

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In Re: Application for Original Certificate  
Of Authorization and Initial Rates and  
Charges for Water and Wastewater Service  
In Duval, Baker and Nassau Counties,  
Florida by FIRST COAST REGIONAL  
UTILITIES, INC.

DOCKET NO. 20190168-WS

FILED: January 12, 2022

**AMENDED**  
**PREHEARING STATEMENT OF**  
**FIRST COAST REGIONAL UTILITIES, INC.**

Pursuant to the Order Establishing Procedure, Order No. PSC-2021-0393-PCO-WS issued October 19, 2021, First Coast Regional Utilities, Inc. (“First Coast”), by and through its undersigned counsel, files its Amended Prehearing Statement as follows:

**(1) All Known Witnesses**

First Coast relies on the prefiled testimony of and intends to call the following witnesses in its direct and rebuttal case:

<b><u>Witness Name</u></b>	<b><u>Subject</u></b>
Bevin A. Beaudet	All technical matters relating to the water, wastewater and reclaimed utility facilities
Bevin A. Beaudet & B. Paul Gandy	Construction and project costs
Deborah D. Swain & Robert Kennelly	All financial matters
Scott D. Kelly	Comp Plan

First Coast reserves the right to present additional witnesses to address issues which have not been previously raised by the parties, the Commission Staff, or the Commissioners.

**(2) All Known Exhibits**

First Coast has identified and intends to sponsor the following exhibits in its direct and rebuttal case:

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>	<b><u>Person Sponsoring</u></b>
<b><u>Direct</u></b>		
RK-1	Application	Robert Kennelly
DDS-1	Accounting Information	Deborah D. Swain
DDS-2	Water Tariff	Deborah D. Swain
DDS-3	Wastewater Tariff	Deborah D. Swain
BAB-2	Feasibility Assessment	Bevin A. Beaudet, PE
BAB-3	Service Area Maps	Bevin A. Beaudet, PE
<b><u>Exhibit No.</u></b>		
<b><u>Rebuttal</u></b>		
BAB-4	Photos of AMUC facilities	Bevin A. Beaudet, PE
BAB-5	JEA Management Presentation	Bevin A. Beaudet, PE
BAB-6	Preliminary Cost Estimate	Bevin A. Beaudet, PE
BAB-7	Life Cycle Cost Analysis	Bevin A. Beaudet, PE
BPG-1	Resume of Bernard Paul Gandy	B. Paul Gandy, PE
BPG-2	Globaltech Images	B. Paul Gandy, PE
SDK-1 & 2	Maps	Scott D. Kelly, PE
RK-1 & 2	Maps	Robert Kennelly
DDS-4	Resume	Deborah D. Swain
DDS-5	Moody's Investor Services	Deborah D. Swain
DDS-6	Cash Flow Statements	Deborah D. Swain
DDS-7	2021 Budget Snapshot	Deborah D. Swain
DDS-8	Preliminary Finance Terms	Deborah D. Swain
DDS-9	Revised Accounting Schedules	Deborah D. Swain

First Coast may utilize other documents as exhibits at the time of hearing, either during cross examination or as further impeachment or rebuttal exhibits, and the precise identification of such documents cannot be determined at this time.

**(3) Statement of First Coast's Basic Position**

First Coast seeks to provide water, wastewater and reuse/irrigation utility services within the

proposed service territory. There is a significant need for this service and no other utilities currently serve or are planned to serve the proposed territory. First Coast has the financial and technical ability to provide the necessary utility services. Consequently, it is in the public interest to grant First Coast's Certificate Application. 301 Capital Partners, LLC, (301) the owner of First Coast, either owns or has exclusive rights to 10,000 acres of contiguous property located in Duval, Nassau and Baker Counties. An additional 1,800 acre property located in Baker County and included in the Application, is owned by the Chemours Company FC, LLC. The Duval property is fully entitled for significant development as noted below. The current development order, Jacksonville Ordinance 2021-693, requires that 301 shall provide a site to serve the needs of this PUD for potable water, wastewater and reuse water. The Ordinance does not require that the facilities be dedicated to or operated by JEA.

(4) **Questions of Fact that First Coast Considers at Issue, the Position on Each, and the Witness Testifying on Each Issue**

**ISSUE 1** Has First Coast met the filing and noticing requirements pursuant to Rules 25-30.030 and 25-30.033, Florida Administrative Code?

**Position:** Yes. (Kennelly)

**ISSUE 2** Is there a need for service in First Coast's proposed service territory and, if so, when will service be required?

**Position:** Yes. The land which is the subject of the Application consists of approximately 11,800 acres of contiguous property located in Duval, Nassau and Baker Counties. The development will begin in Duval County and will expand based on the economy and housing demand in the area. In Duval County, Ordinance 2010-874-E, as revised and amended by Ordinance 2021-693, permits the construction of: 11,250 single family units; 3,750 multi-family units; 750,000 square feet of commercial space; 300,000 square feet of industrial use and 300,000 square feet of office space. The properties in Baker County are in the planning stage and the properties in Nassau County are currently zoned for commercial and industrial use. Service is needed for the property now. In fact, 301 has already lost the opportunity to develop and sell several thousand lots during the pendency of this case, due to lack of water and wastewater service to the area. (Kennelly)

**ISSUE 3** Is First Coast’s application consistent with Baker, Nassau and Duval Counties’ Comprehensive Plans?

**Position:** Yes. Baker and Nassau Counties have both filed letters in this docket in support of First Coast and its Application. (Kennelly and Kelly)

**ISSUE 4** Will the certification of First Coast result in the creation of a utility which will be in competition with, or duplication of, any other system?

**Position:** No. There are no utility systems in Duval, Baker or Nassau Counties currently serving or planned to serve the proposed territory. (Kennelly & Beaudet)

**ISSUE 5** Does First Coast have the financial ability to serve the requested territory?

**Position:** Yes. (Kennelly)

**ISSUE 6** Does First Coast have the technical ability to serve the requested territory?

**Position:** Yes. (Kennelly, Kelly, Beaudet & Swain)

**ISSUE 7** Will First Coast have sufficient plant capacity to serve the requested territory?

**Position:** Yes. First Coast will construct necessary capacity in phases to meet the expected demand as the properties comprising the requested territory are developed. (Beaudet)

**ISSUE 8** Has First Coast provided evidence that it has continued use of the land upon which the utility treatment facilities are or will be located?

**Position:** Yes. 301 Capital Partners, LLC, the owners of the land upon which the utility facilities will be located, will deed said land to First Coast upon the Commission’s granting of the Application for Certificates. A form of the Special Warranty Deed between 301 Capital Partners, LLC and First Coast is attached to the Application as Exhibit “F”. (Kennelly)

**ISSUE 9** Is it in the public interest for First Coast to be granted water and wastewater certificates for the territory proposed in its application?

**Position:** Yes. (Kennelly & Beaudet)

**ISSUE 10** What is the appropriate return on equity for First Coast?

**Position:** 8.12% (Swain).

**ISSUE 11** What are the appropriate rates and rate structures for the water and wastewater systems for First Coast?

**Position:** See below. (Swain).

**Water (Monthly)**

**Requested Rates - Residential**

Base Facility Charge	\$	41.05
Gallonage Charge		
First 3,000 gls	\$	1.55
Over 3,000 gls - 10,000 gls	\$	2.33
Over 10,000 gls	\$	4.66

**Requested Rates - General Service**

5/8" x 3/4"	\$	41.05
3/4"		61.58
1"		102.63
1-1/2" Turbine		205.25
2" Turbine		328.40
3" Turbine		718.38
Charge per 1,000 gallons	\$	2.01

**Wastewater (Monthly)**

**Requested Rates - Residential**

Base Facility Charge	\$	112.17
Gallonage Charge, 10,000 gallons cap	\$	6.67

**Requested Rates - General Service**

5/8" x 3/4"	\$	112.17
3/4"		168.26
1"		280.43
1-1/2" Turbine		560.85
2" Turbine		897.36
3" Turbine		1,962.98
Charge per 1,000 gallons	\$	8.00

<b>Reclaimed Water (Charge per 1000 gallons)</b>	\$	.50
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**ISSUE 12** What are the appropriate miscellaneous service charges for First Coast?

**Position:** See below. (Swain).

	<u>Charge During Regular Business Hours</u>	<u>Charge After Regular Business Hours</u>
Initial Connection	\$30.00	N/A
Normal Reconnection	\$30.00	N/A
Violation Reconnection	Actual Cost	Actual Cost
Premise Visit Charge	\$30.00	N/A

**ISSUE 13** What are the appropriate late payment charges for First Coast?

**Position:** See below. (Swain).

Late Payment Fee	\$7.50	N/A
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**ISSUE 14** What are the appropriate Non-Sufficient Funds (NSF) charges for First Coast?

**Position:** See below (Swain).

Bad check Charge	Pursuant to 68.065 (2), Florida Statutes	
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**ISSUE 15** What are the appropriate service availability charges for First Coast?

**Position:** See below (Swain).

	<u>Plant Capacity</u>	<u>Main Capacity</u>
<b>WATER</b>		
Requested Service Availability Charge Per ERC	<u>\$ 752.00</u>	<u>\$ 3,158.00</u>
Requested Service Availability Charge Gallon Per Day	<u>\$ 2.79</u>	<u>\$ 1.70</u>
	<u>Plant Capacity</u>	<u>Main Capacity</u>
<b>WASTEWATER</b>		
Requested Service Availability Charge Per ERC	<u>\$ 1,250.00</u>	<u>\$ 4,833.00</u>
Requested Service Availability Charge Gallon Per Day	<u>\$ 5.79</u>	<u>\$ 22.38</u>

**ISSUE 16** What are the appropriate initial customer deposits for First Coast?

**Position:** Two times the average monthly bill each for residential and general service:

Residential Deposit: \$400.00

General Service Deposit: \$600.00. (Swain)

**ISSUE 17** Should this docket be closed?

**Position:** Yes.

JEA PROPOSED ISSUES:

**ISSUE 18** Does the JEA have an exclusive franchise from the City of Jacksonville to provide water and wastewater service to customers within the City limits?

**Position:** This legal issue is not an issue in this case. To the extent that it is an issue in this case, FCRU's position is "No".

**ISSUE 19** Is the portion of First Coast's proposed service territory in Duval County located in the City of Jacksonville?

**Position:** This is not an issue in this case.

**ISSUE 20** Does JEA have an exclusive franchise from Nassau County to provide water and wastewater service to certain areas of Nassau County?

**Position:** This legal issue is not an issue in this case. To the extent that it is an issue in this case, FCRU's position is "No".

**ISSUE 21** Is the portion of First Coast's proposed service territory in Nassau County located in an area of Nassau County for which JEA has an exclusive franchise from Nassau County to provide water and wastewater service?

**Position:** This legal issue is not an issue in this case. To the extent that it is an issue in this case, FCRU's position is "No".

**ISSUE 22** Does JEA have the ability to provide water and wastewater service to First Coast's proposed service territory?

**Position:** No. Throughout the pendency of this case, JEA has premised its ability to serve 301 by 301 permitting, designing, financing, and dedicating facilities to JEA. That option was removed by the City of Jacksonville. (Kennelly, Beaudet).

**ISSUE 23** Given JEA's existing franchises and ability to provide water and wastewater service to the portions of the service territory in the City of Jacksonville and Nassau County, does the Commission have jurisdiction to issue a certificate of authorization for those portions of the service territory?

**Position:** This legal issue is not an issue in this case. To the extent that it is an issue

in this case, FCRU's Position is that the PSC's enabling statute and the decision of the First District Court of Appeals in this case clearly establish that the PSC has exclusive jurisdiction over the proposed certification of First Coast.

(5) **Questions of Law that First Coast Considers at Issue, the Position on Each, and the Witness Testifying on Each Issue**

First Coast has not raised any issues of law at this time, but stands ready to respond to any issues of law raised by JEA.

(6) **Questions of Policy that First Coast Considers at Issue, the Position on Each, and the Witness Testifying on Each Issue**

First Coast has not raised any issues of policy at this time, but stands ready to respond to any issues of law raised by JEA.

(7) **Stipulated Issues**

The following issues are stipulated: None at this time.

(8) **Pending Motions and Other Open Matters**

None for First Coast.

(9) **Statement Identifying Pending Requests for Confidentiality**

First Coast knows of no confidential documents to be introduced in this proceeding. However, should another party be allowed to introduce any documents not yet identified, First Coast reserves the right to assert a claim of confidentiality.

(10) **Objections to Qualifications of Witnesses**

While First Coast does not object to the qualifications of the witnesses, it reserves the right to object to any opinions rendered that are beyond the expertise of such witness.

(11) **Sequestration of Witnesses**

First Coast does not seek the sequestration of witnesses.

(12) **Reasons For Non-Compliance With Order (if any)**

None known at this time.



Respectfully submitted this 12th day of January, 2022, by:

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### CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished via electronic mail to the following parties this 12<sup>th</sup> day of January, 2022:

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