

State of Florida



# Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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

COMMISSION  
CLERK

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**DATE:** April 1, 2011  
**TO:** Ann Cole, Commission Clerk, Office of Commission Clerk  
**FROM:** Jared Deason, Regulatory Analyst IV, Division of Economic Regulation  
**RE:** 100149-WU; Application for increase in water rates in Lee County by Ni Florida, LLC.

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Please add the attached document to the above referenced docket file.

DOCUMENT NUMBER-DATE

02125 APR-1 =

FPSC-COMMISSION CLERK

**Jared Deason**

**From:** Martin Friedman [MFriedman@RSBattorneys.com]  
**Sent:** Thursday, March 31, 2011 4:51 PM  
**To:** Jared Deason  
**Cc:** Christian W. Marcelli  
**Subject:** Ni Florida Rate Case  
**Attachments:** Ni Florida Schedule.pdf

Jared,

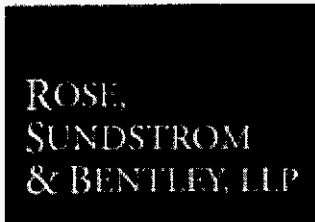
As we discussed, attached is the schedule showing the corporate overhead if you remove the three employees who are strictly dedicated to the SC system. I believe this is the more appropriate way to handle these employees. If the Staff supports this then the Staff Recommendation is otherwise acceptable and Ni will not have to bring anyone to the agenda. I look forward to your comments.

Regards, Marty

**Martin S. Friedman**

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DOCUMENT NUMBER-DATE

02125 APR-1 =

4/1/2011

FPSC-COMMISSION CLERK

**Ni America Operating, LLC  
Salaries  
For 2010**

<b>Employee</b>	<b>After Taking Out Direct Salaries</b>				
	<b>Total</b>	<b>Original Ni Estimate</b>	<b>Amount to Utilities</b>	<b>Staff Estimate</b>	<b>Staff amount Amount to Utilities</b>
		<b>Percent to Utilities</b>		<b>Percent to Utilities</b>	
Benny Wilkinson	103,000.08	90.00%	92,700.07	70.00%	72,100.06
Lauren A. Burgess	31,224.31	75.00%	23,418.23	50.00%	15,612.16
Carey Thomas	103,000.08	100.00%	103,000.08	100.00%	103,000.08
Cory Pendleton	56,458.30	100.00%	56,458.30	62.50%	35,286.44
Craig Sherwood	10,585.00	100.00%	10,585.00	75.00%	7,938.75
Edward Wallace	190,035.12	90.00%	171,031.61	70.00%	133,024.58
Fred Melcher	37,956.74	100.00%	37,956.74	100.00%	37,956.74
Mark Daday	45,480.88	100.00%	45,480.88	90.00%	40,932.79
Mark Myers	100,000.08	25.00%	25,000.02	25.00%	25,000.02
Mike Ashfield	137,247.36	100.00%	137,247.36	62.50%	85,779.60
Jamie Stewart	8,749.98	100.00%	8,749.98	100.00%	8,749.98
Nathan Johnson	79,181.28	75.00%	59,385.96	75.00%	59,385.96
Andy Thomas	103,000.08	100.00%	103,000.08	62.50%	64,375.05
<b>TOTAL</b>	<b>1,005,919.29</b>	<b>86.89%</b>	<b>874,014.31</b>	<b>78.85%</b>	<b>689,142.20</b>

Total Allocated Overhead per General ledger:	\$ 2,866,039	\$ 2,866,039
Removal of Equity Sponser Fee	(315,000)	(315,000)
Removal of Due Diligence Expenses	(379,169)	(379,169)
Utility Excluded Overhead	(39,357)	(39,357)
Staff Excluded Overhead	(141,785)	(141,785)
Removal of Direct Payroll:		
Controller (D. Tuttle)	(56,052)	(56,052)
Manager (D. Jones)	(25,000)	(25,000)
President (S. Jones)	(174,583)	(174,583)
Allocated Overhead after Exclusions	<u>\$ 1,735,093</u>	<u>\$ 1,735,093</u>
Adjusted Percent Allocated	86.89%	78.85%
	<u>\$ 1,507,572</u>	<u>\$ 1,368,085</u>
Percent allocated to the Utility	3.73%	3.73%
Total Corporate Overhead	<u>\$ 56,232</u>	<u>\$ 51,030</u>
Specific expenses related to the Utility	2,984	2,984
	<u>\$ 59,216</u>	<u>\$ 54,014</u>