

MIAMI-DADE COUNTY DEPARTMENT OF ENVIRONMENTAL RESOURCES MANAGEMENT – STORMWATER UTILITY PROGRAM

Client Name: *Utilities Inc.*

Type of Service: *Application for Increase in Rates to the Florida Public Service Commission*

Utilities, Inc. (UI) is the holding company for approximately 90 subsidiary operating companies which provide water and/or wastewater services in 17 states. The Company is the largest privately-owned water utility in the United States on the basis of customers served, net plant and market capitalization. Milian, Swain & Associates, Inc. (MSA), as prime consultant, has analyzed and reviewed the records of Utilities Inc. of Florida (Utility), a subsidiary of Utilities Inc. that has water and wastewater systems in Seminole, Orange, Marion, Pasco, and Pinellas Counties, Florida in order to determine the level of revenues and resulting rates required to meet the utility's obligations with respect to providing water and sewer services for the purpose of applying for a rate increase to the Florida Public Service Commission (FPSC). The tasks that MSA has performed as part of the rate increase application include:

- Identification of all financial records necessary to fulfill the requirements to file the application to the FPSC for an increase in the Utility rates and charges.
- Incorporating into a spreadsheet model the elements necessary to establish the cost of service and resulting service rates among the various classes of customers: residential, commercial, and wholesale customers.
- Analysis of the actual income and operating expenses for a two-year period.
- Calculation of the Utility's water and wastewater rate base for the two-year period.
- Calculation of the Utility's achieved rate of return and required rate of return.
- Making recommendations as to the rates required to meet revenue requirements, including designing rates.
- Analysis of the effect of proposed rates on net income of the Utility.
- Preparation of schedules showing change in annual revenue and calculations showing how proposed rates were determined.
- Preparation of the final financial exhibits and workpapers in the form required by the FPSC.