



November 15, 2021

VIA E-FILING

Adam Teitzman, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RE: Docket No. 20210119; Application for establishment of wastewater allowance for funds prudently invested (AFPI) charges in Lake County, by Utilities, Inc. of Florida.

Dear Mr. Teitzman:

Attached are revised Schedules 1-A, 1-B, 1-C, and 1-D.

If you require additional information, please feel free to contact me via email at jared.deason@uiwater.com or (850) 643-7326.

Sincerely,

Jared Deason
Regulatory Manager

Enclosures

**Allowance for Funds Prudently Invested
Calculation of Carrying Costs for Each ERC:**

Cost of Qualifying Assets:	\$ 936,494	Annual Depreciation Expense:	\$ 89,754
Divided By Future ERC:	1,249	Future ERC's:	1,249
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Cost/ERC:	\$ 749.95	Annual Depr. Cost per ERC:	\$ 71.88
Multiply By Rate of Return:	6.95%		

Annual Return Per ERC:	\$ 52.12	Annual Property Tax Expense:	\$ 20,134
Annual Reduction in Return:	\$ 5.00	Future ERC's:	1,249
(Annual Depreciation Expense per ERC Times Rate of Return)		Annual Prop. Tax per ERC:	\$ 16.12

Federal Tax Rate:	21.00%	Weighted Cost of Equity:	4.37%
Effective State Tax Rate:	4.22%	Divided by Rate of Return:	6.95%
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Total Tax Rate:	25.22%	% of Equity in Return:	62.88%

Effective Tax on Return:	15.86%	Other Costs:	\$ 0
(Equity % Times Tax Rate)		Future ERC's:	1,249

Provision For Tax:	21.21%	Cost per ERC:	\$ 0.00
(Tax on Return/(1-Total Tax Rate))			-----

**Allowance for Funds Prudently Invested
Calculation Of Carrying Costs Per ERC Per Year**

	2020	2021	2022	2023	2024
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Unfunded Other Costs:	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Unfunded Annual Depreciation:	71.88	71.88	71.88	71.88	71.88
Unfunded Property Tax:	16.12	16.12	16.12	16.12	16.12
Subtotal Unfunded Annual Expense:	\$ 88.00	\$ 88.00	\$ 88.00	\$ 88.00	\$ 88.00
Unfunded Expenses Prior Year:	0.00	88.00	176.00	263.99	351.99
Total Unfunded Expenses:	\$ 88.00	\$ 176.00	\$ 263.99	\$ 351.99	\$ 439.99
Return on Expenses Current Year:	6.12	6.12	6.12	6.12	6.12
Return on Expenses Prior Year:	0.00	6.12	12.23	18.35	24.46
Return on Plant Current Year:	52.12	47.12	42.13	37.13	32.13
Earnings Prior Year:	0.00	52.12	108.99	170.92	238.28
Compound Earnings from Prior Year:	0.00	3.62	7.57	11.88	16.56
Total Compounded Earnings:	\$ 52.12	\$ 108.98	170.92	238.28	311.43
Earnings Expansion Factor for Tax:	1.21	1.21	1.21	1.21	1.21
Revenue Required to Fund Earnings:	\$ 63.18	\$ 132.10	\$ 207.18	\$ 288.82	\$ 377.49
Revenue Required to Fund Expenses:	88.00	176.00	263.99	351.99	439.99
Subtotal:	\$ 151.18	\$ 308.10	\$ 471.17	\$ 640.81	\$ 817.48
Divided by Factor for Regulatory Assessment Fee	0.955	0.955	0.955	0.955	0.955
ERC Carrying Cost for 1 Year:	\$ 158.30	\$ 322.62	\$ 493.37	\$ 671.01	\$ 856.00

UTILITIES INC. OF FLORIDA - LUSI												SCHEDULE 1-D			
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Allowance for Funds Prudently Invested															
Calculation Of Carrying Costs Per ERC Per Month															

			2020	2021	2022	2023	2024	2025
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	January		13.19	171.99	336.85	508.17	686.43	856.00
	February		26.38	185.69	351.08	522.98	701.84	856.00
	March		39.57	199.38	365.31	537.78	717.26	856.00
	April		52.77	213.07	379.54	552.58	732.67	856.00
	May		65.96	226.76	393.77	567.39	748.09	856.00
	June		79.15	240.46	407.99	582.19	763.51	856.00
	July		92.34	254.15	422.22	596.99	778.92	856.00
	August		105.53	267.84	436.45	611.80	794.34	856.00
	September		118.72	281.54	450.68	626.60	809.75	856.00
	October		131.92	295.23	464.91	641.40	825.17	856.00
	November		145.11	308.92	479.14	656.21	840.58	856.00
	December		158.30	322.62	493.37	671.01	856.00	856.00