

State of Florida



## Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** February 17, 2022

**TO:** Office of Commission Clerk (Teitzman)

**FROM:** Division of Engineering (M. Watts, Ramos) *TB*  
Division of Accounting and Finance (Thurmond, Fletcher) *ALM*  
Division of Economics (Bruce, Hudson) *JGH*  
Office of the General Counsel (Sandy, J. Crawford) *JSC*

**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.

**AGENDA:** 03/01/22 – Regular Agenda – Proposed Agency Action for Issues 2 and 3 - Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Clark

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** Please place item on Agenda immediately after Docket No. 20210095-WU.

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### Case Background

North Peninsula Utilities Corporation (NPUC, Utility, or Seller) is a Class B wastewater utility operating in Volusia County since 1977.<sup>1</sup> NPUC provides wastewater service to approximately 602 customers. The City of Ormond Beach provides water service to the area. In its 2020 Annual

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<sup>1</sup> Order No. 8116, issued December 22, 1977, in Docket No. 19770595-S, *In Re: Application of Shore Utility Corporation for a Certificate to Operate a Sewer Utility in Volusia County, Florida. Section 367.041, Florida Statutes.*

Report, NPUC reported operating revenues of \$284,221. The Utility's last staff assisted rate case was in 2019.<sup>2</sup>

In 1977, the Florida Public Service Commission (Commission) granted the Utility original wastewater Certificate No. 249-S.<sup>3</sup> Since its certification, the Utility has experienced a transfer and seven territory amendments.<sup>4</sup>

On August 9, 2021, CSWR-Florida Utility Operating Company, LLC (CSWR-North Peninsula or Buyer) filed an application with the Commission for the transfer of Certificate No. 249-S from NPUC to CSWR-North Peninsula in Volusia County. The sale will close after the Commission has voted to approve the transfer. In its application, the Buyer has requested a positive acquisition adjustment, which is discussed in Issue 3.

Intervention by the Office of Public Counsel (OPC) was acknowledged on August 23, 2021. OPC and staff have issued a number of discovery or data requests to CSWR-North Peninsula in this docket.

This recommendation addresses the transfer of the wastewater system and Certificate 249-S, the appropriate net book value of the wastewater system for transfer purposes, and the request for an acquisition adjustment. The Commission has jurisdiction pursuant to Sections 367.071 and 367.081, Florida Statutes (F.S.).

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<sup>2</sup> Order No. PSC-2019-0461-PAA-SU, issued October 25, 2019, in Docket No. 20180138-SU, *In re: Application for staff-assisted rate case in Volusia County by North Peninsula Utilities Corporation.*

<sup>3</sup> Order No. 8116, issued December 22, 1977, in Docket No. 19770595-S, *In Re: Application of Shore Utility Corporation for a Certificate to Operate a Sewer Utility in Volusia County, Florida. Section 367.041, Florida Statutes.*

<sup>4</sup> Order No. 9365, issued May 9, 1980, in Docket No. 19800320-S, *In re: Application of Shore Utility Corporation to amend Certificate No. 249-S to operate a sewer utility in Volusia County, Florida*; Order No. 22345, issued December 27, 1989, in Docket No. 19891016-SU, *In re: Application of North Peninsula Utilities Corporation for transfer of Certificate No. 249-S from Shore Utility Corporation in Volusia County*; Order No. 24272, issued March 21, 1991, in Docket No. 19900659-SU, *In re: Application for amendment of Certificate No. 249-S in Volusia County by North Peninsula Utilities Corporation*; Order No. PSC-96-0262-FOF-SU, issued February 23, 1996, in Docket No. 19951373-SU, *In re: Application for amendment of Certificate No. 249-S in Volusia County by North Peninsula Utilities Corporation*; Order No. PSC-05-0426-FOF-SU, issued April 20, 2005, in Docket No. 20041301-SU, *In re: Application for amendment of Certificate No. 249-S in Volusia County by North Peninsula Utilities Corporation*; Order No. PSC-09-0420-FOF-SU, issued June 15, 2009, and Order No. PSC-09-0420A-TRF-SU, issued July 21, 2009, in Docket No. 20090040-SU, *In re: Application for amendment of Certificate No. 249-S to extend territory in Volusia County by North Peninsula Utilities Corp. and a request for approval of a new class of service for a general service wastewater customer in Volusia County*; Order No. PSC-10-0613-FOF-SU, issued October 11, 2010, in Docket No. 20100317-SU, *In re: Application for amendment of Certificate No. 249-S to extend territory in Volusia County by North Peninsula Utilities Corp.*; and Order No. PSC-16-0522-PAA-SU, issued November 21, 2016, in Docket No. 20130209-SU, *In re: Application for expansion of certificate (CIAC) (new wastewater line extension charge) by North Peninsula Utilities Corp.* Note: Docket No. 20140050-SU was opened following the receipt of an application for amendment of Certificate No. 249-S by NPUC. However, the filing was intended to amend an application previously filed (Docket No. 20130209-SU), so the application was moved from Docket No. 20140050-SU to 20130209-SU. However, the docket title for Docket No. 20130209-SU was never updated to reflect the inclusion of the application for amendment.

## Discussion of Issues

**Issue 1:** Should the transfer of Certificate No 249-S in Volusia County from North Peninsula Utilities Corporation to CSWR-Florida Utility Operating Company, LLC be approved?

**Recommendation:** Yes. The transfer of the wastewater system and Certificate No. 249-S is in the public interest and should be approved effective the date that the sale becomes final. The resultant Order should serve as the Buyer's certificate and should be retained by the Buyer. The Buyer should submit the executed and recorded deed for continued access to the land upon which its facilities are located and copies of its permit transfer application to the Commission within 60 days of the Order approving the transfer, which is final agency action. If the sale is not finalized within 60 days of the transfer Order, the Buyer should file a status update in the docket file. The Utility's existing rates and charges should remain in effect until a change is authorized by the Commission in a subsequent proceeding. The tariff pages reflecting the transfer should be effective on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), Florida Administrative Code, (F.A.C.). The Seller is current with respect to annual reports and regulatory assessment fees (RAFs) through December 31, 2020. The Seller should be responsible for filing annual reports and paying RAFs for 2021, and the Buyer should be responsible for filing the annual reports and paying RAFs for all future years. (M. Watts, Thurmond, Bruce)

**Staff Analysis:** On August 9, 2021, CSWR-North Peninsula filed an application for the transfer of Certificate No. 249-S from NPUC to CSWR-North Peninsula in Volusia County. The application is in compliance with Section 367.071, F.S., and Commission rules concerning applications for transfer of certificates. The sale to CSWR-North Peninsula will become final after Commission approval of the transfer, pursuant to Section 367.071(1), F.S.

### Noticing, Territory, and Land Ownership

CSWR-North Peninsula provided notice of the application pursuant to Section 367.071, F.S., and Rule 25-30.030, F.A.C. No objections to the transfer were filed, and the time for doing so has expired. The application contains a description of the service territory which is appended to this recommendation as Attachment A. In its response to staff's August 9, 2021 deficiency letter, CSWR-North Peninsula provided a copy of an unrecorded warranty deed as evidence that the Buyer will have rights to long-term use of the land upon which the treatment facilities are located pursuant to Rule 25-30.037(2)(s), F.A.C. CSWR-North Peninsula should submit the executed and recorded deed to the Commission within 60 days of the Order.

### Purchase Agreement and Financing

Pursuant to Rule 25-30.037(2)(g), (h), and (i), F.A.C., the application contains a statement regarding financing and a copy of the purchase agreement, which includes the purchase price, terms of payment, and a list of the assets purchased. There are no guaranteed revenue contracts, or customer advances of NPUC that must be disposed of with regard to the transfer. CSWR-North Peninsula will review all leases and developer agreements and will assume or renegotiate those agreements on a case-by-case basis prior to closing. Any customer deposits will be refunded to customers by the Seller prior to the closing. According to the purchase and sale agreement, the total purchase price for the assets is \$1,400,000. According to the Buyer, the

closing has not yet taken place and is dependent on Commission approval of the transfer, pursuant to Section 367.071(1), F.S.

### **Facility Description and Compliance**

NPUC's domestic wastewater treatment plant (WWTP) consists of one 60,000 gallons per day (gpd) steel extended aeration plant, one 60,000 gpd concrete contact stabilization plant, and one 90,000 gpd steel extended aeration plant. The treated water is discharged into a reuse system consisting of two rapid infiltration basins with a total combined capacity of 181,000 gpd, the permitted capacity of the WWTP. CSWR-North Peninsula provided a copy of the Utility's current permit from the Florida Department of Environmental Protection (DEP) pursuant to Rule 25-30.037(2)(r)1, F.A.C. The Buyer should provide a copy of its permit transfer application, reflecting the change in ownership, to the Commission within 60 days of the Order.

Staff reviewed the most recent DEP compliance evaluation inspections (CEI) for the WWTP. The DEP's March 7, 2017 CEI identified the following issues: current Reduced Pressure Zone certification not on site; reporting and recording errors in multiple Discharge Monitoring Reports; current flow meter calibration not on site; fence around ponds in disrepair; and, repeated fecal coliform exceedances (April-December 2016).

Staff also found that the DEP and the Seller executed a Consent Order<sup>5</sup> in 2018 (the 2018 CO) to correct several violations. The DEP closed the case on July 14, 2020, but stated that a recent inspection (resulting from a complaint) found additional possible violations that would be addressed in a separate action. On August 17, 2021, the DEP sent NPUC a draft consent order<sup>6</sup> addressing several violations. As of February 3, 2022, the DEP stated it is still awaiting NPUC's response.<sup>7</sup> In Exhibit G of the Buyer's application, CSWR-North Peninsula provides its assessment of NPUC's wastewater treatment plant and lists several improvements and repairs it recommends be made to the system. The Buyer's suggested repairs and improvements are discussed further in Issue 3.

### **Technical and Financial Ability**

Pursuant to Rule 25-30.037(2)(l) and (m), F.A.C., the application contains statements describing the technical and financial ability of the Buyer to provide service to the proposed service area. As referenced in the transfer application, the Buyer will fulfill the commitments, obligations, and representations of the Seller with regards to utility matters. CSWR-North Peninsula's application states that it owns and operates more than 257 water/wastewater systems in Missouri, Arkansas, Kentucky, Louisiana, Texas, and Tennessee that currently serve more than 48,860 water and 77,595 wastewater customers. The Buyer plans to use qualified and licensed contractors to provide routine operation and maintenance of the systems, as well as to handle billing and customer service. Staff reviewed the financial statements of CSWR-North Peninsula and believes the Buyer has documented adequate resources to support the Utility's wastewater operations. Based on its review, staff recommends that the Buyer has demonstrated the technical and financial ability to provide service to the existing service territory.

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<sup>5</sup> OGC Case No. 18-0258.

<sup>6</sup> OGC Case No: 20-1313.

<sup>7</sup> Document No. 01127-2022.

### **Rates and Charges**

The Utility's rates were last approved in a 2019 staff-assisted rate case.<sup>8</sup> The Commission approved the Utility's late payment charge in 2017.<sup>9</sup> The Utility's service availability charges were approved in 2016.<sup>10</sup> Since the Utility's last rate case, the rates have been changed by two price index rate increases and one pass-through increase. Rule 25-9.044(1), F.A.C., provides that, in the case of a change of ownership or control of a utility, the rates, classifications, and regulations of the former owner must continue unless authorized to change by this Commission. Therefore, staff recommends that the Utility's existing rates and charges, as shown on Schedule No. 1 for wastewater, remain in effect until a change is authorized by this Commission in a subsequent proceeding.

### **Regulatory Assessment Fees and Annual Report**

Staff has verified that the Utility is current on the filing of annual reports and RAFs through December 31, 2020. The Seller will be responsible for filing the Utility's annual report and paying RAFs for 2021. The Buyer will be responsible for filing the Utility's annual reports and paying RAFs for all future years.

### **Conclusion**

Based on the foregoing, staff recommends the transfer of the wastewater system and Certificate No. 249-S is in the public interest and should be approved effective the date that the sale becomes final. The resultant Order should serve as the Buyer's certificate and should be retained by the Buyer. The Buyer should submit the executed and recorded deed for continued access to the land upon which its facilities are located and copies of its permit transfer applications to the Commission within 60 days of the Order approving the transfer, which is final agency action. If the sale is not finalized within 60 days of the transfer Order, the Buyer should file a status update in the docket file. The Utility's existing rates and charges should remain in effect until a change is authorized by the Commission in a subsequent proceeding. The tariff pages reflecting the transfer should be effective on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), F.A.C. The Seller is current with respect to annual reports and RAFs through December 31, 2020. The Seller should be responsible for filing annual reports and paying RAFs for 2021, and the Buyer should be responsible for filing the annual reports and paying RAFs for all future years.

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<sup>8</sup> Order PSC-2019-0461-PAA-SU, issued October 25, 2019, in Docket No. 20180138-SU, *In re: Application for staff assisted rate case in Volusia County by North Peninsula Utilities Corporation.*

<sup>9</sup> Order PSC-2017-0441-PAA-SU, issued November 17, 2017, in Docket No. 20170152-SU, *In re: Request for approval of a late payment charge in Volusia County, by North Peninsula Utilities Corporation.*

<sup>10</sup> Order PSC-16-0522-PAA-SU, issued November 21, 2016, in Docket No. 20130209-SU, *In re: Application for extension of certificate (CIAC) (new wastewater line extension charge) by North Peninsula Utilities Corp.*

**Issue 2:** What is the appropriate net book value for CSWR-North Peninsula's wastewater system for transfer purposes?

**Recommendation:** For transfer purposes, the net book value (NBV) of the wastewater system is \$247,528 as of July 31, 2021. Within 90 days of the date of the consummating Order, CSWR-North Peninsula should be required to notify the Commission in writing, that it has adjusted its books in accordance with the Commission's decision. The adjustments should be reflected in the Utility's 2022 Annual Report when filed. (Thurmond)

**Staff Analysis:** Rate base was last established on October 25, 2019, by Order No. PSC-2019-0461-PAA-SU.<sup>11</sup> The purpose of establishing NBV for transfers is to determine whether an acquisition adjustment should be approved. CSWR-North Peninsula's request for a positive acquisition adjustment is addressed in Issue 3. The NBV does not include normal ratemaking adjustments for used and useful plant or working capital. The Utility's NBV has been updated to reflect balances as of July 31, 2021.<sup>12</sup> Staff's recommended NBV, as described below, is shown on Schedule No. 2.

### **Utility Plant in Service (UPIS)**

According to the Utility's general ledger, the total UPIS balance was \$947,621 as of July 31, 2021. Staff reviewed the plant additions and retirements to UPIS from June 30, 2018, to July 31, 2021, and traced supporting documentation. Based on staff's calculations, the Utility UPIS balance as of July 31, 2021, was overstated by \$22,671. Accordingly, staff recommends that the UPIS balance be reduced by \$22,671 as of July 31, 2021.

### **Land**

The Utility's general ledger reflected a land balance of \$46,800 as of July 31, 2021. There have been no additions to land since May 30, 2018. Therefore, staff recommends no adjustments to its land balance.

### **Accumulated Depreciation**

According to the Utility's general ledger, the total accumulated depreciation balance was \$708,509 as of July 31, 2021. Staff auditors recalculated depreciation accruals for all wastewater accounts since the last rate case through July 31, 2021, using audited UPIS balances and the depreciation rates established by Rule 25-30.140, F.A.C. Accordingly, staff recommends that the accumulated depreciation balance be increased by \$15,068 as of July 31, 2021.

### **Contributions-in-Aid-of-Construction (CIAC) and Accumulated Amortization of CIAC**

According to the Utility's general ledger, the CIAC balance and accumulated amortization of CIAC were \$641,756 and \$641,073, respectively, as of July 31, 2021. Staff auditors traced CIAC and accumulated amortization of CIAC balances from June 30, 2018, to July 31, 2021, using

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<sup>11</sup> Order No. PSC-2019-0461-PAA-SU, issued October 25, 2019, in Docket No. 20180138-SU, *In re: Application for staff-assisted rate case in Volusia County by North Peninsula Utilities Corporation.*

<sup>12</sup> Net book value is calculated through the date of the closing. According to the Utility's application, the closing will not occur until after the transaction receives Commission approval. Therefore, staff is relying on the most current information provided to staff auditors at the time of the filing.

supporting documentation. Accordingly, staff recommends that the CIAC balance be reduced by \$31 as of July 31, 2021. Staff also recommends that the accumulated amortization of CIAC balance be increased by \$7 as of July 31, 2021.

### **Net Book Value**

The Utility's general ledger reflected a NBV of \$286,229 as of July 31, 2021. Based on the adjustments described above, staff recommends a NBV of \$247,528 as of July 31, 2021. Staff's recommended NBV and the National Association of Regulatory Utility Commissioners, Uniform System of Accounts (NARUC USOA) balances for UPIS and accumulated depreciation are shown on Schedule No. 2 as of July 31, 2021. As addressed in Issue 3, a positive acquisition adjustment should not be recognized for rate-making purposes.

### **Conclusion**

Based on the above, staff recommends a NBV of \$247,528 as of July 31, 2021, for transfer purposes. Within 90 days of the date of the consummating Order, the Buyer should be required to notify the Commission in writing that it has adjusted its books in accordance with the Commission's decision. The adjustments should be reflected in the Utility's 2022 Annual Report when filed.

**Issue 3:** Should a positive acquisition adjustment be recognized for ratemaking purposes?

**Recommendation:** No. Pursuant to Rule 25-30.0371, F.A.C., a positive acquisition adjustment should not be granted as the Buyer failed to demonstrate extraordinary circumstances. (Thurmond, M. Watts)

**Staff Analysis:** In its filing, the Buyer requested a positive acquisition adjustment be included in the calculation of CSWR-North Peninsula's rate base. An acquisition adjustment results when the purchase price differs from the NBV of the assets at the time of acquisition. Pursuant to Rule 25-30.0371, F.A.C., a positive acquisition adjustment results when the purchase price is greater than the NBV and a negative acquisition adjustment results when the purchase price is less than the NBV. A positive acquisition adjustment, if approved, increases rate base.

According to the purchase agreement, the Buyer will purchase the Utility for \$1,400,000. As discussed in Issue 2, staff is recommending a total NBV of \$247,528. This would result in a positive acquisition adjustment of \$1,151,182.

Any entity that believes a full or partial positive acquisition adjustment should be made has the burden to prove the existence of extraordinary circumstances. Rule 25-30.0371(2), F.A.C., states:

In determining whether extraordinary circumstances have been demonstrated, the Commission shall consider evidence provided to the Commission such as anticipated improvements in quality of service, anticipated improvements in compliance with regulatory mandates, anticipated rate reductions or rate stability over a long-term period, anticipated cost efficiencies, and whether the purchase was made as part of an arms-length transaction.

One of the Buyer's justifications for the purchase price is to ensure sale proceeds are sufficient to pay off the Seller's long-term debt obligations. While the factors listed in the rule are listed by way of example and other evidence may be offered, the purpose of the rule is to provide incentive for the acquisition of small, troubled systems, the elimination of substandard operating conditions, and allow customers to receive benefits which amount to a better quality of service at a reasonable rate.<sup>13</sup> The items enumerated in the rule are consistent with the promotion of benefits to customers and bringing troubled systems into regulatory compliance; paying off the Seller's long-term debt obligation is not.

Staff believes the Buyer failed to demonstrate the extraordinary circumstances necessary to support the inclusion of a positive acquisition adjustment, as discussed below.

### **Improvements in Quality of Service and Compliance with Regulatory Mandates**

In its application, CSWR-North Peninsula listed six business practices that it believes will improve the quality of service to its customers: (1) provision of 24-hour emergency service phone numbers; (2) on-call emergency service personnel who are required to respond to

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<sup>13</sup> Order No. PSC-2002-0997-FOF-WS, issued July 23, 2002, in Docket No. 20001502-WS, *In re: Proposed Rule 25-30.0371, F.A.C., Acquisition Adjustment*.



emergency service calls within prescribed time limits; (3) a computerized maintenance management system; (4) access to resources not usually available to comparably sized systems and the ability to supplement local personnel with resources owned by the parent and sister companies; (5) online bill payment options; and (6) an updated website for customer communication, bulletins, procedures, etc.

Staff reviewed the complaints filed with the Commission for the five-year period prior to the application, July 2016 to July 2021. The Commission recorded a total of four complaints pertaining to billing (1 complaint), noise (1 complaint), and wastewater flooding the yard (2 complaints from the same customer, one each in 2017 and 2019). In its application, CSWR-North Peninsula provided DEP documents concerning five odor and/or noise complaints from February 2016 to April 2021, with one of the complaints also referencing wastewater flooding of customers' yards. Additionally, in its response to staff's first data request,<sup>14</sup> CSWR-North Peninsula stated that the DEP initiated two inspections of NPUC in 2021 due to odor complaints.

In addition to reviewing the Utility's most recent inspection reports, as discussed in Issue 1, staff also reviewed the DEP inspection reports and enforcement actions for the three years prior to the Utility's transfer application. The Utility appears to have ongoing issues with rust and deterioration of the steel components of the plant, proper rapid infiltration basin (RIB) maintenance, adhering to instrument calibration schedules, system component failures, excessive noise and odors beyond the boundaries of the plant, and ensuring the plant operator fulfills the staffing requirements for minimum number of days and hours visited by a certified operator.

The 2018 CO addressed rust and corrosion, repair of specific system components, groundwater monitoring, and sodium sampling. The Utility worked to correct these issues, seeking and receiving approval to recover the cost of pro forma items needed for the repairs in its 2018 rate case before the Commission.<sup>15</sup>

The draft 2021 Consent Order, issued by the DEP on August 17, 2021, discussed the problem of excessive odor, RIB maintenance, proper staffing, and repair of corrosion and patching of holes in the plants.<sup>16</sup> The DEP also included a requirement for the Utility to have a licensed professional engineer evaluate the overall structural integrity of all steel structures and submit a report to the DEP for review. As noted in Issue 1, the Utility has not been responsive to the DEP as of February 3, 2022.

In Exhibit G of its application, CSWR-North Peninsula noted the issues described above, as well as on-going issues with monitoring wells, and proposed improvements it plans to make to ensure the longevity of the system. These plans include making significant structural steel repairs followed by recoating the facility; repair/replace aeration equipment as needed; remove solids and vegetation from the RIBs to ensure proper drainage; improve tertiary filtration; install remote monitoring; implement proper staffing while pursuing negotiations to reduce site visiting requirements commensurate with the remote monitoring capability.

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<sup>14</sup> Document No. 12160-2021, filed October 15, 2021.

<sup>15</sup> Order No. PSC-2019-0461-PAA-SU, issued October 25, 2019, in Docket No. 20180138-SU, *In re: Application for staff-assisted rate case in Volusia County by North Peninsula Utilities Corporation*.

<sup>16</sup> The DEP requested that NPUC sign or respond to the CO within 20 days of receipt.

Based on the above, it appears that NPUC currently has issues with respect to regulatory compliance. While the Buyer identified several improvements it intends to implement in an effort to rectify these points, staff does not believe the Buyer has demonstrated extraordinary circumstances in support of its requested positive acquisition adjustment. Instead, staff believes that the proposed anticipated improvements in quality of service and compliance with regulatory mandates demonstrates CSWR-North Peninsula's intention to responsibly execute its obligations as a utility owner. While staff does not believe the Utility's anticipated improvements justify its requested positive acquisition adjustment, these improvements may be considered for prudence and cost recovery in a future rate proceeding.

### **Anticipated Cost Efficiencies and Rates**

In its application, the Buyer stated that its size and anticipated consolidation of many small systems under one financial and managerial entity would result in operational cost efficiencies particularly in the areas of:

- PSC and environmental regulatory reporting
- Managerial and operational oversight
- Utility asset planning
- Engineering planning
- Ongoing utility maintenance
- Utility record keeping
- Customer service responsiveness
- Improved access to capital necessary to repair and upgrade North Peninsula's systems to ensure compliance with all health and environmental requirements and ensure service to customers remains safe and reliable

The Buyer also stated that CSWR-North Peninsula would bring long term rate stability to the Utility, should the transfer be approved. Staff agrees that economies of scale and potential consolidation of several systems in Florida, as proposed by CSWR-North Peninsula, could bring some amount of long-term rate stability. However, absent specific and detailed support for these assertions, the Buyer has failed to meet its burden for demonstrating extraordinary circumstances. Instead, much of the information provided by the Buyer lacked specificity and was provided nearly verbatim in each of the other two CSWR transfer dockets.<sup>17</sup>

Staff and the Office of Public Counsel (OPC) made several requests for quantifiable information to support the Buyer's assertions, such as anticipated rate impact and potential/projected cost efficiencies. The Buyer repeatedly stated that it was unable to provide quantitative information at the granularity requested by staff. However, staff does not believe its requests were unreasonable given that the burden of proof lies with the Buyer. This is particularly true in the instant case when the requested relief is a positive acquisition adjustment of \$1,151,182, which is

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<sup>17</sup> Docket No. 20210093-WS, *In re: Application for transfer of water and wastewater systems of Aquarina Utilities, Inc., Water Certificate No. 517-W, and Wastewater Certificate No. 450-S to CSWR-Florida Utility Operating Company, LLC, in Brevard County* and Docket No. 20210095-WU, *In re: Application for transfer of water facilities of Sunshine Utilities of Central Florida, Inc. and Water Certificate No. 363-W to CSWR-Florida Utility Operating Company, LLC, in Marion County*.

approximately five times greater than the system's current NBV of \$247,528. Further, in response to staff's first data request for an estimate and breakdown of projected operating and maintenance (O&M) expenses, the Buyer stated that the benefit from the increase in economies of scale and other advantages provided by CSWR-North Peninsula would not necessarily be reflected in cost savings compared to current NPUC operations.

Staff's recommendation is also consistent with the Commission's decision in Order No. PSC-2020-0458-PAA-WS.<sup>18</sup> In that docket, Royal Waterworks, Inc. (RWI) identified estimates of anticipated cost efficiencies, including a reduction in O&M expense and a reduction of cost of capital that would result from the transfer. Additionally, RWI provided several improvements it made to the water treatment plant and wastewater lift station since acquisition to improve the quality of service and compliance with regulatory mandates. While the Commission acknowledged that RWI accomplished cost savings, it did not believe the actions performed demonstrated extraordinary circumstances that would justify approval of a positive acquisition adjustment.<sup>19</sup>

### **Conclusion**

Pursuant to Rule 25-30.0371, F.A.C., staff recommends a positive acquisition adjustment not be granted as the Utility did not demonstrate extraordinary circumstances. Staff believes the Buyer's anticipated improvements in quality of service and compliance with regulatory mandates does not illustrate extraordinary circumstances and instead demonstrates CSWR-North Peninsula's intentions to responsibly execute its obligations as a utility owner. Additionally, paying off the Seller's long-term debt obligation is not a factor considered in the request of a positive acquisition adjustment pursuant to Rule 25-30.0371(2), F.A.C.

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<sup>18</sup> Order No. PSC-2020-0458-PAA-WS, issued November, 23, 2020, in Docket No. 20190170-WS, *In re: Application for transfer of facilities and Certificate Nos. 259-W and 199-S in Broward County from Royal Utility Company to Royal Waterworks, Inc.*

<sup>19</sup> Although decided prior to the adoption of the acquisition adjustment rule in 2010, the Commission has previously denied a requested positive acquisition adjustment, stating that the utility relied primarily upon the improvement of service as a basis for a positive acquisition adjustment; however, "compliance with wastewater treatment standards is a requirement of statute and rule, and not an extraordinary circumstance which would warrant the allowance of a positive acquisition adjustment." Order No. 13578, issued August 9, 1984, in Docket No. 19830568-SU, *In re: Application of P.I. Utilities Co., Inc., for a Certificate to Operate a Sewer Utility in Volusia County, Florida, and Petition of Peninsula Utilities, Inc., to Substitute Applicant.*

**Issue 4:** Should this docket be closed?

**Recommendation:** Yes. If no protest to the proposed agency action is filed by a substantially affected person within 21 days of the date of the issuance of the Order, a Consummating Order should be issued and the docket should be closed administratively upon Commission staff's verification that the revised tariff sheets have been filed, the Buyer has notified the Commission in writing that it has adjusted its books in accordance with the Commission's decision, that the Buyer has submitted the executed and recorded warranty deed and that the Buyer has submitted a copy of its application for permit transfer to the DEP, within 60 days of the Commission's Order approving the transfer. (Sandy)

**Staff Analysis:** If no protest to the proposed agency action is filed by a substantially affected person within 21 days of the date of the issuance of the Order, a Consummating Order should be issued and the docket should be closed administratively upon Commission staff's verification that the revised tariff sheets have been filed, the Buyer has notified the Commission in writing that it has adjusted its books in accordance with the Commission's decision, that the Buyer has submitted the executed and recorded warranty deed and that the Buyer has submitted a copy of its application for permit transfer to the DEP, within 60 days of the Commission's Order approving the transfer.

**TERRITORY DESCRIPTION**  
**CSWR-Florida Utility Operating Company, LLC**  
**Volusia County**  
**Wastewater Service**

LANDS IN SECTIONS 8, 9, 16, 17 AND 21 IN TOWNSHIP 13 SOUTH, RANGE 32 EAST, VOLUSIA COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

1. COMMENCE AT THE CENTERLINE OF OCEAN SHORE BLVD (A1A) 3,640 FEET NORTH OF THE SOUTH LINE OF SECTION 21;
2. THENCE NORTH 88° EAST 73 FEET TO THE SHORELINE OF THE ATLANTIC OCEAN ALONG THE SOUTH LINE OF PARCEL 21132200040010, PER OFFICIAL RECORD BOOK 6826, PAGE 1586;
3. THENCE NORTH 23° WEST ALONG THE SHORELINE OF THE ATLANTIC OCEAN 1,800 FEET TO THE CENTERLINE OF VIA MADRID ROAD ON THE SOUTH LINE OF SECTION 16;
4. THENCE NORTH 88° WEST 93 FEET TO THE CENTERLINE OF OCEAN SHORE BLVD (A1A) ON THE SOUTH LINE OF SECTION 16;
5. THENCE NORTH 23° WEST 1,100 FEET ALONG THE CENTERLINE OF OCEAN SHORE BLVD (A1A);
6. THENCE NORTH 88° EAST 97 FEET TO THE SHORELINE OF THE ATLANTIC OCEAN ALONG THE SOUTH LINE OF PARCEL 16133203000010, PER OFFICIAL RECORD BOOK 4446, PAGE 1762;
7. THENCE NORTH 23° WEST 1,448 FEET ALONG THE SHORELINE OF THE ATLANTIC OCEAN TO THE SOUTHEAST CORNER OF PARCEL 16133200030022, PER OFFICIAL RECORD BOOK 4234, PAGE 4898;
8. THENCE NORTH 88° WEST 125 FEET ALONG THE SOUTH LINE OF PARCEL 16133200030022, PER OFFICIAL RECORD BOOK 4234, PAGE 4898, TO THE CENTERLINE OF OCEAN SHORE BLVD (A1A);
9. THENCE NORTH 23° WEST 2,300 FEET ALONG THE CENTERLINE OF OCEAN SHORE BLVD (A1A);
10. THENCE NORTH 88° EAST 139 FEET ALONG THE SOUTH LINE OF PARCEL 16133201000880, PER OFFICIAL RECORD BOOK 4672, PAGE 0283, TO THE SHORELINE OF THE ATLANTIC OCEAN;

11. THENCE NORTH 23° WEST 1,141 FEET ALONG THE SHORELINE OF THE ATLANTIC OCEAN TO THE SOUTH LINE OF PARCEL 09133201000001, PER OFFICIAL RECORD BOOK 5148, PAGE 1248;
12. THENCE NORTH 88° WEST 139 FEET TO THE CENTERLINE OF OCEAN SHORE BLVD (A1A) LOCATED 430 FEET NORTH OF THE SOUTH LINE OF SECTION 9;
13. THENCE NORTH 23° WEST 1,052 FEET ALONG THE CENTERLINE OF OCEAN SHORE BLVD (A1A);
14. THENCE NORTH 88° EAST 127 FEET ALONG THE SOUTH LINE OF PARCEL 0813320101C580, PER RECORD BOOK 6586, PAGE 2933 TO THE SHORELINE OF THE ATLANTIC OCEAN;
15. THENCE NORTH 23° WEST 332 FEET TO THE NORTHEAST CORNER OF PARCEL 0823320101C580, PER OFFICIAL RECORD BOOK 6586, PAGE 2933;
16. THENCE NORTH 88° WEST 700 FEET ALONG THE NORTH LINE OF KINGSTON SHORES PER MAP BOOK 33, PAGE 67;
17. THENCE NORTH 1° WEST 159 FEET ALONG THE WEST LINE OF PARCEL 09133200010050, OFFICIAL RECORD BOOK 4915, PAGE 2649;
18. THENCE NORTH 89° WEST 342 FEET ALONG THE NORTH LINE OF PARCEL 09133200010050, PER OFFICIAL RECORD BOOK 4915, PAGE 2649;
19. THENCE SOUTH 0° EAST 120 FEET ALONG THE WEST LINE OF PARCEL 09133200010050, PER OFFICIAL RECORD BOOK 4915, PAGE 2649;
20. THENCE SOUTH 90° WEST 141 FEET ALONG THE NORTH LINE OF PARCEL 09133200010050, PER OFFICIAL RECORD BOOK 4915, PAGE 2649;
21. THENCE SOUTH 0° EAST 39 FEET ALONG THE WEST LINE OF PARCEL 09133200010050, PER OFFICIAL RECORD BOOK 4915, PAGE 2649;
22. THENCE NORTH 90° WEST 275 FEET ALONG THE NORTH LINE OF PARCEL 0823320101C580, PER OFFICIAL RECORD BOOK 6586, PAGE 2933;
23. THENCE NORTH 90° WEST 162 FEET ALONG THE NORTH LINE OF PARCEL 08133200050010, PER OFFICIAL RECORD BOOK 6528, PAGE 2046;
24. THENCE SOUTH 23° EAST 2,505 FEET ALONG THE EAST EDGE OF HALIFAX CREEK TO THE NORTH LINE OF PARCEL 17133200010080, PER OFFICIAL RECORD BOOK 1917, PAGE 0953, AND THE NORTH LINE OF PARCEL 16133200010030, PER OFFICIAL RECORD BOOK 2049, PAGE 1087;

25. THENCE NORTH 90° EAST 153 FEET TO THE CENTERLINE OF JOHN ANDERSON DRIVE ALONG THE NORTH LINE OF PARCEL 17133200010080, PER OFFICIAL RECORD BOOK 1917, PAGE 0953, AND THE NORTH LINE OF PARCEL 16133200010030, PER OFFICIAL RECORD BOOK 2049, PAGE 1087;
26. THENCE SOUTH 23° EAST 929 FEET ALONG THE CENTERLINE OF JOHN ANDERSON DRIVE, LOCATED 1,493 FEET SOUTH OF THE SOUTH LINE FOR SECTION 9;
27. THENCE SOUTH 78° WEST 153 FEET ALONG THE SOUTH LINE OF PARCEL 16133200010030, PER OFFICIAL RECORD BOOK 2049, PAGE 1087, TO THE EAST EDGE OF HALIFAX CREEK;
28. THENCE SOUTH 23° EAST 5,242 FEET ALONG THE EAST EDGE OF HALIFAX CREEK TO THE SOUTHWEST CORNER OF PARCEL 21133200020010, PER OFFICIAL RECORD BOOK 6956, PAGE 3747;
29. THENCE SOUTH 90° EAST 1,250 FEET TO THE NORTHWEST CORNER OF PARCEL 21132200040010, PER OFFICIAL RECORD BOOK 6826, PAGE 1586;
30. THENCE SOUTH 23° EAST 404 FEET TO THE SOUTHWEST CORNER OF PARCEL 21132200040010, PER OFFICIAL RECORD BOOK 6826, PAGE 1586;
31. THENCE SOUTH 88° EAST 813 FEET TO THE POINT OF COMMENCEMENT.

LESS OUT

A

1. COMMENCE AT THE CENTERLINE OF OCEAN SHORE BLVD (A1A) 632 FEET SOUTH OF THE SOUTH LINE OF SECTION 9;
2. THENCE NORTH 88° EAST 139 FEET TO THE SHORELINE OF THE ATLANTIC OCEAN AT THE SOUTHEAST CORNER OF PARCEL 16133201000880, PER OFFICIAL RECORD BOOK 4672, PAGE 0283;
3. THENCE NORTH 23° WEST 1,141 FEET ALONG THE SHORELINE OF THE ATLANTIC OCEAN, LOCATED 431 FEET NORTH OF THE SOUTH LINE OF SECTION 9;
4. THENCE NORTH 88° WEST 139 FEET TO THE CENTERLINE OF OCEAN SHORE BLVD (A1A);
5. THENCE NORTH 23° WEST 1,052 FEET ALONG THE CENTERLINE OF OCEAN SHORE BLVD (A1A), LOCATED 1,416 FEET NORTH OF THE SOUTH LINE OF SECTION 9;

6. THENCE SOUTH 88° WEST 1,541 FEET ALONG THE SOUTH LINE OF PARCEL 0813320101C580, PER OFFICIAL RECORD BOOK 6586, PAGE 2933, TO THE EAST EDGE OF HALIFAX CREEK;
7. THENCE SOUTH 23° EAST 1,545 FEET ALONG THE EAST EDGE OF HALIFAX CREEK, TO THE NORTHEAST CORNER OF PARCEL 17133200010020, OFFICIAL RECORD BOOK 6834, PAGE 3191;
8. THENCE SOUTH 88° EAST 371 FEET TO THE NORTHEAST CORNER OF PARCEL 16133201000270, PER OFFICIAL RECORD BOOK 7247, PAGE 0769;
9. THENCE SOUTH 12° EAST 527 FEET TO THE SOUTHEAST CORNER OF PARCEL 16133201000660, PER OFFICIAL RECORD BOOK 7112, PAGE 1844;
10. THENCE NORTH 88° EAST 1,403 FEET TO THE COMMENCEMENT POINT.

**B**

1. COMMENCE AT THE CENTERLINE OF OCEAN SHORE BLVD (AIA) 1,030 FEET NORTH OF THE SOUTH LINE OF SECTION 16;
2. THENCE NORTH 88° EAST 111 FEET TO THE SHORELINE OF THE ATLANTIC OCEAN AT THE SOUTHEAST CORNER OF PARCEL 16133203000010, OFFICIAL RECORD BOOK 4446, PAGE 1762;
3. THENCE NORTH 23° WEST 281 FEET ALONG THE SHORELINE OF THE ATLANTIC OCEAN TO THE NORTHEAST CORNER OF PARCEL 16133203000040, OFFICIAL RECORD BOOK 6834, PAGE 2744;
4. THENCE SOUTH 88° WEST 800 FEET TO THE SOUTHWEST CORNER OF PARCEL 16133208000510, OFFICIAL RECORD BOOK 3822, PAGE 1958;
5. THENCE NORTH 30° EAST 342 FEET TO THE CENTERLINE OF JULIE DRIVE;
6. THENCE NORTH 60° EAST 134 FEET TO THE SOUTHEAST CORNER OF PARCEL 16133208000140, OFFICIAL RECORD BOOK 7252, PAGE 4330;
7. THENCE NORTH 23° WEST 335 FEET TO THE NORTHWEST CORNER OF PARCEL 16133210030010, OFFICIAL RECORD BOOK 6944, PAGE 2102;
8. THENCE NORTH 88° EAST 177 FEET TO THE SOUTHWEST CORNER OF PARCEL 16133211004020, OFFICIAL RECORD BOOK 6438, PAGE 4032;
9. THENCE NORTH 23° WEST 493 FEET TO THE NORTHWEST CORNER OF PARCEL 16133216000060; OFFICIAL RECORD BOOK 6967, PAGE 0126;



10. THENCE SOUTH 88° WEST 1,303 FEET TO THE NORTHWEST CORNER OF PARCEL 16133202000170, OFFICIAL RECORD BOOK 6172, PAGES 2481-2482;
11. THENCE SOUTH 23° EAST 931 FEET TO THE NORTH CORNER OF PARCEL 16133208000470, OFFICIAL RECORD BOOK 4142, PAGE 2070;
12. THENCE SOUTH 45° EAST 140 FEET ALONG THE NORTHEAST LINE OF PARCEL 16133208000470, OFFICIAL RECORD BOOK 4142, PAGE 2070, AND THE NORTHEAST LINE OF PARCEL 16133208000460, OFFICIAL RECORD BOOK 5625, PAGE 1055, TO THE EAST CORNER OF PARCEL 16133208000460, OFFICIAL RECORD BOOK 5625, PAGE 1055;
13. THENCE SOUTH 23° WEST 135 FEET ALONG THE SOUTHEAST LINE OF PARCEL 16133208000460, OFFICIAL RECORD BOOK 5625, PAGE 1055, TO THE SOUTHEAST CORNER OF PARCEL 16133208000460, OFFICIAL RECORD BOOK 5625, PAGE 1055;
14. THENCE SOUTH 23° EAST 138 FEET ALONG THE EAST LINE OF PARCEL 16133203000330, OFFICIAL RECORD BOOK 4665, PAGE 4177, AND THE EAST LINE OF PARCEL 16133203000320, OFFICIAL RECORD BOOK 6674, PAGE 4101, TO THE CENTERLINE OF CAPISTRANO DRIVE;
15. THENCE SOUTH 23° WEST 133 FEET ALONG THE EAST LINE OF PARCEL 16133203000380, OFFICIAL RECORD BOOK 4824, PAGE 2773, TO THE SOUTHEAST CORNER OF PARCEL 16133203000380, OFFICIAL RECORD BOOK 4824, PAGE 2773;
16. THENCE NORTH 88° EAST 1,702 FEET TO THE COMMENCEMENT POINT.

**C**

1. COMMENCE AT THE CENTERLINE OF OCEAN SHORE BLVD (A1A) 690 FEET SOUTH OF THE SOUTH LINE OF SECTION 16;
2. THENCE SOUTH 88° EAST 80 FEET TO THE SOUTHEAST CORNER OF PARCEL 21133201001791, OFFICIAL RECORD BOOK 6620, PATE 4880, AT THE SHORELINE OF THE ATLANTIC OCEAN;
3. THENCE NORTH 23° WEST 734 FEET ALONG THE SHORELINE OF THE ATLANTIC OCEAN TO THE CENTERLINE OF VIA MADRID DRIVE;
4. THENCE SOUTH 88° WEST 1,781 FEET ALONG THE CENTERLINE OF VIA MADRID DRIVE;
5. THENCE SOUTH 21° EAST 355 FEET TO THE NORTHEAST CORNER OF PARCEL 21133201000810, OFFICIAL RECORD BOOK 6796, PAGE 0779;

6. THENCE NORTH 88° WEST 150 FEET ALONG THE NORTH SIDE OF PARCEL 21133201000810, OFFICIAL RECORD BOOK 6796, PAGE 0779, TO THE CENTERLINE OF JOHN ANDERSON DRIVE;
7. THENCE SOUTH 21° EAST 343 FEET ALONG THE CENTERLINE OF JOHN ANDERSON DRIVE;
8. THENCE NORTH 88° EAST 1,880 FEET TO THE POINT OF COMMENCEMENT.

**D**

1. COMMENCE AT THE CENTERLINE OF MARLIN DRIVE 200 FEET NORTH 90° WEST OF THE INTERSECTION OF OCEAN SHORE BLVD (A1A) AND MARLIN DRIVE;
2. THENCE SOUTH 23° EAST 125 FEET ALONG THE EAST LINE OF PARCEL 21133202000650, OFFICIAL RECORD BOOK 6660, PAGE 2131, TO THE SOUTHEAST CORNER OF PARCEL 21133202000650, OFFICIAL RECORD BOOK 6660, PAGE 2131;
3. THENCE SOUTH 88° WEST 1,541 FEET TO THE SOUTHWEST CORNER OF PARCEL 21133202000380, OFFICIAL RECORD BOOK 6600, PAGE 3613;
4. THENCE NORTH 23° WEST 127 FEET ALONG THE WEST SIDE OF PARCEL 21133202000380, OFFICIAL RECORD BOOK 6600, PAGE 3613, TO THE CENTERLINE OF MARLIN AVENUE;
5. THENCE NORTH 90° WEST 31 FEET ALONG THE CENTERLINE OF MARLIN AVENUE;
6. THENCE NORTH 23° WEST 120 FEET ALONG THE WEST SIDE OF PARCEL 21133202000310, OFFICIAL RECORD BOOK 4235, PAGE 1405, TO THE NORTHWEST CORNER OF PARCEL 21133202000310, OFFICIAL RECORD BOOK 4235, PAGE 1405;
7. THENCE NORTH 0° EAST 1,340 FEET TO THE NORTHEAST CORNER OF PARCEL 21133202000080, OFFICIAL RECORD BOOK 6289, PAGES 1424-1426;
8. THENCE SOUTH 23° EAST 127 FEET ALONG THE EAST LINE OF PARCEL 21133202000080, OFFICIAL RECORD BOOK 6289, PAGES 1424-1426, TO THE CENTERLINE MARLIN AVENUE;
9. THENCE SOUTH 88° EAST 255 FEET ALONG THE CENTERLINE OF MARLIN AVENUE TO THE POINT OF COMMENCEMENT.

**FLORIDA PUBLIC SERVICE COMMISSION**  
**authorizes**  
**CSWR-Florida Utility Operating Company, LLC**  
**pursuant to**  
**Certificate Number 249-S**

to provide wastewater service in Volusia County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
8116	12/22/77	19770595-S	Original Certificate
9365	05/09/80	19800320-S	Amendment
22345	12/27/89	19891016-SU	Transfer Certificate
24272	03/21/91	19900659-SU	Amendment
PSC-96-0262-FOF-SU	02/23/96	19951373-SU	Amendment
PSC-05-0426-FOF-SU	04/20/05	20041301-SU	Amendment
PSC-09-0420-FOF-SU	06/15/09	20090040-SU	Amendment
PSC-09-0420A-TRF-SU	07/21/09	20090040-SU	Amendatory
PSC-10-0613-FOF-SU	10/11/10	20100317-SU	Amendment
PSC-16-0522-PAA-SU	11/21/16	20130209-SU	Amendment
*	*	20210133-SU	Transfer

**\*Order Number and date to be provided at time of issuance**

**CSWR-Florida Utility Operating Company, LLC  
(North Peninsula Utilities Corporation)  
Monthly Wastewater Rates**

**Residential Service**

Single Family Residential Homes \$39.20

**General Service**

Las Olas Townhomes (6 ERCs) \$237.24  
Ocean Air (17 ERCs) \$666.43  
Seabridge North (65 ERCs) \$2,548.09  
Seabridge South (70 ERCs) \$2,744.10  
Restaurant – Ocean Shore Blvd. (14 ERCs) \$548.82

**Miscellaneous Service Charges**

Late Payment Charge \$6.77

**Service Availability Charges**

**Main Extension Charge**

Residential with Road Crossing per ERC (250 gpd) \$762.00  
All others per gallon \$3.05  
  
Residential without Road Crossing per ERC (250 gpd) \$444.00  
All others per gallon \$1.78  
  
Force Main (per linear sq. ft.) \$1.25

**CSWR-Florida Utility Operating Company, LLC  
(North Peninsula Utilities Corporation)**

**Schedule of Net Book Value as of July 31, 2021**

<b><u>Description</u></b>	<b><u>Balance Per Utility</u></b>	<b><u>Adjustments</u></b>		<b><u>Staff</u></b>
Utility Plant in Service	\$947,621	(\$22,671)	A	\$924,950
Land & Land Rights	46,800	-		46,800
Accumulated Depreciation	(708,509)	(15,068)	B	(723,577)
CIAC	(641,756)	31	C	(641,725)
Amortization of CIAC	<u>641,073</u>	<u>7</u>	D	<u>641,080</u>
Total	<u>\$286,229</u>	<u>(\$37,701)</u>		<u>\$247,528</u>

**CSWR-Florida Utility Operating Company, LLC  
(North Peninsula Utilities Corporation)**

**Explanation of Adjustments to Net Book Value as of July 31, 2021**

<b>Explanation</b>	<b>Amount</b>
A. UPIS To reflect the appropriate balance.	(\$22,671)
B. Accumulated Depreciation To reflect the appropriate balance.	15,068
C. CIAC To correct Commission-ordered adjustment from last rate case.	(31)
D. Accumulated Amortization of CIAC Corresponding adjustment to the CIAC adjustment above.	<u>7</u>
Total Adjustments to Net Book Value as of July 31, 2021	<u>(\$37,701)</u>

**CSWR-Florida Utility Operating Company, LLC  
(North Peninsula Utilities Corporation)**

**Schedule of Staff's Recommended Account Balances as of July 31, 2021**

<b>Account No.</b>	<b>Description</b>	<b>UPIS</b>	<b>Accumulated Depreciation</b>
352	Franchises	\$6,310	\$6,310
354	Structures & Improvements	166,920	165,471
360	Collection Sewers - Force	322,603	322,603
361	Collection Sewers - Gravity	5,410	3,688
363	Services to Customers	29,870	29,863
364	Flow Measuring Devices	2,875	998
370	Receiving Wells	1,278	1,201
371	Pumping Equipment	50,887	(12,604)
380	Treatment and Disposal - Equipment	<u>338,797</u>	<u>206,074</u>
	Total	<u>\$924,950</u>	<u>\$723,577</u>