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STATE OF FLORIDA



DIVISION OF ENGINEERING
TOM BALLINGER
DIRECTOR
(850) 413-6910

Public Service Commission

August 23, 2022

Ms. Susan Clark, Esq.
Radey Thomas Yon & Clark, P.A.
301 South Bronough Street, Suite 200
Tallahassee, FL 32301
sclark@radeylaw.com

STAFF'S FIRST DATA REQUEST
VIA EMAIL

Re: Docket No. 20220061-SU - Application for transfer of wastewater Certificate No. 318-S from BFF Corp to CSWR-Florida utility Operating Company, LLC, in Marion County.

Dear Ms. Clark:

Please provide the information requested below regarding CSWR-Florida Utility Operating Company, LLC (CSWR or Utility) to the Office of Commission Clerk by **September 22, 2022**.

1. Does the Utility intend to request that the Commission defer its decision regarding the requested positive acquisition adjustment?
2. If the transfer is approved, does CSWR plan on using the leverage formula?
3. Based on CSWR, LLC's extensive experience serving approximately 180,000 customers through many utilities in several states, what do you estimate will be the approximate overall cost of capital?
4. Since the contract between CSWR and the seller was signed, CSWR has had over 12 months to learn about the system to be acquired and the area. Based on CSWR, LLC's extensive experience in operating utilities in other states, what estimated cost savings is anticipated for the benefit of the customers? Please quantify the response with as much detail as available.
5. Please estimate and quantify the impact you expect the requested positive acquisition adjustment to have on existing customer rates in potential future rate case proceedings.
6. In its application, the Utility stated that through the consolidation of many small systems, CSWR will reduce overall operating expenses of the acquired systems. The following items relate to this assertion.

August 23, 2022

- a. In order to demonstrate cost savings, please estimate and provide a breakdown of projected operation and maintenance (O&M) expenses that reflect CSWR assuming operation of the subject utility. In your response, please include all bases, assumptions, documentation, and calculations which support CSWR's estimated/projected O&M expenses.
 - b. Using the O&M expenses from subject utility's 2021 Annual Report, please compare and identify projected cost savings to operating expenses that will be achieved through CSWR's acquisition.
7. Please provide a copy of all orders in original cost states where CSWR, LLC, one of its affiliates, or one of its subsidiaries has been granted or denied a positive acquisition adjustment.

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. Please contact me by phone at (850) 413-6952 or email mwatts@psc.state.fl.us, if you have any questions.

Sincerely,

/s/ Melinda Watts

Melinda Watts
Engineering Specialist

MW:pz

cc: Mr. Thomas Crabb, Esq. (tcrabb@radeylaw.com)
Ms. Suzanne Turner (sturner@radeylaw.com)
Office of the Commission Clerk (Docket No. 20220061-SU)