

**FLORIDA UTILITY SERVICES 1, LLC
5911 TROUBLE CREEK ROAD
NEW PORT RICHEY, FLORIDA 34652
863-904-5574**

January 10, 2022

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

RE: Docket No. 20220185-WS – Application for limited alternative rate increase in Hardee, Manatee, Marion, Polk, and Pasco Counties, by Charlies Creek Utilities, LLC, Crestridge Utilities, LLC, East Marion Utilities, LLC, Heather Hills Utilities, LLC, Holiday Gardens Utilities, LLC, Lake Yale Utilities, LLC, McLeod Gardens Utilities, LLC, Orange Land Utilities, LLC, Sunny Shores Utilities, LLC, Sunrise Water, LLC and West Lakeland Wastewater, LLC.

Commission Clerk

Florida Utility Services 1, LLC, (FUS1) respectfully request the inclusion and consideration of the following allocated proforma expense Operating & Maintenance and Taxes Other Than Income Expense items to the above referenced LARI docket for Leighton Estates Utilities, LLC (LEU).

1. FUS engaged OCBOA Consulting, LLC, to prepare a Salary Compensation Study of its current employees. The purpose of the request was to determine the future salary compensation levels needed to retain and attract qualified employees in the current economic climate. Additionally, FUS1 requested an estimated salary compensation level for a new Salary & Benefits Administrator employee to assume some of the payroll responsibilities of the Chief Financial Officer and to oversee a new retirement benefit that will be offered to all FUS1 employees. The Compensation Study was included as Attachment A in FUS1's original filing dated November 4, 2022. (Commission Document No. 10932-2022)
2. FUS1 desires to provide its employees a retirement benefit beginning in 2023. FUS1 believes that the addition of this employee benefit is necessary to retain and attract future qualified employees to serve its existing and future base of customers. FUS1 proposes to establish a "Simple IRA Plan" as defined under Section 408(b) of the Internal Revenue Code. FUS1 contemplates establishing such a plan with a discount brokerage firm to minimize the annual cost and administrative responsibilities. FUS1 anticipates offering the plan to its employees at the non-elective fixed contribution rate of 2.00% per employee of their gross annual salary. Each employee will be afforded the opportunity to make additional contributions from their salary based on their individual needs. FUS1 estimated proforma cost for this plan is \$10,142 which includes the annual administrative fee applied to each employee's account.

		Fee	Amount
Number of Employee's	10	\$20	\$200
Requested Gross Salary	\$497,091	2.00%	\$9,942
Total			\$10,142

The adjustments and calculations for the Salary Compensation Study and the new Employee Pension Benefit amounts for LEU are displayed in Table 1.

Additionally, displayed in Table 2, is FUS1's revised estimated rate case expense calculations for the addition of LEU's proforma expense increases, to the LARI filing.

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

Respectfully submitted,

Jeffery Small
 OCBOA Consulting, LLC
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Mike Smallridge
 Florida Utility Services 1, LLC

Table 1

LEU Proforma Expense Increase

LEU Account	Actual	Increase	Requested
601 - Employee Salaries	\$7,589	\$2,353	\$9,942
603 - Officer Salaries	\$1,600	\$398	\$1,998
604 - Employee Benefits	\$68	\$203	\$271
Total O&M Expense	\$9,258	\$2,953	\$12,211
408 - Payroll Tax	\$592	\$183	\$775

Calculations

FUS1 Account	Number of Customers		Salary Compensation		
	Actual	Percent	Actual	Requested	Increase
601 - Employee Salaries			\$379,449	\$497,091	\$117,642
LEU	77	2%	\$7,589	\$9,942	\$2,353
Other FUS1 Systems	3488	98%	\$371,860	\$487,149	\$115,289
Total	3,565	100%	\$379,449	\$497,091	\$117,642

FUS1 Account	Number of Customers		Salary Compensation		
	Actual	Percent	Actual	Requested	Increase
603 - Officer Salary			\$80,016	\$99,900	\$19,884
LEU	77	2%	\$1,600	\$1,998	\$398
Other FUS1 Systems	3488	98%	\$78,416	\$97,902	\$19,486
Total	3,565	100%	\$80,016	\$99,900	\$19,884

Total All			\$459,465	\$596,991	\$137,526
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FUS1 Account	Number of Customers		Pension Expense		
	Actual	Percent	Actual	Requested	Increase
604 - Pension & Benefits			\$0	\$10,142	\$10,142
LEU	77	2%	\$0	\$203	\$203
Other FUS1 Systems	3488	98%	\$0	\$9,939	\$9,939
Total	3,565	100%	\$0	\$10,142	\$10,142

FUS1 Account	Number of Customers		Payroll Tax		
	Actual	Percent	Actual	Requested	Increase
408 - Payroll Tax			\$29,582	\$38,753	\$9,171
LEU	77	2%	\$592	\$775	\$183
Other FUS1 Systems	3488	98%	\$28,990	\$37,978	\$8,988
Total	3,565	100%	\$29,582	\$38,753	\$9,171

Payroll tax increase calculated using overall tax rate on actual salaries ($\$29,582/\$379,449 = 7.80\%$)
 Then, overall tax rate of 7.80% times increase in salaries of \$117,642 equals \$9,171.32.

Table 2
Rate Case Expense

System	Customers	Filing Fee	Accounting	Noticing	Total	1/4 Amrtz.
Charlie Creek Utilities, LLC	166	\$1,000.00	\$374.51	\$438.16	\$1,812.67	\$453.17
Crestridge Utilities, LLC	614	\$1,000.00	\$1,385.24	\$1,620.67	\$4,005.92	\$1,001.48
East Marion Utilities, LLC (Water)	113	\$1,000.00	\$127.47	\$149.13	\$1,276.60	\$319.15
East Marion Utilities, LLC (W/Water)		\$500.00	\$127.47	\$149.13	\$776.60	\$194.15
Holiday Gardens Utilities, LLC	456	\$1,000.00	\$1,028.78	\$1,203.63	\$3,232.41	\$808.10
Heather Hills Utilities, LLC (Water)	353	\$1,000.00	\$398.20	\$465.88	\$1,864.08	\$466.02
Heather Hills Utilities, LLC (W/Water)		\$1,000.00	\$398.20	\$465.88	\$1,864.08	\$466.02
Lake Yale Utilities, LLC (Water)	408	\$1,000.00	\$460.24	\$538.46	\$1,998.71	\$499.68
Lake Yale Utilities, LLC (W/Water)		\$500.00	\$460.24	\$538.46	\$1,498.71	\$374.68
McLeod Gardens Utilities, LLC	98	\$1,000.00	\$221.10	\$258.67	\$1,479.77	\$369.94
Orange Land Utilities, LLC	72	\$1,000.00	\$162.44	\$190.05	\$1,352.49	\$338.12
Sunny Shores Utilities, LLC	262	\$1,000.00	\$591.10	\$691.56	\$2,282.65	\$570.66
Sunrise Water, LLC	257	\$1,000.00	\$579.82	\$678.36	\$2,258.18	\$564.54
West Lakeland Wastewater, LLC	317	\$1,000.00	\$715.18	\$836.73	\$2,551.91	\$637.98
Total Estimated Rate Case Expense	3,116	\$13,000.00	\$7,030.00	\$8,224.78	\$28,254.78	\$7,063.70
Leighton Estates Utilities, LLC	77	\$500.00	\$173.72	\$203.24	\$876.96	\$219.24
Revised Estimated Rate Case Expense	3,193	\$13,500.00	\$7,203.72	\$8,428.03	\$29,131.75	\$7,282.94

Accounting and noticing fees are split equally between water and wastewater operations for EMU, HHU & LYU.

Accounting Fee	Hours	Fee/Hour	Total
Prepare filing	60.00	\$95.00	\$5,700.00
Respond to data request	12.00	\$95.00	\$1,140.00
Post Order adjustments	2.00	\$95.00	\$190.00
Total	74.00		\$7,030.00
Number of customers			3,116
Total cost per customer			\$2.26

Noticing Fee	Current (1)	Jan 2023 (2)
Postage	\$0.60	\$0.63
Printing	\$0.23	\$0.25
Envelope	\$0.05	\$0.06
Total cost per customer notice	\$0.88	\$0.94
Notices required	3	3
Total cost per customer	\$2.32	\$2.64

(1) From FUS1 LARI filing in Dkt# 20200152, Order No. PSC-2020-0396-PAA-WS, issued 10/22/20. Updated for current postage rate.

(2) Updated for proposed postage rate effective January 2023. Printing & envelope costs were increased by 10% for inflation.