

TKCB, Inc.
5600 North Cocoa Blvd
Cocoa, FL 32927

Wastewater Certificate No. 562-S

February 6, 2023

Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

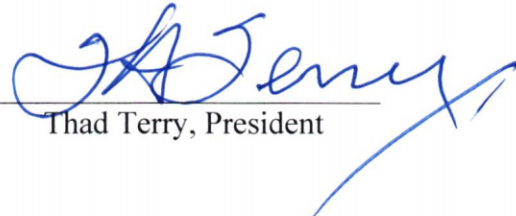
RE: Docket No. 20210120-SU – Application for a limited alternative rate increase proceeding,
by TKCB, Inc.

Commission Clerk,

Per the requirements of Rule 25-30.457, (8)(a), please find enclosed a 'Limited Alternative Rate
Increase Earnings Review, (Form PSC I 025 (03/20), for TKCB, Inc.

If you have any questions or concerns, please do not hesitate to contact me.

Respectfully submitted,



Thad Terry, President

COMMISSION
CLERK

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FLORIDA PUBLIC SERVICE COMMISSION
LIMITED ALTERNATIVE RATE INCREASE EARNINGS REVIEW

The 12-month period following the implementation of the revenue increase should be used for the purposes of completing this form.

| | | |
|------------------------------------|---|-------------------------|
| Utility Name: | | Schedule No. 1-A |
| Schedule of Water Rate Base | | |
| 12-Month Period Ended: | | |
| | Description | Per Utility |
| 1 | Plant in Service | |
| 2 | Land and Land Rights | |
| 3 | Non-used and Useful Components (1) | |
| 4 | Accumulated Depreciation | |
| 5 | Contribution in Aid of Construction (CIAC) | |
| 6 | Amortization of CIAC | |
| 7 | Net Debit Deferred Income Taxes | |
| 8 | Advances for Construction | |
| 9 | Working Capital Allowance | |
| 10 | Acquisition Adjustments(2) | |
| 11 | Accumulated Amortization of Acquisition Adjustments | |
| 12 | Rate Base | \$0 |
| Notes: | | |
| (1) | Estimate based on the methodology used in the last rate proceeding. | |
| (2) | Include only those Acquisition Adjustments that have been approved by the Commission. | |
| | | |

Utility Name: TKCB, Inc.

Schedule No. 1-B

Schedule of Wastewater Rate Base

12-Month Period Ended: December 31, 2022

| Description | Per Utility |
|--|------------------|
| 1 Plant in Service | \$90,651 |
| 2 Land and Land Rights | \$36,203 |
| 3 Non-used and Useful Components (1) | |
| 4 Accumulated Depreciation | (\$3,829) |
| 5 Contribution in Aid of Construction (CIAC) | |
| 6 Amortization of CIAC | |
| 7 Net Debit Deferred Income Taxes | |
| 8 Advances for Construction | |
| 9 Working Capital Allowance | \$15,342 |
| 10 Acquisition Adjustments(2) | |
| 11 Accumulated Amortization of Acquisition Adjustments | |
| 12 Rate Base | \$138,367 |

Utility Name: Alturas Utilities, LLC

Schedule No. 2

Schedule of Current Cost of Capital

12-Month Period Ended: December 31, 2021

| Class of Capital | Amount | Percent of Capital | Actual Cost Rate | Weighted Cost |
|---|------------------|--------------------|------------------|---------------|
| (a) | (b) | (c) | (d) | (e) = (c x d) |
| Common Equity (Includes intercompany payable) | \$131,135 | 100.00% | 8.85% | 8.85% |
| Preferred Stock | | | | |
| Long-Term Debt | | | | |
| Short-Term Debt | | | | |
| Customer Deposits | | | | |
| Tax Credits - Zero Cost | | | | |
| Tax Credits Weighted Cost | | | | |
| Deferred Income Taxes | | | | |
| Other (Explain) | | | | |
| Total | \$131,135 | 100.00% | | 8.85% |

Notes:

- (1) Consistent with the methodology used in the last rate proceeding.
- (2) Upper limit of the last authorized return on equity or current leverage formula if none has been established.
ROE of 8.85% (max) established in Order No. PSC-2019-0362-PAA-WU.

| Utility Name: Schedule No. 3-A | |
|----------------------------------|-------------|
| Schedule of Water Operations | |
| 12-Month Period Ended: | |
| Description | Per Utility |
| 1 Operating Revenues | |
| Operating Expenses | |
| 2 Operation & Maintenance | |
| 3 Depreciation | |
| 4 Amortization | |
| 5 Taxes Other Than Income | |
| 6 Income Taxes | |
| 7 Total Operating Expense | |
| 8 Operating Income | |

| Utility Name: TKCB, Inc. Schedule No. 3-B | |
|---|-------------------|
| Schedule of Wastewater Operations | |
| 12-Month Period Ended: December 31, 2022 | |
| Description | Per Utility |
| 1 Operating Revenues | \$120,761 |
| Operating Expenses | |
| 2 Operation & Maintenance | \$122,733 |
| 3 Depreciation | \$3,778 |
| 4 Amortization | \$0 |
| 5 Taxes Other Than Income | \$12,118 |
| 6 Income Taxes | <u>\$0</u> |
| 7 Total Operating Expense | \$138,630 |
| 8 Operating Income | (\$17,868) |

| | | |
|--|-------------------------------------|-------------------------|
| Utility Name: | | Schedule No. 4-A |
| Analysis of Water Operation and Maintenance Expense | | |
| 12-Month Period Ended: | | |
| | Description | Per Utility |
| (601) | Salaries and Wages - Employees | |
| (603) | Salaries and Wages - Officers | |
| (604) | Employee Pensions and Benefits | |
| (610) | Purchased Water | |
| (615) | Purchased Power | |
| (616) | Fuel for Power Production | |
| (618) | Chemicals | |
| (620) | Materials and Supplies | |
| (630) | Contractual Services - Billing | |
| (631) | Contractual Services - Professional | |
| (635) | Contractual Services - Testing | |
| (636) | Contractual Services - Other | |
| (640) | Rents | |
| (650) | Transportation Expense | |
| (655) | Insurance Expense | |
| (665) | Regulatory Commission Expense | |
| (670) | Bad Debt Expense | |
| (675) | Miscellaneous Expense | |
| Total | | |

Utility Name: TKCB, Inc.

Schedule No. 4-B

Analysis of Wastewater Operation and Maintenance Expense

12-Month Period Ended: December 31, 2022

| Description | Per Utility |
|---|------------------|
| (701) Salaries and Wages - Employees | \$6,798 |
| (703) Salaries and Wages - Officers | \$16,750 |
| (704) Employee Pensions and Benefits | \$0 |
| (710) Purchased Water | \$0 |
| (711) Sludge Removal Expense | \$19,150 |
| (715) Purchased Power | \$12,965 |
| (716) Fuel for Power Production | \$0 |
| (718) Chemicals | \$5,832 |
| (720) Materials and Supplies | \$2,665 |
| (730) Contractual Services - Billing | \$4,156 |
| (731) Contractual Services - Professional | \$2,642 |
| (735) Contractual Services - Testing | \$5,957 |
| (736) Contractual Services - Other | \$32,959 |
| (740) Rents | \$9,427 |
| (750) Transportation Expense | \$0 |
| (755) Insurance Expense | \$503 |
| (765) Regulatory Commission Expense | \$1,884 |
| (770) Bad Debt Expense | \$883 |
| (775) Miscellaneous Expense | \$162 |
| Total | \$122,733 |