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April 20, 2020
Via E-Mail Only – Commissioner.Clark@psc.state.fl.us

Chairman Gary F. Clark
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Utilities, Inc. of Florida
2019 Test Year General Rate Increase Application
Our Matter No. 072993

Dear Chairman Clark:

This letter, pursuant to Rule 25-30.430, Florida Administrative Code, requests approval of a test year for Utilities, Inc. of Florida (the “Company”). The Company intends to submit an application for general rate relief to the Florida Public Service Commission for its water and wastewater systems located in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties, Florida. The Company intends to submit the minimum filing requirements (“MFRs”) on or before July 31, 2020.

The Company’s last rate proceeding was in Docket No. 20160101-WS utilizing a historic December 31, 2015, test year. That proceeding culminated in Order No. PSC-2017-0361-FOF-WS, issued September 25, 2017, as amended by Order No. PSC-2017-0361A-FOF-WS issued October 4, 2017. On remand from the First District Court of Appeal, Order No. PSC-2019-0363-PAA-WS was issued on August 27, 2019.

The Company requests an historic test year ending December 31, 2019. The requested test year is representative of a normal full year of operation. However, there will be pro forma adjustments to expenses to reflect expenses that will be incurred in the year when rates will be in effect.

Since the Company's last rate proceedings, the Company has experienced increases in annual operating expense such as salaries and wages, insurance, purchased power, and chemicals that were not completely offset by reductions in other annual operating expenses or annual indexing rate increases. Additionally, the Company has made or will be making major investments to plant and equipment at various locations as noted below. With the exception of items 8 and 11, the pro forma adjustments listed below are not growth-related. Within this same period of time, the only significant change in its operational methods was a change in the water treatment method at the Lake Groves Water Treatment Plant as required by the Department of Environmental Protection.

The Company anticipates including the following pro forma plant additions, with estimated costs thereof, all of which will be completed and placed into service within 24 months of the proposed test year end of December 31, 2019:

1. Cypress Lakes I&I Investigation and Remediation: Clean and video inspect 18,000 LF of gravity sewer main and manholes to identify significant pipe deficiencies and entry points of groundwater into the collection system. The video inspection cost - \$50,000; the remediation cost - \$150,000.
2. Cypress Lakes Chlorine Dioxide Pilot Study: Examine the efficacy of using chlorine dioxide as a pre-treatment method of blocking the formation of disinfection byproducts and allow the return to chlorination as a disinfection method in place of chloramination through a six month trial period to optimize treatment, obtain DEP approval of a change in treatment methods; provide opinion of probable cost to implement the treatment method - \$60,000.
3. Eagle Ridge I&I Investigation and Remediation: Clean and video inspect 10,000 LF of gravity sewer main and manholes to identify significant pipe deficiencies and entry points of groundwater into the collection system. The video inspection cost is about \$50,000 and the remediation will cost about \$50,000.
4. Eagle Ridge LS 3 & 8 Rehabilitation: Remove and replace corroded guide rails, bottom ells, pipe and fittings, then coat the wet well walls at two lift stations - \$100,000.
5. Eagle Ridge SCADA Installation: Install remote telemetry units at 13 lift stations, Eagle Ridge and Cross Creek Plants, tie into existing SCADA system - \$229,000.
6. Eagle Ridge Eng Perimeter Fencing/Tree Removal: Engineering services in support of the perimeter fencing/invasive species removal/landscaping design, coordination with Lee County staff, bidding, and construction services - \$130,000.
7. Eagle Ridge Perimeter Fencing/Tree Removal/Landscaping: Obtain setback variance for the new EQ tank, remove all invasive trees and shrubs from the plant site, install 9' decorative fence on three sides and chain link fence on west side, add landscaping buffer on all four sides, add irrigation system to meet Lee County land development ordinance requirements - \$637,000.
8. Labrador WWTP Master Plan: Develop master plan for the removal and replacement of the three treatment trains, digestors, filter clear well, chlorine contact tank and process blowers that are nearing the end of their service life - \$41,000.
9. Longwood SCADA Installation: Install remote telemetry units at 13 lift stations in the Longwood collection system - \$125,000.

10. LUSI Eng Crescent Bay Raw Water Main: Design and permit the construction of a raw water main connecting the Crescent Bay well with the CR 561 WTP to maximize the use of an underutilized well to meet peak water demand - \$70,000.
11. LUSI Crescent Bay Raw Water Main: Construction of 8" raw water main connecting Crescent Bay well with the CR 561 WTP - \$750,000.
12. LUSI Lake Groves Sulfuric Acid Storage Tank Replacement: Replace existing sulfuric tank and associated piping with corrosion and UV resistant materials that can withstand a concentration of 93% acid.- \$60,000.
13. LUSI Lake Groves WTP Upgrade: Design, permit, and build chlorine dioxide pre-oxidation treatment system, chemical storage building, chemical injection equipment, analyzers and instrumentation; rehab biofilter and transfer pump station - \$1,450,000.
14. LUSI Lake Groves RAS Pump Replacement: Replace two Wilo dry pit RAS pumps on north and south train that have reached the end of their service life with 2.3 Hp Flygt pumps.
15. LUSI Barrington WWTP Improvements: Install master lift station, emergency generator, EQ pumps and controls, potable water service, 200 sq. ft. field office and process control lab following the acquisition of the facilities to meet operating permit requirements - \$47,000.
16. LUSI Engineering design of a Lower Floridan Aquifer Well: Design, permit and construct a second LFA well to feed to the Lake Groves WTP. This increase in water supply capacity will allow the utility to meet increasing water demand - \$850,000.
17. Mid-County Master Lift Station: Provide a preliminary design report reflecting a comprehensive evaluation of the treatment facilities. Replace the existing master lift station wet well, pump, piping, controls and gravity sewer main on plant site - \$1,200,000.
18. Mid-County Generators at LS 4 and LS 7: Provide emergency power at two critical lift stations to prevent sanitary sewer overflows caused by loss of normal power - \$118,000.
19. Mid-County Curlew Creek & Wilshire I&I Remediation: Video inspect 6,500 LF of gravity sewer main and manholes between Pepperwood Dr. and Macaroni Grill LS 4, install permanent sheeting around one manhole adjacent to stormwater canal, and line clay pipe with CIPP materials - \$1,000,000.
20. Mid-County Headworks: Replace static screen and dewatering screw that are badly corroded and at end of their service life with grit removal equipment and fine screens - \$1,200,000.
21. Mid-County Lift Station #10 FM Relocation: Design and permit the relocation of a portion of the LS 10 FM driven by an FDOT road improvement project in the US 19 North right-of-way - \$56,000.
22. Pennbrooke Diffuser Replacement: Replace diffusers and drop pipes in the aeration basin - \$34,000.
23. Sandalhaven SCADA Installation: Install remote telemetry units at 13 lift stations and connect to existing SCADA system at Eagle Ridge field office to provide real time status of lift stations - \$130,000.

24. Sandalhaven I&I Investigation: Video inspect 8,000 LF of primarily VCP gravity sewer mains and manholes to identify location and severity of groundwater and surface runoff entering the collection system - \$60,000.
25. Sanlando Wekiva WWTP Improvements: Remove and replace process blowers and air header, travelling bridge filters, and storage building; relocate belt press; upgrade sodium hypochlorite storage capacity; replace sodium aluminate storage tank; renew plant operating permit; mill and resurface roadway; replace facility entrance gate; demolish and remove all decommissioned tanks and equipment - \$6,112,000.
26. Sanlando Wekiva Headworks: Design, permitting, bidding, and construction of headworks improvements and replacement of Vulcan in-channel screen - \$2,000,000.
27. Sanlando Well Panel Replacements: Remove and replace control panels and associated electrical equipment at five well site - \$175,000.
28. Sanlando Power Line FM & WM Replacement: Engineering design, permitting, easements, and construction of 5,000 LF of water transmission main (AC pipe) and 5,000 LF of force main (AC pipe) that are prone to breaks - \$3,500,000.
29. Sanlando Engineering F5/C1/L2 FM Replacements: Engineering, permitting and bidding services associated with the replacement of three AC force mains that have reached the end of their service life and have a high consequence of failure - \$260,000.
30. Sanlando I&I Corrections, Phase 4: Jet clean and video inspect 94,000 LF of VCP gravity sewer main and manholes to locate and evaluate pipe deficiencies, then fix those deficiencies with CIPP liner or open cut construction methods to reduce groundwater and surface runoff from entering the collection system - \$2,000,000.
31. Sanlando EE Williamson Utility Relocations: Relocate water main and sewer main within the EE Williamson Rd. R/W that are in conflict with a Seminole County road improvement project - \$220,000.
32. Sanlando Lift Station Mechanical Rehabilitation: Remove and replace bottom ell, discharge piping, valves and fittings at multiple lift stations that have reached the end of their service life and to restore the functionality and reliability of the lift stations' pumping capacity - \$340,000.
33. Sanlando FM Modeling and Development of CIP: Evaluate the hydraulic capacity of the Sanlando FM network west of I-4 and develop a capital improvement plan for their replacement or upgrade to maintain level of service to customers - \$84,000.
34. Sanlando GST Remediation: Remediate deficiencies in the interior of three finished water ground storage tanks; replace interior access ladders with corrosion resistant materials in three other GST's - \$181,000.
35. Tierra Verde I&I Investigation: Video inspect 64,300 LF of gravity sewer main and 253 manholes using Red Zone technology; remove accumulated solids throughout including 3,000 LF of 18" pipe on Pinellas Bayway Blvd.; clean and line 300 LF of tuberculated DIP passing through conflict structures - \$95,000.
36. Tierra Verde FM & GSM Replacement: Replace 1,500 LF of 10" FM between LS 4 and a receiving manhole; line 400 LF of 8", 12" and 24" gravity sewer pipe and install two doghouse manholes to resolve conflicts with an FDOT road improvement project - \$516,000.

37. Tierra Verde LS 4 Replacement: Design, permit and construct a relocated LS 4, a converted manhole, as a standard duplex station that meets standard design criteria and to establish reliable service - \$829,000.
38. UIF – Buena Vista Well Improvements: Replace well pump assembly at Well 2, clean and inspect well casing; replace hydro tank and piping at Well 3; make minor improvements to well house - \$74,000.
39. UIF – Orangewood Well 1 Improvements: Remove and replace worn out well pump assembly and well head; replace hydro tank; replace emergency generator - \$155,000.
40. UIF – Seminole County SCADA Installation: Install remote telemetry units at 10 lift stations in the Weathersfield and Ravenna Park collection systems - \$95,000.
41. UIF – Summertree Chlorine Dioxide Pilot Study: Examine the efficacy of using chlorine dioxide as a post-treatment method of reducing the accumulation of nitrogen compounds in the distribution system reflecting the quality and age of water supplied by Pasco County Utilities through a bulk water agreement. A six-month trial period will be used to optimize treatment, obtain DEP approval of a change in treatment methods and provide opinion of probable cost to implement the treatment method permanently - \$52,000.
42. UIF – Summertree I&I Remediation: Video inspect 9,400 LF of VCP gravity sewer main and manholes in Pointe West, then fix the deficiencies found using CIPP or open cut methods - \$127,000.
43. UIF – Golden Hills Galvanized Pipe Replacement: Remove and replace 2,000 LF of 2” galvanized iron pipe from three cul-de-sacs that are highly tuberculated and/or corroded and prone to frequent pipe breaks - \$95,000.
44. UIF – Golden Hills Water Main Relocation: Relocate 1,350 LF of 6” water main and appurtenances in conflict with a Marion County stormwater improvement project - \$144,000.
45. UIF – Little Wekiva Generator: Engineering design, permitting and installation of a 40-kW emergency generator at the Little Wekiva WTP to maintain water service when normal power is interrupted - \$100,000.
46. UIF – Park Ridge Generator: Engineering design, permitting and installation of a 60-kW emergency generator at the Park Ridge WTP to maintain the provision of water service when normal power is interrupted - \$100,000.
47. UIF – Ravenna Park I&I Remediation: Video inspect 11,600 LF of VCP gravity sewer main and manholes in Ravenna Park and Lincoln Heights to identify pipe deficiencies and then apply CIPP or open cut methods to remediate them - \$250,000.
48. UIF – Weathersfield Northwestern Bridge Crossing: Design, permitting and bid services to replace the 6” water main that crosses the Little Wekiva River on Northwestern Drive in coordination with a Seminole County bridge replacement project - \$22,000.
49. Vehicle Replacement – Dump Truck: Replace a 1989 F350 small box dump truck with a similarly sized chassis cab and dump body - \$60,000.

The Company also will request interim rates based on the historic test year.

Chairman Gary F. Clark

Page 6

While it will not impact the requested revenue requirement, the Company will be requesting approval of a Sewer and Water Improvement Mechanism ("SWIM"), to allow the Company to recover through a process similar to the GRIP allowed to gas companies, the capital expenditures for the replacement of aging infrastructure.

Should you or members of the Staff have any questions regarding this request, please do not hesitate to contact me.

Very truly yours,



Martin S. Friedman
For the Firm

cc: Adam Teitzman (via E-Filing)
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