

STATE OF FLORIDA



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Public Service Commission

March 31, 2020

Mr. Troy Rendell
Royal Waterworks, Inc.
4939 Cross Bathe Utility Boulevard
New Port Richey, Florida 34652
trendell@uswatercorp.net

STAFF'S SECOND DATA REQUEST
VIA EMAIL

Re: Docket No. 20190170- WS - Application for transfer of facilities and Certificate Nos. 259-W and 199-S in Broward County from Royal Utility Company to Royal Waterworks, Inc.

Dear Mr. Rendell:

Please provide the additional information requested below regarding Royal Waterworks, Inc. (Royal or Utility) to the Office of Commission Clerk by **April 30, 2020**.

1. In its response to staff's first data request, item 4, the Utility stated that some items reflected in O&M expenses should have been capitalized instead. Please complete the table below by identifying the unsupported plant items that Royal believes should be included in rate base. Add additional rows as necessary.

NARUC ACCT	ITEM	ORIGINAL COST	YEAR PLACED IN SERVICE

2. Item 3 of staff's first data request asked the Utility to explain which outsourced contract work would be eliminated by Royal. Additionally, staff requested the Utility quantify any savings achieved as a result of economies of scale, and Royal's response failed to do so.

Please use the table below to identify the specific work functions the previous owner performed through outside contractors, the cost of said work, and what the work would have cost if it had been performed under contract with U.S. Water. The first column of the table lists functions cited in Royal’s application, but may not be exhaustive. Modify as appropriate.

NATURE OF CONTRACT/PERSONNEL FUNCTION	CONTRACTOR	ANNUAL COST		EQUIVALENT COST FOR U.S. WATER TO PERFORM WORK	
		2017	2018	2017	2018
ACCOUNTING					
BILLING					
CUSTOMER SERVICE					
SYSTEM OPERATOR					
REPAIR					
METER READING					
ETC.					

3. In its November 7, 2019 response to staff inquiries, Royal attached a list of improvements that it has made to better the water quality. As we discussed on March 25, 2020, please provide invoices, and other documentation as appropriate, to support the cost of these improvements.

4. Rule 25-30.0371, Florida Administrative Code, states that, in determining whether extraordinary circumstances have been demonstrated pursuant to a request for a positive acquisition adjustment, the Commission shall consider, among other things, evidence provided to the Commission such as anticipated improvements in the utility’s compliance with regulatory mandates. During the previous ownership, Royal Utility Company demonstrated timely compliance when correcting deficiencies and complying with regulatory mandates of the Department of Environmental Protection. If there are any other regulatory compliance issues the previous owner had, please identify them and state how Royal anticipates improving the Utility’s compliance with regulatory mandates.

Mr. Troy Rendell

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Please file all responses electronically at the Commission's website at www.floridapsc.com, by selecting the Clerk's Office and Electronic Filing Web Form. Should the Utility have any questions, please feel free to contact me at (850) 413-6952 or email me at mwatts@psc.state.fl.us.

Sincerely,

/s/ Melinda Watts

Melinda Watts
Engineering Specialist

MW:jp

cc: Office of Commission Clerk (Docket No. 20190170- WS)