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COMMISSION
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Public Service Commission

November 9, 2010

Christian Marcelli
Rose, Sundstrom & Bentley, LLP
766 North Sun Drive, Suite 4030
Lake Mary, FL 32746

Re: Docket No. Docket No. 100149-WU - Application for increase in water rates in Lee County by Ni Florida, LLC

Dear Mr. Marcelli:

Staff needs the following information to complete its review of the application filed by Ni Florida, LLC (Utility or Ni Florida).

1. Please provide a copy of the Organizational Chart for Ni America, clearly illustrating the relationships between Ni America and its subsidiaries for 2007 through 2010. For each of the subsidiaries, please describe, in detail, the corporate functions that each performs.
2. Please provide a copy of the Organizational Charts for Ni America and all other subsidiaries that allocate costs to Ni Florida, that lists the employees, their respective job titles, the salaries for each employee, and a list of the duties and responsibilities of each employee for 2007 through 2010.
3. Please provide a copy of any documentation (formal and/or informal) and/or policy and procedures manuals that address how all costs allocated or charged by Ni America to Ni Florida are determined and how all costs of Ni Florida are allocated to the various water and wastewater systems.
4. Please provide documentation for all costs directly assigned to Ni Florida by its affiliates including the type of cost and basis for assignment. Provide all documents related to affiliate costing guidelines and related studies utilized or relied on for comparison with or analysis of cost allocation practices affecting Ni Florida in this proceeding.
5. Please provide all Ni Florida system allocation workpapers, calculations, and all necessary documents that would allow an individual to recompute the amounts allocated by Ni America, and any other affiliate/subsidiary for 2007, 2008, 2009,

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test year twelve months ended December 31, 2009, and for each month of 2010 thereafter. The above documents should include by affiliate: the total dollars by general ledger account number to be allocated, the name of the general ledger account, the allocation factor applied to each account, the calculation of the allocation factor including the numerator for each company that is allocated a portion of the cost and the denominator of the allocation factor, and a description of the allocation factor. The information provided should allow one to recompute allocations and then redistribute or carry forward adjustments made, by system, to the expense and rate base items included in the instant rate proceeding.

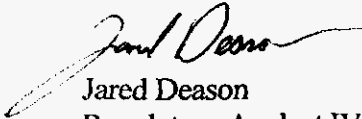
6. Please provide all Ni Florida systems direct charge workpapers, calculations, and all other necessary documents that would allow an individual to adjust the amounts directly charged by Ni America, and any other affiliate/subsidiary for 2007, 2008, 2009, test year twelve months ended December 31, 2009, and for each month of 2010 thereafter. The information provided should allow one to redistribute direct charges that have been charged by Ni Florida to its various systems in Florida.
7. Please provide all Ni Florida system allocation workpapers, calculations, and all other necessary documents that would allow an individual to recompute the amounts allocated by Ni Florida for 2007, 2008, 2009, test year twelve months ended December 31, 2009, and for each month of 2010 thereafter. The above documentation should include: the total dollars by general ledger account number to be allocated, the name of the general ledger account, the allocation factor applied to each account, the calculation of the allocation factor including the numerator for each system that is allocated a portion of the cost and the denominator of the allocation factor, and a description of the allocation factor. The information provided should allow one to recompute allocations and then redistribute and carry forward adjustments made, by system, to the expense and rate base items included in the instant rate proceeding.
8. Please provide the Ni Florida system direct charge workpapers, calculations, and other necessary documents that would allow an individual to adjust the amounts directly charged by Ni Florida for 2007, 2008, 2009, test year twelve months ended December 31, 2009, and for each month of 2010 thereafter. The information provided should allow one to redistribute direct charges that have been charged by Ni Florida to its various systems in Florida.
9. Please provide a list, by system, of activities Ni Florida employees billed to each system and the amounts booked for 2007, 2008, 2009, test year twelve months ended December 31, 2009, and for each month of 2010 thereafter. Also provide the accounts those expenses were booked to.
10. Please provide a list by system of sundry expenses either allocated or directly charged to each system and the activities associated with each sundry expense for 2007, 2008, 2009, test year twelve months ended December 31, 2009, and for each month of 2010 thereafter. If the sundry expenses are allocated, please provide the

allocation factor for each system including both the numerator and denominator for each year requested.

11. Please provide the Excel spreadsheet used to allocate the direct and indirect costs for the accounting units associated with Ni Florida for 2007, 2008, 2009, test year twelve months ended December 31, 2009, and for each month of 2010 thereafter.
12. Please provide all documents in your possession, custody or control that demonstrate whether charges from any unregulated affiliates are provided to Ni Florida at the lower of cost or market.

Please submit the above information to the Office of Commission Clerk by November 19, 2010. If you have any questions, please contact me by phone at (850) 413-6844 or by e-mail at jdeason@psc.state.fl.us.

Sincerely,



Jared Deason
Regulatory Analyst IV

cc: Division of Economic Regulation (Bulecza-Banks, Maurey, Fletcher, Thompson, Williams)
Office of the General Counsel (Jaeger)
Office of Commission Clerk
Office of Public Counsel