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(850) 413-6900

Public Service Commission

October 8, 2015

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Mr. F. Marshall Deterding
Sundstrom & Mindlin, LLP
2548 Blairstone Pines Drive
Tallahassee, FL 32301

Re: Docket No. 150170-WS - Application for increase in water and wastewater rates in Lee and Pasco Counties by Ni Florida, LLC.

Dear Mr. Deterding:

We have reviewed the minimum filing requirements (MFRs) submitted on September 9, 2015, on behalf of Ni Florida, LLC (Ni Florida or utility). After reviewing this information, we find the MFRs to be deficient. The specific deficiencies are identified below:

1. Rule 25-30.110(2), F.A.C., requires that the MFRs shall be consistent and reconcilable with the utility's Annual Report. MFR Schedule A-19, Schedule of Comparative Balance Sheet – Equity Capital and Liabilities, page 4 of 4, lines 10, 12, 16, 23, and 38 do not tie to the respective Annual Report Schedule F-2(a) & (b).
2. Rule 25-30.436(4)(a), 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 B-4 and B-15 (Final and Interim), and supporting schedules on C-2 (Final and Interim).
3. Rule 25-30.436(4)(h), F.A.C., requires that 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 shall file three copies of additional schedules that show the following information:
 - a. An organizational chart of the relationship between the utility and its parent and affiliated companies and the relationship of any related parties.
 - b. A copy of any contracts or agreements between the utility and its parent or affiliated companies for services rendered between or among them.

The utility did not include these additional schedules in the MFRs as filed. Please submit these additional schedules, as applicable.

4. 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 Filing Requirements." The following MFR schedules, as filed, do not comply with Rule 25-30.437, F.A.C.
 - a. MFR Schedules A-4, A-8, A-11, and A-13, Schedules of Water and Wastewater Plant in Service, Accumulated Depreciation, Contributions in Aid of Construction, and Accumulated Amortization of CIAC require that the Commission Ordered balance be reflected on the schedule. Rate base was last established in Order No. PSC-13-0611-PAA-WS, however, the amounts reflected on line 1 of Schedules A-4 and A-8 (water and wastewater), and Schedules A-11 and A-13 (wastewater only) do not tie to this order.
 - b. MFR Schedules A-4, A-8, A-11, and A-13, Schedules of Water and Wastewater Plant in Service, Accumulated Depreciation, Contributions in Aid of Construction (CIAC), and Accumulated Amortization of CIAC require that year-end balances be consistent and reconcilable with the utility's Annual Report. The following account balances listed in the MFRs do not reconcile to the year-end balances in the Utility's Annual Reports.
 - i. MFR Schedule A-4: Line 5 (water) does not tie to the 2012 Annual Report.
 - ii. MFR Schedule A-8: Line 5 does not tie to the 2012 Annual Report.
 - iii. MFR Schedule A-11: Line 5 (wastewater) does not tie to the 2012 Annual Report.
 - iv. MFR Schedule A-13: Line 5 (wastewater) does not tie to the 2012 Annual Report.
 - c. The instructions for MFR Schedules B-7 and B-8 (Operation and Maintenance Expense Comparison), require the utility to provide account balances approved by the Commission for its prior test year and to utilize the Consumer Price Index All Urban Consumers (CPI-U) table for all items published by the U.S. Department of Labor. Per these instructions, please make the following adjustments
 - i. On MFR Schedule B-7, Column (2) does not tie to the amounts approved in Order No. PSC-13-0611-PAA-WS on lines 12, 13, 14, and 27.
 - ii. On MFR Schedule B-8, Column (2) does not tie to the amounts approved in Order No. PSC-13-0611-PAA-WS on lines 4, 7, 10, 12, and 22.
 - iii. The ERCs reported on MFR Schedules B-7 and B-8 do not match the Annual Reports for both 2012 and 2014. Please revise these schedules to reflect the correct ERCs for each year.

- d. MFR Schedules D-2 (Interim), D-5 (Interim, MFR pp. 101-104), D-6 (Final, MFR pp.105-106), and D-6 (Interim, MFR pp. 109-110) do not reflect the correct test year. Please revise these schedules to reflect the appropriate test year.
- e. Schedule E-14 – Billing Analysis Schedule requires a billing analysis for each class of service by meter size and a separate billing analysis which coincides with each period if a rate change occurred during the test year. Please correct the following along with any fall out corrections to corresponding MFR Schedules.
 - i. The utility had rate changes for both water and wastewater during the test year. The utility did not provide separate billing analysis for each rate period.
 - ii. The total bills and gallons for the water residential 5/8" x 3/4" meter size do not match the total number of bills and gallons indicated on Schedule E-2.
 - iii. The total gallons for the water general service 5/8" x 3/4" meter size do not match the total number gallons indicated on Schedule E-2.
 - iv. The total bills for the wastewater residential 5/8" x 3/4" meter size do not match the total number of bills indicated on Schedule E-2.
 - v. The total bills for the wastewater general service 3/4" meter size do not match the total number of bills on Schedule E-2.
 - vi. Please correct page 162 of the wastewater billing analysis to reflect a 3" meter size instead of a 5/8" x 3/4" meter size.
 - vii. The billing analysis for the wastewater general service 4" meter size is not complete. The consumption level for the last bill was not provided in the schedule.
 - viii. The sum of all water kgals sold does not match the total kgals sold on Schedule F-1.
- f. Schedule E-2 – Revenue Schedule at Present and Proposed Rates requires a calculation of revenue at present and proposed rates using the billing analysis and a calculation at each rate period if a rate changed during the test year. Please correct the following along with any fall out corrections to corresponding MFR Schedules.
 - i. A review of the utility's current and cancelled wastewater tariffs indicate rate changes on January 11, 2014 and August 1, 2014. The utility's rate periods do not correspond to the rate changes in the utility's tariff.
 - ii. The utility did not provide a consolidated schedule of all rate periods.

Mr. F. Marshall Deterding

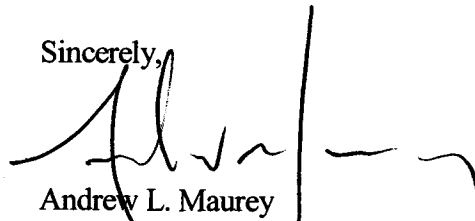
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- iii. The present rates used in the January 2014 revenue calculation for both water and wastewater do not match the tariff rates for the rate period.
 - iv. The residential consumption presented in each inclining block indicated on Schedule E-2 does not match the consumption presented on Schedule E-14.
 - v. Line 4 of the wastewater Schedule E-2 reflects the cap as 10 kgal instead of the tariff cap of 8 kgal.
5. Rule 25-30.440(11), F.A.C., requires a copy of all customer complaints that the utility has received regarding DEP secondary water quality standards during the past five years. The filing presented by Ni Florida did not contain the information required by the referenced rule.

If any above corrections 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. Your petition will not be deemed filed until the deficiencies identified in this letter have been corrected. These corrections should be submitted no later than November 9, 2015.

Sincerely,



Andrew L. Maurey
Director of Accounting & Finance

ALM/tb

cc: Division of Accounting & Finance (T. Brown, Cicchetti)
Division of Engineering (Graves, King, Wooten)
Division of Economics (Bruce, Hudson)
Office of General Counsel (Crawford, Leathers)
Office of Commission Clerk (Docket No. 150170-WS)
Office of Public Counsel