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July 9, 2015

Mr. Andrew Maurey
Division of Accounting and Finance
Florida Public Service Commission
2340 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket 150071-SU - Application for increase in wastewater rates in Monroe County by
K W Resort Utilities Corp. – OPC Letter on MFR Rule Requirements

Dear Mr. Maurey,

Upon our review of the Minimum Filing Requirements (MFRs) in the K W Resort Utilities Corp. (KW Resort) rate case, the Office of Public Counsel (OPC) believes that some of the information required by Rule 25-30.436, Florida Administrative Code (FAC), has not been submitted. Particularly, Section (4)(h) regarding affiliate charges, allocations, and contracts has not been provided. The pertinent part of this rule is reflected below:

(h) 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/AFD 19-W for a Class A utility, or PSC/AFD 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:

1. The total costs being allocated or charged prior to any allocation or charging as well as the name of the entity from which the costs are being allocated or charged and its relationship to the utility.
2. For costs allocated or charged to the utility in excess of one percent of test year revenues:
 - a. A detailed description and itemization; and
 - b. The amount of each itemized cost.
3. The allocation or direct charging method used and the bases for using that method.
4. The workpapers used to develop the allocation method, including but not limited to the numerator and denominator of each allocation factor.
5. The workpapers used to develop, where applicable, the basis for the direct charging method.
6. An organizational chart of the relationship between the utility and its parent and affiliated companies and the relationship of any related parties.

7. A copy of any contracts or agreements between the utility and its parent or affiliated companies for services rendered between or among them.

(Emphasis added)

Although this information is not included in the MFR Form¹, Rule 25-30.436 still requires that the information be provided as part of the MFRs. As such, OPC believes that the MFRs should not be accepted as complete until the required information is submitted to the Commission.

If you should have any questions, please feel free to call or e-mail me.

Sincerely,

s/ Tricia Merchant

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- C: Division of Accounting & Finance (A. Norris, C. Bulecza-Banks, B. Fletcher, D. Monroe)
Division of Auditing and Performance Analysis (Deamer)
Division of Engineering (A. Hill)
Office of the General Counsel (M. Barrera)
K W Resort Utilities Corp. (M. Friedman, C Johnson)

¹ 25-30.437 Financial, Rate and Engineering Information Required of Class A and B Water and Wastewater Utilities in an Application for Rate Increase. "Each Class A or B utility applying for a rate increase shall provide the information required by Commission Form PSC/AFD 19-W (11/93), entitled "Class A Water and/or Wastewater Utilities Financial, Rate and Engineering Minimum Filing Requirements"..."