

**Brandy Butler**

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**From:** Kate Hamrick  
**Sent:** Friday, May 04, 2018 8:28 AM  
**To:** Braulio Baez; Mark Futrell; Apryl Lynn; CLK - Agenda Staff; Greg Shafer; Mary Anne Helton; Keith Hetrick; Cindy Muir; Commissioners & Staffs; Terence Bethea; Shannon Hudson; Jennifer Crawford  
**Subject:** APPROVED: Request for approval of oral modification to Item 7, Docket No. 20180100-WS, Application for of tariff for the gross-up of CIAC by Ni Florida, LLC

Please see the approved oral modification for Item 7 (20180100-WS) below.

Thanks!

Kate Hamrick  
Executive Assistant to  
Mark Futrell  
Deputy Executive Director: Technical  
Florida Public Service Commission  
850-413-6304

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**From:** Braulio Baez  
**Sent:** Thursday, May 03, 2018 4:59 PM  
**To:** Kate Hamrick  
**Subject:** Re: Request for approval of oral modification to Item 7, Docket No. 20180100-WS, Application for of tariff for the gross-up of CIAC by Ni Florida, LLC

Approved. Thanks

Sent from my T-Mobile 4G LTE Device

----- Original message -----

**From:** Kate Hamrick <KHamrick@psc.state.fl.us>  
**Date:** 5/3/18 3:30 PM (GMT-05:00)  
**To:** Braulio Baez <BBaez@PSC.STATE.FL.US>  
**Subject:** FW: Request for approval of oral modification to Item 7, Docket No. 20180100-WS, Application for of tariff for the gross-up of CIAC by Ni Florida, LLC

For your approval.

Kate Hamrick  
Executive Assistant to  
Mark Futrell  
Deputy Executive Director: Technical  
Florida Public Service Commission  
850-413-6304

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**From:** Greg Shafer  
**Sent:** Thursday, May 03, 2018 2:54 PM  
**To:** Mark Futrell  
**Cc:** Kate Hamrick; Patti Daniel; Shannon Hudson  
**Subject:** Request for approval of oral modification to Item 7, Docket No. 20180100-WS, Application for of tariff for the gross-up of CIAC by Ni Florida, LLC

Mark,  
For your review and approval

Thanks,  
Greg

Staff requests approval to make an oral modification to Item 7 scheduled for the May 8, 2018 Commission Conference, Application for approval of tariff for the gross-up of CIAC for water rates in Lee County and wastewater rates in Pasco County, by NI Florida, LLC. Staff's proposed modification is limited to correcting the formula to gross-up CIAC on the proposed tariff pages attached to staff's recommendation.

Subsequent to filing its recommendation, the Company notified staff that modification is necessary to correct the formula for grossing-up cash and land CIAC. Staff's requested oral modification to correct the referenced formula appearing on Attachment A, pages 6 and 7.

Page 6 (Attachment A):

NI FLORIDA, LLC  
WASTEWATER TARIFF

ORIGINAL SHEET NO. 18.1

**Income Taxes Related to Cash and Property Contributions In Aid of Construction**

The utility may gross-up cash service availability charges and property contributions in aid of construction in order to recover the federal and state corporate income taxes associated with these contributions. The formula to be used to gross-up cash service availability charges and contributed property are as follows:

TAX IMPACT= Full Gross Up:

Depreciable Plant:

For utilities using straight-line depreciation for tax purposes, the gross-up formula shall

be:  $(CP - (CP * (1/TL) * .5)) (CP - (CP * (1/TL) * .5)) * (CTR / (1-CTR))$

For utilities using an accelerated rate of depreciation for tax purposes, the gross-up

formula shall be:  $(CP - ((CP * AR) * .5)) * (CTR / (1-CTR))$

Land (and Cash):  $(CL * CTR) * (CTR / (1-CTR))$

Where:

CP = Contributed Plant

TL = Tax Life of Contributed Plant

AR = First Year Accelerated Depreciation Rate for Tax Purposes

CTR = Combined Federal (FT) and State (ST) Income Tax Rate.  $ST+FT(1-ST)$

CL = Contributed Land (and Contributed Cash)

EFFECTIVE DATE:

Michael J. Ashford  
ISSUING OFFICER

TYPE OF FILING: Tariff Filing

Regulatory Director  
TITLE

Page 7 (Attachment A)

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Land (and Cash):  $CL * CTR * (CTR / (1 - CTR))$

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AR = First Year Accelerated Depreciation Rate for Tax Purposes

CTR = Combined Federal (FT) and State (ST) Income Tax Rate.  $ST + FT (1 - ST)$

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EFFECTIVE DATE:

Michael J. Ashford  
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TYPE OF FILING: Tariff Filing

Regulatory Director  
TITLE