

**FLORIDA UTILITY SERVICES 1, LLC
5911 TROUBLE CREEK ROAD
NEW PORT RICHEY, FLORIDA 34652
(352) 302-7406**

February 28, 2022

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

RE: Docket No. 20200152-WS – Application for a limited alternative rate increase proceeding in Polk and Marion Counties, by Alturas Water, LLC; Sunrise Utilities, LLC; Pinecrest Utilities, LLC; East Marion Utilities, LLC.

Commission Clerk,

Per the requirements of Rule 25-30.457, (8)(a), please find enclosed a “Limited Alternative Rate Increase Earnings Review” (Form PSC 1025 (03/20)) for each of the four utility systems referenced above.

If you have any questions or concerns, please do not hesitate to contact me.

Respectfully submitted,



Mike Smallridge
Florida Utility Services 1, LLC
Managing Member

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COMMISSION
CLERK

FLORIDA PUBLIC SERVICE COMMISSION
LIMITED ALTERNATIVE RATE INCREASE EARNINGS REVIEW

The 12-month period following the implementation of the revenue increase should be used for the purposes of completing this form.

Utility Name: Alturas Utilities, LLC		Schedule No. 1-A
Schedule of Water Rate Base		
12-Month Period Ended: December 31, 2021		
	Description	Per Utility
1	Plant in Service	\$70,407
2	Land and Land Rights	\$500
3	Non-used and Useful Components (1)	\$0
4	Accumulated Depreciation	(\$49,574)
5	Contribution in Aid of Construction (CIAC)	\$0
6	Amortization of CIAC	\$0
7	Net Debit Deferred Income Taxes	\$0
8	Advances for Construction	\$0
9	Working Capital Allowance	\$5,265
10	Acquisition Adjustments(2)	\$0
11	Accumulated Amortization of Acquisition Adjustments	\$0
12	Rate Base	\$26,598
Notes:		
(1)	Estimate based on the methodology used in the last rate proceeding.	
(2)	Include only those Acquisition Adjustments that have been approved by the Commission.	

Utility Name:	Schedule No. 1-B
Schedule of Wastewater Rate Base	
12-Month Period Ended:	
Description	Per Utility
1 Plant in Service	
2 Land and Land Rights	
3 Non-used and Useful Components (1)	
4 Accumulated Depreciation	
5 Contribution in Aid of Construction (CIAC)	
6 Amortization of CIAC	
7 Net Debit Deferred Income Taxes	
8 Advances for Construction	
9 Working Capital Allowance	
10 Acquisition Adjustments(2)	
11 Accumulated Amortization of Acquisition Adjustments	
12 Rate Base	\$0
Notes:	
(1) Estimate based on the methodology used in the last rate proceeding.	
(2) Include only those Acquisition Adjustments that have been approved by the Commission.	

Utility Name: Alturas Utilities, LLC				Schedule No. 2
Schedule of Current Cost of Capital				
12-Month Period Ended: December 31, 2021				
Class of Capital	Amount	Percent of Capital	Actual Cost Rate	Weighted Cost
(a)	(b)	(c)	(d)	(e) = (c x d)
Common Equity (Includes intercompany payable)	\$19,606	43.46%	9.74%	4.23%
Preferred Stock				
Long-Term Debt	\$24,091	53.39%	5.97%	3.19%
Short-Term Debt				
Customer Deposits	\$1,421	3.15%	2.00%	0.06%
Tax Credits - Zero Cost				
Tax Credits Weighted Cost				
Deferred Income Taxes				
Other (Explain)				
Total	\$45,118	100.00%		7.48%
Notes:				
(1)	Consistent with the methodology used in the last rate proceeding.			
(2)	Upper limit of the last authorized return on equity or current leverage formula if none has been established.			
	ROE of 9.74% (max) established in Order No. PSC-2016-0128-PAA-WU.			

Utility Name: Alturas Utilities, LLC		Schedule No. 3-A
Schedule of Water Operations		
12-Month Period Ended: December 31, 2021		
Description	Per Utility	
1 Operating Revenues	\$28,956	
Operating Expenses		
2 Operation & Maintenance	\$42,123	
3 Depreciation	\$2,630	
4 Amortization	\$0	
5 Taxes Other Than Income	\$1,944	
6 Income Taxes	<u>\$0</u>	
7 Total Operating Expense	\$46,697	
8 Operating Income	(\$17,741)	

Utility Name:		Schedule No. 3-B
Schedule of Wastewater Operations		
12-Month Period Ended:		
Description	Per Utility	
1 Operating Revenues		
Operating Expenses		
2 Operation & Maintenance		
3 Depreciation		
4 Amortization		
5 Taxes Other Than Income		
6 Income Taxes		
7 Total Operating Expense		
8 Operating Income		

Utility Name: Alturas Utilities, LLC		Schedule No. 4-A
Analysis of Water Operation and Maintenance Expense		
12-Month Period Ended: December 31, 2021		
	Description	Per Utility
(601)	Salaries and Wages - Employees	\$7,589
(603)	Salaries and Wages - Officers	\$1,600
(604)	Employee Pensions and Benefits	\$68
(610)	Purchased Water	\$0
(615)	Purchased Power	\$2,252
(616)	Fuel for Power Production	\$0
(618)	Chemicals	\$2,577
(620)	Materials and Supplies	\$6,847
(630)	Contractual Services - Billing	\$0
(631)	Contractual Services - Professional	\$423
(635)	Contractual Services - Testing	\$3,920
(636)	Contractual Services - Other	\$8,088
(640)	Rents	\$1,426
(650)	Transportation Expense	\$967
(655)	Insurance Expense	\$2,381
(665)	Regulatory Commission Expense	\$1,143
(670)	Bad Debt Expense	\$115
(675)	Miscellaneous Expense	\$2,726
Total		\$42,123

Utility Name:		Schedule No. 4-B
Analysis of Wastewater Operation and Maintenance Expense		
12-Month Period Ended:		
	Description	Per Utility
(701)	Salaries and Wages - Employees	
(703)	Salaries and Wages - Officers	
(704)	Employee Pensions and Benefits	
(710)	Purchased Water	
(711)	Sludge Removal Expense	
(715)	Purchased Power	
(716)	Fuel for Power Production	
(718)	Chemicals	
(720)	Materials and Supplies	
(730)	Contractual Services - Billing	
(731)	Contractual Services - Professional	
(735)	Contractual Services - Testing	
(736)	Contractual Services - Other	
(740)	Rents	
(750)	Transportation Expense	
(755)	Insurance Expense	
(765)	Regulatory Commission Expense	
(770)	Bad Debt Expense	
(775)	Miscellaneous Expense	
Total		

FLORIDA PUBLIC SERVICE COMMISSION
LIMITED ALTERNATIVE RATE INCREASE EARNINGS REVIEW

The 12-month period following the implementation of the revenue increase should be used for the purposes of completing this form.

Utility Name: East Marion Utilities, LLC		Schedule No. 1-A
Schedule of Water Rate Base		
12-Month Period Ended: December 31, 2021		
	Description	Per Utility
1	Plant in Service	\$162,842
2	Land and Land Rights	\$0
3	Non-used and Useful Components (1)	\$0
4	Accumulated Depreciation	(\$108,120)
5	Contribution in Aid of Construction (CIAC)	(\$39,700)
6	Amortization of CIAC	\$25,786
7	Net Debit Deferred Income Taxes	\$0
8	Advances for Construction	\$0
9	Working Capital Allowance	\$3,716
10	Acquisition Adjustments(2)	\$0
11	Accumulated Amortization of Acquisition Adjustments	\$0
12	Rate Base	\$44,524
Notes:		
(1) Estimate based on the methodology used in the last rate proceeding.		
(2) Include only those Acquisition Adjustments that have been approved by the Commission.		

Utility Name: East Marion Utilities, LLC		Schedule No. 1-B
Schedule of Wastewater Rate Base		
12-Month Period Ended: 12/31/21		
Description		Per Utility
1	Plant in Service	\$493,024
2	Land and Land Rights	\$0
3	Non-used and Useful Components (1)	\$0
4	Accumulated Depreciation	(\$449,925)
5	Contribution in Aid of Construction (CIAC)	(\$77,600)
6	Amortization of CIAC	\$43,548
7	Net Debit Deferred Income Taxes	\$0
8	Advances for Construction	\$0
9	Working Capital Allowance	\$4,823
10	Acquisition Adjustments(2)	\$0
11	Accumulated Amortization of Acquisition Adjustments	\$0
12	Rate Base	\$13,870
Notes:		
(1) Estimate based on the methodology used in the last rate proceeding.		
(2) Include only those Acquisition Adjustments that have been approved by the Commission.		

Utility Name: East Marion Utilities, LLC				Schedule No. 2
Schedule of Current Cost of Capital				
12-Month Period Ended: December 31, 2021				
Class of Capital	Amount	Percent of Capital	Actual Cost Rate	Weighted Cost
(a)	(b)	(c)	(d)	(e) = (c x d)
Common Equity (negative equity balance set to \$0)	\$0	0.00%	12.16%	0.00%
Preferred Stock				
Long-Term Debt	\$53,304	92.72%	6.20%	5.75%
Short-Term Debt				
Customer Deposits	\$4,185	7.28%	2.00%	0.15%
Tax Credits - Zero Cost				
Tax Credits Weighted Cost				
Deferred Income Taxes				
Other (Explain)				
Total	\$57,489	100.00%		5.89%
Notes:				
(1)	Consistent with the methodology used in the last rate proceeding.			
(2)	Upper limit of the last authorized return on equity or current leverage formula if none has been established.			
	ROE of 12.16% (max) established in Order No. PSC-2017-0107-PAA-WS.			

Utility Name: East Marion Utilities, LLC		Schedule No. 3-A
Schedule of Water Operations		
12-Month Period Ended: December 31, 2021		
Description	Per Utility	
1 Operating Revenues	\$36,673	
Operating Expenses		
2 Operation & Maintenance	\$29,728	
3 Depreciation	\$5,370	
4 Amortization	(\$1,254)	
5 Taxes Other Than Income	\$2,863	
6 Income Taxes	<u>\$0</u>	
7 Total Operating Expense	\$36,707	
8 Operating Income	(S33)	

Utility Name: East Marion Utilities, LLC		Schedule No. 3-B
Schedule of Wastewater Operations		
12-Month Period Ended: December 31, 2021		
Description	Per Utility	
1 Operating Revenues	\$48,835	
Operating Expenses		
2 Operation & Maintenance	\$38,584	
3 Depreciation	\$18,780	
4 Amortization	(\$2,937)	
5 Taxes Other Than Income	\$3,410	
6 Income Taxes	<u>\$0</u>	
7 Total Operating Expense	\$57,838	
8 Operating Income	(S9,003)	

Utility Name: Pinecrest Utilities, LLC		Schedule No. 4-A
Analysis of Water Operation and Maintenance Expense		
12-Month Period Ended: December 31, 2021		
	Description	Per Utility
(601)	Salaries and Wages - Employees	\$5,692
(603)	Salaries and Wages - Officers	\$1,200
(604)	Employee Pensions and Benefits	\$51
(610)	Purchased Water	\$0
(615)	Purchased Power	\$1,338
(616)	Fuel for Power Production	\$0
(618)	Chemicals	\$1,113
(620)	Materials and Supplies	\$1,391
(630)	Contractual Services - Billing	\$0
(631)	Contractual Services - Professional	\$431
(635)	Contractual Services - Testing	\$5,620
(636)	Contractual Services - Other	\$6,439
(640)	Rents	\$1,407
(650)	Transportation Expense	\$725
(655)	Insurance Expense	\$2,036
(665)	Regulatory Commission Expense	\$472
(670)	Bad Debt Expense	\$52
(675)	Miscellaneous Expense	\$1,761
Total		\$29,728

Utility Name: East Marion Utilities, LLC		Schedule No. 4-B
Analysis of Wastewater Operation and Maintenance Expense		
12-Month Period Ended: 12/31/21		
Description		Per Utility
(701)	Salaries and Wages - Employees	\$5,692
(703)	Salaries and Wages - Officers	\$1,200
(704)	Employee Pensions and Benefits	\$51
(710)	Purchased W/Water	\$0
(711)	Sludge Removal Expense	\$4,015
(715)	Purchased Power	\$5,995
(716)	Fuel for Power Production	\$0
(718)	Chemicals	\$4,388
(720)	Materials and Supplies	\$3,292
(730)	Contractual Services - Billing	\$0
(731)	Contractual Services - Professional	\$931
(735)	Contractual Services - Testing	\$0
(736)	Contractual Services - Other	\$6,276
(740)	Rents	\$1,686
(750)	Transportation Expense	\$725
(755)	Insurance Expense	\$2,036
(765)	Regulatory Commission Expense	\$472
(770)	Bad Debt Expense	\$52
(775)	Miscellaneous Expense	\$1,773
Total		\$38,584

FLORIDA PUBLIC SERVICE COMMISSION
LIMITED ALTERNATIVE RATE INCREASE EARNINGS REVIEW

The 12-month period following the implementation of the revenue increase should be used for the purposes of completing this form.

Utility Name: Pinecrest Utilities, LLC		Schedule No. 1-A
Schedule of Water Rate Base		
12-Month Period Ended: December 31, 2021		
	Description	Per Utility
1	Plant in Service	\$253,288
2	Land and Land Rights	\$6,500
3	Non-used and Useful Components (1)	\$0
4	Accumulated Depreciation	(\$183,285)
5	Contribution in Aid of Construction (CIAC)	(\$100,352)
6	Amortization of CIAC	\$100,352
7	Net Debit Deferred Income Taxes	\$0
8	Advances for Construction	\$0
9	Working Capital Allowance	\$6,835
10	Acquisition Adjustments(2)	\$0
11	Accumulated Amortization of Acquisition Adjustments	\$0
12	Rate Base	\$83,338
Notes:		
(1)	Estimate based on the methodology used in the last rate proceeding.	
(2)	Include only those Acquisition Adjustments that have been approved by the Commission.	

Utility Name:		Schedule No. 1-B
Schedule of Wastewater Rate Base		
12-Month Period Ended:		
	Description	Per Utility
1	Plant in Service	
2	Land and Land Rights	
3	Non-used and Useful Components (1)	
4	Accumulated Depreciation	
5	Contribution in Aid of Construction (CIAC)	
6	Amortization of CIAC	
7	Net Debit Deferred Income Taxes	
8	Advances for Construction	
9	Working Capital Allowance	
10	Acquisition Adjustments(2)	
11	Accumulated Amortization of Acquisition Adjustments	
12 Rate Base		
Notes:		
(1) Estimate based on the methodology used in the last rate proceeding.		
(2) Include only those Acquisition Adjustments that have been approved by the Commission.		

Utility Name: Pinecrest Utilities, LLC				Schedule No. 2
Schedule of Current Cost of Capital				
12-Month Period Ended: December 31, 2021				
Class of Capital	Amount	Percent of Capital	Actual Cost Rate	Weighted Cost
(a)	(b)	(c)	(d)	(e) = (c x d)
Common Equity (Includes intercompany payable)	\$37,505	85.06%	12.16%	10.34%
Preferred Stock				
Long-Term Debt	\$2,943	6.67%	5.40%	0.36%
Short-Term Debt				
Customer Deposits	\$3,645	8.27%	2.00%	0.17%
Tax Credits - Zero Cost				
Tax Credits Weighted Cost				
Deferred Income Taxes				
Other (Explain)				
Total	\$44,093	100.00%		10.87%
Notes:				
(1)	Consistent with the methodology used in the last rate proceeding.			
(2)	Upper limit of the last authorized return on equity or current leverage formula if none has been established.			
	ROE of 12.16% (max) established in Order No. PSC-2013-0320-PAA-WU.			

Utility Name: Pinecrest Utilities, LLC		Schedule No. 3-A
Schedule of Water Operations		
12-Month Period Ended: December 31, 2021		
Description	Per Utility	
1 Operating Revenues	\$67,946	
Operating Expenses		
2 Operation & Maintenance	\$54,681	
3 Depreciation	\$9,689	
4 Amortization	\$0	
5 Taxes Other Than Income	\$4,241	
6 Income Taxes	<u>\$0</u>	
7 Total Operating Expense	\$68,611	
8 Operating Income	(\$665)	

Utility Name:		Schedule No. 3-B
Schedule of Wastewater Operations		
12-Month Period Ended:		
Description	Per Utility	
1 Operating Revenues		
Operating Expenses		
2 Operation & Maintenance		
3 Depreciation		
4 Amortization		
5 Taxes Other Than Income		
6 Income Taxes		
7 Total Operating Expense		
8 Operating Income		

Utility Name: Pinecrest Utilities, LLC		Schedule No. 4-A
Analysis of Water Operation and Maintenance Expense		
12-Month Period Ended: December 31, 2021		
	Description	Per Utility
(601)	Salaries and Wages - Employees	\$15,178
(603)	Salaries and Wages - Officers	\$3,201
(604)	Employee Pensions and Benefits	\$137
(610)	Purchased Water	\$0
(615)	Purchased Power	\$2,808
(616)	Fuel for Power Production	\$123
(618)	Chemicals	\$2,911
(620)	Materials and Supplies	\$1,474
(630)	Contractual Services - Billing	\$0
(631)	Contractual Services - Professional	\$727
(635)	Contractual Services - Testing	\$2,220
(636)	Contractual Services - Other	\$7,108
(640)	Rents	\$2,055
(650)	Transportation Expense	\$1,934
(655)	Insurance Expense	\$7,311
(665)	Regulatory Commission Expense	\$816
(670)	Bad Debt Expense	\$2,357
(675)	Miscellaneous Expense	\$4,323
Total		\$54,681

Utility Name:		Schedule No. 4-B
Analysis of Wastewater Operation and Maintenance Expense		
12-Month Period Ended:		
	Description	Per Utility
(701)	Salaries and Wages - Employees	
(703)	Salaries and Wages - Officers	
(704)	Employee Pensions and Benefits	
(710)	Purchased Water	
(711)	Sludge Removal Expense	
(715)	Purchased Power	
(716)	Fuel for Power Production	
(718)	Chemicals	
(720)	Materials and Supplies	
(730)	Contractual Services - Billing	
(731)	Contractual Services - Professional	
(735)	Contractual Services - Testing	
(736)	Contractual Services - Other	
(740)	Rents	
(750)	Transportation Expense	
(755)	Insurance Expense	
(765)	Regulatory Commission Expense	
(770)	Bad Debt Expense	
(775)	Miscellaneous Expense	
Total		

FLORIDA PUBLIC SERVICE COMMISSION
LIMITED ALTERNATIVE RATE INCREASE EARNINGS REVIEW

The 12-month period following the implementation of the revenue increase should be used for the purposes of completing this form.

Utility Name: Sunrise Utilities, LLC		Schedule No. 1-A
Schedule of Water Rate Base		
12-Month Period Ended: December 31, 2021		
	Description	Per Utility
1	Plant in Service	\$143,816
2	Land and Land Rights	\$553
3	Non-used and Useful Components (1)	
4	Accumulated Depreciation	(\$79,180)
5	Contribution in Aid of Construction (CIAC)	(\$12,393)
6	Amortization of CIAC	\$12,393
7	Net Debit Deferred Income Taxes	
8	Advances for Construction	
9	Working Capital Allowance	\$10,378
10	Acquisition Adjustments(2)	
11	Accumulated Amortization of Acquisition Adjustments	
12	Rate Base	\$75,567
Notes:		
(1)	Estimate based on the methodology used in the last rate proceeding.	
(2)	Include only those Acquisition Adjustments that have been approved by the Commission.	

Utility Name:		Schedule No. 1-B
Schedule of Wastewater Rate Base		
12-Month Period Ended:		
	Description	Per Utility
1	Plant in Service	
2	Land and Land Rights	
3	Non-used and Useful Components (1)	
4	Accumulated Depreciation	
5	Contribution in Aid of Construction (CIAC)	
6	Amortization of CIAC	
7	Net Debit Deferred Income Taxes	
8	Advances for Construction	
9	Working Capital Allowance	
10	Acquisition Adjustments(2)	
11	Accumulated Amortization of Acquisition Adjustments	
12 Rate Base		
Notes:		
(1) Estimate based on the methodology used in the last rate proceeding.		
(2) Include only those Acquisition Adjustments that have been approved by the Commission.		

Utility Name: Sunrise Utilities, LLC				Schedule No. 2
Schedule of Current Cost of Capital				
12-Month Period Ended: December 31, 2021				
Class of Capital	Amount	Percent of Capital	Actual Cost Rate	Weighted Cost
(a)	(b)	(c)	(d)	(e) = (c x d)
Common Equity (Includes intercompany payable)	\$34,399	40.43%	9.74%	3.94%
Preferred Stock				
Long-Term Debt	\$44,383	52.16%	6.08%	3.17%
Short-Term Debt				
Customer Deposits	\$6,301	7.41%	2.00%	0.15%
Tax Credits - Zero Cost				
Tax Credits Weighted Cost				
Deferred Income Taxes				
Other (Explain)				
Total	\$85,083	100.00%		7.26%
Notes:				
(1) Consistent with the methodology used in the last rate proceeding.				
(2) Upper limit of the last authorized return on equity or current leverage formula if none has been established.				
ROE of 9.74% (max) established in Order No. PSC-2016-0126-PAA-WU.				

Utility Name: Sunrise Utilities, LLC		Schedule No. 3-A
Schedule of Water Operations		
12-Month Period Ended: December 31, 2021		
Description	Per Utility	
1 Operating Revenues	\$104,206	
Operating Expenses		
2 Operation & Maintenance	\$83,024	
3 Depreciation	\$6,056	
4 Amortization	\$0	
5 Taxes Other Than Income	\$7,534	
6 Income Taxes	<u>\$0</u>	
7 Total Operating Expense	\$96,614	
8 Operating Income	\$7,592	

Utility Name:		Schedule No. 3-B
Schedule of Wastewater Operations		
12-Month Period Ended:		
Description	Per Utility	
1 Operating Revenues		
Operating Expenses		
2 Operation & Maintenance		
3 Depreciation		
4 Amortization		
5 Taxes Other Than Income		
6 Income Taxes		
7 Total Operating Expense		
8 Operating Income		

Utility Name: Sunrise Utilities, LLC		Schedule No. 3-A
Analysis of Water Operation and Maintenance Expense		
12-Month Period Ended: December 31, 2021		
	Description	Per Utility
(601)	Salaries and Wages - Employees	\$26,561
(603)	Salaries and Wages - Officers	\$5,601
(604)	Employee Pensions and Benefits	\$239
(610)	Purchased Water	\$0
(615)	Purchased Power	\$2,447
(616)	Fuel for Power Production	\$0
(618)	Chemicals	\$2,824
(620)	Materials and Supplies	\$4,966
(630)	Contractual Services - Billing	\$0
(631)	Contractual Services - Professional	\$1,088
(635)	Contractual Services - Testing	\$5,170
(636)	Contractual Services - Other	\$11,413
(640)	Rents	\$3,596
(650)	Transportation Expense	\$3,384
(655)	Insurance Expense	\$4,617
(665)	Regulatory Commission Expense	\$2,147
(670)	Bad Debt Expense	\$2,382
(675)	Miscellaneous Expense	\$6,589
Total		\$83,024

Utility Name:		Schedule No. 3-B
Analysis of Wastewater Operation and Maintenance Expense		
12-Month Period Ended:		
Description		Per Utility
(701)	Salaries and Wages - Employees	
(703)	Salaries and Wages - Officers	
(704)	Employee Pensions and Benefits	
(710)	Purchased Water	
(711)	Sludge Removal Expense	
(715)	Purchased Power	
(716)	Fuel for Power Production	
(718)	Chemicals	
(720)	Materials and Supplies	
(730)	Contractual Services - Billing	
(731)	Contractual Services - Professional	
(735)	Contractual Services - Testing	
(736)	Contractual Services - Other	
(740)	Rents	
(750)	Transportation Expense	
(755)	Insurance Expense	
(765)	Regulatory Commission Expense	
(770)	Bad Debt Expense	
(775)	Miscellaneous Expense	
Total		