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PAUL RENNER
*Speaker of the House of
Representatives*

April 25, 2024

VIA: ELECTRONIC FILING

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

Docket No. 20240068 - WS – Public Counsel’s Identification of Deficiency in the Test Year Request Letter submitted by Sunshine Water Services Company.

Dear Mr. Teitzman:

In response to the April 19, 2024, letter from Martin S. Friedman, the Office of Public Counsel (“OPC”), on behalf of the Citizens of Florida and the customers of Sunshine Water Services Company (SWSC or Utility), submits observations about the completeness of the Utility’s test year request letter.

In accordance with Rule 25-30.430(2)(c), Florida Administrative Code (F.A.C.), the test year request must include a general statement of all known estimated pro forma adjustments that will be made to the requested test year amounts. This specific provision was included in the rule amendment that became effective on June 25, 1990. Pro forma adjustments are “known and measurable changes beyond the historical test year.”

SWSC provided detailed descriptions and estimated amounts for pro forma plant adjustments; however, SWSC did not provide any pro forma retirement(s) or pro forma accumulated depreciation adjustments. Pursuant to Rule 25-30.430(2)(c), F.A.C., the Utility is required to provide estimated amounts for pro forma retirement or pro forma accumulated depreciation adjustments.¹

¹ Document No. 02410-2008, PSC Docket No. 20080121-WS, *In re: Application for increase in water and wastewater rates.*

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April 24, 2024
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Further, on the first page of its test year request letter, the Utility merely stated: “[h]owever, there will be pro forma adjustments to expenses to reflect expenses that will be incurred in the years when rates will be in effect.” As such, SWSC did not provide any descriptions or estimated dollar amounts for any pro forma expense adjustments (e.g., pro forma operations & maintenance expenses, depreciation expenses, property taxes, etc.). Pursuant to Rule 25-30.430(2)(c), F.A.C., the Utility is required to provide estimated amounts for pro forma expenses as well.²

The Commission has previously determined that additional information related to pro forma adjustments is necessary before the Commission can make a determination as to the appropriateness of the requested test year.³

Thank you for your consideration.

Respectfully,

/s/ Austin Watrous
Austin Watrous
Associate Public Counsel
watrous.austin@leg.state.fl.us

CC: Parties of Record

² *Id.*

³ See Attachment A for a test year deficiency letter dated March 11, 2008.

Attachment A

COMMISSIONERS:
MATTHEW M. CARTER II, CHAIRMAN
LISA POLAK EDGAR
KATRINA J. MCMURRIAN
NANCY ARGENZIANO
NATHAN A. SKOP

STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

March 11, 2008

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Kenneth A. Hoffman
Rutledge, Ecenia, Purnell & Hoffman
P.O. Box 551
Tallahassee, Florida 32301-1841

080121-WS

Re: Test Year Letter Request for Aqua Utilities Florida

Dear Mr. Hoffman:

The Commission received your letter dated February 29, 2008, requesting approval for Aqua Utilities Florida (AUF) to file a rate case using a historical test year ended December 31, 2007, with pro forma plant and operating expense adjustments, for establishing final rates. Docket No. 080121-WS has been assigned to AUF's application for an increase in rates.

In evaluating the request, we have determined that additional information will be necessary before the Commission can make a determination as to the appropriateness of the requested test year. In accordance with Rule 25-30.430(2)2.(c), Florida Administrative Code, the test year request must include a general statement of all known estimated pro forma adjustments which will be made to the requested test year amounts. While AUF did include verbiage describing the types of pro forma adjustments that it anticipated including in its request, the filing is deficient as AUF did not provide an estimate of the pro forma adjustments.

To properly evaluate the merits of AUF's request, it will need to submit an estimate of the pro forma adjustments associated with plant additions and improvements, as well as, proposed changes to expense. We ask that AUF submit these estimates by March 31, 2008. If you have any questions, please contact Cheryl Bulecza-Banks either by phone at (850) 413-6642, or by e-mail at cbulecza@psc.state.fl.us.

Sincerely,

Tim Devlin
Director, Division of Economic Regulation

cc: Division of Economic Regulation (Willis, Bulecza-Banks, Fletcher)
Division of General Counsel (Brubaker)
Office of the Commission Clerk
J.R. Kelly, Office of Public Counsel
Christopher Franklin, Regional President, Aqua Utilities Florida

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