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PAUL RENNER
Speaker of the House of Representatives

October 11, 2024

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

Re: Docket No. 20240106- WU - Application for a revenue-neutral uniform water rate restructuring limited proceeding in Alachua, Duval, Leon, Okaloosa, and Washington Counties, by North Florida Community Water Systems, Inc.

Dear Mr. Teitzman:

The intent of this letter is to provide brief reply comments regarding the September 16, 2024, letter of North Florida Community Water Systems, Inc. (NFCWS or Utility) responding to the Office of Public Counsel's (OPC) September 13, 2024, Opposition letter.

NFCWS' contention that the potential subsidy levels would be adequately vetted in a limited proceeding is without merit because the only way to ensure that subsidy levels are not unduly discriminatory and that the consolidated rates are not excessive is through the vetting of the cost-of-service revenue requirements of all six systems in a rate case. The attempt to review and analyze the cost-of-service revenue requirements of six systems in a limited proceeding goes beyond what the limited scope intended for limited proceedings. Further, NFCWS acknowledged that four of the six systems would not otherwise be eligible for a limited proceeding.

NFCWS' assertion that there would be a 9.08% revenue increase on an aggregated basis based on unaudited amounts ended July 31, 2024, is almost entirely speculation. In support of this statement and our position, the OPC states the following: 1) the Utility's acknowledgement that its analysis does not include any non-used & useful adjustments; 2) NFCWS' acknowledgement that its analysis does not include any negative acquisition adjustments associated with some systems; 3) two water systems appear to have excessive unaccounted for water based on the 2023 Annual Report information; and 4) the \$73,817 salary amount for 20% of the president's time would need to be reduced in accordance with the Commission's recent decision for Royal Utilities – a sister company of NFCWS, as well as for the associated payroll taxes and certain amount for the accrued officer salaries recorded in Miscellaneous Current and Accrued Liabilities Account 241.6.

As support for its position, NFCWS asserted that OPC's failure to oppose a similar rule variance or waiver in another docket for a regulated sister company should bar the Commission's consideration of OPC's objection in this factually distinct docket. That is not how the burden of persuasion works. OPC's decision, as an interested party, to not raise an objection, in a factually different docket, at a different time does not establish unfairness, hardships or additional costs for NFCWS. If this Commission finds otherwise, specific findings are respectfully requested.

The movant, NFCWS bears the entire burden to demonstrate that it has adequately met its burden, under the law, to be granted the variance or waiver it seeks. The fact that OPC did not weigh-in on another prior case has no evidentiary value. Such a position suggests that, if OPC fails to object to every docket, it creates a permissible presumption in favor of, or a perpetual prohibition against raising future objections. The fact that OPC did not object in a prior, unrelated docket, impermissibly suggests that the underlying facts in these separate water systems have no bearing upon the procedural conduct of or results of a hearing of these dockets. It also suggests that going forward, the issues raised by OPC's opposition to the variance or waiver need not be considered by the Commission.

From the second paragraph on page one through the second full paragraph on page two of its letter, NFCWS simply reiterates language from Order No. PSC-2023-0113-PAA-WS for the approval of a similar waiver for its sister company FCWS that does not address or overcome the concern's raised by OPC's concerning the subsidy level and excessive level of consolidated rates raised in the instant case.

The Utility's portrayal that the likelihood of requested rate reductions for the majority of its customers would be eliminated, erroneously suggests that any potential rate reductions could not be achieved by the Commission's consideration in a rate case. Regarding the repairs for the Duval system, the OPC notes that those repairs reduced the amount of the settled overearnings for that system earlier this year via a stipulation with the Utility and OPC, and later approved by the Commission.

OPC always supports the full vetting of cost-of-service revenue requirements unless there are material grounds for waiver or variance. To resolve the four unknowns acknowledged by the Utility, these six water systems would benefit from the Commission's attention and review to render an informed decision regarding NFCWS' request for rate consolidation. As the Utility has not met the demonstration burden of any apparent unfairness, hardships, or additional costs, OPC respectfully recommends the Commission deny NCFWS' requested petition for partial variance or waiver of Rule 25-30.445, F.A.C., and NCFWS' application for a limited proceeding in Docket No. 20240106-WU pursuant to Provision (6)(c) of Rule 25-30.445, F.A.C., as lacking material evidence in support thereof.

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Respectfully submitted,

/s/ Walt Trierweiler
Walt Trierweiler
Public Counsel

CC: Parties of Record