



April 14, 2016

VIA E-FILING

Carlotta S. Stauffer, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RE: Docket No. 150269-WS; Application for limited proceeding water rate increase in Marion, Pasco, and Seminole Counties, by Utilities, Inc. of Florida.
Our File No. 30057.224

Dear Ms. Stauffer:

The following are the responses of Utilities, Inc. of Florida, ("Utility") to the Staff's Third Data Request dated March 31, 2016:

1. For Pasco County, the total depreciation expense in Account 403 is \$490,729 for 2014. The average total depreciation expense for 2009 through 2013 is \$176,140. Please explain and justify the significant increase for 2014.

RESPONSE: The significant increase in Account 403 – Depreciation Expense include many Commission Ordered Adjustments (COAs) recorded in 2014. Some of the COAs included:

- To correct A/D and A/A of CIAC through 2008 in the Orangewood business unit,
- To properly book and distribute A/D in Docket No. 020071-WS, Audit Finding No. 1,
- To roll forward depreciation on the assets recorded in the AA ledger from Docket No. 020071-WS, Audit Finding No. 1
- To record the difference in A/D for NARUC accounts 371 and 380 due to use of incorrect depreciation rates from 1993-2001. Docket No. 020071-WS, Audit Finding No. 11.
- To correct A/D and A/A of CIAC through 2008.
- To roll forward A/D from 2006-2011 Docket No. 060253-WS, Audit Finding No. 4, and
- To write down depreciation for assets that are over-depreciated for the period 2009-2012.

Although all depreciation expense accounts were affected by the COAs, the ones most affected were accounts 309 – Supply Mains, 311 – Pumping Equipment, 330 – Distribution Reservoirs and Standpipes, and 348 – Other tangible Plant.

2. For Pasco County, please provide the total depreciation expense in Account 403 for 2015. Please explain and justify any increase/decrease from 2014 that is greater than \$25,000.

RESPONSE: UIF's 2015 annual report will need to be completed in order to answer this question. The 2015 annual report will be completed no later than April 30, 2016.

3. For Pasco County, the depreciation expense in Account 309 – Supply Mains is \$356,025 for 2014. The average depreciation expense for 2009 through 2013 is \$10,001. Please explain and justify the significant increase for 2014.

RESPONSE: As stated above, there were many COAs recorded in 2014. The COAs that relate to Account 309 – Supply Mains include the increase in the depreciation expense due to an approximately \$257,000 adjustment to correct accumulated depreciation through 2008 in the Orangewood service area and an approximately \$88,600 adjustment to properly book and distribute the adjustment to accumulated depreciation in Docket No. 020071-WS, Audit Finding No. 1.

4. For Pasco County, please provide the depreciation expense in Account 309 – Supply Mains for 2015. Please explain and justify any increase/decrease from 2014 that is greater than \$25,000.

RESPONSE: UIF's 2015 annual report will need to be completed in order to answer this question. The 2015 annual report will be completed no later than April 30, 2016.

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

Very truly yours,

/s/ Martin Friedman

MARTIN S. FRIEDMAN
For the Firm

MSF/

cc: John Hoy (via email)
Patrick Flynn (via email)
Danijela Janjic, Esquire (via email)
Erik Sayler, Esquire (via email)
