



March 10, 2015

**E-FILING**

Carlotta S. Stauffer, Director  
Division of Commission Clerk and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

RE: Docket No. 140135-WS; Application for increase in water and wastewater rates in Pasco County  
by Labrador Utilities, Inc.  
Our File No.: 30057.216

Dear Ms. Stauffer:

The following are Labrador Utilities, Inc.'s ("Company") responses to the Staff's Eighth Data Request dated February 27, 2015:

**Rate Case Expense**

- 1) Please clarify if any of the Water Service Corporation (WSC) employees' capitalized time spent on the rate case was compensated as overtime pay for hourly employees or bonuses for salaried employees. If so, please provide a breakdown of the amount by employee.

Response: None of the Water Service Corporation (WSC) employees' capitalized time spent on the rate case was compensated as overtime pay for hourly employees or bonuses for salaried employees.

- 2) Based on the itemized descriptions of rate case work performed by WSC employees, approximately 27 hours of various MFR preparation are recorded for Patrick Flynn. In addition, Darrien Pitts' hours reflect approximately 53 hours for preparation of MFR schedules A, B, D, and E, and an additional 25 hours for the preparation of the chemical and transportation schedules. Please explain why the WSC In-House hours related to MFR preparation are not duplicative of the approximately 357 hours for MFR preparation and review that Milian, Swain and Associates, Inc. documented in its rate case expense support documentation.

Response: The WSC In-House hours related to MFR preparation are in no way duplicative of the hours Milian, Swain and Associates, Inc. spends on MFR preparation. The WSC In-House hours associated with the MFR preparation primarily entail gathering the company's raw data, project plans, invoices and a slew of other information and translating those items into a usable format for Milian, Swain and Associates, Inc. to use in the preparation of the MFRs.

- 3) Based on the itemized descriptions of rate case work performed by WSC employees, Darrien Pitts spent approximately 144 hours responding to audit requests. Please provide a detailed description of the work performed and information provided for each entry, including whether the time was related to prior Commission-ordered adjustments the Utility had not made.

Response: Please see the attached file.

**Miscellaneous Expense**

- 4) According to the affiliate audit conducted for Utilities, Inc. in this docket, audit staff noted expenses totaling approximately \$46,000 in Account 6185 - Travel/Lodging related to a leadership meeting held at the Rosen Center Hotel during the test year ending December 31, 2013.
- a) Please provide a breakdown by vendor, amount, and allocation of the total expenses associated with this meeting.

Response: The Utility needs clarification as to the source of this amount.

- b) Please explain the details of the meeting, including, but not limited to its purpose, who at Labrador Utilities, Inc. attended, and how often it has been held annually. In addition, please explain why the level of expense is reasonable and should be allocated to the Utility.

Response: The purpose of the annual leadership meeting is to provide a forum for cross-functional senior leadership to meet, collaborate, share and learn. They can share knowledge, discuss innovative ideas and stay current on industry regulations, trends and technologies. The agenda also includes "state of the Company" presentations from various departments as well as in-depth planning sessions where Company goals and performance metrics are formulated. Company and industry best practices are shared and discussed. The annual leadership meeting has been held since 2008. The location was chosen because of its cost effective nature. Low travel expense and the ability to negotiate for lowest rates assures best value at the lowest expense possible. The President, Vice President of Operations, and Regional Manager of Labrador Utilities, Inc. attended the meeting.

Please feel free to contact me if you or Staff have any questions or concerns.

Very truly yours,



MARTIN S. FRIEDMAN  
For the Firm

MSF/

cc: John Hoy (via email)  
Patrick C. Flynn (via e-mail)  
Darrien Pitts (via email)  
Kyesha Mapp, Esquire (via e-mail)  
Steve Reilly, Esquire (via email)

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Transaction C/E	Line	Do Ty	Doc Num	G/L Date	Explanation	Explanation-Remark	Units	Column1	DR #	Description
KMALECKI	712	T4	1401	11/15/2014	Pitts, Darrien	Cap Project	003.6	4	Respond to Audit Requests	AR #19 Provide Def Tax Question Response
KMALECKI	711	T4	1401	11/15/2014	Pitts, Darrien	Cap Project	003.6	3	Respond to Audit Requests	AR #17 Provide detail regarding HOA lawsuit
KMALECKI	710	T4	1401	11/15/2014	Pitts, Darrien	Cap Project	003.6	4	Respond to Audit Requests	AR #16 Provide detail for UR Ledger revision entries
KMALECKI	709	T4	1401	11/15/2014	Pitts, Darrien	Cap Project	003.6	4	Respond to Audit Requests	AR #18 Provide detail for CP 2012058
KMALECKI	708	T4	1401	11/15/2014	Pitts, Darrien	Cap Project	003.6	3	Respond to Audit Requests	AR #15 Provide detail for WIP-Cap Time accounts
KMALECKI	707	T4	1401	11/15/2014	Pitts, Darrien	Cap Project	003.6	4	Respond to Audit Requests	AR #14 Provide detail for CP Project 2012056
KMALECKI	706	T4	1401	11/15/2014	Pitts, Darrien	Cap Project	003.6	4	Respond to Audit Requests	AR #13 Provide detail for CP Project 2012107
KMALECKI	705	T4	1401	11/15/2014	Pitts, Darrien	Cap Project	003.6	8	Respond to Audit Requests	AR #15 Provide detail for WIP-Cap Time accounts
KMALECKI	743	T4	1398	10/31/2014	Pitts, Darrien	Cap Project	003.6	2	Respond to Audit Requests	AR #14 Provide detail for CP Project 2012056
KMALECKI	741	T4	1398	10/31/2014	Pitts, Darrien	Cap Project	003.6	4	Respond to Audit Requests	AR #13 Provide detail for CP Project 2012107
KMALECKI	740	T4	1398	10/31/2014	Pitts, Darrien	Cap Project	003.6	5	Respond to Audit Requests	AR #12 Provide detail for Chemicals sample items
KMALECKI	739	T4	1398	10/31/2014	Pitts, Darrien	Cap Project	003.6	5	Respond to Audit Requests	AR #12 Provide detail for Chemicals sample items
KMALECKI	738	T4	1398	10/31/2014	Pitts, Darrien	Cap Project	003.6	7	Respond to Audit Requests	AR #11 Provide the invoices, contracts, and purchase orders for the selected CWIP sample items
KMALECKI	737	T4	1398	10/31/2014	Pitts, Darrien	Cap Project	003.6	8	Respond to Audit Requests	AR #11 Provide the invoices, contracts, and purchase orders for the selected CWIP sample items
KMALECKI	736	T4	1398	10/31/2014	Pitts, Darrien	Cap Project	003.6	5	Respond to Audit Requests	AR #11 Provide the invoices, contracts, and purchase orders for the selected CWIP sample items
KMALECKI	735	T4	1398	10/31/2014	Pitts, Darrien	Cap Project	003.6	7	Respond to Audit Requests	AR #11 Provide the invoices, contracts, and purchase orders for the selected CWIP sample items
KMALECKI	734	T4	1398	10/31/2014	Pitts, Darrien	Cap Project	003.6	4	Respond to Audit Requests	AR #11 Provide the invoices, contracts, and purchase orders for the selected CWIP sample items
KMALECKI	733	T4	1398	10/31/2014	Pitts, Darrien	Cap Project	003.6	1	Respond to Audit Requests	AR #9 Address reclassified property
KMALECKI	731	T4	1398	10/31/2014	Pitts, Darrien	Cap Project	003.6	2	Respond to Audit Requests	AR #9 Address reclassified property
QBATCH	860	T4	1389	10/15/2014	Pitts, Darrien	Cap Project	003.6	6	Respond to Audit Requests	AR #9 Provide Contracts, Invoice, JEs and explanations for Plant Sample Items 2011, 2012 & 2013
QBATCH	859	T4	1389	10/15/2014	Pitts, Darrien	Cap Project	003.6	6	Respond to Audit Requests	AR #9 Provide Contracts, Invoice, JEs and explanations for expense sample items 2013
QBATCH	853	T4	1389	10/15/2014	Pitts, Darrien	Cap Project	003.6	2	Respond to Audit Requests	AR #9 Provide Contracts, Invoice, JEs and explanations for expense sample items 2013
QBATCH	852	T4	1389	10/15/2014	Pitts, Darrien	Cap Project	003.6	2	Respond to Audit Requests	AR #8 Provide Bad Debt and deferred assets
QBATCH	850	T4	1389	10/15/2014	Pitts, Darrien	Cap Project	003.6	4	Respond to Audit Requests	AR #8 Provide Bad Debt and deferred assets
QBATCH	849	T4	1389	10/15/2014	Pitts, Darrien	Cap Project	003.6	2	Respond to Audit Requests	AR #8 Provide Bad Debt and deferred assets
QBATCH	839	T4	1389	10/15/2014	Pitts, Darrien	Cap Project	003.6	1	Respond to Audit Requests	AR #10 Provide an explanation for the difference between the recalculated depreciation expense and the general ledger of Account 1360 Services to Customers (see attachment).
QBATCH	840	T4	1389	10/15/2014	Pitts, Darrien	Cap Project	003.6	4	Respond to Audit Requests	AR #10 Provide an explanation for the difference between the recalculated depreciation expense and the general ledger of Account 1360 Services to Customers (see attachment).
QBATCH	846	T4	1389	10/15/2014	Pitts, Darrien	Cap Project	003.6	8	Respond to Audit Requests	AR #7 Provide invoices for Chemicals, Water Testing, Sludge Removal, Purchase power
QBATCH	847	T4	1389	10/15/2014	Pitts, Darrien	Cap Project	003.6	4	Respond to Audit Requests	AR #7 Provide invoices for Chemicals, Water Testing, Sludge Removal, Purchase power
QBATCH	848	T4	1389	10/15/2014	Pitts, Darrien	Cap Project	003.6	1	Respond to Audit Requests	AR #7 Provide invoices for Chemicals, Water Testing, Sludge Removal, Purchase power
KMALECKI	893	T4	1383	9/30/2014	Pitts, Darrien	Cap Project	003.6	2	Respond to Audit Requests	AR #6 Provide copies in PDF format of all active contracts for services between the utility and third party vendors in the test year 2013.
KMALECKI	894	T4	1383	9/30/2014	Pitts, Darrien	Cap Project	003.6	2	Respond to Audit Requests	AR #2 Provide Tax returns and Billing Registers
KMALECKI	895	T4	1383	9/30/2014	Pitts, Darrien	Cap Project	003.6	8	Respond to Audit Requests	AR #5 Provide Projects closed to plant and AFUDC
KMALECKI	896	T4	1383	9/30/2014	Pitts, Darrien	Cap Project	003.6	2	Respond to Audit Requests	AR #4 Provide Depreciation Schedules
KMALECKI	897	T4	1383	9/30/2014	Pitts, Darrien	Cap Project	003.6	1	Respond to Audit Requests	AR #3 Provide Tax bills and land deeds
KMALECKI	898	T4	1383	9/30/2014	Pitts, Darrien	Cap Project	003.6	5	Respond to Audit Requests	AR #1 Provide General ledger, Trial Balances for 2010-2013