

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: September 24, 2015

TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk

FROM: Dexter B. Monroe, Public Utility Analyst I, Division of Accounting & Finance *DM*

RE: 150071-SU - Application for increase in wastewater rates in Monroe County by K
W Resort Utilities Corp.

Please place the following email and attached revision of MFR Schedule B-8 in the above-referenced docket file.

RECEIVED FPSC
15 SEP 24 PM 3:06
COMMISSION
CLERK

Dexter Monroe

From: Deborah Swain <dswain@milianswain.com>
Sent: Thursday, September 24, 2015 2:45 PM
To: Dexter Monroe
Subject: B-8 corrected for second deficiency letter
Attachments: Schedule B-rev 9-24-2015.pdf

Please confirm this is correct.
Thank you!!

Debbie Swain

Deborah D. Swain
Vice President
Milian, Swain & Associates, Inc.
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Miami FL 33145
(305)441-0123 ext 202
(305)441-0688 fax
(305)496-2374 cell

Operation & Maintenance Expense Comparison - Wastewater

Florida Public Service Commission

Company: K W Resort Utilities Corp
 Docket No.: 150071-SU
 Schedule Year Ended: 12/31/2014

Schedule: B-8 REVISED
 Page 1 of 1
 Preparer: Milian, Swain & Associates, Inc.

Explanation: Complete the following comparison of the applicant's current and prior test year O&M expenses before this Commission. Provide an explanation of all differences which are not attributable to the change in customer growth and the CPI-U. If the applicant has not had a previous rate case, use the year 5 years prior to the test year for comparison. Provide an additional schedule, if necessary, to explain differences.

Line No.	(1) Account No. and Name	(2) Prior TY 12/31/06	(3) Current TY 12/31/14	(4) TY Adj.'s per B-3	(5) Adjusted TY	(6) \$ Difference	(7) % Difference	(8) Explanation
1	701 Salaries & Wages - Employees		\$ 449,108	\$ 74,832	\$ 523,940	\$ 523,940	100.00 %	Replaced contractual services with full time employees
2	703 Salaries & Wages - Officers, Etc.		141,792	81,164	222,956	222,956	100.00 %	Replaced contractual services with full time employees
3	704 Employee Pensions & Benefits		92,825	42,762	135,587	135,587	100.00 %	Replaced contractual services with full time employees
4	710 Purchased Sewage Treatment		-	-	-	-	- %	
5	711 Sludge Removal Expense	26,377	39,394	109,334	148,728	122,351	463.86 %	Increase in expenses as a result of changes in operations as a consequence of having to upgrade the WWTP to AWT standards.
6	715 Purchased Power	187,800	146,711	42,900	189,611	1,811	0.96 %	Under Benchmark
7	716 Fuel for Power Purchased	523	-	-	-	-	- %	
8	718 Chemicals	139,074	32,330	224,741	257,071	117,997	84.84 %	Increase in expenses as a result of changes in operations as a consequence of having to upgrade the WWTP to AWT standards.
9	720 Materials & Supplies	77,393	43,885	60	43,945	(33,448)	(43.22) %	Increase in expenses as a result of changes in operations as a consequence of having to upgrade the WWTP to AWT standards.
10	731 Contractual Services - Engr.	65,289	7,270	7,535	14,805	(50,484)	(77.32) %	Replaced contractual services with full time employees
11	732 Contractual Services - Acct.	9,569	11,550	14,212	25,762	16,193	169.22 %	Replaced contractual services with full time employees
12	733 Contractual Services - Legal	15,103	2,328	1,609	3,937	(11,166)	(73.93) %	Replaced contractual services with full time employees
13	734 Contractual Services - Mgmt. Fees	30,000	60,000	-	60,000	30,000	100.00 %	Under Benchmark
14	735 Contractual Services - Testing	-	16,975	20,673	37,648	37,648	100.00 %	Replaced contractual services with full time employees
15	736 Contractual Services - Other	348,578	28,410	37,045	65,455	(283,123)	(81.22) %	Replaced contractual services with full time employees
16	741 Rental of Building/Real Prop.	-	1,100	-	1,100	-	- %	
17	742 Rental of Equipment	-	-	-	-	-	- %	
18	750 Transportation Expenses	-	24,109	-	24,109	24,109	100.00 %	Utility owned vehicles instead of contractual services
19	756 Insurance - Vehicle	-	-	-	-	-	- %	
20	757 Insurance - General Liability	24,646	35,948	2,752	38,700	14,054	57.02 %	Increase in expenses as a result of changes in operations as a consequence of having to upgrade the WWTP to AWT standards.
21	758 Insurance - Workman's Comp.	-	20,729	25,555	46,284	46,284	100.00 %	Replaced contractual services with full time employees
22	759 Insurance - Other	-	-	-	-	-	- %	
23	760 Advertising Expense	(473)	2,764	(1,564)	1,200	1,673	(353.61) %	Under Benchmark
24	766 Reg. Comm. Exp. - Rate Case Amort.	116,654	-	31,200	31,200	(85,454)	(73.25) %	Adjustment needed to include 1/4 Rate Case Expense
25	767 Reg. Comm. Exp. - Other	-	-	-	-	-	- %	
26	770 Bad Debt Expense	-	-	-	-	-	- %	
27	775 Miscellaneous Expenses	18,677	42,443	125,232	167,675	148,998	798 %	Increase in expenses as a result of changes in operations as a consequence of having to upgrade the WWTP to AWT standards.
28								
29	TOTAL	\$ 1,059,210	\$ 1,199,672	\$ 840,042	\$ 2,039,714	\$ 979,927	92.51 %	
30								
31	Total Customers (ERC's)	1,585.0			4,039.2	2,454	154.84 %	
32	Consumer Price Index - U	201.600			236.736	35.14	17.43 %	
33								
34	Benchmark Index: Increase in Customer ERC's					2.5484		
35	Increase in CPI					1.1743		
36						2.9926		