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DIVISION OF ENGINEERING  
TOM BALLINGER  
DIRECTOR  
(850) 413-6910

Public Service Commission

March 29, 2013

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COMMISSION  
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Mr. Martin P. McDonnell  
Rutledge, Ecenia & Purnell  
119 South Monroe Street, Suite 202  
Tallahassee, FL 32301-1841

**Re: Docket No. 130010-WS – Application for increase in water rates in Lee County and wastewater rates in Pasco County by Ni Florida, LLC.**

Dear Mr. McDonnell:

The technical staff of the Commission have reviewed the minimum filing requirements (MFRs) submitted on February 27, 2013, on behalf of Ni Florida, LLC. At this time, the MFRs are deficient and 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.
  - a) MFR Schedule A-9, Schedule of Water Accumulated Depreciation by Primary Account, page 2 of 3, column (5), lines 1 and 7 do not tie to their respective Annual Report Schedule W-6(b).
  - b) MFR Schedule A-10, Schedule of Wastewater Accumulated Depreciation by Primary Account, page 2 of 3, column (5), lines 1, 5, and 10 do not tie to their respective Annual Report Schedule S-6(b).
  - c) MFR Schedule A-18, Schedule of Comparative Balance Sheet - Assets, page 6 of 8, column (7), lines 23, 28, 33, 36, and 38 do not tie to their respective Annual Report Schedule F-1(a) & (b).
  - d) MFR Schedule A-19, Schedule of Comparative Balance Sheet – Equity Capital and Liabilities, page 6 of 8, column (7), lines 3, 4, 7, 17, 23, and 38 do not tie to their respective Annual Report Schedule F-2(a) & (b).
2. Rule 25-30.437, F.A.C. requires that each Class A utility applying for a rate increase shall provide the information required by Commission Form PSC/ECR 19-W (11/93), titled “Class A Water and/or Wastewater Utilities Financial, Rate and Engineering Minimum

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Filing Requirements.” The following MFR schedules, as filed, do not comply with Rule 25-30.437, F.A.C.

- a) The general instructions for completing the MFR forms for Class A Utilities state that for all schedules which call for an average balance, provide the balance for the beginning of the test year, the end of the test year, and each intervening month. This average balance is a 13-month account balance for the test year. Please ensure that all schedules that require an average adhere to these instructions. Staff notes that MFR Schedules A-17, Schedule of Working Capital Allowance Calculation, and D-7 Schedule of Customer Deposits, are not calculated on a 13-month average basis.
  - b) MFR Schedule A-17, Schedule of Working Capital Allowance Calculation, requires the calculation of working capital to be based upon the balance sheet method. The Utility incorrectly used the 1/8<sup>th</sup> of O&M calculation.
  - c) MFR Schedules B-7 and B-8, Schedule of Operation & Maintenance Expense Comparison, page 1 of 1, column (2) does not tie to the amount approved in Order No. PSC-11-0199-PAA-WU.
3. Rule 25-30.436, F.A.C. requires that each schedule be cross-referenced to identify related schedules as either supporting or recap schedules. The Utility incorrectly listed recap schedules on MFR Schedules A-12 and D-1.
  4. The number of total residential bills shown in column (2) on MFR schedule E-2, page 1 does not match the number of total residential bills shown on MFR Schedules E-14, page 1 and E-3, page 1.
  5. The number of gallons per usage block shown in column (3) of MFR Schedule E-2, page 1 does not match the number of gallons indicated on MFR Schedule E-14, page 1. The Utility should use the consolidated factor shown in column (7) of this schedule to determine the appropriate gallons for each usage block.
  6. The bills and gallons indicated for the 5/8” meter size for general service shown on MFR Schedule E-2 do not match the bills and gallons shown on MFR Schedule E-14, page 2.
  7. Total gallons indicated for the 1” and 1 ½” meter size for general service shown MFR Schedule E-2 do not match the gallons shown on MFR Schedule E-14, page 4.
  8. Please note that the gallons sold on MFR Schedule F-1 must match gallons sold on MFR Schedule E-2.
  9. A review of MFR Schedule E-14 indicates that the Utility did not calculate reverse bills presented in column 6 throughout the entire volume of this schedule.

Martin McDonnell

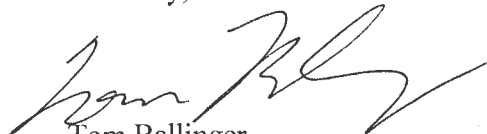
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10. The number of total residential bills shown in column (3) on MFR Schedule E-14, page 36 does not match the number of total residential bills shown in column (2) on MFR Schedules E-2, page 2 and E-3, page 2.
11. The number of bills and gallons indicated for the 3" meter size for general service shown on MFR Schedule E-2 do not match the bills and gallons shown on MFR Schedule E-14, page 38.
12. As Shown on MFR Schedule E-4, the Utility indicated a proposed charge of \$400.00 for elder valve installations. However, the Utility did not provide cost justification for this charge.

If any of the corrections above 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.. These corrections should be submitted no later than April 30, 2013. Your petition will not be deemed officially filed until the deficiencies identified in this letter have been corrected. Pursuant to Section 367.081(8), Florida Statutes, once the official filing date has been made, a 5 month time period for processing the case will commence.

Sincerely,



Tom Ballinger  
Director, Division of Engineering

TB:ml

cc: Division of Engineering (L'Amoreaux, Rieger)  
Division of Accounting & Finance (M. Brown)  
Division of Economic (Bruce, Hudson)  
Office of General Counsel (Brownless, Crawford)  
Office of Commission Clerk (Docket No. 130010-WS)