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STEVE CRISAFULLI
*Speaker of the House of
Representatives*



September 15, 2016

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

Re: Docket No. 150071-SU

Dear Ms. Stauffer,

To correct a printing error in Exhibit PWM-3, page 5 of 9, attached to the pre-filed testimony of Patricia W. Merchant, CPA, filed on September 14, 2016, please substitute the following page in her testimony and exhibits with the attached replacement page:

Exhibit PWM-3, page 5 of 9

The corrected replacement page has been provided to all the parties. If you have any questions, please contact me.

Best regards,


Erik L. Saylor
Associate Public Counsel

ELS:bsr

CC: All Parties of Record (via email)

K W Resort
Schedule of Wastewater Operating Income
Schedule No. 3-A
Pro Forma Test Year Ended 12/31/16

Docket No. 150071-SU
Phase II Rates
Exhibit PWM-3
Page 5 of 9

Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	PAA Adjust- ments	PAA Adjusted Test Year	PAA Revenue Increase	PAA Revenue Requirement	OPC Test Year Adjusts	OPC Adjusted Test Year	OPC Revenue Increase	OPC Revenue Requirement
1 Operating Revenues:	<u>\$1,479,307</u>	<u>\$1,452,452</u>	<u>\$2,931,759</u>	<u>(\$1,376,898)</u>	<u>\$1,554,861</u>	<u>\$931,043</u> 59.88%	<u>\$2,485,904</u>	<u>(\$1,230,129)</u>	<u>\$1,701,630</u>	<u>\$568,263</u> 33.40%	<u>\$2,269,893</u>
Operating Expenses											
2 Operation & Maintenance	\$1,199,672	\$840,042	\$2,039,714	(\$93,311)	\$1,946,403		\$1,946,403	(\$230,632)	\$1,809,082		\$1,809,082
3 Depreciation	95,996	200,666	296,662	(102,588)	194,074		194,074	(\$72,346)	\$224,316.19		\$224,316
4 Amortization	0		0		0		0	\$0	\$0		\$0
5 Taxes Other Than Income	132,607	113,300	245,907	(71,244)	174,663	41,897	216,560	(\$56,302)	\$189,605	\$25,572	\$215,177
6 Income Taxes	0	0	0	0	0	0	0	\$0	\$0		\$0
7 Total Operating Expense	<u>\$1,428,275</u>	<u>\$1,154,008</u>	<u>\$2,582,283</u>	<u>(\$267,143)</u>	<u>\$2,315,140</u>	<u>\$41,897</u>	<u>\$2,357,037</u>	<u>(\$359,280)</u>	<u>\$2,223,003</u>	<u>\$25,572</u>	<u>\$2,248,575</u>
8 Operating Income	<u>\$51,032</u>	<u>\$298,444</u>	<u>\$349,476</u>	<u>(\$1,109,755)</u>	<u>(\$760,279)</u>	<u>\$889,146</u>	<u>\$128,867</u>	<u>(\$870,849)</u>	<u>(\$521,373)</u>	<u>\$542,691</u>	<u>\$21,318</u>
9 Rate Base	<u>(\$378,037)</u>		<u>\$4,362,997</u>		<u>\$1,489,445</u>		<u>\$1,489,445</u>	<u>(\$2,848,016)</u>	<u>\$604,323</u>		<u>\$604,323</u>
10 Rate of Return	<u>-13.50%</u>		<u>8.01%</u>		<u>-51.04%</u>		<u>8.65%</u>		<u>-86.27%</u>		<u>3.53%</u>