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December 20, 2021

VIA Electronic Filing to the Office of Commission Clerk

Attn: Wesley Thurmond, Public Utilities Analyst II
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 20210133-SU - Application for transfer of facilities of North Peninsula Utilities Corporation and Wastewater Certificate No. 249-S to CSWR-Florida Utility Operating Company, LLC, in Volusia County.

Dear Mr. Thurmond:

CSWR-Florida Utility Operating Company, LLC (“CSWR-FL” or the “Company”) submits the following responses to Staff’s December 6, 2021 Second Data Request.

1. Please estimate and quantify the impact to customer rates on potential future rate case proceedings due to the requested positive acquisition adjustment.

RESPONSE: At this time, the Company is unable to estimate and quantify the impact to customer rates on potential future rate case proceedings due to the requested positive acquisition adjustment. Capital structure, ROI, and the amortization period are among the variables that could influence the impact to rates.

2. Please provide a statement detailing whether the Utility agrees with the finding in staff’s audit report filed 12/2/21. If the Utility disagrees with the finding, please provide a detailed explanation of the disagreement as well as support documentation.

RESPONSE: The Company does not currently have sufficient information to either agree or disagree with the audit report. CSWR has often found in other jurisdictions that utilities do not properly account for much of the reinvestment in their system. In many cases, they improperly expense various repairs and reinvestments that should instead be capitalized and included in rate base. After operating a system for a period of time, CSWR has often found that various plant components have a higher asset value than previously assigned.

Mr. Wesley Thurmond

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Thank you for the opportunity to submit additional information in support of the application. Please feel free to contact our office at your convenience with any additional questions or concerns.

Sincerely,

/s/ Thomas A. Crabb

Thomas A. Crabb
Attorney for CSWR-FL

cc: Mary Wessling, Esq., Office of Public Counsel (wessling.mary@leg.state.fl.us)
Robert Hillman (developershw@gmail.com)