

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
OF CHARLOTTE COUNTY, FLORIDA**

**In re: Application of UTILITIES, INC. OF  
SANDALHAVEN for an increase in wastewater  
rates and charges**

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**Docket No. 2011-001-S**

**COUNTY'S OBJECTIONS TO UTILITIES, INC. OF SANDALHAVEN'S  
PROPOSED RECOMMENDED ORDER (PRO)**

In response to the Hearing Officer's request that all parties review the final rate case expense in the above-cited rate case and submit any objections by October 8, 2012, Charlotte County (County) has reviewed the revised and additional rate case expense as submitted by Utilities, Inc. of Sandalhaven (Utility) to the parties on October 1, 2012, and incorporated into Utility Exhibit EA-1, and hereby files its Objections thereto.

1. The Utility is currently requesting a revised total rate case expense of \$173,471, compared to its prior rate case expense estimate as submitted at the August 23, 2012, Technical Hearing in this case in the amount of \$158,017. ("Revised Schedule OI-4 Analysis of Rate Case Expense as of August 24, 2012," included as page 1 of Utility's revised Exhibit EA-1). The County's Objection relates specifically to the requested rate case expense associated with "Various Personnel" for Water Service Corp. in the amount of \$47,872. ("Revised Schedule OI-4 Analysis of Rate Case Expense as of September 15, 2012," included as page 1 of Utility's final Exhibit EA-1). The requested \$47,872 is comprised of salary and personnel costs related to employees of the Utility's parent company for supposed assistance with the rate filing

for the Utility. The County does not believe the supporting documentation provided by the Utility (Affidavits provided by each employee stating a dollar amount incurred associated with tasks performed on the rate filing and a job description for each employee) is adequate to support the requested expense.

2. The descriptions of work provided on the Affidavits are general job descriptions for each employee and do not adequately document the specific tasks performed by the employee that related to this particular rate case. The Utility has already included an allocation of corporate salaries for Water Services Corp. employees in its operations expense as documented on Schedule OI-5, found on page 31 of Vol. I of the Utility's Rate Application, that would recover the salary costs associated with most of the work described on the Affidavits. (Ex FS-2). It is unclear to the County based on the description of the work performed as to whether these salaries have already been accounted for in the Utility's allocated corporate costs.

3. Therefore, in order to avoid double counting the salary costs for the included Water Service Corp. employees, the County hereby recommends that the \$47,872 requested by the Utility for "Various Personnel" of Water Service Corp. be reduced by fifty percent (50%), or \$23,936, resulting in a County-adjusted total rate case expense for this case of \$149,535.

### **CONCLUSION**

Based on the objection noted hereinabove, the County respectfully requests that the Hearing Officer reject Finding of Fact 12 in the Utility's PRO and revise the resulting

rates accordingly so that they will indeed be fair and reasonable, just, compensatory, and not unfairly discriminatory.

Respectfully submitted this 8th day of  
October, 2012, by:



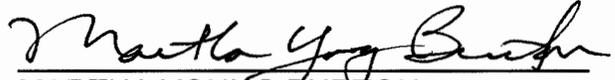
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**CERTIFICATE OF SERVICE**  
**DOCKET NO.: 2011-001-S**

I HEREBY CERTIFY that a true and correct copy of the foregoing Objections has been furnished by e-mail this 8<sup>th</sup> day of October, 2012, to:

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