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# Public Service Commission

May 3, 2016

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2016 MAY -4 AM 9:54  
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VIA ELECTRONIC MAIL

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

**Re: Docket No. 160030-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 April 4, 2016, on behalf of Ni Florida, LLC (utility). After reviewing this information, we find the MFRs to be deficient. The specific deficiencies are identified below:

1. 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. 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.
2. 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:
  - a) On MFR Schedule B-7, Column (2), lines 12, 14, and 26 do not tie to the amounts approved in Order No. PSC-13-0611-PAA-WS.

- b) On MFR Schedule B-8, Column (2), lines 4, 7, 10, 12, and 21 do not tie to the amounts approved in Order No. PSC-13-0611-PAA-WS.
3. Rule 25-30.440(8), F.A.C., requires that the list of all field employees include an explanation of each employee's salary allocation method to the utility's capital or expense accounts. Please provide an explanation of each employee's salary allocation method to the utility's capital or expense accounts.
4. Rule 25-30.437, F.A.C. requires that each utility applying for a rate increase shall provide the information required by Commission Form PSC/ECR 19 (11/93), entitled "Class B Water and/or Wastewater Utilities Financial, Rate and Engineering Minimum Filing Requirements."
  - a) MFR Schedule E-1, the utility is required to provide a schedule of present and proposed rates. The utility's current water rate for the 3" meter size indicated on MFR Schedule E-1, pg. 1 does not match the utility's approved tariff rate.
  - b) MFR Schedule E-2, the utility is required to provide a calculation of revenue at present and proposed rates using the billing analysis. The water residential consumption presented in each rate block indicated on MFR Schedule E-2, page 1, column (3) does not reflect the consumption presented on MFR Schedule E-14, column (7). Please provide the appropriate consumption for each block.
  - c) MFR Schedule E-14, the utility is required to provide the number of bills at each level by meter size or number of bills. MFR Schedule E-14, page 16, reflects total bills and gallons at the 8,000 consumption level and above. Please provide a billing analysis indicating bills and gallons at each consumption level.
  - d) MFR Schedule E-14, column (7) requires the utility to calculate the consolidated factor as shown. The calculation in column 7 for the 1" and 1 1/2" meter size is not calculated correctly. Please correct this calculation at all consumption levels for the 1" and 1 1/2" meter sizes.
5. Rule 25-30.437(6), F.A.C., requires that the rates are first established with the 5/8" x 3/4" meter as the foundation. For meter sizes larger than 5/8", the base facility charge shall be based on the usage characteristics.
  - a) MFR Schedule E-1, The interim and proposed water rate for the 3" meter size is not based on the appropriate American Water Works Association (AWWA) meter equivalent. Please use the respective base facility charge (BFC) for the 5/8" x 3/4" meter size and apply the AWWA meter equivalent for each respective meter to avoid rounding errors.

Mr. F. Marshall Deterding

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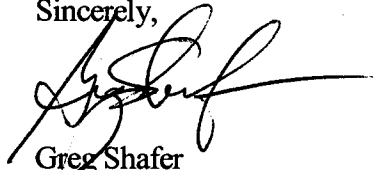
- b) For wastewater interim and proposed rates, please use the respective BFC for the 5/8" x 3/4" meter size and apply the AWWA meter equivalent for each respective meter to avoid rounding errors.

If the required reconciliations above require a corresponding change to any 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 June 4, 2016, to the following address:

**Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850**

Should you have any questions concerning the information in this letter, please feel free to contact Mrs. Sonica Bruce at (850) 413-6994 for technical questions.

Sincerely,



Greg Shafer  
Director of Economics

SB

cc: Office of Commission Clerk (Docket Number 160030-WS)