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Public Service Commission

May 14, 2024

Mr. William T. Smoot
4337 Pablo Oaks Court, Suite 101
Jacksonville, FL 32224
wts@wetengineering.net

**STAFF'S SECOND DATA REQUEST
VIA EMAIL**

Re: Docket No. 20240011-WU - Application for certificate to provide water service in St. Johns County, by Riverdale Utility Holding, Inc.

Dear Mr. Smoot:

By this letter, the Florida Public Service Commission (Commission) staff requests that Riverdale Utility Holding Inc. (Riverdale or Utility) provide responses to the following data requests:

1. In response to staff's first data request, the Utility provided an Excel spreadsheet showing the calculations of rate base, cost of capital, and net operating expense. The following questions are in reference to that Excel.
 - a. The Utility reflected \$104,443 in Salaries & Wages – Employees at 80% capacity in the tab titled "O&M." Included in that amount, on line 3, is \$23,618 allocated to Licensed Operator (contract). In a note below, the Utility explained this amount was for the cost for contract operation based on vendor price estimate. Please provide the estimate and any other methodologies used in estimating that amount. If the estimations are based off of operation costs of other comparable utilities, please provide the utilities used, as well as an explanation of what makes these utilities comparable to Riverdale.
 - b. Please also provide the methodologies used in calculating the amounts for Mechanic/Maintenance and Administrative/Billing on lines 4 and 5 of the tab titled "O&M". If the estimations are based off of operation costs of other comparable utilities, please provide the utilities used as well as an explanation of what makes these utilities comparable to Riverdale.

- c. With respect to the above-referenced Mechanic/Maintenance labor item, please explain the duties associated with this labor category, and explain why a newly-built water treatment plant should require 1040 hours per year in maintenance/mechanic labor.
 - d. The Utility reflected \$93,750 for a generator in the tab titled "Sched 1 Dist_WTP Estimate." Please provide the bid estimates and technical specifications for this item.
 - e. The Utility reflected \$2,253,928 for the Utility's total structures and improvements account in the tab titled "Sched 1 Dist_WTP Estimate." Please explain what comprises the amount in this account.
 - f. With respect to the above-referenced total structures and improvements account, please explain what additions to structures and improvements are planned in years 2026, 2028, and 2032.
 - g. Please provide the bid estimate for the fire hydrants reflected on the tab titled "WTP," along with the fire hydrants' type and size. Please also provide the fire flow capacity.
2. Based on the billing determinants provided in the schedule, staff calculated an average consumption of 7,603 gallons a month. This is considered to be a high monthly average consumption. Please provide the data supporting the Utility's residential average consumption per month.
3. Please explain in detail the demographics of the proposed service territory.
4. The Commission sets initial residential customer deposits based on two times the average residential consumption for the 5/8" x 3/4" meter size, and two times the estimated bill for all general service meter sizes. Based on the above sentence, staff determined a residential customer deposit of \$270. As shown on Schedule 8, the Utility proposed a customer deposit of \$350. Therefore, the Utility's proposed customer deposit appears to be overstated based on the Utility's average consumption.
 - a. Please establish the appropriate dollar amount of customer deposits for the residential service.

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- b. Please explain the Utility's methodology for determining the initial customer deposits for residential, and if different from the Commission methodology, please explain why.
5. Please provide the electronic work papers in support of the Utility's proposed service availability charges.
6. As shown on Schedule 5, the Utility provided cost justification for a 5/8" x 3/4" meter size and fittings, which includes installation of \$250 and service installation of \$1,250. Please provide a cost breakdown of the service installation charge.

Please file all responses no later than Thursday, May 23, 2024, via the Commission's website at www.floridapsc.com, by selecting the Clerk's Office and Electronic Filing Web Form (reference Docket No. 20240011-WU). Please contact Mrs. Melinda Watts by phone at (850) 413-6952 or email at mwatts@psc.state.fl.us, if you have any questions.

Sincerely,

s/ Melinda Watts

Melinda Watts
Engineering Specialist
Division of Engineering

MW:da

cc: Office of the Commission Clerk (Docket No. 20240011-WU)