

Merritt Island Utility Company

DOCKET NO. 20190116-SU
FILED 5/16/2019
DOCUMENT NO. 04349-2019
FPSC - COMMISSION CLERK

May 13, 2019

Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Staff Assisted Rate Case Application and Request for Interim Rate Increase by Merritt Island Utility Company in Brevard County

Dear Commission Clerk:

Merritt Island Utility Company (Merritt Island) submits the attached Staff Assisted Rate Case (SARC) application for consideration. By Order No. PSC-2017-0366-PAA-SU, issued September 27, 2017, (Transfer Order) the Commission approved the transfer of Colony Park Development Utilities, LLC to Merritt Island.

Need for Rate Relief

As stated in the Transfer Order, the Utility's The Utility's rates and charges were last evaluated in 2003 and 2008.¹ This utility has historically operated at an operating loss, and continues to do so today. The revenues do not even cover the Operation & Maintenance expenses. For the requested test year discussed below, the Operating Revenues were \$ 66,595.49 and the Operation and Maintenance expenses were \$ 70,018.36. Total Operating Expenses were \$ 80,353.17 with a net operating loss of (\$13,757.68).

Subsequent to the acquisition of the utility, Merritt Island has made substantial improvements to the wastewater system, which were required by the Florida Department of Environmental Protection (FDEP). The existing wastewater plant and lift station, prior to acquisition, was in disrepair. Subsequent to the acquisition, Merritt Island applied for a permit transfer with the FDEP. Pursuant to the final permit issued by FDEP on March 28, 2017, the utility was required to:

"The following improvement actions shall be completed according to the following schedule:

¹Order Nos. PSC-08-0760-PAA-SU, issued November 17, 2008, in Docket No. 080104-SU, In re: Application for staff-assisted rate case in Brevard County by Colony Park Utility, Inc. and PSC-03-0320-FOF-SU, issued March 6, 2003, in Docket No. 020930-SU, In re: Application for transfer of majority organizational control of Colony Park Utilities, Inc. holder of Certificate No. 137-S in Brevard County, from Robert Warren, and Carol Kendall to Eileen Rogow, Arthur Rogow, and Philip Young.

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Merritt Island Utility Company
Staff Assisted Rate Case

<u>Improvement Action</u>	<u>Completion Date</u>
1. Replace missing pump and discharge piping for Pump Station #2	5/31/2017
2. Install two new Chlorine Contact Chambers and convert split tank to Digester Tank	3/31/2018
3. Replace corroded safety rails	5/31/2017

Merritt Island recently completed the FDEP required improvements to the wastewater treatment plant and lift station.

Year End Water Rate Base

Merritt Island is requesting a test year for the SARC for the twelve month ending March 31, 2109. In addition, Merritt Island is also requesting a Year End rate base for its water system to include the additional capital costs made after the acquisition. These improvements represent a significant portion of the wastewater plant in service. If an average rate base were utilized, Merritt Island would not be afforded the opportunity to recover its allowed rate of return on the new investment and would be put in the position of requesting a subsequent SARC at a later date.

This is consistent with past Commission practice. (See: PSC-2018-0553-PAA-WU, issued November 19, 2018; Order Nos. PSC-2017-0428-PAA-WS, issued November 7, 2017; PSC-98-0763-FOF-SU, issued June 3, 1998; PSC-02-1449-PAA-WS, issued October 21, 2002; PSC-00-1774-PAA-WU, issued September 27, 2000; and PSC-01-0323-PAA-SU, issued February 5, 2001) In the Transfer Order, the Commission approved net book value of the Wastewater Utility Plant in Service was \$43,969. During the requested test year, Merritt Island made investments of \$95,881.17.

Interim Rate Request

In addition, Merritt Island is also requesting an Interim Rate Increase request in order to recover its Operations & Maintenance expenses. This is consistent with past Commission practice. (See: Order No. PSC-14-0596-PCO-WS, issued October 22, 2014; Order No. PSC-14-0683-PCO-WS, issued December 10, 2014)

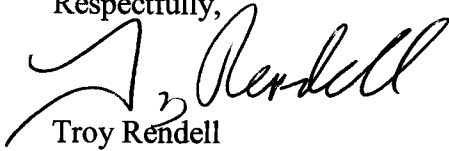
For the requested test year, the Water Service Revenues were \$66,595.49 and the Operation and Maintenance expenses were \$70,018.36. Therefore the interim increase being requested is 5.38% increase.

The filing fee of \$1,000 has been attached hereto for the SARC application.

Merritt Island Utility Company
Staff Assisted Rate Case

If you have any questions, please do not hesitate to contact me at (727) 848-8292, ext. 245.

Respectfully,

A handwritten signature in black ink, appearing to read "Troy Rendell". The signature is fluid and cursive, with a large initial "T" and "R".

Troy Rendell

Vice President

Investor Owned Utilities

// for Merritt Island Utility Company

Merritt Island Utility Company
Filing Fee Pursuant to Rule 25-30.020, Florida Administrative
Code

Wastewater:

Permitted Capacity: 70,000 gallons
280 gpd per ERC: 280 gpd
Number of ERCs 250 ERCs

Filing Fee: \$1,000

FLORIDA PUBLIC SERVICE COMMISSION

APPLICATION FOR A
STAFF ASSISTED RATE CASE

I. GENERAL DATA

A

Name of Utility: **Merritt Island Utility Company**

B

Address: **4939 Cross Bayou Blvd., New Port Richey, FL 34652**

1. Telephone Nos.: **(727) 848- 8292**

2. County: **Brevard**

Nearest City: **Cocoa, FL**

3. General Area Served: **Colony Park**

C

Authority: **See Order No. PSC-2017-0366-PAA-SU, issued September 27, 2017**

1. Water Certificate No. **NA**

Date Received:

2. Wastewater Certificate No. **137-S**

Date Received: **September 27, 2017**

3. Date Utility Started Operations: Water: **NA**

Wastewater: **1974**

D

How System Was Acquired: **Purchased from Colony Park Development Utilities, LLC**

If utility was purchased, give date **December 22, 2016**

Amount Paid \$ **\$35,000**

1. Name of Seller: **Colony Park Development Utilities, LLC**

2. Was seller affiliated with present owners? Yes No

3. Did you purchase: Stock or assets only

E

Type of Legal Entity:

Corporation

Partnership

Sole Proprietorship

F

Ownership & Officers:

	Name	Title	Percent Ownership
1.	<u>Gary Deremer</u>	<u>President</u>	<u>100%</u>
2.	<u> </u>	<u> </u>	<u> </u>
3.	<u> </u>	<u> </u>	<u> </u>
4.	<u> </u>	<u> </u>	<u> </u>

G
List of Associated Companies and Addresses:

U.S. Water Services Corporation
4939 Cross Bayou Blvd.
New Port Richey, FL 34652

H
If you have retained an attorney and/or a consultant to represent the utility for this application, furnish the name(s) and address(es):

Name:
Troy Rendell, U.S. Water Services Corporation

Address:
4939 Cross Bayou Blvd.
New Port Richey, FL 34652

II. ACCOUNTING DATA

A
Outside Accountant

1. Name: **Larry Schalles**
2. Firm: **Schalles and Associates**
3. Address: **5320 Main St., New Port Richey, FL 34652**
4. Telephone: **(727) 847-2277**

B
Individual To Contact On Accounting Matters:

1. Name: **Troy Rendell, Manager of Regulated Utilities, U.S. Water Services Corp.**
2. Telephone: **(727) 848- 8292 ext. 245**

C
Location of Books and Records: **4939 Cross Bayou Blvd., New Port Richey, FL 34652**

D
Have you filed an Annual Report with the Commission? Yes No

Date Last Filed: **2018**

E
Has your latest Regulatory Assessment Fee Payment been made?
(January 30 or July 30 whichever is applicable) Jan 30 July 30

F. Basic Rate Base Data: (Most recent two years)

	<u>Year Ending</u> <u>12/31/2018</u>	<u>Proposed</u> <u>Test Year</u> <u>03/31/2019</u>
1. <u>Water:</u>		
Cost of Plant In Service	_____	_____
Less Accumulated Depreciation	_____	_____
Less Contributed Plant	_____	_____
Plus Accumulated Amortization – CIAC	_____	_____
Net Owner's Investment	\$	

	<u>Year Ending</u> <u>12/31/2018</u>	<u>Proposed</u> <u>Test Year</u> <u>03/31/2019</u>
2. <u>Wastewater:</u>		
Cost of Plant In Service	\$ 291,792.66	291,792.66
Less Accumulated Depreciation	-159,101.69	-161,472.51
Less Contributed Plant	-23,500.00	-23,500.00
Plus Accumulated Amortization - CIAC	23,500.00	23,500.00
Net Owner's Investment	\$ 132,690.97	130,320.15

G. Basic Income Statement: *(Most recent two years)*

	<u>Year Ending</u> <u>12/31/2018</u>	<u>Proposed</u> <u>Test Year</u> <u>03/31/2019</u>
1. <u>Water:</u>		
Revenues (By Class)		
a. Residential	\$ _____	_____
b. Commercial	_____	_____
c. Other	_____	_____
Total Operating Revenues:	\$ _____	_____
Less Expenses:		
a. Salaries & Wages - Employees	_____	_____
b. Salaries & Wages - Officers, Directors, & Majority Stockholders	_____	_____
c. Employee Pensions & Benefits	_____	_____
d. Purchased Water	_____	_____
e. Purchased Power	_____	_____
f. Fuel for Power Production	_____	_____
g. Chemicals	_____	_____
h. Contractual Services – Testing	_____	_____
i. Contractual Services - Professional	_____	_____
j. Contractual Services - Legal	_____	_____
k. Contractual Services – Accounting	_____	_____
l. Materials and Supplies	_____	_____
m. Rental of Real Estate	_____	_____
n. Office Supplies	_____	_____
o. Insurance Expense	_____	_____
p. Regulatory Commission Expense	_____	_____
q. Bad Debt Expense	_____	_____
r. Miscellaneous Expense	_____	_____

s.	Depreciation Expense		
t.	CIAC Amortization Expense		
u.	Property Taxes		
v.	Other Taxes - RAFs		
w.	Income Taxes		
	Operating Income (Loss)		
		Year Ending	Proposed
		12/31/2016	Test Year
2.	<u>Wastewater</u>		
	Revenues (By Class):	\$ 65,442.10	\$ 70,018.36
	a. Residential		
	b. Commercial		
	c.		
	Total Operating Revenues:	\$ 65,442.10	\$ 70,018.36
	Less Expenses:		
	a. Salaries & Wages - Employees		
	b. Salaries & Wages - Officers, Directors, & Majority Stockholders	5,000.04	5,000.04
	c. Employee Pensions & Benefits		
	d. Purchased Wastewater Treatment		
	e. Sludge Removal Expense		4,000.00
	f. Purchased Power	6,486.92	5,764.13
	g. Fuel for Power Production		
	h. Chemicals	2,558.40	2,424.50
	i. Contractual Services - Engineering	1,200.00	1,200.00
	j. Contractual Services - Professional	45,923.31	46,122.72
	k. Contractual Services - Accounting	375.00	400.00
	l. Contractual Services - Legal	631.50	366.00
	m. Rents		
	n. Insurance Expense		1,145.79
	o. Regulatory Commission Expense		
	p. Bad Debt Expense		
	q. Miscellaneous Expense	3,406.64	3,595.18
	r. Depreciation Expense	4,712.87	6,273.53
	s. Amortization	493.44	1,064.48
	t. Property Taxes		
	u. Regulatory Assessment Fees	2,954.89	2,996.80
	v. Income Taxes		
	Operating Income (Loss)	-8,300.91	-13,757.68

H. Outstanding Debt:

	Creditor	Date Borrowed	Balance Due	Interest Rate	Expiration Date
1.	N/A				

-
2. _____
 3. _____
 4. _____

I. Indicate Type of Tax Return Field:

- Form 1120 -Corporation
- Form 1120S -Subchapter S Corporation
- Form 1065 - Partnership
- Form 1040 - Schedule C - Individual (Proprietorship)

III

ENGINEERING DATA

A. Outside Engineering Consultant:

1. Name: **N/A**
2. Firm:
3. Address:
4. Telephone: ()

B. Individual to contact on engineering matters:

1. Name: **Troy Rendell, Manager of Regulated Utilities, U.S. Water Service Corp.**
2. Telephone: **(727) 848- 8292 ext. 245**

C. Is the utility under citation by the Department of Environmental Protection (DEP) or County Health Department?

Yes

If yes, explain: **Warning Letter dated December 12, 2018**

D. List any known service deficiencies and steps taken to remedy problems: **Wastewater lines collapsing two streets. Working on engineering to obtain proposals for replacement.**

E. Name of plant operator(s) and DEP operator certificate number(s) held:

Sharon Purviance - U.S. Water Services Corporation
Water C13268
Wastewater C12142

F. Is the utility serving customers outside of its certificated area? **No**

If yes, explain: **N/A**

G. Wastewater:

1. Gallons per day capacity of treatment facilities:
a. Existing: **70,000** b. Under Construction: **N/A** c. Proposed: **N/A**

2. Type and make of present treatment facilities: **Marloff - Steel**

3. Approximate average daily flow of treatment plant effluent: **20,210 gpd**

4. Approximate length of wastewater mains:

Size (diameter):	6"	8"			
Linear feet:	526	7,977			

5. Number of manholes: 30

6. Number of lift stations: 2

7. How do you measure treatment plant effluent? **Lift station**

8. Is the treatment plant effluent chlorinated? Yes No

If yes, what is the normal dosage rate?

9. Tap in fees – Wastewater: \$ **BUILT OUT**

10. Service availability fees – Wastewater: \$ **BUILT OUT**

11. Note DEP Treatment Plant Certificate Number and date of expiration: FLA010377

Number Expiration Date: March 27, 2022

12. Total gallons treated during most recent twelve months: 7,376,700

13. Wastewater treatment purchased during most recent twelve months: 0

H. Water:

1. Gallons per day capacity of treatment facilities:

a. Existing:

b. Under Construction : n/a

c. Proposed: n/a

2. Type of treatment:

3. Approximate average daily flow of treated water:

4. Source of water supply:

5. Types of chemicals used and their normal dosage rates:

6. Number of wells in service:

Total capacity in gallons per minute (gpm): gpm

Diameter/Depth:			
Motor horsepower:			
Pump capacity (gpm):			

7. Reservoirs and/or hydropneumatic tanks:

Description:			
Capacity:			

8. High service pumping:

Motor horsepower:	N/A			
Pump capacity (gpm):				

9. How do you measure treatment plant production? Well Meter

10. Approximate feet of water mains:

Size (diameter):				
Linear feet:				

11. Note any fire flow requirements and imposing government agency:

12. Number of fire hydrants in service:

13. Do you have a meter change out program? No Yes

14. Meter installation or tap in fees - Water \$ _____

15. Service availability fees - Water \$ _____

16. Has the existing treatment facility been approved by DEP? No Yes

17. Total gallons pumped during most recent twelve months: 7

18. Total gallons sold during most recent twelve months:

19. Gallons unaccounted for during most recent twelve months:

20. Gallons purchased during most recent twelve months: N/A

IV. RATE DATA

A. Individual to contact on tariff matters:

1. Name: Troy Rendell
2. Telephone Number: (727) 848- 8292 ext. 245

B. Schedule of present rates: (Attach additional sheets if more space is needed)

1. Water:

- a. Residential Water _____
- b. General Service _____
- c. Special Contract _____
- d. Other - Specify _____

2. Wastewater:

- a. Residential Wastewater **All meter sizes – BFC \$10.91 Gallonage: \$2.91 (6,000 gallon cap)** _____
- b. General Service **Bulk – BFC: \$1,309.20 Gallonage: \$3.49** _____
- c. Special Contract _____
- d. Other - Specify _____

C. Number of Customers: (Most recent two years)

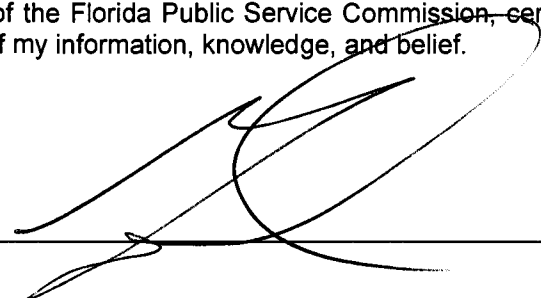
1. Water Metered	<u>2018</u>	<u>Test Year</u>
a. Residential	_____	_____
b. General Service	_____	_____
c. Special Contract	_____	_____

d. Other - Specify		
2. Water Unmetered	2018	Test Year
a. Residential		
b. General Service		
c. Special Contract		
d. Other - Specify		
3. Wastewater	2018	Test Year
a. Residential	141	141
b. General Service	1	1
c. Special Contract		
d. Other - Specify		

V. AFFIRMATION

I, Gary Deremer the undersigned owner, officer, or partner of the above named public utility, doing business in the State of Florida and subject to the control and jurisdiction of the Florida Public Service Commission, certify that the statements set forth herein are true and correct to the best of my information, knowledge, and belief.

Signed



Title

Notice: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.

Merritt Island Utility Company
Schedule of Wastewater Rate Base
Test Year Ended 03/31/2019

Schedule No. 1-B
Docket No. 2019XXXX-WU

Description	Test Year Per Utility	Adjustments	Adjusted Test Year
1 Plant in Service	\$261,314	\$0	\$261,314
2 Land and Land Rights	30,479	0	30,479
3 Non-used and Useful Components	0	0	0
4 Accumulated Depreciation	-161,473	0	-161,473
5 CIAC	-23,500	0	-23,500
6 Amortization of CIAC	23,500	0	23,500
7 Acquisition Adjustment	-175	0	-175
8 Accum Amort - Acquis Adjust	40	0	40
9 Working Capital Allowance	<u>8,752</u>	<u>346</u>	<u>9,098</u>
10 Rate Base	<u>\$138,937</u>	<u>\$346</u>	<u>\$139,283</u>

Merritt Island Utility Company
 Adjustments to Rate Base
 Test Year Ended 06/30/16

Schedule No. 1-B
 Docket No. 2019XXXX-WU

Explanation		Water	Wastewater
<u>Plant In Service</u>			
1		\$ -	\$0
2			
3	Total	\$ -	\$0
<u>Non-used and Useful</u>			
	All components are 100% Used and Useful	\$0	\$0
<u>Accumulated Depreciation</u>			
1		0	\$0
	Total	\$0	\$0
<u>Working Capital</u>			
		\$0	\$346

Merritt Island Utility Company
 Capital Structure
 Test Year Ended 03/31/2019

Schedule No. 2
 Docket No. 2019XXXX-WU

Description	Total Capital	Specific Adjustments	Subtotal Adjusted Capital	Prorata Adjustments	Capital Reconciled to Rate Base	Ratio	Cost Rate	Weighted Cost	
Per Utility									
11 Long-term Debt	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	
12 Short-term Debt	0	0	\$0	\$0	0	0.00%	0.00%	0.00%	
13 Preferred Stock	0	0	\$0	\$0	0	0.00%	0.00%	0.00%	
14 Common Equity	148,511	0	\$148,511	-\$9,228	139,283	100.00%	8.74%	8.74%	
15 Customer Deposits	0	0	\$0	\$0	0	0.00%	2.00%	0.00%	
16 Deferred Income Taxes	<u>0</u>	<u>0</u>	<u>\$0</u>	<u>\$0</u>	<u>0</u>	<u>0.00%</u>	0.00%	<u>0.00%</u>	
20 Total Capital	<u>\$148,511</u>	<u>\$0</u>	<u>\$148,511</u>	<u>-\$9,228</u>	<u>\$139,283</u>	<u>100.00%</u>		<u>8.74%</u>	
							<u>LOW</u>	<u>HIGH</u>	
							RETURN ON EQUITY	<u>7.74%</u>	<u>9.74%</u>
							OVERALL RATE OF RETURN	<u>7.74%</u>	<u>9.74%</u>

Merritt Island Utility Company
Statement of Wastewater Operations
Test Year Ended 03/31/2019

Revised Schedule No. 3-B
Docket No. 2019XXXX-WU

Description	Test Year Per Utility	Adjustments	Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$66,595</u>	<u>\$0</u>	<u>\$66,595</u>	<u>\$29,544</u> 44.36%	<u>\$96,139</u>
Operating Expenses					
2 Operation & Maintenance	\$70,018	\$2,769	\$72,787	579	\$73,366
3 Depreciation	6,274	0	6,274		6,274
4 Amortization - CIAC	0	0	0		0
5 Amortization - Aquis Adju	-25	0	-25		-25
6 Amortization Expense - Other (engineering/pond cleaning)	1,089	1,715	2,804		2,804
7 Taxes Other Than Income	2,997	0	2,997	1,329	4,326
8 Income Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
9 Total Operating Expense	<u>80,353</u>	<u>4,484</u>	<u>84,837</u>	<u>1,908</u>	<u>86,745</u>
10 Operating Income	<u>-\$13,758</u>	<u>-\$4,484</u>	<u>-\$18,242</u>	<u>\$27,636</u>	<u>\$9,394</u>
11 Rate Base	<u>\$139,283</u>		<u>\$139,283</u>		<u>\$139,283</u>
12 Rate of Return	<u>-9.88%</u>		<u>-13.10%</u>		<u>6.74%</u>

Merritt Island Utility Company
Adjustment to Operating Income
Test Year Ended 06/30/16

Schedule 3-B
Docket No. 2019XXXX-WU

Explanation		Water	Wastewater
<u>Operating Revenues</u>			
1		\$0	\$0
2		\$0	\$0
	Total	\$0	\$0
<u>Operation and Maintenance Expense</u>			
1	Annualize 2019 index increase to USWSC contract	\$0	\$ 222.86
2	Annualize Deferred Engineering costs - Maps - Amendment		\$415
3	Annualize Pond Cleaning Required by FDEP		\$1,300
4	Annualize General Insurance amortization		\$382
5	Rate Case Expense Amortization	\$0	\$450
	Total	\$0	\$ 2,769.09
<u>Depreciation Expense - Net</u>			
1	Amortization Expense - Other	0	\$0
	Total	\$0	\$0
<u>Taxes Other Than Income</u>			
4	To reflect appropriate RAFs test year revenues	\$0	\$0
	Total	\$0	\$0
Additional Pro Forma Adjustments			
<u>Operation and Maintenance Expense</u>			
5	Bad Debt Expense on Revenue Increase (2%)	\$0	\$0
<u>TAXES OTHER THAN INCOME TAX</u>			
6	RAF on Revenue Adjustment @ 4.5%	\$0	\$0

WASTEWATER UTILITY PLANT ACCOUNTS

ACCT. NO.	ACCOUNT NAME	Test Year Plant		Adjusted Balance	Depr Rates Per Rule	Test Year		Adjusted Balance	Depr Exp		Balance	NON-U/U %	NON-U/U Adj to Plant	NON-U/U Adj to Acc. Depr	NON-U/U Adj to Depr Exp
		Per Books	Adjustments			Acc Depr	Adjustments		Per Books	Adjustments					
	Composite Amount from Transfer Dkt.	57,354	0	57,354	2.50%	57,354	0	57,354	0	0	0	#N/A	#N/A	#N/A	#N/A
352	Franchises	0	0	0	2.50%	0	0	0	0	0	0	#N/A	#N/A	#N/A	#N/A
353	Land and Land Rights	30,479	0	30,479	NA	0	0	0	0	0	0	0.00%	0	0	0
354	Structures and Improvements	30,157	0	30,157	3.13%	24,912	0	24,912	1,117	0	1,117	0.00%	0	0	0
360	Collection Sewers - Force	64,777	0	64,777	3.33%	27,785	0	27,785	1,525	0	1,525	0.00%	0	0	0
361	Collection Sewers - Gravity	0	0	0	2.22%	0	0	0	0	0	0	0.00%	0	0	0
362	Special Collecting Structures	0	0	0	2.50%	0	0	0	0	0	0	0.00%	0	0	0
363	Services to Customers	2,631	0	2,631	2.63%	448	0	448	47	0	47	0.00%	0	0	0
364	Flow Measuring Devices	3,500	0	3,500	20.00%	3,500	0	3,500	0	0	0	0.00%	0	0	0
365	Flow Measuring Installation	434	0	434	2.63%	19	0	19	12	0	12	0.00%	0	0	0
366	Reuse Services	0	0	0	2.50%	0	0	0	0	0	0	0.00%	0	0	0
367	Reuse Meters and Meter Installations	0	0	0	5.00%	0	0	0	0	0	0	0.00%	0	0	0
370	Receiving Wells	13,066	0	13,066	3.33%	13,066	0	13,066	-24	0	-24	0.00%	0	0	0
371	Pumping Equipment	4,311	0	4,311	5.56%	2,071	0	2,071	284	0	284	0.00%	0	0	0
374	Reuse Distribution Reserviors	0	0	0	2.70%	0	0	0	0	0	0	0.00%	0	0	0
375	Reuse Transmission and Distribution System	0	0	0	2.33%	0	0	0	0	0	0	0.00%	0	0	0
380	Treatment and Disposal Equipment	82,095	0	82,095	5.56%	29,330	0	29,330	3,193	0	3,193	0.00%	0	0	0
381	Plant Sewers	0	0	0	2.86%	0	0	0	0	0	0	0.00%	0	0	0
382	Outfall Sewer Lines	0	0	0	3.33%	0	0	0	0	0	0	0.00%	0	0	0
389	Other Plant & Miscellaneous Equipment	1,789	0	1,789	5.56%	1,787	0	1,787	119	0	119	0.00%	0	0	0
390	Office Furniture & Equipment	0	0	0	6.67%	0	0	0	0	0	0	0.00%	#N/A	#N/A	#N/A
390	Computer Equipment	0	0	0	16.67%	0	0	0	0	0	0	0.00%	#N/A	#N/A	#N/A
391	Transportation Equipment	0	0	0	16.67%	0	0	0	0	0	0	0.00%	#N/A	#N/A	#N/A
392	Stores Equipment	0	0	0	5.56%	0	0	0	0	0	0	0.00%	#N/A	#N/A	#N/A
393	Tools, Shop & Garage	1,200	0	1,200	6.25%	1,202	0	1,202	0	0	0	0.00%	#N/A	#N/A	#N/A
394	Laboratory Equipment	0	0	0	6.67%	0	0	0	0	0	0	0.00%	#N/A	#N/A	#N/A
395	Power Operated Equipment	0	0	0	8.33%	0	0	0	0	0	0	0.00%	#N/A	#N/A	#N/A
396	Communication Equipment	0	0	0	10.00%	0	0	0	0	0	0	0.00%	#N/A	#N/A	#N/A
397	Miscellaneous Equipment	0	0	0	6.67%	0	0	0	0	0	0	0.00%	#N/A	#N/A	#N/A
398	Other Plant & Miscellaneous Equipment	0	0	0	10.00%	0	0	0	0	0	0	0.00%	#N/A	#N/A	#N/A
	INTANGIBLE PLANT	\$57,354	\$0	\$57,354		\$57,354	\$0	\$57,354	\$0	\$0	\$0	#N/A	\$0	\$0	\$0
	COLLECTION PLANT	131,978	0	131,978		56,663	0	56,663	2,701	0	2,701	0.00%	0	0	0
	SYSTEM PUMPING PLANT	17,377	0	17,377		15,137	0	15,137	260	0	260	0.00%	0	0	0
	TREATMENT & DISPOSAL PLANT	83,884	0	83,884		31,117	0	31,117	3,312	0	3,312	0.00%	0	0	0
	GENERAL PLANT	1,200	0	1,200		1,202	0	1,202	0	0	0	0.00%	0	0	0
	TOTALS-WASTEWATER	\$291,793	\$0	\$291,793		\$161,473	\$0	\$161,473	\$6,274	\$0	\$6,274	0.00%	\$0	\$0	\$0

RATIO OF NON-USED & USEFUL PLANT **0.00%**

Merritt Island Utility Company
O&M EXPENSES-WASTEWATER
Test Year Ended 03/31/2019

Docket No. 2019XXXX-WU

ACCT NO.	ACCOUNT TITLE	UTILITY	
		ADJUSTED TEST YEAR	ADJUSTED ADJUSTMENTS TEST YEAR
701	SALARIES AND WAGES - EMPLOYEES	\$0	\$0
703	SALARIES: OFFICERS, DIRECTORS, ETC.	5,000	5,000
704	EMPLOYEE PENSIONS AND BENEFITS	0	0
710	PURCHASED SEWAGE TREATMENT	0	0
711	SLUDGE REMOVAL EXPENSE	4,000	4,000
715	PURCHASED POWER	5,764	5,764
716	FUEL FOR POWER PRODUCTION	0	0
718	CHEMICALS	2,425	2,425
720	MATERIALS AND SUPPLIES	0	0
731	CONTRACTUAL SERVICES - ENGR.	1,200	1,200
732	CONTRACTUAL SERVICES - ACCT.	400	400
733	CONTRACTUAL SERVICES - LEGAL	366	366
734	CONTRACTUAL SERVICES - MGMT. FEES		0
735	CONTRACTUAL SERVICES - TESTING		0
736	CONTRACTUAL SERVICES - OTHER	46,123	223 46,346
741	RENTAL OF BUILDING/REAL PROPERTY		0
742	RENTAL OF EQUIPMENT		0
750	TRANSPORTATION EXPENSES		0
756	INSURANCE - VEHICLE		0
757	INSURANCE - GENERAL LIABILITY	1,146	1,146
758	INSURANCE - WORKMAN'S COMPENSATION		0
759	INSURANCE - OTHER		0
760	ADVERTISING EXPENSE		0
766	AMORT. OF RATE CASE EXPENSE		0
767	REGULATORY COMM. EXPENSES - OTHER		450 450
770	BAD DEBT EXPENSE		0
775	MISCELLANEOUS EXPENSES	<u>3,595</u>	<u>3,595</u>
	TOTAL OPERATION AND MAINTENANCE	<u>\$70,018</u>	<u>\$672</u> <u>\$70,691</u>

Analysis of Rate Case Expense

Florida Public Service Commission

Merritt Island Utility Company
Docket No. 2019XXX-WU
 Test Year Ended 03/31/2019

Schedule: RCE
 Page: 1 of 1

Explanation: Provide the total amount of rate case expense requested in the application. State whether the total includes the amount up to proposed agency action or through a hearing before the Commission. Provide a breakdown of the total by persons assisting in the application, including the hours billed, the hourly rate, and a detailed list of services provided. Also provide the amortization and its allocation, including support behind this determination.

Line No.	(1) Firm or Vendor Name	(2) Counsel, Consultant or Witness	(3) Hourly Rate	(4) Total Est of Firm's Charges	(5) Type of Service Rendered	(6) Comments	(7) Hours
1	<i>Legal</i>						
2	N/A			0	Legal		
3	Sub-Total Legal			<u>0</u>			
4							
5							
6	<i>Other</i>						
7	Customer Notice - Customer Meeting	Rendell		\$ 149.10	Notices - printing & mailing	PSC Rule - past Commission practice	
8	Customer Notice - Final Rates	Rendell		\$ 149.10	Notices - printing & mailing	PSC Rule - past Commission practice	
9	Travel - Customer Meeting	Rendell, Derossett		\$ 250.00	Attend Customer Meeting	Customer Meeting - Lodging, Mileage & Meals	
10	Filing Fee	Rendell		\$ 1,000.00	Filing Fee	PSC Rule	
11	Travel - PAA Agenda	Rendell / Deremer		\$ 250.00	Attend PAA Agenda	PAA Agenda - Lodging, Mileage & Meals	
12	Sub-Total Other			<u>1,798</u>			
13	Total Estimate Through PAA [X] or Commission Hearing [<u>1,798</u>			
14	Allocation to this Rate Group:						
15		Water	Water	Sewer	Sewer		
16		Allocation %	Amount	Allocation %	Amount		
17	Allocated Total	0.00%	0	100.00%	1,798		
18	Amortization of Rate Case Expense:						
19	Amortization Period in Years:		<u>4</u>		<u>4</u>		
20	Amortization Amount per year		<u>0</u>		<u>450</u>		
21	Deferred Rate Case Expense (for CWC on A-3)						
22	=(Allocated Total less first year amortization)/2		<u>0</u>		<u>674</u>		
23							
24	Method of Allocation Between Systems (Provide Calculation):						
25	Note: Allocation is by # of customers of the systems in this rate case filing						