

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: August 1, 2017

TO: Carlotta Stauffer, Commission Clerk

FROM: Walt Trierweiler, Senior Attorney, Office of General Counsel

RE: Docket No. 20160101-WS - Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties by Utilities, Inc. of Florida.

Please place the attached correspondence from Utilities, Inc. and Martin Friedman in the above-referenced docket file.

Thank you.

WLT/as

From: [Martin S. Friedman](#)
To: [Amber Norris](#)
Cc: [John Hoy](#); [Patrick Flynn](#); [Jared Deason](#); [Phil Drennan](#)
Subject: RE: UIF RATE CASE STAFF RECOMMENDATION
Date: Sunday, July 30, 2017 8:54:16 AM
Importance: High

Amber,

On the refunds (Issue 2), most are not interim refunds, but potential overearnings that were held subject to refund. For instance, for Labrador wastewater there were no interim rates, but there is a substantial refund. In the past for overearnings the staff and looked at water and wastewater together.

Thanks, Marty

MARTIN S. FRIEDMAN, ESQ.
Shareholder



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From: Martin S. Friedman
Sent: Saturday, July 29, 2017 8:12 PM
To: Amber Norris <amnorris@psc.state.fl.us>
Cc: John Hoy <jphoy@uiwater.com>; Patrick Flynn <pcflynn@uiwater.com>; Jared Deason <JDeason@uiwater.com>; Phil Drennan <PJDrennan@uiwater.com>
Subject: UIF RATE CASE STAFF RECOMMENDATION

Amber,

As a follow-up to our telephone calls on Friday, the following are UIF's concerns with the consistency on several issues:

1. Since the Staff has recommended less than 100% used & useful for LUSI, it seems inconsistent for the Staff to also recommend elimination of the existing AFPI charge.
2. In the past, interim rate refunds have been calculated by combining the water and wastewater systems (in those instances where UIF provides both services), but the Staff recommends the analysis be done on a system basis.
3. One issue we did not discuss. UIF's consultants believe that the rate structure produced about \$300,00 less in water revenue and \$70,000 less in wastewater

revenues than the recommended revenue requirement.

Let me know if you have any questions. Thanks, Marty

MARTIN S. FRIEDMAN, ESQ.

Shareholder



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From: [Phil Drennan](#)
To: [Amber Norris](#)
Subject: Adjustments for Pro Forma Additions
Date: Monday, July 31, 2017 2:01:16 PM

Hello Amber – we have a question regarding the calculations on Table 9-3 on page 91 of Staff’s recommendations. There is a note below this table that mentions an inverse relationship for accumulated depreciation only – that a negative adjustment indicates an increase to the system. However, when we carry the calculation through the rate schedules at the end of the memorandum, the negative adjustment reduces the system rate base (opposite of the note). Is there a clear explanation why we are losing \$1,159,484 in rate base through the accumulated depreciation adjustment in Table 9-3? We are a bit confused by this calculation. Would it be possible to double-check this amount or provide the work papers used to calculate Table 9-3. Sowards, Galloway, and Buys worked on this particular section but I was given your contact information for this issue. Thank you in advance for your time and help.

Regards,

Phil Drennan
Sr. Financial Analyst



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