

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Proposed amendment of Rule 25-30.0371,
F.A.C., Acquisition Adjustments.

Docket No. 20240022-WS

Filed:

**CENTRAL STATES WATER RESOURCES FLORIDA'S RESPONSE TO PUBLIC
COUNSEL'S REQUEST FOR HEARING**

CSWR-Florida Utility Operating Company, LLC (CSWR-Florida) files this response to Office of Public Counsel's (OPC or Public Counsel) Amended Petition for Hearing on Proposed Rule 25-30.0371, Florida Administrative Code (F.A.C.) Acquisition Adjustments. As stated in the request for hearing, OPC's objections to certain provisions in the Proposed Rule are the same ones that were raised by OPC, and rejected by the Commission, at the March 5, 2024, Agenda Conference.

The rule as proposed by the Commission is the result of careful consideration by the Commission Staff and Commission and represents needed improvements to the existing rule to encourage the acquisition of small, non-viable systems by larger systems that provide benefits to customers and help improve water quality in the state. CSWR-Florida supports the Proposed Rule attached to Order No. PSC-2024-0066-NOR-WS issued on March 13, 2024.

OPC's request that the Commission retain its current practice of "determining the approval or denial of an acquisition adjustment at the time of transfer," has been considered and rejected at every point in the rulemaking process for this rule. It should be rejected again. The three-year time frame in the proposed rule is a reasonable time within which the acquiring utility has the opportunity to operate the acquired system and identify deficiencies and needed improvements. Also, allowing some time after acquisition is in line with what the Commission's practice has been in gas company acquisition cases.

The Commission and Commission Staff have likewise considered and rejected OPC's second suggested change to require a showing of a cumulative present value revenue requirement (CPVRR) for non-viable utilities as well as viable utilities. The rule as proposed, recognizes the paramount concern of ensuring safe and adequate water services. By advocating for a requirement of a CPVRR analysis OPC's focus appears only to be continuing existing rates, rates that may have remained unchanged for years despite rising costs, even if it means customers will remain at risk for unsafe and substandard water and wastewater services. As such, OPC's advocacy for a strict CPVRR analysis offers little or no value towards resolving the issue of non-viable water utilities in the State of Florida. For this reason, the Commission should continue to reject OPC's requests for a CPVRR study.

CSWR-Florida supports the Proposed Rule and looks forward to participating in the public hearing on the rule scheduled for May 7, 2024.

Respectfully Submitted,

/s/ Susan F. Clark

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail to the following parties on this 30th day of April, 2024.

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