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STATE OF FLORIDA



MARSHALL WILLIS, DIRECTOR  
DIVISION OF ACCOUNTING AND FINANCE  
(850) 413-6900

Public Service Commission

April 26, 2013

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COMMISSION  
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Mr. Martin S. Friedman  
Sundstrom, Friedman & Fumero, LLP  
766 North Sun Drive, Suite 4030  
Lake Mary, Florida 32746

**Re: Docket No. 120209-WS - Application for increase in water and wastewater rates in Marion, Orange, Pasco, Pinellas, and Seminole Counties by Utilities, Inc. of Florida**

Dear Mr. Friedman:

We have reviewed the minimum filing requirements (MFRs) submitted on March 29, 2013, on behalf of Utilities, Inc. of Florida (UIF or Utility). After reviewing this information, we find the MFRs to be deficient. The specific deficiencies are identified below:

1. Rule 25-30.110(2), Florida Administrative Code (F.A.C.) requires that the MFRs shall be consistent and reconcilable with the Utility's annual report. The following account balances for December 2011 listed in the MFRs do not tie to the year end balances in the Utility's 2011 Annual Report.

Orange County

- a) MFR Schedule A-1, Schedule of Water Rate Base, page 1 of 1 column (2), lines 1, 9, 11, 13, and 23 do not tie to Annual Report Schedule W-2.
- b) MFR Schedule A-5, Schedule of Water Plant in Service by Primary Account, page 1 of 2 column (2), lines 2, 3, 6, 7, 10, 18, 21, 27-32, 35-38, 40, 43, 45, and 47 and page 2 of 2, line 47 do not tie to Annual Report Schedule W-4(a).
- c) MFR Schedule A-9, Schedule of Water Accumulated Depreciation by Primary Account, page 1 of 2, column (2), lines 2, 3, 7, 10, 14, 18, 20, 21, 27-30, 32, 36-38, 40, 43, 45, and 47 do not tie to Annual Report Schedule W-6(b).
- d) MFR Schedule B-1, Schedule of Water Net Operating Income, page 1 of 1, column (2), lines 3, 5, 9, 11, 13, 15, and 18 do not tie to Annual Report Schedule W-3.

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- e) MFR Schedule B-5, Detail of Operation & Maintenance Expense page 1 of 2, column (2), lines 1, 7, 8, 13, 23-26 and 28 do not tie to Annual Report Schedule W-10(a).

Pasco County

- f) MFR Schedule A-5, Schedule of Water Plant in Service by Primary Account, page 1 of 2 column (2), line 47, and page 2 of 2, column (14), lines 1, 2, 6, 7, 10, 18, 20, 21, 25-28, 31, 35-43, 46, and 47 do not tie to Annual Report Schedule W-4(a).
- g) MFR Schedule A-6, Schedule of Wastewater Plant in Service by Primary Account, page 1 of 2 column (2), line 63, and page 2 of 2, column (14), lines 21, 22, 27, 51, 61, and 62 do not tie to Annual Report Schedule S-4(a).
- h) MFR Schedule A-9, Schedule of Water Accumulated Depreciation by Primary Account, page 1 of 2 column (2), line 47, and page 2 of 2, column (14), lines 2, 3, 7, 11, 14, 18, 20, 25, 26, 28, 36, 37, 38, 40-43, 45, and 47 do not tie to Annual Report Schedule W-6(b).
- i) MFR Schedule A-10, Schedule of Wastewater Accumulated Depreciation By Primary Account, page 1 of 2 column (2), line 63 and 2 of 2, column (14), lines 18, 21, 27, 52, and 62 do not tie to Annual Report Schedule S-6(b).
- j) MFR Schedule A-17, Working Capital Allowance Calculation, page 1 of 1, column (2) line 25 and 56 do not tie to Annual Report Schedule W-13.
- k) MFR Schedule B-1, Schedule of Water Net Operating Income, page 1 of 1, column (2), lines 3, 5, 9, 11, 13, 15, and 18 do not tie to Annual Report Schedule W-3.
- l) MFR Schedule B-2, Schedule of Wastewater Net Operating Income, page 1 of 1, column (2), lines 5, 9, 11, 13, 15, and 18 do not tie to Annual Report Schedule S-3.
- m) MFR Schedule B-5, Detail of Operation & Maintenance Expense By Month – Water, page 1 of 2, column (2), lines 1-3, 7-11, 13-17, 21-26, and 27 do not tie to Annual Report Schedule W-10(a). Additionally, page 2 of 2, column (14), line 28 does not tie to Annual Report Schedule W-10(a).
- n) MFR Schedule B-6, Detail of Operation & Maintenance Expense By Month – Wastewater, page 1 of 2, column (2), lines 1-4, 9-12, 15-18, 22-27, and 28 do not tie to Annual Report Schedule S-10(a). Additionally, page 2 of 2, column (14), line 28 does not tie to Annual Report Schedule S-10(a).
- o) MFR Schedule B-15, Taxes Other Than Income, page 1 of 2, columns (2), (3), and (4), line 28 does not tie to Annual Report Schedule W-3. Additionally, page

2 of 2, columns (2), (3), (4), (5) and (6), line 28 does not tie to Annual Report Schedule S-3.

Pinellas County

- p) MFR Schedule A-5, Schedule of Water Plant in Service by Primary Account, page 1 of 2 column (2), line 47, and page 2 of 2, column (14), lines 2, 3, 6, 7, 10, 12, 17, 18, 20, 21, 25, 27-31, 35-39, 40, 41, 43, 45, and 47 do not tie to Annual Report Schedule W-4(a).
- q) MFR Schedule A-9, Schedule of Water Accumulated Depreciation by Primary Account, page 1 of 2 column (2), line 47, and page 2 of 2, column (14), lines 2, 3, 7, 10, 12, 18, 20, 21, 25, 27-31, 36-38, 40, 41, 43 and 45 do not tie to Annual Report Schedule W-6(b).
- r) MFR Schedule B-1, Schedule of Water Operating Statement, page 1 of 1, column (2), lines 3, 5, 9, 11, 13, 15, and 18 do not tie to Annual Report Schedule W-3.
- s) MFR Schedule B-4, Test Year Operating Revenues, page 1 of 1, column (1), line 2 do not tie to Annual Report Schedule W-9.
- t) MFR Schedule B-5, Detail of Operation & Maintenance Expense By Month – Water, page 1 of 2 and 2 of 2, column (2), and (14), respectively, lines 7, 8, 13, 23-26, and 28 do not tie to Annual Report Schedule W-10(a).
- u) MFR Schedule B-7, Operation & Maintenance Expense Comparison – Water, page 1 of 2, column (2), lines 1-5, 7-11, 13, 14, 17, 21, and 23-27 do not tie to 2008 Annual Report Schedule W-10(a).
- v) MFR Schedule B-9, Schedule of Test Year Contractual Services, page 1 of 1, column (4), total does not tie to Annual Report Schedule W-10(a).
- w) MFR Schedule B-13, Net Depreciation Expense – Water, page 1 of 1, column (2), lines 3, 4, 14, 16, 20, 22, 26, 28, 33, 41, 45, and 47 do not tie to Annual Report Schedule W-6(a) or W-3.
- x) MFR Schedule B-15, Schedule of Taxes Other Than Income, page 1 of 1, column (4), (5), and (6), line 2 do not tie to Annual Report Schedule W-3.

Seminole County

- y) MFR Schedule A-5, Schedule of Water Plant in Service by Primary Account, page 1 of 2 column (2), line 48, and page 2 of 2, column (14), lines 2, 6, 7, 10, 14, 18, 20-22, 24-26, 28, 31, 35-39, 41, 42, 46, and 48 do not tie to Annual Report Schedule W-4(a).

- z) MFR Schedule A-6, Schedule of Wastewater Plant in Service by Primary Account, page 1 of 2 column (2), line 64, and page 2 of 2, column (14), lines 21, 27, 51, 61, and 63 do not tie to Annual Report Schedule S-4(a).
- aa) MFR Schedule A-9, Schedule of Water Accumulated Depreciation by Primary Account, page 1 of 2 column (2), line 48, and page 2 of 2, column (14), lines 2, 3, 7, 10, 14, 18, 20-22, 24-26, 28, 29, 36-39, 41, 44, 46, and 48 do not tie to Annual Report Schedule W-6(b).
- bb) MFR Schedule A-10, Schedule of Wastewater Accumulated Depreciation By Primary Account, page 1 of 2 column (2), line 64 and 2 of 2, column (14), lines 18, 27, 52-54, 56, 61, and 62 do not tie to Annual Report Schedule S-6(b).
- cc) MFR Schedule A-17, Working Capital Allowance Calculation, page 1 of 1, "Water" column line 28 and 59 do not tie to Annual Report Schedule W-13, explanatory note.
- dd) MFR Schedule B-1, Schedule of Water Net Operating Income, page 1 of 1, column (2), lines 3, 5, 9, 11, 13, 15, and 18 do not tie to Annual Report Schedule W-3.
- ee) MFR Schedule B-2, Schedule of Wastewater Net Operating Income, page 1 of 1, column (2), lines 3, 5, 9, 13, 15, and 18 do not tie to Annual Report Schedule S-3.
- ff) MFR Schedule B-5, Detail of Operation & Maintenance Expense By Month – Water, page 1 of 2, column (2), lines 1-3, 7-11, 13-17, 21-26, and 28 do not tie to Annual Report Schedule W-10(a). Additionally, page 2 of 2, column (14), line 28 does not tie to Annual Report Schedule W-10(a).
- gg) MFR Schedule B-6, Detail of Operation & Maintenance Expense By Month – Wastewater, page 1 of 2, column (2), lines 1-3, 8-12, 15-18, 22, 24-27, and 28 do not tie to Annual Report Schedule S-10(a). Additionally, page 2 of 2, column (14), line 28 does not tie to Annual Report Schedule S-10(a).
- hh) MFR Schedule B-9, Schedule of Test Year Contractual Services, page 1 of 1, column (4), total does not tie to Annual Report Schedule W-10(a) and S-10(a).
- ii) MFR Schedule B-15, Taxes Other Than Income, page 1 of 2, columns (2), (3), and (4), line 28 does not tie to Annual Report Schedule W-3. Additionally, page 2 of 2, columns (2), (3), (4), (5) and (6), line 28 does not tie to Annual Report Schedule S-3.
- jj) For Seminole County, the total number of residential monthly wastewater customers billed which are shown in the MFR's on page 90, Schedule E-3 page 1 of 1, column (2), line 14, does not match the total number of residential wastewater bills which are shown in the MFR's on page 89, Schedule E-2 page 4 of 4, column (19), line 9.

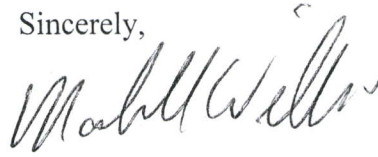
All Systems

- kk) MFR Schedule A-18, Comparative Balance Sheet – Assets, page 1 of 1, column (2) and (14) lines 3, 7 and 20 do not tie to Annual Report Schedule F-1(a).
  - ll) MFR Schedule A-18, Comparative Balance Sheet – Assets, page 1 of 1, line 18, Misc. Current & Accrued Assets, does not tie to Annual Report Schedule F-1(a).
2. Rule 25-30.4325(10) F.A.C., requires that to determine whether an adjustment to plant and operating expenses for excessive unaccounted for water (EUW) will be included in the used and useful calculation, the Commission will consider all relevant factors, including whether the reason for EUW during the test period has been identified, whether a solution to correct the problem has been implemented, or whether a proposed solution is economically feasible. As indicated on MFR Schedule F-1, when unaccounted for water is greater than 10 percent, the utility is to provide an explanation as to the reasons why. According to Schedule F-1, 8 of its 14 water systems reflected more than 10 percent unaccounted for water. No explanations concerning those systems with excessive EUW were provided. With these relevant factors considered, provide an explanation for each of the systems with EUW.
  3. Rule 25-30.436(4)(h), F.A.C., requires that any system that has costs allocated or charged to it from a parent, affiliate or related party, in addition to those costs reported on Schedule B-12 of Commission Form PSC/ECR 19-W for a Class A utility, or PSC/ECR 20-W for a Class B utility, (incorporated by reference in Rule 25-30.437, F.A.C.) shall file three copies of additional schedules that show the following information:
    - a) Pursuant to Rule 25-30.436(4)(h)(6), F.A.C., the Utility is missing the required organizational chart of the relationship between the utility and its parent and affiliated companies and the relationship of any related parties. Staff notes that such an organization chart does exist as included in the company's 2011 Annual Report on Schedule E-5.
    - b) Pursuant to Rule 25-30.436(4)(h)(7), F.A.C., the Utility is missing the required copy of any contracts or agreements between the utility and its parent or affiliated companies for services rendered between or among them.
  4. Rule 25-30.440(1), F.A.C. requires detail system maps. The Utility did not provide a wastewater collection system map for Weathersfield in Seminole County.

If any above corrections require a corresponding change to any other MFR schedules, those corrected schedules must also be submitted in accordance with Rule 25-30.436(4)(e), F.A.C. Your petition will not be deemed filed until the deficiencies identified in this letter have been corrected. These corrections should be submitted no later than May 28, 2013.

Mr. Martin S. Friedman  
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April 26, 2013

Sincerely,



Marshall Willis  
Director

MW/tb

cc: Division of Accounting and Finance (T. Brown, Bullard, Carbonell, Smith, Fletcher, Maurey)  
Division of Auditing & Performance Analysis (Deamer)  
Division of Economics (Bruce, Hudson, Roberts, Thompson, Daniel)  
Division of Engineering (P. Buys, Rieger)  
Office of the General Counsel (Lawson, Crawford)  
Office of Commission Clerk (Docket No. 120209-WS)