



February 10, 2016

VIA E-FILING

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

Re: Docket No. 150071-SU – Application for increase in Wastewater rates in Monroe County by K W  
Resort Utilities Corp.  
Our File No. 34000.01

Dear Ms. Stauffer:

Pursuant to an informal request by Commission Staff on February 4, 2016, enclosed is Revised Schedule E-2, with backup documentation. The Utility has serious concerns that this drastic change in the billing methodology, which will substantially increase rates for certain customers, will result in repressed usage and customers reducing meter sizes. Such large increases will also increase the number of delinquent and subsequently uncollectible accounts.

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

Very truly yours,

A handwritten signature in blue ink, appearing to read "Martin S. Friedman".

MARTIN S. FRIEDMAN  
For the Firm

MSF/  
Enclosures

cc: Chris Johnson (via email)  
Bart Smith, Esquire (via email)  
Debbie Swain (via email)  
Frank Seidman (via email)  
Martha Barrera, Esquire (via email)  
Kelly Thompson (via email)  
Erik Sayler, Esquire (via email)

Explanation: Provide a calculation of revenues at present and proposed rates using the billing analysis. Explain any differences between these revenues and board revenue. If a rate change occurred during the test year, a revenue calculation must be made for each period.

Line No.	Class/Meter Size	(1)	(2) (a)	(2) (b)	(2) (c)	(3) (a)	(3) (b)	(4)	(5) (a)	(5) (b)	(6)	(7)		Private Meters	RC9 Various	RC10 Ocean Spray Trailer	RC11 Tropical Pumps Mobile	
												Revenue at Proposed Rates	Revenue at Proposed Rates					
1	Residential																	
2	All Residential Meters	19,174	19,174	19,174	70,508	70,508	70,508	\$17.61	\$341,488.94	\$341,488.94	\$35.26	\$676,075.24						
3	All Residential Gallons (Max 10k gallons)	19,174	19,174		70,508	70,508		\$4.87	\$272,865.96	\$272,865.96	7.66	\$540,091.28						
4	Total Residential Service								\$614,354.90	\$614,354.90		\$1,216,166.52						
5	Average Residential Bill								\$32.04	\$32.04		\$53.43						
6	General Service - Base Charge																	
7	5/8" General Service	4,300	5,101	2,453				\$17.61	\$30,948.61	\$49,087.93	\$35.26	\$86,492.78						
8	1" General Service	94	94	118				\$44.53	\$4,185.82	\$5,254.54	\$88.17	\$10,404.06						
9	1" General Service - private LS							\$44.53	\$0.00	\$1,603.08	\$70.54	\$2,599.30						
10	1.5" General Service	36	36	84				\$89.05	\$3,205.80	\$7,480.20	\$176.32	\$14,810.88						
11	2" General Service	94	94	118				\$142.47	\$13,892.18	\$16,811.46	\$282.09	\$33,286.62						
12	4" General Service	12	12	12				\$445.24	\$5,342.88	\$5,342.88	\$881.58	\$10,578.96						
13	6" General Service	36	36	48				\$890.49	\$32,057.04	\$42,743.52	\$1,763.17	\$84,632.16						
14	8" Turbo General Service	12	12	12				\$24,877.20	\$24,877.20	\$42,577.20	\$4,055.24	\$48,652.88						
15	Total General Service B/C	4,394	5,305	2,881				\$2,048.10	\$173,610.33	\$147,500.81		\$281,407.64						
16	General Service - Gallons																	
17	5/8" General Service																	
18	1" General Service																	
19	1.5" General Service																	
20	2" General Service																	
21	4" General Service																	
22	6" General Service																	
23	8" Turbo General Service																	
24	Total General Service Gallonage																	
25	Total General Service								4,594	5,385		112,420	129,559					
26	Average General Service Bill																	
27	Reclaimed Water																	
28	Gallonage Charge per 1,000 gallons	24	24					\$0.68	\$49,247.64	\$49,247.64	\$1.35	\$97,771.05						
29	Private Lift Station Demaris																	
30	5/8" x 3/4" meter																	
31	1" meter																	
32	2" meter																	
33	Gallonage Charge per 1,000 gallons																	
34	Total Private Lift Station Owners	0	0															
35	Bulk WW - Salt Harbor Marina																	
36	Total Bulk Rate	12	12	0					\$917.11	\$11,085.32		\$0.00	\$0.00					
37	Residential Living Units 1 ERC each								\$343.65	\$0.00		\$0.00	\$0.00					
38	Live Aboard Boats 6 ERC each								\$785.38	\$0.00		\$0.00	\$0.00					
39	Non Live Aboard Boats 2 ERC each								\$143.20	\$0.00		\$0.00	\$0.00					
40	Vacant Slips 2 ERC each								\$30.84	\$0.00		\$0.00	\$0.00					
41	Bathhouses 1 ERC each								\$52.87	\$0.00		\$0.00	\$0.00					
42	Commercial Businesses 5 ERC each								\$26.43	\$0.00		\$0.00	\$0.00					
43	Commercial Bar								\$84.73	\$0.00		\$0.00	\$0.00					
44	Total Salt Harbor Marina	12	12	0					\$11,085.32	\$0.00		\$0.00	\$0.00					



Revenue Schedule at Test Year Rates - Proof of Revenue

Company: K W Resort Utilities Corp

Account No.: 150071-SU

Test Year Ended: 12/31/2014

Water [ ] Sewer [X]

Water [ ] Sewer [X]

Explanation: Provide a calculation of revenues at present and proposed rates using the billing analysis. Explain any differences between these revenues and booked revenues. If a rate change occurred during the test year, a revenue calculation must be made for each period.

Florida Public Service Commission  
Schedule E-2 REVISED  
Page 2 of 2  
Preparer: Millin, Swain & Associates, Inc.

Line No.	Class/Rate/Size	(1) 9-10-15 rev	(2) (a) 2-8-16 rev	(2) (b) UPDATED	(2) (c) UPDATED	(3) (a) Total Billable	(3) (b) Total Billable	(4) Test Year	(5) Test Year/ Annualized Revenue	(6) Proposed Rates	(7) Revenues at Proposed Rates	2014		
												Dec	Jan - Dec	
General Services - South Stock Island Marinas														
1	General Services - South Stock Island Marinas													
2	5/8" Residential Living Units - Bulk	24	144	0	0			\$17.81	\$2,564.64	\$0.00	\$0.00			
3	5/8" General Service Living Units	768	768	0	0			\$17.81	\$13,678.08	\$0.00	\$0.00			
4	2" General Service Bulk	36	36	60	60			\$142.47	\$5,128.92	\$282.09	\$16,925.40			
5	2" General Service	12	12	12	12			\$2,048.10	\$24,577.20	\$4,085.24	\$48,662.88			
6	2" General Service Gallonage					4,803	10,230	\$4.64	\$29,245.92	\$9.19	\$96,770.70			
7	2" General Service Gallonage					2,332	2,741	\$4.64	\$10,356.48	\$9.19	\$25,189.73			
8	Total General Services	840	960	72	72			\$85,581.24	\$94,702.84	\$61.99	\$187,548.77			
9	Small Swimming Pool *	24	24	0	0			\$31.91	\$751.44	\$61.99	\$1,487.76			
10	Total South Stock Island Marinas	864	984	72	72			\$86,302.68	\$96,702.84	\$189.06	\$189,036.53			
KW Golf Club HOA														
11	KW Golf Club HOA													
12	Large Swimming Pool	12	12	0	0			\$105.75	\$1,269.00	\$208.59	\$2,503.08			
13	Small Swimming Pool	12	12	0	0			\$91.31	\$1,095.72	\$61.99	\$743.99			
14	Total KW Golf Club HOA	24	24	0	0			\$197.06	\$2,364.72	\$270.58	\$3,247.07			
15	Dewatering Sludge Loads							\$4.64	\$719.20	\$9.19	\$1,875.48			
16	Gallonage Rate													
17	Minimum Charge (\$55,000 @ 20 BRCA @ 250gpd, 31 days)								\$0.00	\$1,424.02	\$0.00	\$0.00		
18	Total Dewatering Sludge Loads	0	0	0	0				\$0.00	\$1,424.02	\$0.00	\$0.00		
19	Other Miscellaneous Revenues													
20	Adjustment to reclass Miscellaneous Revenues													
21	Total Other Revenues													
22	Test Year Accruals								\$0.00		\$0.00			
23	Adjusted Test Year/ Annualized / Proposed Revenues								\$1,458,514.02		\$2,995,748.58			
24	Total Per Books / Proposed								\$1,479,306.70		\$2,931,759.21			
25	Difference								(\$10,792.68)		\$63,989.37			
26	Percentage								-0.73%		2.18%			
27	Revised 9-10-2015								4300					
28	RC9								144					
29	RC17								81					
30	RC30								576					
31	Revised Bills 3-8-2015								\$101					



**ADJUSTMENTS TO BILLABLE GALLONS  
TEST YEAR 2014**

South Stock Island Marinas	<u>Rate Code 14</u>		<u>Rate Code 25</u>	TOTAL
	KW Marina	SI Marina Village	Sunset Marina	
CURRENT				
5/8" Residential Living Units - Bulk	72	72		144
5/8" General Service Living Units			768	768
2" General Service Bulk	12	12	12	36
8" General Service			12	12
2" General Service Gallonage	5941	4413	176	
8" General Service Gallonage			2741	
Small Swimming Pool *			24	24
UPDATED	<u>customer</u>	<u>FCAA</u>	<u>Additional</u>	
KW Harbor Yacht Club				
2'	1373	5941		
SSI Village				
2'		4413		
Sunset Marina				
2'		176		
8'		2741		
Total				
2"	6303	10530	4227	
8"	2232	2741	509	

Other Customers billed via private meters	<u>GALLONAGE</u>			<u>METERS</u>
	<u>customer</u>	<u>FCAA</u>	<u>Additional</u>	
Murray Marine 5/8"				
Bill customer meter only s/b FCAA	31	547	516	0
Fishman's - 1"				
Bill customer meter only s/b FCAA	755	837	82	
Mad Cow - 5/8"				
Add back deduct meter, use only FCAA	101	283	182	
Historic Seaport - 2 5/8"				
No adjustment billed correctly			0	
Oceanside - add HOA mtr 2"			998	12
Bernstein Park (5/8"O	46	67	21	
Boyd's Campground				
3, 1.5"		1300		36
1, 2"		2326		12
5/8"	3414			-12
TOTAL	3414	3626	212	
Keys Energy - deducts to add back (5/8")			209	
<u>Total adjustment per meter size</u>				
5/8"			-2486	0
1"			82	
1.5"			1300	36
2"			<u>3324</u>	<u>12</u>
Total			2220	48