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DIVISION OF ENGINEERING
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Public Service Commission

September 13, 2023

Mr. Troy Rendell
Royal Waterworks, Inc.
4939 Cross Bayou Blvd.
New port Richey, FL 34652
trendell@uswatercorp.net

VIA EMAIL

Re: Docket No. 20230081-WS - Application for increase in water and wastewater rates in Broward County by Royal Waterworks, Inc.

Dear Mr. Rendell:

We have reviewed the minimum filing requirements (MFRs) submitted on August 14, 2023, on behalf of Royal Waterworks, Inc. After reviewing this information, we find the MFRs to be deficient. The specific deficiencies are identified below:

1. **Filing Fee.** The Utility paid a filing fee of \$3,500 and \$1,500 for water and wastewater services, respectively. Rules 25-30.020(2)(e)2 and 25-30.020(2)(e)3, Florida Administrative Code (F.A.C.), require a filing fee of \$3,500 for water service and \$2,000 for wastewater service, for a total filing fee of \$5,500 for a file and suspend rate case application. Please remit the remaining filing fee balance of \$500 for wastewater service.
2. **Schedule A-3** is labeled as "Page 1 of 3," however, pages 2 and 3 are not provided in the MFRs. Please provide pages 2 and 3 or clarify that Schedule A-3 is only one page.
3. **Schedule A-6** has a Plant balance of zero for Account 398.7. Schedule A-10 shows an Accumulated Depreciation balance of \$11,197. Please provide the actual Plant and Accumulated Depreciation balances for Account 398.7 as of 5/31/2022 and 5/31/2023.
4. Please correct the header on column 3 in **Schedule A-12** to reflect the appropriate test year.
5. **Schedule A-14** is labeled as "Page 1 of 4," however, pages 2, 3, and 4 are not provided in the filed MFRs. Please provide pages 2, 3, and 4 or clarify that Schedule A-14 is only one page. The description between lines 6 and 7 reads "Additions through 3/2023." With the test year ended 5/31/2023, please provide Cash additions through 5/2023.

6. Lines 1 and 7 on **Schedule A-17** read “Final Rates – 12/31/2021” and “Interim Rates – 12/31/2021” respectively. Please correct to reflect appropriate test year ended 5/31/2023.
7. The header for Column 3 on **Schedule A-19** should read “Test Year 5/31/2023.”
8. The title on **Schedule B-3** pages 2 and 3 should read “Schedule Year Ended 5/31/23”. Accounts 615 and 715 on **Schedule B-3** show a pro forma increase of \$21,773 and \$11,756 respectively, with a description of “US Water Contract Index.” Please reclassify these amounts to the appropriate operation and maintenance (O&M) accounts. Account 718 on Schedule B-3 shows a pro forma increase of \$60,000 for “Lime Removal from PONDS.” Please reclassify this amount to the appropriate O&M account.
9. On **Schedule B-6**, the Test Year Adjustments of \$67,280 and \$60,000 in O&M accounts 710 and 711, should be listed as pro forma adjustments. Please reclassify these amounts as pro forma, and ensure each amount is assigned to the appropriate O&M account.
10. The titles on **Schedules D-1 and D-2** read “13-Month Average.” Class B utilities must use a simple average when calculating rate of return. Schedule D-1 is labeled as “Page 1 of 2,” however, page 2 is not provided in the filed MFRs. Please provide page 2 or clarify that Schedule D-1 is only one page.
11. On **Schedule D-5**, the Column headings for columns 8, 9, and 12 reference column 4. Should these columns reference Column 6? If so, please correct accordingly. Additionally, please provide the interest rate for the long-term debt amount of \$1,078,966.
12. The following questions relate to **Schedule E-1** for water and wastewater, which reflects present and proposed rates.
 - a. For water, the private fire protection rates for the 4 inch and 6 inch meter sizes are incorrect per the tariff. In addition, the private fire protection rates for the other meter sizes are not approved in the utility’s current tariff.
 - b. For water, there is a charge of \$2,251.70 for the 10-inch meter size for the residential and general service classes. However, the charge is not an approved charge in the utility’s current tariff.
 - c. For wastewater, the proposed rate for the residential base facility charge for all meter sizes indicates a reference error.
 - d. For wastewater, the proposed revenues for the residential class and total residential revenues indicate a reference error.
 - e. For water and wastewater, the proposed rates do not represent the appropriate equivalent residential connection per meter size. It appears that there is a rounding issue for each rate per meter size. In addition, please make sure that the change in rates are revised on Schedule E-2.

13. The following questions relate to **Schedules E-2**, which provides a calculation of revenues at present and proposed rates using **Schedule E-14**, billing analysis.
 - a. For water and wastewater, the residential and general service bills shown on Schedule E-2 do not match the number of residential and general service bills shown on Schedule E-14.
 - b. For water, the total residential gallons shown for the 1-inch meter size on Schedule E-2 do not match the number of residential gallons shown on Schedule E-14.
14. The gallons pumped on **Schedule F-1** should match the flows shown on the monthly operating reports sent to the Florida Department of Environmental Protection. However, none of the amounts match. Please provide the correct values.
15. **Schedule F-3** contains the fire flow calculation as 1,000 gallons per day. Please provide the documents supporting this calculation.

If the specific deficiencies above require a corresponding change to any MFR schedule, those corrected schedules must also be submitted in accordance with Rule 25-30.436(4), F.A.C. Your petition will not be deemed filed until the deficiencies identified in this letter have been corrected. These corrections should be submitted no later than **Friday, October 13, 2023**, to the following address:

**Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850**

Should you have any questions concerning the information in this letter, please feel free to contact Penelope Buys at (850) 413-6518 or pbuys@psc.state.fl.us for questions.

Sincerely,

s/Tom Ballinger

Tom Ballinger, Director
Division of Engineering

TB:pz

cc: Office of Commission Clerk (Docket No. 20230081-WS)