636.2 Contract Services-Other	-	-	-	18	59	147	124	163	128	27	130	854	1,650
641/642 Rent Expense	96	93	130	92	92	92	92	96	143	141	147	146	1,363
650 Travel Expense	185	254	149	(427)	446	207	393	267	116	699	528	452	3,269
657 General Liability	2	20	2	2	2	40	40	42	40	42	40	42	315
658 Workman's Compensation	17	3	3	3	3	3	14	15	14	15	15	(63)	43
659 Crime	9	8	8	8	8	8	8	8	8	9	8	8	100
660 Advertising & Promotion	-	-	-	-	-	-	25	-	-	-	-	-	25
661 Bank Fees	14	8	11	8	10	5	13	9	13	10	10	14	125
667 Regulatory Commission Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operation and Maintenance	\$4,205	\$3,713	\$7,318	\$2,515	\$4,022	(\$16)	\$4,304	\$4,444	\$4,614	\$5,309	\$5,211	\$4,618	50,257
Miscellaneous													
675.1 Telephone	\$145	\$106	\$151	\$146	\$126	\$89	\$119	\$149	\$153	\$159	\$154	\$156	\$ 1,653
675.2 Utilities	53	13	3	96	38	57	62	69	57	35	27	31	539
675.3 Meals & Entertainment	24	20	42	20	92	21	7	19	79	25	64	57	468
675.4 Dues/Subscriptions/Prof Orgs	-	4	-	7	16	13	-	-	(2)	17	(5)	(6)	44
675.5 Computer/Internet Expenses	11	13	27	31	50	3	2	20	35	3	11	26	232
675.6 Utility Associations	-	-	-	-	-	-	-	-	-	-	-	-	-
675.7 Office Supplies	37	11	30	68	16	9	13	69	24	49	28	54	409
675.8 Postage/Freight/Overnight	10	7	20	3	6	16	6	17	3	7	16	10	120
675.9 Other Expenses	1	-	4	-	4	1	-	9	5	-	16	2	40
675.1 Education & Seminars	-	-	43	-	-	-	-	-	22	100	3	41	209
Total Miscellaneous	\$279	\$173	\$320	\$372	\$348	\$208	\$208	\$351	\$375	\$394	\$314	\$370	3,714
Other													
680.1 Travel	\$146	\$94	\$20	(\$12)	\$224	\$73	\$26	\$306	\$430	-	\$61	\$39	\$ 1,407
680.2 Legal	452	63	341	(321)	81	10	335	359	431	253	238	171	2,415
680.3 Outside Accounting	413	-	427	(821)	39	-	1	-	88	-	-	-	147
680.4 Outside	-	-	-	-	-	-	81	25	25	-	226	-	357
680.5 Engineering	229	-	117	159	1,614	3,054	1,134	979	793	-	5	180	8,264
Total Other	\$1,240	\$158	\$904	(\$994)	\$1,959	\$3,137	\$1,577	\$1,669	\$1,767	\$253	\$529	\$390	\$12,589
Total O&M	\$5,724	\$4,043	\$8,543	\$1,893	\$6,329	\$3,329	\$6,090	\$6,464	\$6,756	\$5,957	\$6,054	\$5,378	\$66,560
NI America Capital Management, LLC													
Corporate Governance													
	\$517	\$492	\$3,195	\$1,330	\$3,759	\$1,349	\$1,517	\$1,806	\$1,862	\$1,728	\$2,554	\$7,605	\$ 27,716
Total Allocable O&M	\$6,241	\$4,536	\$11,738	\$3,223	\$10,089	\$4,678	\$7,606	\$8,270	\$8,618	\$7,685	\$8,608	\$12,983	\$94,276