



November 23, 2016

Carlotta S. Stauffer, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RE: Docket No. 160101-WS; Application for an increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties by Utilities, Inc. of Florida
Our File No. 30057.227

Dear Ms. Stauffer:

As a supplement to the responses to 2 a of Staff's Second Deficiency letter dated November 17, 2016, enclosed is a revised Schedule B-8 for the UIF – Eagle Ridge system.

Should you or Staff have any questions, please do not hesitate to give me a call.

Very truly yours,

/s/ Martin S. Friedman

MARTIN S. FRIEDMAN
For the Firm

MSF/

cc: John Hoy (via e-mail)
Patrick Flynn (via e-mail)
Erik Sayler, Esquire (via e-mail)
Walter Trierweiler, Esquire (via e-mail)

Operation & Maintenance Expense Comparison - Wastewater

Florida Public Service Commission

Company: Utilities, Inc. of Florida - Eagle Ridge
 Docket No.: 160101-WS
 Schedule Year Ended: December 31, 2015

Schedule: B-8
 Page 1 of 1
 Preparer: Patrick Flynn

Explanation: Complete the following comparison of the applicant's current and prior test year O&M expenses before this Commission. Provide an explanation of all differences which are not attributable to the change in customer growth and the CPI-U. If the applicant has not had a previous rate case, use the year 5 years prior to the test year for comparison. Provide an additional schedule, if necessary, to explain differences.

Revised: 11.22.2016

Line No.	(1) Account No. and Name	(2) Prior TY 12/31/2010	(3) Current TY 12/31/15	(4) TY Adj.'s per B-3	(5) Adjusted TY	(6) \$ Difference	(7) % Difference	(8) Explanation
1	701 Salaries & Wages - Employees	\$ 194,460	\$ 181,114	\$ 11,753	\$ 192,867	(1,593)	(0.82) %	Under benchmark
2	703 Salaries & Wages - Officers, Etc.	11,420	7,979	299	8,278	(3,142)	(27.51) %	Under benchmark
3	704 Employee Pensions & Benefits	48,423	57,097	3,802	60,899	12,476	25.76 %	Reflects large increases in health care costs since the last TY.
4	710 Purchased Sewage Treatment	-	3,762	-	3,762	3,762	100.00 %	Mis-coded expense, there was no purchased sewer in Eagle Ridge or Cross Creek.
5	711 Sludge Removal Expense	50,159	50,909	-	50,909	750	1.50 %	Under benchmark
6	715 Purchased Power	68,472	70,878	-	70,878	2,406	3.51 %	Under benchmark
7	716 Fuel for Power Purchased	-	-	-	-	-	%	
8	718 Chemicals	31,463	41,562	2,945	44,507	13,044	41.46 %	Increase in the volume of chlorine used at both ER & CC WWTP's in 2015TY.
9	720 Materials & Supplies	30,510	74,992	-	74,992	44,482	145.80 %	Nominal variance from year to year in repair activities, materials used and their unit costs.
10	731 Contractual Services - Engr.	11	0	-	0	(11)	(98.27) %	Under benchmark
11	732 Contractual Services - Acct.	3,811	6,772	-	6,772	2,961	77.69 %	Reflects the allocation of outside audit expense, which was greater in 2015 over previous TY
12	733 Contractual Services - Legal	1,040	(135)	-	(135)	(1,175)	(113.02) %	Under benchmark
13	734 Contractual Services - Mgmt. Fees	-	-	-	-	-	%	
14	735 Contractual Services - Testing	28,905	-	-	-	(28,905)	(100.00) %	Under benchmark
15	736 Contractual Services - Other	38,316	25,441	-	25,441	(12,875)	(33.60) %	Under benchmark
16	741 Rental of Building/Real Prop.	-	218	-	218	218	100.00 %	De minimus amount
17	742 Rental of Equipment	3	33	-	33	30	988.33 %	De minimus amount
18	750 Transportation Expenses	19,161	10,791	324	11,115	(8,046)	(41.99) %	Under benchmark
19	756 Insurance - Vehicle	-	-	-	-	-	%	
20	757 Insurance - General Liability	-	20,545	-	20,545	20,545	100.00 %	General liability insurance expense wasn't allocated in this line item in the previous TY. See line 22.
21	758 Insurance - Workman's Comp.	-	-	-	-	-	%	
22	759 Insurance - Other	19,472	4,498	-	4,498	(14,974)	(76.90) %	Under benchmark
23	760 Advertising Expense	29	-	-	-	(29)	(100.00) %	Under benchmark
24	766 Reg. Comm. Exp. - Rate Case Amort.	36,634	11,043	13,468	24,511	(12,123)	(33.09) %	Under benchmark
25	767 Reg. Comm. Exp. - Other	1,558	183	-	183	(1,375)	(88.27) %	Under benchmark
26	770 Bad Debt Expense	3,124	1,874	-	1,874	(1,250)	(40.01) %	Under benchmark
27	775 Miscellaneous Expenses	69,236	60,114	-	60,114	(9,122)	(13.18) %	Under benchmark
28								
29		\$ 656,207	\$ 629,669	\$ 32,591	\$ 662,260	\$ 6,053	0.98 %	
30	Less:							
31	766 Reg. Comm. Exp. - Rate Case Amort.*	\$ (36,634)	\$ (11,043)	\$ (13,468)	\$ (24,511)	n/a	n/a	Not subject to Index Benchmarking
32								
33	TOTAL	\$ 619,573	\$ 618,626	\$ 19,122	\$ 637,748	6,053	0.98 %	
30								
31	Total Customers (ERC's)	<u>2,494.0</u>			<u>2,528.0</u>	34	1.36 %	
32								
33	Consumer Price Index - U	<u>219.179</u>			<u>236.525</u>	17.346	7.91 %	
34								
35	Benchmark Index:				1.0136			
36					<u>1.0791</u>			
37								
38					<u>1.0938</u>			