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December 18, 2023

Adam Teitzman, Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dkt #: 20230114

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COMMISSION CLERK

Re: Docket No. 20230114-WS; Application for certificates to provide water and wastewater service in Volusia County by Applegate Utility, LLC

Dear Mr. Teitzman:

This letter will serve as the response of the Applicant to the Florida Public Service Commission's "second deficiency letter" issued in the above-referenced matter on December 14, 2023. I have outlined below each of the three deficiencies raised in the Commission's letter and the utility's response to each.

1. **Filing Fee.** Rule 25-30.020(2)(a), Florida Administrative Code (F.A.C.), states that all applications for an original certificate filed pursuant to Section 367.045, Florida Statutes, shall pay a filing fee based on a utility's existing or proposed capacity. Regarding Applegate's response to Staff's Deficiency Letter, the filing fee is not calculated based on the number of customers, but instead on the existing capacity. Therefore, the required filing fees are \$1,500 for water service and \$750 for wastewater service, for a total filing fee of \$2,250. The Utility paid a filing fee of \$1,500. Please remit the remaining filing fee balance of \$750.

Utility Response. The Utility filed a supplement to Exhibit A to its application on October 20, which provided a listing of the number and types of customers served by the Utility. The system is currently serving 88 wastewater customers and 144 water customers and is at buildout. The filing fee for that size system is \$750 for water and \$750 for wastewater under the referenced rule. Based upon my discussions with members of the PSC staff, I have determined that their interpretation of the above-referenced rule relies upon the DEP rated capacity of the water system in order to determine the appropriate capacity of the system and therefore the filing fee. The Utility believes that this reliance upon rated capacity, rather than the limitations of the remainder of the system, leads to an illogical and unreasonable application of the rule requirements and therefore an excessive proposed filing fee. DEP rated capacity is likely the result of one or two pumps having a larger horsepower or gpd rate capacity than is necessary in order to serve the Utility's customer base. However, all other components of the system are constructed for the purpose of serving the existing customer base and no further expansion of the system is anticipated or even possible. Therefore, the staff interpretation of the rule is unreasonable and illogical.