

**FLORIDA UTILITY SERVICES 1, LLC
5911 TROUBLE CREEK ROAD
NEW PORT RICHEY, FLORIDA 34652
863-904-5574**

March 30, 2023

Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

RE: Docket No. 20220185-WS – Application for limited alternative rate increase in Hardee, Manatee, Marion, Polk, and Pasco Counties, by Charlies Creek Utilities, LLC, Crestridge Utilities, LLC, East Marion Utilities, LLC, Heather Hills Utilities, LLC, Holiday Gardens Utilities, LLC, Lake Yale Utilities, LLC, Leighton Estates Utilities, LLC, McLeod Gardens Utilities, LLC, Orange Land Utilities, LLC, Sunny Shores Utilities, LLC, Sunrise Water, LLC and West Lakeland Wastewater, LLC.

Commission Clerk

Florida Utility Services 1, LLC, (FUS1) respectfully files the ensuing response to Commission staffs request for an analysis of its Limited Alternative Rate Increase (LARI), for the above-mentioned docket, based on the results of 2202 operations for the included FUS1 systems. The analysis was performed to review, update and simplify the increase requested for each system in the original filing.

FUS1 performed a detailed analysis of its 2022 operations for each included utility systems and used the results of our analysis to evaluate and propose modifications to the original LARI request. The analysis includes the proforma O&M expense increases requested in the original LARI filing. The original and revised requested increases are displayed in Table 1 that follows. As directed by staff, the revised LARI request simplifies FUS1 overall request into three bands of recovery for staff to consider. Our analysis and calculations are displayed in Tables 2 A-O that follow.

Additionally, per staff's request, FUS1 agrees to waive the requirements of Rule 25-30.457(6), F.A.C. through the scheduled Commission Agenda of June 13, 2023.

If you have any further questions, please do not hesitate to contact me.

On behalf of my Utilities


Michel Smallridge

TABLE 1**ORIGINAL AND REVISED REQUESTED INCREASE**

Utility System	Requested Increase		
	2021	2022	Band
	Original	Analysis	
Leighton Estates Utilities (water)	8.26%	5.56%	5.00%
Lake Yale Utilites (water)	13.46%	8.81%	
Sunrise Utilities (water)	9.25%	9.81%	
Heather Hills Utilities (wastewater)	11.04%	13.70%	15.00%
McLeod Gardens Utilities (water)	9.72%	15.41%	
Orangeland Utilities (water)	13.75%	17.57%	
Charlie Creek Utilities (water)	20.64%	41.55%	20.00%
Crestridge Utilities (water)	18.50%	25.40%	
East Marion Utilities (water)	12.35%	24.82%	
East Marion Utilities (wastewater)	28.90%	45.31%	
Holiday Gardens Utilities (water)	27.02%	33.11%	
Heather Hills Utilities (water)	19.29%	28.90%	
Lake Yale Utilites (wastewater)	17.24%	35.05%	
Sunny Shores Utilities (water)	18.47%	22.66%	
West Lakeland Utilities (wastewater)	28.14%	38.75%	

TABLE 2-A

<i>Leighton Estates Utilities, LLC</i>		
Description	2021 Filing	2022 Analysis
Operating Revenues	\$62,898	\$61,326
Operating Expenses		
O&M Expense	\$36,338	\$36,855
Depreciation Expense (Net)	\$12,959	\$12,446
Aquisition Adj Expense		
TOTI	\$4,625	\$3,826
Total Operating Expense	\$53,922	\$53,127
Operating Income(Loss)	\$16,164	\$15,054
Rate Base (Net)	\$236,655	\$220,417
Rate Of Return	6.83%	6.83%
Percent Increase	8.26%	5.56%

TABLE 2-B

<i>Lake Yale Utilities, LLC (Water)</i>		
Description	2021 Filing	2022 Analysis
Operating Revenues	\$106,473	\$101,097
Operating Expenses		
O&M Expense	\$82,834	\$81,468
Depreciation Expense (Net)	\$9,837	\$5,701
TOTI	\$7,087	\$7,523
Total Operating Expense	\$99,758	\$94,693
Operating Income(Loss)	\$6,715	\$6,404
Rate Base (Net)	\$98,027	\$93,495
Rate Of Return	6.85%	6.85%
Percent Increase	13.46%	8.81%

TABLE 2-C

<i>Sunrise Utilities, LLC (Water)</i>		
Description	2021 Filing	2022 Analysis
Adjusted O&M Expense	\$93,906	\$93,979
Approved Operating Margin	10.00%	10.00%
Operation Margin	\$9,391	\$9,398
O&M Expense	\$93,906	\$93,979
Depreciation Expense (Net)	\$6,716	\$6,130
TOTI	\$8,170	\$8,288
Revenue Requirement	\$118,183	\$117,795
Revenues	\$108,175	\$107,274
Annual Increase	\$10,007	\$10,522
Percent Increase	9.25%	9.81%

TABLE 2-D

Heather Hills Utilities, LLC (Wastewater)		
Description	2021 Filing	2022 Analysis
Adjusted O&M Expense	\$42,117	\$46,164
Approved Operating Margin	12.00%	12.00%
Operation Margin	\$5,054	\$5,540
O&M Expense	\$128,539	\$129,506
Depreciation Expense (Net)	\$1,565	\$1,651
TOTI	\$7,526	\$7,952
Revenue Requirement	\$142,684	\$144,648
Revenues	\$128,501	\$127,219
Annual Increase	\$14,183	\$17,429
Percent Increase	11.04%	13.70%

TABLE 2-E

McLeod Gardens Utilities, LLC (Water)		
Description	2021 Filing	2022 Analysis
Adjusted O&M Expense	\$54,567	\$54,729
Approved Operating Margin	12.00%	12.00%
Operation Margin	\$6,548	\$6,568
O&M Expense	\$54,567	\$54,729
Depreciation Expense (Net)	\$5,404	\$5,396
TOTI	\$4,654	\$4,585
Revenue Requirement	\$71,172	\$71,277
Revenues	\$64,867	\$61,761
Annual Increase	\$6,305	\$9,517
Percent Increase	9.72%	15.41%

TABLE 2-F

Orange Land Utilities, LLC		
Description	2021 Filing	2022 Analysis
Operating Revenues	\$33,914	\$34,829
Operating Expenses		
O&M Expense	\$28,020	\$28,852
Depreciation Expense (Net)	\$1,579	\$1,579
TOTI	\$2,529	\$2,701
Total Operating Expense	\$32,128	\$33,131
Operating Income(Loss)	\$1,786	\$1,697
Rate Base (Net)	\$21,107	\$20,063
Rate Of Return	8.46%	8.46%
Percent Increase	13.75%	17.57%

TABLE 2-G

Charlie Creek Utilities, LLC (Water)		
Description	2021 Filing	2022 Analysis
Adjusted O&M Expense	\$70,283	\$85,210
Approved Operating Margin	10.00%	10.00%
Operation Margin	\$7,028	\$8,521
O&M Expense	\$70,283	\$85,210
Depreciation Expense (Net)	\$3,345	\$3,395
TOTI	\$6,607	\$6,837
Revenue Requirement	\$87,264	\$103,962
Revenues	\$72,336	\$73,443
Annual Increase	\$14,928	\$30,519
Percent Increase	20.64%	41.55%

TABLE 2-H

Crestridge Utilities, LLC (Water)		
Description	2021 Filing	2022 Analysis
Operating Revenues	\$255,060	\$270,071
Operating Expenses		
O&M Expense	\$213,448	\$226,815
Depreciation Expense (Net)	\$10,080	\$10,055
TOTI	\$21,406	\$23,369
Total Operating Expense	\$244,934	\$260,239
Operating Income(Loss)	\$10,126	\$9,832
Rate Base (Net)	\$129,322	\$125,565
Rate Of Return	7.83%	7.83%
Percent Increase	18.50%	25.40%

TABLE 2-I

East Marion Utilities, LLC (Water)		
Description	2021 Filing	2022 Analysis
Adjusted O&M Expense	\$32,462	\$36,419
Approved Operating Margin	10.00%	10.00%
Operation Margin	\$3,246	\$3,642
O&M Expense	\$32,462	\$36,419
Depreciation Expense (Net)	\$4,257	\$4,197
TOTI	\$3,074	\$2,583
Revenue Requirement	\$43,040	\$46,841
Revenues	\$38,310	\$37,526
Annual Increase	\$4,730	\$9,315
Percent Increase	12.35%	24.82%

TABLE 2-J

East Marion Utilities, LLC (Was tewater)		
Description	2021 Filing	2022 Analysis
Adjusted O&M Expense	\$40,993	\$52,484
Approved Operating Margin	10.00%	10.00%
Operation Margin	\$4,099	\$5,248
O&M Expense	\$40,993	\$52,484
Depreciation Expense (Net)	\$15,985	\$10,262
TOTI	\$3,609	\$3,096
Revenue Requirement	\$64,686	\$71,091
Revenues	\$50,184	\$48,925
Annual Increase	\$14,502	\$22,166
Percent Increase	28.90%	45.31%

TABLE 2-K

Holiday Gardens Utilities, LLC (Water)		
Description	2021 Filing	2022 Analysis
Operating Revenues	\$176,055	\$185,632
Operating Expenses		
O&M Expense	\$146,683	\$155,046
Depreciation Expense (Net)	\$9,945	\$10,019
TOTI	\$14,410	\$15,678
Total Operating Expense	\$171,038	\$180,743
Operating Income(Loss)	\$5,016	\$4,889
Rate Base (Net)	\$62,549	\$60,965
Rate Of Return	8.02%	8.02%
Percent Increase	27.02%	33.11%

TABLE 2-L

Heather Hills Utilities, LLC (Water)		
Description	2021 Filing	2022 Analysis
Adjusted O&M Expense	\$47,258	\$53,784
Approved Operating Margin	12.00%	12.00%
Operation Margin	\$5,671	\$6,454
O&M Expense	\$81,964	\$86,909
Depreciation Expense (Net)	\$4,451	\$4,450
TOTI	\$5,422	\$5,076
Revenue Requirement	\$97,507	\$102,889
Revenues	\$81,740	\$79,823
Annual Increase	\$15,767	\$23,066
Percent Increase	19.29%	28.90%

TABLE 2-M

Lake Yale Utilities, LLC (Wastewater)		
Description	2021 Filing	2022 Analysis
Adjusted O&M Expense	\$84,735	\$102,786
Approved Operating Margin	12.00%	12.00%
Operation Margin	\$10,168	\$12,334
O&M Expense	\$84,735	\$102,786
Depreciation Expense (Net)	\$11,946	\$10,822
TOTI	\$7,270	\$7,418
Revenue Requirement	\$114,119	\$133,360
Revenues	\$97,339	\$98,750
Annual Increase	\$16,779	\$34,611
Percent Increase	17.24%	35.05%

TABLE 2-N

Sunny Shores Utilities, LLC (Water)		
Description	2021 Filing	2022 Analysis
Adjusted O&M Expense	\$70,691	\$76,674
Approved Operating Margin	12.00%	12.00%
Operation Margin	\$8,483	\$9,201
O&M Expense	\$107,903	\$111,721
Depreciation Expense (Net)	\$3,816	\$3,817
TOTI	\$7,565	\$7,734
Revenue Requirement	\$127,768	\$132,472
Revenues	\$107,849	\$108,002
Annual Increase	\$19,919	\$24,470
Percent Increase	18.47%	22.66%

TABLE 2-O

West Lakeland Wastewater, LLC (Wastewater)		
Description	2021 Filing	2022 Analysis
Adjusted O&M Expense	\$159,194	\$168,993
Approved Operating Margin	12.00%	12.00%
Operation Margin	\$19,103	\$20,279
O&M Expense	\$159,194	\$168,993
Depreciation Expense (Net)	\$3,595	\$3,668
TOTI	\$11,071	\$11,089
Revenue Requirement	\$192,962	\$204,029
Revenues	\$150,587	\$147,043
Annual Increase	\$42,376	\$56,986
Percent Increase	28.14%	38.75%