

State of Florida



# Public Service Commission


CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

---

**DATE:** October 31, 2016

**TO:** Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk

**FROM:** Todd M. Brown, Public Utilities Supervisor, Division of Accounting & Finance 

**RE:** Docket No. 160030-WS – Application for increase in water rates in Lee County and wastewater rates in Pasco County by Ni Florida, LLC.

---

Please add the following documents, received via e-mail, to the above referenced docket file.

2016 OCT 31 PM 1:02  
RECEIVED FPSC  
COMMISSION CLERK

## Todd Brown

---

**From:** Kyesha Mapp  
**Sent:** Monday, October 31, 2016 11:10 AM  
**To:** Shannon Hudson; Sonica Bruce; Todd Brown; Adam Hill  
**Subject:** FW: Ni Florida - PAA Agenda 11-1-16  
**Attachments:** 20161031104321311.pdf

---

**From:** Marty Deterding [<mailto:mdeterding@sfflaw.com>]  
**Sent:** Monday, October 31, 2016 11:08 AM  
**To:** Kyesha Mapp  
**Subject:** Ni Florida - PAA Agenda 11-1-16

Kyesha

Attached is an outline of the comments we intend to address at the Agenda tomorrow. We wanted you and the accounting Staff to have it so that they and the Commissioners understand the nature of our remaining concerns. Do I need to distribute this today or do you want to do so ?

Sorry for the delay but we were waiting for the Staff's Friday afternoon memo on their oral changes to see if the first item was corrected. Since it was not, we will want to ask that that correction be made tomorrow and as such had to include it in this memo

Let me know ASAP. Thank you

**F. MARSHALL DETERDING**  
*Of Counsel*  
Sundstrom & Mindlin, LLP  
2548 Blairstone Pines Drive  
Tallahassee, Florida 32301  
T: 850.877.6555  
F: 850.656.4029  
[www.sfflaw.com](http://www.sfflaw.com)  
[mdeterding@sfflaw.com](mailto:mdeterding@sfflaw.com)

**SUNDSTROM  
& MINDLIN, LLP**

Attorneys | Counselors



Notice: This email message, and any attachments hereto, contains confidential information that is legally privileged. If you are not the intended recipient, you must not review, transmit, convert to hard copy, copy, use or disseminate this email or any attachments to it. If you have received this email in error, please notify us immediately by return mail or by telephone at (888)- 877-6555 and delete the original and all copies of this transmission, including any attachments. Thank you.

**Ni Florida, LLC**  
**Suggested Changes to Staff's Recommendation**  
**Docket No. 160030-WS**  
**Dated October 20, 2016**

**Duplicative adjustment Error - Issue #12** - There is a duplication of the payroll and benefits adjustments. Although the amounts are different due to having a different number of employees in each calculation, there is clearly a duplication of the adjustments in Issues #3 and #12. An adjustment is included in Issue #3 for (\$13,086) for water and (\$50,211) for wastewater and again in Issue #12 for (\$5,678) for water and (\$21,786) for wastewater. In the adjustment for Issue #12, it mentions OPC identified certain positions included in the allocation that were performing duplicative functions. Those amounts were already included in the adjustment made in Issue #3. Therefore, while Ni Florida does not agree that either adjustment is appropriate, the second one (shown on the middle of page 38 on Issue #12) is clearly a duplicate and should be removed from the adjustments made. This is clearly a double-counting of a portion of the payroll and benefits adjustments.

**Issue #12** – There are two separate items adjusted under this issue that Ni Florida requests be reviewed and ultimately adjusted in the Staff Recommendation. These are as follows: 1) imaging and mailing services, and 2) meter reading.

First, the imaging and mailing services are separately contracted for by Ni Florida and not by the third-party operator, Utility Group of Florida (UGF). Although the Ni Florida contract with UGF says that UGF will do all billing and customer service work, it was never the intent of the parties to that agreement that UGF would pay for postage and mailing services. This provision in the agreement was mistakenly left in when an old "off the shelf" agreement was used. Ni Florida has always engaged the services of another contractor to perform the tasks of receiving billing files and sorting them by Zip Code in order to get a cheaper postage rate; printing the bills; and preparing the bills for mailing. UGF continues to enter meter reads, take customer service calls, take new account applications, set up new customer accounts, handle disconnections and reconnections, take walk-in payments, and process the billing files to send to the postage and mailing services contractor. If the staff proposed adjustment stands, the utility will be denied the substantial and prudent costs of preparing and mailing customer bills.

Second, meter reading for the Hudson Water Works (HWW) water customers (an unaffiliated entity) is needed to bill these Hudson wastewater customers for usage. These meter readings are provided by HWW and billed to Ni Florida. Although the UGF contract mentions billing, postage, and meter reading, it was never the intent of the parties to that agreement that UGF would perform the meter reading function and, in fact, they are not able to do so. HWW has always taken the position, and has specifically told UGF employees, that they would be prosecuted if they so much as touched the HWW water meters! Therefore, Ni Florida must purchase the HWW water meter readings as has been done from the beginning of the contract. Ni Florida requests that this adjustment be corrected. If the staff proposed adjustment stands, the utility will not be able to recover the cost of obtaining meter readings which are required in order to bill its customers.