

EU's Responses to OPC's First Set of  
Interrogatories, Nos. 1, 7-9, 11

*RESPONSE:*

*(1) Licensed Operator \$70,000*

*(1) Field Manager \$52,000*

*(1) Field Laborer \$41,600*

*(1) Bookkeeper \$41,600*

5. Provide a list of all benefits you intend to offer to employees.

*RESPONSE:*

*Paid vacation*

*Paid holidays*

*Paid personal days*

*Health insurance*

*SEP*

6. Please identify (and show the calculation of) the AFUDC rate used in the initial rates and charges attached to Witness Swain's testimony.

*RESPONSE:*

*No AFUDC was used in calculating initial rates and charges.*

7. Please state whether Environmental Utilities, LLC will share an office space with Little Gasparilla Water Utility, Inc. and provide the basis of cost allocation if any sharing is reasonably expected to occur.

*RESPONSE:*

*No. Environmental Utilities, LLC will not share office space.*

8. Please state whether Environmental Utilities, LLC will share employees with Little Gasparilla Water Utility, Inc. If the answer is yes, state which positions will be shared, the responsibilities held by the position and the expected division of time between the two utilities and provide the basis of cost allocation if any sharing is reasonably expected to occur.

*RESPONSE:*

*No. Environmental Utilities, LLC will not share employees.*

9. Please refer to Witness Swain's direct testimony, Exhibit DDS-1, page 11 of 28. Explain the planned purpose and function of the LGI Building and whether this building will be shared with Little Gasparilla Water Utility, Inc. and provide the basis of cost allocation if any sharing is reasonably expected to occur.

*RESPONSE:*

*This structure, a barn with restroom, will serve as a storage facility and staging area. It will not be shared with Little Gasparilla Water Utility, Inc.*

10. Please refer to Witness Swain's direct testimony, Page 3, Lines 10-12. Provide a detailed explanation, as well as calculations, to support the conclusion that excluding CIAC from taxable income will result in a higher allowed rate of return.

*RESPONSE:*

*Taxes associated with CIAC has a direct effect on the allowable rate of return in that it is included as a component of the capital structure (Accumulated Deferred Income Tax) and not included in the weighted cost calculation, effectively reducing the allowable rate of return.*

**Taxable CIAC**

	(1)	(2)	(3)	(4)	(5)
		Reconciled to			
		Rate Base (Schedule 1)			
Line No.	Class of Capital	Year 2033 - 80%	Ratio	Cost Rate	Weighted Cost
1	Long Term Debt	\$ -			
2	Short Term Debt	-			
3	Preferred Stock	-			
4	Common Equity	3,399,206	52.74%	7.09%	3.74%
5	Customer Deposits	6,120	0.09%	2.00%	0.00%
6	Tax Credits - Zero Cost				
7	Tax Credits - Weighted Cost				
8	Accumulated Deferred Income Tax	3,040,210	47.17%		0.00%
9	Other (Explain)				
10					
11	Total	\$ 6,445,536	100.00%		3.74%
12					

**Non-Taxable CIAC**

	(1)	(2)	(3)	(4)	(5)
		Reconciled to			
		Rate Base (Schedule 1)			
Line No.	Class of Capital	Year 2033 - 80%	Ratio	Cost Rate	Weighted Cost
1	Long Term Debt	\$ -			
2	Short Term Debt	-			
3	Preferred Stock	-			
4	Common Equity	6,439,416	99.91%	7.09%	7.08%
5	Customer Deposits	6,120	0.09%	2.00%	0.00%
6	Tax Credits - Zero Cost				
7	Tax Credits - Weighted Cost				
8	Accumulated Deferred Income Tax	-	0%		0.00%
9	Other (Explain)				
10					
11	Total	\$ 6,445,536	100.00%		7.08%

11. Please refer to Witness Boyer's direct testimony, Exhibit JRB-1, Page 14 of 43 and Witness Swain's direct testimony, Exhibit DDS-1, Page 28 of 28. Please explain the purpose of including the financing letter in Witness Boyer's testimony when Witness Swain shows a capital structure of 100% equity.

*RESPONSE: The financing letter was included to demonstrate Mr. Boyer's ability to fund the capital investment.*

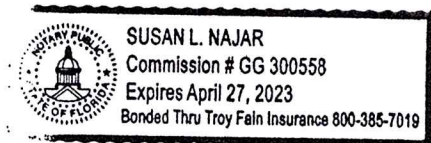
<p>DEAN, MEAD &amp; DUNBAR 106 East College Avenue, Suite 1200 Tallahassee, Florida 32301 Telephone: (850) 999-4100 Fax: (850) 577-0095 <a href="mailto:jwharton@deanmead.com">jwharton@deanmead.com</a></p> <p><u>/s/ John L. Wharton</u> John L. Wharton, Esquire</p>	<p>DEAN MEAD 420 South Orange Ave., Suite 700 Orlando, FL 32801 Direct Telephone: (407) 310-2077 Fax: (407) 423-1831 <a href="mailto:mfriedman@deanmead.com">mfriedman@deanmead.com</a></p> <p><u>/s/ Martin S. Friedman</u> Martin S. Friedman, Esquire</p>
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**AFFIDAVIT**

STATE OF FLORIDA)  
COUNTY OF CHARLOTTE)

I hereby certify that on this 12 day of October, 2021, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, personally appeared Jack Boyer, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory number(s): 1, 3, 7, 8, 9 & 11 from OPC FIRST SET OF INTERROGATORIES TO ENVIRONMENTAL UTILITIES, LLC (Nos. 1 through 11) in Docket No. 20200226-SU, and that the responses are true and correct based on his personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid as of this 12 day of October, 2021.



S. Najjar  
Notary Public  
State of Florida, at Large

My Commission Expires:  
4-27-2023