

LAKE IDLEWILD UTILITY COMPANY

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FPSC - COMMISSION CLERK

May 6, 2016

Office of Commission Clerk
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

Re: Docket No. 150236-WU - Application of Lake Idlewild Utility Company for Staff Assisted Rate Case in Lake County – Response to Staff's Third Data Request

Dear Commission Clerk,

Please find attached Lake Idlewild Utility Company's (Lake Idlewild) response to Staff's Third Data Request.

Lake Idlewild analyzed the U.S. Water contract taking into consideration the FPSC staff's data request. Based on this analysis the overtime for the administrative staff and the vehicle fuel and maintenance were still included at that time. Lake Idlewild recalculated the Administrative portion of the contract amount taking into consideration these items and resulted in an amount of \$18,715.94 annually versus \$19,073 included in the SARC. Lake Idlewild also made comparisons based on staff's additional questions. Below are Lake Idlewild's responses to staff's request:

1. Does the U. S. Water Services Corporation (USWSC) cost model still include an additional 1,000 ERCs?

Response: Yes. The Lake Idlewild contract did include the "additional 1,000 ERCs" for potential growth. If these were removed, the contract amount would have been calculated at \$20,037 at the time.

2. Does Lake Idlewild's USWSC contract cover the actual cost or is Lake Idlewild receiving a subsidy? If there is a subsidy, what is the annual amount?

Response: Lake Idlewild is receiving a subsidy and does not cover actual cost. The above additional 1,000 ERCs did not exist at the time. As previously stated, the contract amount at that time without these ERCs would have been \$20,037. The amount of subsidy for this inclusion is \$942 annually.

If the adjustments for overtime and vehicle fuel and maintenance is taking into consideration the total recalculated amount would be \$18,715.94; however if the 1,000 potential ERCs were removed this amount would be calculated at \$19,614.77. Therefore, taking into consideration the new revised amount with the removal of administration overtime and the vehicle adjustments the new amount would be \$18,715.94 versus \$19,614.77 or the subsidies that would be received would be \$898.83 with the inclusion of the 1,000 ERCs.

3. The Jumper Creek, HC Waterworks, and Brevard cases all included adjustments to the USWSC contractual service fees to reduce salaries to remove overtime, to reduce fuel to reflect actual costs, and

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to reduce vehicle maintenance to reflect actual costs. Lake Idlewild's USWC contract may have been prepared under that same cost model and may need the same types of adjustments that were made in the other cases.

Response: This is addressed in Lake Idlewild's response to No. 2 above. As previously stated, this revised amount is \$18,715.94. However, as discussed below, this contract has been adjusted in 2015 for a CPI adjustment and will be adjusted again in 2016.

- a. Is Lake Idlewild still using the USWSC contract with an annual fee of \$19,073.28 and monthly fee of \$1,589.44, or has it been updated for the CPI or anything else?

Response: This amount was adjusted in 2015 to a current amount of \$19,378.44 annually, or \$1,614.87 monthly. However, this amount will be adjusted again in 2016 for a CPI adjustment.

- b. If it has been updated, when was it updated and what is the new annual/monthly fee?

Response: Yes, this contact amount was updated in October 1015. The current annual amount is \$19,378.44, as stated above.

- c. Also, if it has been updated, did the update include removal of the salary overtime and any adjustments to fuel or vehicle maintenance based on actual costs?

Response: No. See above.

- d. If no adjustments have been made, please calculate the adjustment that should be made to remove the salary overtime, and if the fuel and vehicle maintenance costs need to be adjusted to remove any differences between the old model and the actual costs?

Response: As stated above, the amount for the test year would have been \$18,715.94. However, as also discussed above, this amount would have been increased for the CPI adjustment in 2015 to an amount of \$19,015.38.

Respectfully Submitted,



Troy Rendell
Manager of Regulated Utilities
// for Lake Idlewild Utility Company