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DIVISION OF ENGINEERING  
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# Public Service Commission

August 29, 2017

Martin S. Friedman, Esquire  
Friedman & Friedman, P.A.  
766 N. Sun Drive, Ste. 4030  
Lake Mary, FL 32746  
[mfriedman@ff-attorneys.com](mailto:mfriedman@ff-attorneys.com)

VIA EMAIL & US MAIL

**Re: Docket No. 20170166-WS- Application for limited proceeding rate increase in Orange County by Pluris Wedgefield, Inc.**

Dear Mr. Friedman:

Staff has reviewed Pluris Wedgefield, Inc.'s (Utility's) application for a limited proceeding increase in water and wastewater rates. After review, we find the application to be deficient. The specific deficiencies are identified as:

## Deficiencies

1. **Noticing Compliance.** Pursuant to Rule 25-30.445(1)(e), Florida Administrative Code (F.A.C.), the applicant should provide a statement signed by an officer of the Utility stating that the Utility will comply with the noticing requirements in Rule 25-30.446, F.A.C. The application stated that said affidavit was attached, but staff was unable to identify an affidavit in the filing. Please provide this affidavit.
2. **Change in Rate Base.** Pursuant to Rule 25-30.445(7), F.A.C., the applicant should provide a statement which addresses whether the Utility's rate base has declined or whether any expense recovery sought by the Utility is offset by customer growth since its most recent rate proceeding, or will be offset by future customer growth expected to occur within one year of the date new rates are implemented. The application does not provide a statement addressing this concern. Please indicate whether or not these circumstances apply to the instant application.
3. **Updated Schedules for Revised Rates.** On August 8, 2017, the Utility provided a revised schedule No. 1, which reflects the current rates. These rates account for the removal of rate case expense and were effective June 9, 2017. Please provide a revised Schedule No. 13 showing the annualized revenues with the appropriate rates. Also, please provide any additional schedules that are affected by the annualized revenue calculation.

4. **Cost of Capital.** Pursuant to Rule 25-30.445(4)(e), Florida Administrative Code (F.A.C.), the applicant should provide a calculation of the weighted average cost of capital which shall be provided for the most recent 12-month period, using the mid-point of the range of the last authorized rate of return on equity, the current embedded cost of fixed-rate capital, the actual cost of short-term debt, the actual cost of variable-cost debt, and the actual cost of other sources of capital which were used in the last individual rate proceeding of the Utility. The application included a cost of capital calculation consisting of long-term debt and common equity. Please provide a cost of capital calculation using long-term debt, common equity, customer deposits, and deferred taxes consistent with Order No. PSC-13-0187-PAA-WS.

**Additional Information**

1. **Secondary Standards.** Pursuant to Rule 25-30.445(4)(o)2., F.A.C., the applicant should provide a copy of the most recent secondary water quality standards test results. The application includes tests dated February 5, 2014. Rule 62-550.520, F.A.C., states that secondary contaminant tests should be conducted once each compliance period, and Rule 62-550.200(18), indicates that a new compliance period has begun as of January 1, 2017. When is the Utility next required to perform secondary standard analysis for the potable water system? Please provide the results of any secondary standard analyses that have occurred since the February 5, 2014 tests.
2. **Schedule 6.** Refer to schedule 6 for Water. Please correct the math related to the 2017 additions and Pre-2017 additions.
3. **Schedule 9.** Refer to schedule 9 for Water. Please correct the math related to account 320.3.

We will be unable to process the Utility's application until the deficiencies identified in this letter have been corrected. The corrections should be submitted as soon as possible, but no later than September 14, 2017, to the following address:

Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Martin S. Friedman

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Should you have any questions concerning the information in this letter, please feel free to contact Mr. Adam Hill by phone at (850) 413-6425 or email [ahill@psc.state.fl.us](mailto:ahill@psc.state.fl.us) for technical questions, or the Commission attorney on this matter, Ms. Danijela Janjic by phone at (850) 413-6856 or email [DJanjic@psc.state.fl.us](mailto:DJanjic@psc.state.fl.us) for legal questions. Please include the docket number on all submissions to the Commission Clerk.

Sincerely,

A handwritten signature in black ink that reads "Adam Hill" followed by a stylized flourish.

Adam Hill  
Engineering Specialist  
Division of Engineering

AH:tj

cc: Office of Commission Clerk (Docket No. 20170166-WS)