

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for an increase in water and
wastewater rates in Charlotte, Highlands, Lake,
Lee, Marion, Orange, Pasco, Pinellas, Polk,
and Seminole Counties by Utilities, Inc. of Florida

Docket No. 160101-WS

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COMMISSION
CLERK

DIRECT TESTIMONY

OF

DEBORAH D. SWAIN

on behalf of

Utilities, Inc. of Florida

- 1 **Q. Please state your, name profession and address.**
- 2 A. My name is Deborah D. Swain. I am Vice President of Milian, Swain & Associates, Inc. and
3 head up the firm's finance, accounting and management team. My business address is 2015
4 SW 32nd Ave., Suite 110, Miami, Florida 33145.
- 5 **Q. State briefly your educational background and experience.**
- 6 A. I have a Bachelor of Science degree in Accounting from Florida State University. I have over
7 35 years of experience in utility management, accounting, finance, rate regulation, rate design
8 and system development. I have prepared and supervised cost of service studies for over 200
9 water and wastewater systems, calculated revenue deficiencies and revenue requirements,
10 and designed rates.
- 11 **Q. Have you previously appeared and presented testimony before any regulatory bodies?**
- 12 I have prepared and presented expert testimony in the areas of regulatory accounting, rate
13 regulation and utilities in general, before various federal, state, county, courts and regulatory
14 agencies, including the Florida Public Service Commission, Collier, Hillsborough, St. Johns
15 and Washington Counties, the Circuit Court in Palm Beach County, the Town of Jupiter, the
16 City of Miami, and the US Bankruptcy Court.
- 17 **Q. On whose behalf are you presenting this testimony?**
- 18 A. I am presenting this testimony and appearing on behalf of Utilities, Inc. of Florida (UIF), the
19 applicant for rate increase in the present docket.
- 20 **Q. What is the purpose of your direct testimony?**
- 21 A. The purpose of my direct testimony is to present information supporting the financial basis
22 for UIF's request to increase its rates and charges as presented in the MFRs, to provide
23 supporting schedules to show the basis for the requested rates and charges.
- 24 **Q. Are you sponsoring any exhibits?**
- 25 A. Yes, I am sponsoring three exhibits. Exhibit DDS-1 contains MFR Volume I – Financial,

1 Rate and Engineering (except the F schedules that were prepared and sponsored by Mr.
2 Seidman). Exhibit DDS-2 are the reconciliation schedules.

3 **Q. Were these Exhibits prepared by you and your staff?**

4 A. Yes they were. As is customary, they were prepared from financial information provided to
5 my staff and me by UIF.

6 **Q. Are there any particular explanations you want to make with regard to the MFRs?**

7 A. Yes, the last rate case for the Sandalhaven system was protested by OPC and in the settlement
8 between OPC and UIF, which the Commission accepted, it was agreed that the protested
9 issues would have no precedential value. Those issues were rate base related, so appropriate
10 notations have been made on the affected schedules.

11 **Q. Are you familiar with the treatment in Sandlahaven's last rate case of the forced
12 abandonment of its wastewater treatment plant?**

13 A. Yes, the Commission amortized the forced abandoned plant over 10 year, and required a rate
14 reduction at the end of the amortization period.

15 **Q. Do you believe that treatment was appropriate?**

16 A. It is my opinion that the amortization period was appropriate, but not the automatic rate
17 reduction. The amortization was determined pursuant to PSC Rule 25-30.433(8), F.A.C.
18 which does not provide the authority for an automatic rate reduction. Further, with a revenue
19 requirement of \$1,229,183, the amortized amount is only about 1% of the revenue
20 requirement, which at the end of the ten year amortization period will be even more
21 insignificant.

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

23 A. Yes, it does.

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