

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase
in wastewater rates in Monroe
County by K W Resort Utilities Corp.

Docket No. 150071-SU

DIRECT TESTIMONY

OF

FRANK SEIDMAN

on behalf of

K W Resort Utilities Corp.

1 **Q. Please state your, name profession and address.**

2 A. My name is Frank Seidman. I am President of Management and Regulatory Consultants,
3 Inc., consultants in the utility regulatory field. My address is 36 Yacht Club Dr., North Palm
4 Beach, FL 33408.

5 **Q. State briefly your educational background and experience.**

6 A. I hold the degree of Bachelor of Science in Electrical Engineering from the University of
7 Miami. I have also completed several graduate level courses in economics at Florida State
8 University, including public utility economics. I am a Professional Engineer, registered to
9 practice in the state of Florida. I have over 40 years of experience in utility regulation,
10 management and consulting. This experience includes nine years as a staff member of the
11 Florida Public Service Commission (FPSC), two years as a planning engineer for a Florida
12 telephone company, four years as Manager of Rates and Research for a water and sewer
13 holding company with operations in six states, and three years as Director of Technical
14 Affairs for a national association of industrial users of electricity. I have been providing rate
15 and regulatory consulting services in Florida for over 30 years. Specifically, with regard to
16 the water and wastewater industry, I have participated in the preparation and presentation of
17 numerous rate cases, most of which were considered by the Florida Public Service
18 Commission. I have also prepared cases before the Sarasota County Commission. Many of
19 the cases before the FPSC were made final through the Proposed Agency Action procedures;
20 others went to public hearing in which I presented direct and/or rebuttal testimony. I have
21 prepared or participated in the preparation of all phases of water and wastewater financial,
22 rate and engineering sections of the Minimum Filing Requirements (MFRs), including used
23 and useful. I have also participated in most of the water and wastewater rulemaking
24 procedures before the FPSC. I have also prepared several original cost studies accepted by
25 this Commission in setting rates.

1 **Q. Have you previously appeared and presented testimony before any regulatory bodies?**

2 I have prepared and presented expert testimony in the areas of regulatory accounting, rate
3 regulation and used and useful, regulatory agencies, including the Florida Public Service
4 Commission, Charlotte, Collier, Hillsborough, and Sarasota Counties.

5 **Q. On whose behalf are you presenting this testimony?**

6 A. I am presenting this testimony and appearing on behalf of K W Resort Utilities Corp.
7 (KWRU), the applicant for rate increase in the present docket.

8 **Q. What is the purpose of your direct testimony?**

9 A. The purpose of my direct testimony is to present information supporting the used and useful
10 analysis and schedules of the MFRs for the existing and proforma plant.

11 **Q. Are you sponsoring any exhibits?**

12 A. Yes, I am sponsoring three exhibits. The used and useful schedules in MFR Volume I –
13 Financial, Rate and Engineering as originally filed in the PAA case, with certain schedules
14 revised in response to data requests, which is Exhibit DDS-1. Exhibit FS-1 contains a
15 summary of my experience and expertise in utility rates and regulation in Florida. Exhibit
16 FS-2 is Schedule F-10 with a comparison of the correct calculation of the 5 year growth
17 projection compared to that in the PAA Order.

18 **Q. In developing your used and useful analysis for existing and pro forma plant, did
19 you follow recognized guidelines?**

20 A. Yes. As applicable, I followed the guidelines of Florida Public Commission Rule 25-
21 30.432. In addition, I relied on concepts and considerations of the Florida Public Service
22 Commission that were developed over the approximately 40 years that I have been
23 analyzing used and useful for utilities in Florida.

24 **Q. In the course of preparing your used and useful analysis, did you receive input from
25 any utility personnel?**

1 A. Yes. I requested and received input from Mr. Barton Smith and Mr. Christopher Johnson,
2 Director and President of KWRU, respectively, as well as other staff of the utility. I also
3 consulted with Mr. Ed Castle of Weiler Engineering, the primary engineer for the
4 expansion and upgrading of the KWRU plant facilities.

5 **Q. Did you visit the physical facilities of KWRU?**

6 A. Yes. In March, 2015, I made a personal inspection of the all of the existing facilities of
7 KWRU, discussed the expansion and modifications to be made to the treatment and
8 disposal facilities, and toured the whole service area, including those locations where new
9 or expanded service had been applied for or was planned to be applied for, pending the
10 expansion of the treatment and disposal facilities.

11 **Q. Did you find any additional support for your opinion that the pro forma plant will be**
12 **100% used and useful?**

13 A. Yes. In the Last Stand litigation one of the principal issues was the needed capacity of the
14 plant expansion. Based upon testimony presented, the DEP accepted the Hearing Officer's
15 findings of fact that the KWRU system will be built out between 2018 and 2020, and that
16 .849 MGD AADF was the appropriate design capacity. The persons protesting the DEP
17 permit argued that the capacity needed exceeded 1 MGD. This substantiated the findings of
18 and projections formulated by the design engineer on which the construction permit was
19 based.

20 **Q. Do you find any inconsistencies in methodology used the Commission in the PAA Order**
21 **as compared to the methodology the Commission used in KWRU's last rate case?**

22 A. Yes. In the last case, the Commission did not only utilize the simple mathematical calculation
23 required in the MFR filing, but also considered the other factors contemplated in Section
24 367.081, Florida Statutes and PSC Rule 25-30.431. The Commission recognized the
25 uniqueness of the location of the WWTP. In the prior rate case, KWRU was at 68% capacity

1 utilizing the simple mathematical formula. However, the Commission recognized that
2 KWRU had committed 1,500 ERCs to Monroe County, of which over 1,000 had connected,
3 meaning less than 500 ERCs were committed that had not been connected. The reuse and
4 County mandate to connect were taken into account in the prior rate case in the consideration
5 that the WWTP be considered 100% used and useful. Those facts have not changed and
6 should also be considered in the current rate case. In this rate case, following that precedence,
7 KWRU provided evidence that several hundred ERCs were contracted for but not yet
8 connected. With so many similarities between the capacity analysis in the last case, a similar
9 determination should be made in the current case which results in a 100% used and useful. It
10 would be a bad regulatory practice to for the Commission to ignore in this case, the same
11 factors it found so relevant in the prior case.

12 **Q. Do you agree with the manner by which the PAA Order addressed the allowance for**
13 **5 year growth?**

14 A. No. Even if the Commission does not accept my opinion that the pro forma plant is 100%
15 used and useful, the Commission should correct the miscalculation of the 5 year growth
16 allowance. In Exhibit FS-2 I have set forth the correct calculation, comparing it to the
17 miscalculation. Thus, even if the Commission follows the methodology in the PAA Order
18 for calculation the used and useful for the pro forma plant the used and useful amount should
19 be 76.42%

20 **Q. Does that conclude your direct testimony?**

21 A. Yes, it does.

22

23

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EXHIBIT (FS-1)

OF

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on behalf of

KW Resort Utilities Corporation

CURRICULUM VITAE

FRANK SEIDMAN, P.E.

Over 50 years of experience in utility regulation, management and consulting, including 9 years in regulation and 6 years practical experience in utility operations and management.

President of Management & Regulatory Consultants, Inc. Services provided regarding water and wastewater utilities include: preparation of rate cases and service availability charge applications; analysis and design of rates; analysis of expenses and plant; preparation of billing analyses; coordination of rate case presentations; representation before regulatory bodies and presentation of expert testimony; participation in the design of regulatory statutes and rules; assistance in the preparation of annual reports; assistance in setting up systems of accounts; preparation of original cost and market valuation studies and economic analyses.

As a member of the engineering staff of the Florida Public Service Commission at several levels, played an active role in rate cases, rate design, planning and service evaluation for gas, electric, telephone, water and wastewater utilities.

As Director of Technical Affairs for the Electricity Consumer's Resource Council, a national association of large industrial electricity users, developed and presented positions and testimony on electric rate design, cost of service, and PURPA related issues.

As Manager of Rates and Research for GAC Utilities, Inc., responsible for managing the revenue requirements program and preparing rate applications for a water and sewer utility holding company with operations in six states.

Has presented testimony before jurisdictions in Arkansas, California, Delaware, Florida, Michigan and Texas, as well as the U.S. Department of Energy, and the Federal Energy Regulatory Commission. Appeared as a speaker and/or instructor before many trade and professional groups throughout the United States.

BSEE from the University of Miami with substantial graduate level work in economics, including public utility economics, at the Florida State University. A registered Professional Engineer in the State of Florida and past member of the Florida Engineering Society, the

National Society of Professional Engineers, the Institute of Electrical and Electronic Engineers, the American Water Works Association and the Florida Water Works Association.

Rev:05/31/16

**SUMMARY OF PROFESSIONAL EXPERTISE
IN WATER and WASTEWATER REGULATION IN FLORIDA**

FRANK SEIDMAN

I. Participation In Specific Water And Sewer Cases

California

Case: California Cities Water co., Rate Case, 1973
Sponsor: California Cities Water Co.
Purpose: Supervise Rate Case preparation and present testimony re intercompany tax allocations.

Florida

Case: Florida 2nd Judicial District Court; re Contributions In Aid of Construction, 1970
Sponsor: Court Subpoena
Purpose: Testify re Relationship of CIAC and Rates.

Florida

Case: Docket No. I-71184-WS; GAC Utilities, Inc., of Florida, Cape Coral Division, Investigation of Main Extension Fees, 1971
Sponsor: GAC Utilities, Inc.
Purpose: Prepare Main Extension Fee Study and testify re Main Extension Fees.

Florida

Case: Docket No. 71581-WS; GAC Utilities Inc., Poinciana Division; Application for Certificate of Convenience and Necessity, 1971
Sponsor: GAC Utilities, Inc.
Purpose: Testify re Application.

Florida

Case: Sarasota County; Florida Cities Water Co., Rate Case, 1972
Sponsor: Florida Cities Water Co.
Purpose: Prepare Rate Case and testify re Application.

Florida

Case: Docket No. 800594-WS; Palm Coast Utility Corp., Rate Case and Certificate Filing, 1980
Sponsor: Palm Coast Utility Corp.
Purpose: Prepare Original Cost Study and Minimum Filing Requirements.

Florida

Case: Docket No. 810485-WS; Palm Coast Utility Corp., Rate Case, 1982
Sponsor: Palm Coast Utility Corp.
Purpose: Prepare Minimum Filing Requirements.

Florida

Case: Charlotte County; Fiveland Investments, Inc. Rate Case, 1982
Sponsor: Fiveland Investments, Inc.
Purpose: Prepare Rate Case and make presentation before Utility Board.

Florida

Case: Docket No. 820152-WS; San Carlos Utilities, Inc. Rate Case, 1982
Sponsor: San Carlos Utilities, Inc.
Purpose: Assist in Preparing Minimum Filing Requirements.

Florida

Case: Docket No. 820153-S; Shell Point Village Rate Case, 1982
Sponsor: Shell Point Village
Purpose: Prepare Rate Case and represent SPV before PSC.

Florida

Case: Docket No. 840092-WS; Palm Coast Utility Corp., Rate Case, 1983
Sponsor: Palm Coast Utility Corp.
Purpose: Prepare Rate Case and testimony re Application.

Florida

Case: Docket No. 840105-WS; Gulf Utility company, Rate Case, 1983
Sponsor: Gulf Utility Company
Purpose: Prepare Rate Case and testimony re Application.

Florida

Case: Collier County, East Naples Water Systems, Inc., Rate Case, 1984
Sponsor: East Naples Water Systems, Inc.
Purpose: Prepare Rate Case and present testimony re Application.

Florida

Case: Docket No. _____; East Naples Water systems, Inc., Application for Certificate and Certificate Extension, 1985
Sponsor: East Naples Water Systems, Inc.
Purpose: Prepare Case for presentation to PSC.

Florida

Case: Docket No. _____; East Naples Water Systems, Inc. Rate Case, 1985
Sponsor: East Naples Water Systems, Inc.
Purpose: Prepare Rate Case and testimony re Application.

Florida

Case: Docket No. 850100-WS; Du-Lay Utility Company, Inc.; Rate Case, 1984
Sponsor: Du-Lay Utility Company, Inc.
Purpose: Prepare rate case and present testimony re Application.

Florida

Case: Docket No. 850062-WS; Meadowbrook Utility Systems, Inc. Rate Case, 1984 - 1988
Sponsor: Meadowbrook Utility Systems, Inc.
Purpose: Coordinate case and prepare testimony re Application.

Florida

Case: Docket No. 870330-WS; Seminole Utility Systems, Inc., Rate Case, 1986
Sponsor: Seminole Utility Systems, Inc.
Purpose: Prepare Rate Case and present testimony re Application.

Florida

Case: Docket No. 870166-WS; Palm Coast Utility Corp., Rate Case, 1986 - 1987
Sponsor: Palm Coast Utility Corp.
Purpose: Prepare Rate Case and present testimony re Application.

Florida

Case: Docket No. 870149-WS; Atlantis Utilities Company, Overearnings Investigation
Sponsor: Atlantis Utilities Company
Purpose: Participate in preparation of response to PSC.

Florida

Case: Undocketed (Sarasota County), Dolomite Utilities Corporation, Rate Case, 1988 - 1989.
Sponsor: Dolomite Utilities Corporation
Purpose: Prepare Rate Case and present testimony re Application.

Florida

Case: Undocketed (Charlotte County), West Charlotte Utilities, Market Value Appraisal, 1988
Sponsor: West Charlotte Utilities
Purpose: Appraisal for additional financing

Florida

Case: Docket No. 880756-WS; Atlantis Utilities Company, Rate Case, 1988
Sponsor: Atlantis Utility Company
Purpose: Prepare Rate Case

Florida

Case: Undocketed (Charlotte County), West Charlotte Utilities, Pass-Thru Application, 1989
Sponsor: West Charlotte Utilities
Purpose: Prepare Pass-Thru Application

Florida

Case: Docket No. 891114-WS; Sailfish Point Utility Corporation, Rate Case, 1989
Sponsor: Sailfish Point Utility Corporation
Purpose: Prepare Rate Case

Florida

Case: Docket No. 890554-WU; Lake Griffin Utilities Inc., Certificate Application, 1989
Sponsor: Lake Griffin Utilities Inc.
Purpose: Prepare original cost and application for initial rates and charges.

Florida

Case: Undocketed; 1988-1989
Sponsor: Atlantis Utility Company
Purpose: Market Value Appraisal and Sale Negotiations

Florida

Case: Undocketed; 1990
Sponsor: Tangerine Woods Utilities and Englewood Utilities Co.
Purpose: Study Re Englewood Water District Master Plan

Florida

Case: Docket No. 900329-WS; United Florida Utilities Corporation; Marion and Washington Counties
Sponsor: Southern States Utilities; United Florida Utilities, and Deltona Utilities
Purpose: Prepare and Present Rate Application for Marion and Washington County portion of twenty-seven county rate increase application, including substantiation of original cost. Assist with testimony and brief for entire application.

Florida

Case: Docket No. 900682-WS; Exemption Request, 1990
Sponsor: W.P. Utilities
Purpose: Request for Exemption from PSC Regulation

Florida

Case: Docket No. 900816-WS; Sailfish Point Utility Corporation, Rate Case, 1990
Sponsor: Sailfish Point Utility Corporation
Purpose: Prepare and Present Rate Case

Florida

Case: Undocketed; Sailfish Point Utility Corporation, 1991
Sponsor: Sailfish Point Utility Corporation
Purpose: Prepare Market Valuation

Florida

Case: Docket No. 910020-WS; Utilities Inc. of Florida (Pasco County), Rate Case, 1991
Sponsor: Utilities Inc. of Florida
Purpose: Prepare and Present Rebuttal Testimony on Used & Useful.

Florida

Case: Docket No. 911082-WS; Revisions to Water and Wastewater Rules, 1992-93.
Sponsor: Florida Water Works Association
Purpose: Prepare and present comments of Association regarding rule revisions, including ratemaking and used and useful formulae.

Florida

Case: Docket No. 920174-WU; Utilities Inc. of Florida (Lake County), Application for Amendment of Certificate and Objection to City of Clermont Ord. 273-C, establishing a Chapter 180 F.S., W&S Utility, 1992
Sponsor: Utilities Inc. of Florida
Purpose: Prepare and Present Testimony supporting certificate application and objecting to formation of utility that encompasses UIF certificated service areas and prevents their economic development.

Florida

Case: Docket No. 920199-WS; Southern States Utilities, Inc. Combined System Rate Case, 1991 & 1992
Sponsor: Southern States Utilities;
Purpose: Develop all rate base data and prepare MFRs for systems in Osceola, Orange, Brevard and Clay counties as part of a combined system rate application.

Florida

Case: Docket No. 920650-WS; Application for Certificate, 1992.
Sponsor: W.P. Utilities
Purpose: Apply for certificate, establish original cost for rate base and rates.

Florida

Case: Undocketed; Rolling Oaks Utility, 1992.
Sponsor: Southern States
Purpose: Prepare due diligence and valuation report.

Florida

Case: Docket No. 920834-WS; Utilities Inc. of Florida (Pasco County), Limited proceeding to increase rates to recover cost of purchased assets, 1992.
Sponsor: Utilities Inc. of Florida
Purpose: Prepare Original Cost Study and design rates to recover costs.

Florida

Case: Docket No. 921293-SU; Mid-County Services, Inc. (Pinellas County), Application to increase rates and service availability (SAC) charges.
Sponsor: Mid-County Services, Inc.
Purpose: In response to protest of SACs, prepare analysis of requested charges and evaluate compliance with PSC rules.

Florida

Case: Docket No. 930770-WU; St. George Island Utility Company, Ltd, Rate Application, 1993.
Sponsor: St. George Island Utility
Purpose: Prepare all MFRs and supporting testimony

Florida

Case: Docket No. 940109-WU; St. George Island Utility Company, Ltd, Rate Application, 1994.
Sponsor: St. George Island Utility
Purpose: Prepare all MFRs and supporting testimony

Florida

Case: Docket No. 930570-WS; Lake Placid Utilities, Inc., Application for certificate transfer.
Sponsor: Lake Placid Utilities, Inc.
Purpose: Prepare original cost study.

Florida

Case: Undocketed; Sailfish Point Utility Corporation, 1994
Sponsor: Sailfish Point Utility Corporation
Purpose: Prepare Market Valuation

Florida

Case: 1994-5; Undocketed [THIS IS NOT A RATE APPLICATION]
Sponsor: Miami-Dade Water and Sewer Department [Subcontractor to Milian, Swain & Associates]
Purpose: Subcontracted to prepare billing analysis and design rates to recover five year projected cost of service.

Florida

Case: 1994-5; UNDOCKETED Rulemaking on Used & Useful and Petition to Adopt Rules
Sponsor: Florida Waterworks Association
Purpose: Develop position, draft proposed rule, participate in workshops and consult re Petition to Adopt Rules regarding margin reserve and imputation of CIAC.

Florida

Case: Docket No. 951056-WS; Palm Coast Utility Corporation; Application for Increase in Rates
Sponsor: Palm Coast Utility Corporation
Purpose: Prepare MFRs and supporting testimony; prepare rebuttal testimony; participate in hearing and post hearing procedures.

Florida

Case: Docket No. 951593-WS; Palm Coast Utility Corporation; Application for Revision in Service Availability Charges
Sponsor: Palm Coast Utility Corporation
Purpose: Prepare application; prepare response to staff recommendation; participate in Commission agenda conference.

Florida

Case: Docket No. 960258-WS; Petition to adopt Rules on Margin Reserve and Imputation of CIAC
Sponsor: Florida Waterworks Association
Purpose: Develop position, draft proposed rule, participate in studies to support position; prepare testimony; prepare responses to testimony; participate in hearings. Testify in subsequent DOAH rule challenge.

Florida

Case: Docket No. 970076-WS; Sailfish Point Utility Corporation, Joint Application to transfer assets to Sailfish Point Service Corporation, 1997
Sponsor: Sailfish Point Utility Corporation
Purpose: Assist with Application

Florida

Case: Docket No. 960283-WS; Wedgefield Utilities, Inc., Application for Transfer of Certificates from Econ Utilities Corp. to Wedgefield, 1997
Sponsor: Wedgefield Utilities, Inc.
Purpose: Testify re Acquisition Adjustment and Policy

Florida

Case: Docket No. 960444-WU; Lake Utility Services, Inc., Application for Rate Increase and for increase in Service Availability Charges, 1997
Sponsor: Lake Utility Services, Inc.
Purpose: File Testimony re Used & Useful and Future Connections for SAC.

Florida

Case: Undocketed - Challenge at DOAH of PSC Rule 25-30.431, 1997-98
Sponsor: Florida Waterworks Association
Purpose: Assist with strategy and discovery; appear as expert witness re regulation and policy issues.

Florida

Case: Undocketed - Market value appraisal, 1997,1998 & 2000
Sponsor: Water Management Services, Inc.
Purpose: Prepare market value appraisal and update for re-financing.

Florida

Case: Docket No. 980483-WU; Lake Utility Services, Inc., Investigation re overcollection of AFPI, 1998
Sponsor: Lake Utility Services, Inc.
Purpose: Participate in preparation of testimony.

Florida

Case: Docket No. 971220-WS; Cypress Lakes Utilities, Inc., Application for certificate transfer, 1999
Sponsor: Cypress Lakes Utilities, Inc.
Purpose: Prepare testimony re acquisition adjustment.

Florida

Case: Docket No. 971065-SU; Mid-County Services, Inc., Application for increase in rates, 1999
Sponsor: Mid-County Services, Inc.
Purpose: Prepare testimony re used and useful, margin reserve and imputation of CIAC.

Florida

Case: Undocketed; PSC Annual Reports, 1999
Sponsor: AquaSource, Inc.
Purpose: Prepare annual reports for newly acquired multi-system
Crystal River Utilities, Inc.

Florida

Case: Undocketed; Market Valuation, 1999
Sponsor: Northern Trust Bank of Naples
Purpose: Prepare market valuation for defaulted utility, Bonita Country Club Utilities, Inc.

Florida

Case: Docket No. 990975-SU; Application for Certificate Transfer, 1999, 2000
Sponsor: Realnor Hallandale, Inc.
Purpose: Participate in preparation of application to transfer Certificate from Bonita Country Club
Utilities, Inc. provide consulting re utility operations, prepare PSC annual reports.

Florida

Case: Docket No. 000154-SU; Proposed Rule 25-30.432 re: used and useful, 2000
Sponsor: Florida Water Works Association
Purpose: Represent FWWA at PSC Staff workshop; prepare presentation.

Florida

Case: Undocketed; Water and wastewater rates and charges Analysis, 2000
Sponsor: North Miami Beach, City of
Purpose: Through Milian Swain and Associates, Inc. prepare analysis and recommendation for all
charges.

Florida

Case: Docket No. 991437-WU; Application for increase in Water rates, 1997-2001
Sponsor: Wedgefield Utilities, Inc.
Purpose: Prepare testimony re used and useful and acquisition adjustment; provide consulting
re entire case and issues.

Florida

Case: Docket No. 000694-WU; Application for limited proceeding for increase in rate to recover cost of
replacing supply mains on new bridge, 2000
Sponsor: Water Management Services, Inc.
Purpose: Prepare schedules supporting increase; participate in preparation of State Revolving Fund
loan application.

Florida

Case: Docket No. 990696-WS; Application for original certificate in Duval and St. Johns counties, 2000-01
Sponsor: Nocatee Utility Corp.
Purpose: Through Milian Swain and Associates, Inc. provide analysis of intervenor studies, assist
with case analysis, preparation, discovery and hearings.

Florida

Case: Docket No. 001502-WS; Proposed Rule 25-30.0371, Acquisition Adjustments, 2001
Sponsor: Utilities, Inc.
Purpose: Represent UI and present position at PSC workshop.

Florida

Case: Docket No. 001820-SU; Application for certificate Transfer, 2001
Sponsor: Utilities, Inc. of Eagle Ridge
Purpose: Prepare original cost study of newly acquired Cross Creek system.

Florida

Case: Undocketed; Application for original rates and charges and tariffs in St. Johns County, 2000-01
Sponsor: St. Joe Utility Co.
Purpose: Prepare supporting schedules for rates and charges.

Florida

Case: Undocketed; PSC Annual Reports, 2001
Sponsor: Harbor Hills Utilities, Inc.
Purpose: Prepare annual reports and reconcile records in accordance with PSC staff requests.

Florida

Case: Undocketed; Prepare Cost of Service Study, 2002.
Sponsor: CWS - Palm Valley
Purpose: Prepare cost study to support mobile home park conversion from to direct utility billing from rent inclusion.

Florida

Case: Undocketed; Application for original franchise certificate in Flagler County, 2002
Sponsor: MHC, Inc. - Bulow Village
Purpose: Prepare application and supporting documents - application put on hold.

Florida

Case: Docket No. 020006-WS; Reestablishment of Authorized Rate of Return for Water and Wastewater Utilities, 2002
Sponsor: Florida Water Services Corp.
Purpose: Prepare expert testimony on effect of rule change proposal.

Florida

Case: Docket No. 020071-WS; Application for increase in rates and charges, 2002
Sponsor: Utilities Inc. of Florida
Purpose: Prepare Used & Useful analysis and MFR engineering schedules for six county rate application.

Florida

Case: Docket No. 020407-WS; Application for increase in rates and charges, 2002
Sponsor: Cypress Lakes Utilities, Inc.
Purpose: Prepare complete MFR supporting rate increase.

Florida

Case: Docket No. 020409-SU; Application for increase in rates and charges, 2002
Sponsor: Utilities, Inc. of Sandalhaven
Purpose: Prepare complete MFR supporting rate increase.

Florida

Case: Docket No. 020408-SU; Application for increase in rates and charges, 2002
Sponsor: Alafaya Utilities, Inc.
Purpose: Prepare Used & Useful analysis, MFR engineering schedules and original cost study for purchased assets.

Florida

Case: Docket No. 030443-WS; Application for increase in rates and charges, 2003
Sponsor: Labrador Utilities, Inc.
Purpose: Prepare Used & Useful analysis and MFR engineering schedules.

Florida

Case: Docket No. 030444-WS; Application for increase in rates and charges, 2003
Sponsor: Bayside Utility Services, Inc.
Purpose: Prepare complete MFR supporting rate increase.

Florida

Case: Docket No. 030445-SU; Application for increase in rates and charges, 2003
Sponsor: Utilities, Inc. of Eagle Ridge
Purpose: Prepare complete MFR supporting rate increase.

Florida

Case: Docket No. 030446-SU; Application for increase in rates and charges, 2003
Sponsor: Mid-County Utility Services, Inc.
Purpose: Prepare complete MFR supporting rate increase.

Florida

Case: Undocketed - Hillsborough County; Application for increase in rates and charges, 2003
Sponsor: East Lake Water Services, Inc.
Purpose: Prepare Used & Useful Analysis.

Florida

Case: Docket No. 040247-WS; Application for original water and wastewater certificates, rates and charges and tariffs in Franklin County, 2004
Sponsor: St. James Island Utility Company.
Purpose: Prepare application, tariffs and supporting schedules for rates and charges.

Florida

Case: Docket No. 040358-SU; Application for original wastewater certificate, rates and charges and tariffs in Bay County, 2004
Sponsor: Crooked Creek Utility Company.
Purpose: Prepare application, tariffs and supporting schedules for rates and charges.

Florida

Case: Undocketed - Sarasota County; Application for increase in rates and charges, 2004
Sponsor: Siesta Key Utilities Authority.
Purpose: Prepare application and supporting schedules.

Florida

Case: Docket No. 040450-WS; Application for increase in rates and charges, 2004
Sponsor: Indiantown Co., Inc.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Undocketed - Certificate Application, 2005 (never filed)
Sponsor: MHC, Inc.
Purpose: Prepare application and supporting rates and charges.

Florida

Case: Docket No. 050281-WS; Application for increase in rates and charges, 2005
Sponsor: Plantation Bay Utility Co.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 050587-WS; Application for increase in rates and charges, 2005
Sponsor: MSM Utilities
Purpose: Assist w/SARC; prepare annual report.

Florida

Case: Docket No. 980876-WS; Application for certificate (update), 2005
Sponsor: Ocala Springs Utility, Inc.
Purpose: Prepare updated analysis.

Florida

Case: Undocketed (Collier County) Application for change in meter installation charges, 2006
Sponsor: Indiantown Co., Inc.
Purpose: Prepare application.

Florida

Case: Docket No. 060246-WS; Application for increase in rates and charges, 2006
Sponsor: Gold Coast Utility Corp.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 060256-WS; Application for increase in rates and charges, 2006
Sponsor: Alafaya Utilities Inc.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 060257-WS; Application for increase in rates and charges, 2004
Sponsor: Cypress Lakes Utilities, Inc.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 060260-WS; Application for increase in rates and charges, 2006
Sponsor: Lake Placid Utilities, Inc.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 060254-SU; Application for increase in rates and charges, 2006
Sponsor: Mid-County Services, Inc.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 060255-WS; Application for increase in rates and charges, 2006
Sponsor: Tierra Verde Utilities, Inc.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 060253-WS; Application for increase in rates and charges, 2006
Sponsor: Utilities, Inc. Of Florida
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 060261-WS; Application for increase in rates and charges, 2006
Sponsor: Utilities, Inc. of Pennbrooke
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 060285-WS; Application for increase in rates and charges, 2006
Sponsor: Utilities, Inc. of Sandalhaven
Purpose: Prepare Used & Useful analysis and Projected TY MFR.

Florida

Case: Docket No. 070183-WS; Proposed adoption of Rule 25-30.4325, F.A.C., Water Treatment Plant Used and Useful Calculations, 2007
Sponsor: Utilities, Inc.
Purpose: Prepare positions and present testimony on proposed rules.

Florida

Case: Docket No. 080247-SU; Application for increase in rates and charges, 2007
Sponsor: Utilities, Inc. of Eagle Ridge
Purpose: Prepare complete MFR supporting rate increase.

Florida

Case: Docket No. 080248-SU; Application for increase in rates and charges, 2007
Sponsor: Tierra Verde Utilities, Inc.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 080249-WS; Application for increase in rates and charges, 2007
Sponsor: Labrador Utilities, Inc.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 080250-WS; Application for increase in rates and charges, 2007
Sponsor: Mid-County Services, Inc.
Purpose: Prepare complete MFR supporting rate increase.

Florida

Case: Undocketed -Sarasota Co., Application for increase in rates and charges, 2007
Sponsor: Southgate Utilities, Inc.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Undocketed -Hillsborough Co., Application for increase in rates and charges, 2007
Sponsor: Pebble Creek Utilities, Inc.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 090392-WS; Application for increase in rates and charges, 2008
Sponsor: Utilities, Inc. of Pennbrooke
Purpose: Prepare complete MFR supporting rate increase.

Florida

Case: Docket No. 090349-WS; Application for increase in rates and charges, 2008
Sponsor: Cypress Lakes Utilities, Inc.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 090402-WS; Application for increase in rates and charges, 2008
Sponsor: Sanlando Utilities, Inc.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 090381-SU; Application for increase in rates and charges, 2008
Sponsor: Utilities, Inc. Of Longwood
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 090462-WS; Application for increase in rates and charges, 2008
Sponsor: Utilities, Inc. Of Florida
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 100104-W; Application for increase in rates and charges, 2009
Sponsor: Water Management Services, Inc.
Purpose: Prepare Used & Useful analysis.
Prepare complete MFR supporting rate increase.

Florida

Case: Docket No. 100426-WS; Application for increase in rates and charges, 2010
Sponsor: Lake Utility Services, Inc. Of Florida
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 110153-S; Application for increase in rates and charges, 2010
Sponsor: Utilities, Inc. of Eagle Ridge
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 110257-WS; Application for increase in rates and charges, 2010
Sponsor: Sanlando Utilities, Inc.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 110264-WS; Application for increase in rates and charges, 2010
Sponsor: Labrador Utilities, Inc.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Charlotte County Jurisdiction (Undocketed) Application for increase in rates and charges, 2010
Sponsor: Utilities, Inc. of Sandalhaven
Purpose: Prepare complete MFR supporting rate increase.

Florida

Case: Docket No. 100330-WS; Application for increase in rates and charges, 2011
Sponsor: Aqua America, Inc.
Purpose: Prepare Rebuttal Testimony on Used & Useful.

Florida

Case: Docket No. 120037-WS; Application for increase in rates and charges, 2011
Sponsor: Utilities, Inc. of Pennbrooke
Purpose: Prepare MFR and Used & Useful analysis.

Florida

Case: Docket No. 120209-WS; Application for increase in rates and charges, 2011
Sponsor: Utilities, Inc. of Florida
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 130212-WS; Application for increase in rates and charges, 2012
Sponsor: Cypress Lakes Utilities, Inc.
Purpose: Prepare MFR and Used & Useful analysis.

Florida

Case: Docket No. 140135-WS; Application for increase in rates and charges, 2013
Sponsor: Labrador Utilities, Inc.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 140060-WS; Application for increase in rates and charges, 2013
Sponsor: Sanlando Utilities Corp.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Docket No. 150120-SU; Application for increase in rates and charges, 2014
Sponsor: Utilities, Inc. of Sandalhaven
Purpose: Prepare Used & Useful analysis.

Florida

Case: Undocketed Consulting Services, 2015
Sponsor: Black Bear Reserve Water Corp.
Purpose: Prepare Report of on Considerations re sale of utility

Florida

Case: Docket No. 150071-SU; Application for increase in rates and charges, 2015
Sponsor: KW Resort Utilities Corp.
Purpose: Prepare Used & Useful analysis.

Florida

Case: Collier County Jurisdiction; Application for increase in rates and charges, 2015
Sponsor: Ave Maria Utility Co., LLLP
Purpose: Prepare Used & Useful analysis.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase
in wastewater rates in Monroe
County by K W Resort Utilities Corp.

Docket No. 150071-SU

EXHIBIT (FS-2)

OF

FRANK SEIDMAN

on behalf of

KW Resort Utilities Corporation

CURRICULUM VITAE

FRANK SEIDMAN, P.E.

Over 50 years of experience in utility regulation, management and consulting, including 9 years in regulation and 6 years practical experience in utility operations and management.

President of Management & Regulatory Consultants, Inc. Services provided regarding water and wastewater utilities include: preparation of rate cases and service availability charge applications; analysis and design of rates; analysis of expenses and plant; preparation of billing analyses; coordination of rate case presentations; representation before regulatory bodies and presentation of expert testimony; participation in the design of regulatory statutes and rules; assistance in the preparation of annual reports; assistance in setting up systems of accounts; preparation of original cost and market valuation studies and economic analyses.

As a member of the engineering staff of the Florida Public Service Commission at several levels, played an active role in rate cases, rate design, planning and service evaluation for gas, electric, telephone, water and wastewater utilities.

As Director of Technical Affairs for the Electricity Consumer's Resource Council, a national association of large industrial electricity users, developed and presented positions and testimony on electric rate design, cost of service, and PURPA related issues.

As Manager of Rates and Research for GAC Utilities, Inc., responsible for managing the revenue requirements program and preparing rate applications for a water and sewer utility holding company with operations in six states.

Has presented testimony before jurisdictions in Arkansas, California, Delaware, Florida, Michigan and Texas, as well as the U.S. Department of Energy, and the Federal Energy Regulatory Commission. Appeared as a speaker and/or instructor before many trade and professional groups throughout the United States.

BSEE from the University of Miami with substantial graduate level work in economics, including public utility economics, at the Florida State University. A registered Professional Engineer in the State of Florida and past member of the Florida Engineering Society, the

K W Resort Utilities, Corp.
 Docket No.: 150071-SU
 Test Year Ended: December 31, 2014

Schedule F-10
 Page 1 of 1
 Preparer: Seidman, F.

Explanation: Provide the following information in order to calculate the average growth in ERCs for the last five years, including the test year. If the utility does not have single-family residential (SFR) customers, the largest customer class should be used as a substitute.

Line No.	(1) Year	(2) SFR Beginning	(3) SFR Ending	(4) SFR Average	(5) SFR Gallons Sold	(6) Gallons/ SFR (5)/(4)	(7) Total Gallons Sold	(8) Total ERCs (7)/(6)	(9) Annual % Incr. in ERCs
1	2010	1,678	1,804	1,741	86,818,588	49,867	154,094,346	3,090	
2	2011	1,804	1,703	1,754	72,847,075	41,544	146,416,227	3,524	14.05%
3	2012	1,703	1,574	1,639	70,991,109	43,327	169,013,042	3,901	10.68%
4	2013	1,574	1,584	1,579	70,175,345	44,443	176,599,984	3,974	1.87%
5	2014	1,584	1,604	1,594	78,848,000	49,465	199,803,000	4,039	1.65%
Average Growth Through 5-Year Period (Col. 8)								7.06%	

X Y

Regression Analysis per Rule 25-30.431(2)(C)
 For Treatment Related Facilities based on ERCs

Constant:	3001.388353	1	3,090	Actual
X Coefficient:	234.753277	2	3,524	Actual
R^2:	0.820756606	3	3,901	Actual
		4	3,974	Actual
		5	4,039	Actual
		10	5,349	Projected
		12	5,818	Projected

Projected 5 year growth (Regression)	1,310	ERCs = 5 yrs growth per the regression analysis above (5,349-4,039)
Annual average growth	262	ERCs
Projected 5 year growth (at 7.06% avg. historic rate)	1,643	ERCs = 7.06% annual growth rate
Annual average growth	329	ERCs

COMPARATIVE CALCULATIONS of U&U			
	PAA		PAA @ 7.06%
TY flow	461,323		461,323
Growth per PAA (5.86%)	149,647	Growth per MFR (7.06%)	187,523
	610,970		648,846
Permitted capacity	849,000		849,000
	71.96%		76.42%