

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties, by Sunshine Water Services Company.

DOCKET NO. 20240068-WS

DATED: December 15, 2024

COMMISSION STAFF’S PREHEARING STATEMENT

Pursuant to Order No. PSC-2024-0259-PCO-WS, filed July 23, 2024, modified by Order No. PSC-2024-0437-PCO-WS, filed October 2, 2024, the Staff of the Florida Public Service Commission files its Prehearing Statement.

1. All Known Witnesses

Witness	Subject Matter	Issues #
<b>Direct</b>		
Angela L. Calhoun <sup>1</sup>	Customer Complaints	1-2
Curt Mouring	Staff Audit Report	As needed

2. All Known Exhibits

Witness	Proffered By	Exhibit #	Description
<b>Direct</b>			
Angela L. Calhoun	Staff	ALC-1	List of Service Complaints
Angela L. Calhoun	Staff	ALC-2	List of Billing Complaints
Angela L. Calhoun	Staff	ALC-3	List of Complaints by System
Curt Mouring	Staff	CM-1	Auditor’s Report

3. Staff’s Statement of Basic Position

Staff’s positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff’s final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

---

<sup>1</sup> Document No. 10343-2024, filed December 23, 2024, in Docket No. 20240068-WS, is a Motion for Leave to Amend the Staff Witness Testimony of Angela Calhoun which has not been ruled on at the time of filing Commission Staff’s Prehearing Statement.

4. Staff's Position on the Issues

**Quality of Service/ Infrastructure and Operating Conditions**

**Issue 1:** Is the overall quality of service provided by the Utility satisfactory, and, if not, what systems have quality of service issues and what action should be taken by the Commission?

**POSITION:** No position at this time.

**Issue 2:** Are the infrastructure and operating conditions of the Utility's water and wastewater systems in compliance with Florida Department of Environmental Protection regulations?

**POSITION:** No position at this time.

**Rate Base**

**Issue 3:** Should any adjustments be made to test year plant-in service balances?

**POSITION:** No position at this time.

**Issue 4:** Should any adjustments be made to the Utility's pro forma plant additions?

**POSITION:** No position at this time.

**Issue 5:** What are the appropriate plant retirements to be made in this docket?

**POSITION:** No position at this time.

**Issue 6:** Do any water systems have excessive unaccounted for water and, if so, what adjustments are necessary, if any?

**POSITION:** No position at this time.

**Issue 7:** Do any wastewater systems have excessive infiltration and/or inflow and, if so, what adjustments are necessary, if any?

**POSITION:** No position at this time.

**Issue 8:** What are the appropriate used and useful percentages for the water treatment and related facilities of each water system?

**POSITION:** No position at this time.

**Issue 9:** What are the appropriate used and useful percentages for the water storage and related facilities of each water system?

**POSITION:** No position at this time.

**Issue 10:** What are the appropriate used and useful percentages for the water distribution and related facilities of each water system?

**POSITION:** No position at this time.

**Issue 11:** What are the appropriate used and useful percentages for the wastewater treatment and related facilities of each wastewater system?

**POSITION:** No position at this time.

**Issue 12:** What are the appropriate used and useful percentages for the collection lines and related facilities of each wastewater system?

**POSITION:** No position at this time.

**Issue 13:** Should any adjustments be made to test year accumulated depreciation?

**POSITION:** No position at this time.

**Issue 14:** Should any adjustments be made to test year CIAC balances?

**POSITION:** No position at this time.

**Issue 15:** Should any adjustments be made to test year accumulated amortization of CIAC?

**POSITION:** No position at this time.

**Issue 16:** What is the appropriate working capital allowance?

**POSITION:** No position at this time.

**Issue 17:** What is the appropriate rate base for the December 31, 2023 test year?

**POSITION:** No position at this time.

### **Cost of Capital**

**Issue 18:** What is the appropriate amount of accumulated deferred taxes to include in the capital structure?

**POSITION:** No position at this time.

**Issue 19:** What is the appropriate amount of customer deposits to include in the capital structure?

**POSITION:** No position at this time.

**Issue 20:** What is the appropriate cost rate for short-term debt for the test year?

**POSITION:** No position at this time.

**Issue 21:** What is the appropriate cost rate for long-term debt for the test year?

**POSITION:** No position at this time.

**Issue 22:** What is the appropriate return on equity (ROE) for the test year?

**POSITION:** No position at this time.

**Issue 23:** What is the appropriate weighted average cost of capital including the proper components, amounts and cost rates associated with the capital structure?

**POSITION:** No position at this time.

### **Net Operating Income**

**Issue 24:** What are the appropriate test year revenues?

**POSITION:** No position at this time.

**Issue 25:** What is the appropriate amount of rate case expense?

**POSITION:** No position at this time.

**Issue 26:** Should any adjustment be made to the Utility's proposed pro forma expenses?

**POSITION:** No position at this time.

**Issue 27:** Should any adjustment be made to the Utility's proposed management expenses?

**POSITION:** No position at this time.

**Issue 28:** Should any further adjustments be made to the Utility's test year O&M expenses?

**POSITION:** No position at this time.

**Issue 29:** Should any adjustments be made to test year taxes other than income?

**POSITION:** No position at this time.

**Issue 30:** Should any adjustments be made to test year depreciation expense?

**POSITION:** No position at this time.

**Issue 31:** Should any adjustments be made to test year amortization of CIAC expense?

**POSITION:** No position at this time.

**Issue 32:** What is the appropriate amount of test year income taxes?

**POSITION:** No position at this time.

#### **Revenue Requirement**

**Issue 33:** What is the appropriate revenue requirement for the December 31, 2023 test year?

**POSITION:** No position at this time.

#### **Rates and Rate Structure**

**Issue 34:** What are the appropriate rate structures and rates for the water systems?

**POSITION:** No position at this time.

**Issue 35:** What are the appropriate private fire protection charges?

**POSITION:** No position at this time.

**Issue 36:** What are the appropriate rate structures and rates for the wastewater systems?

**POSITION:** No position at this time.

**Issue 37:** What are the appropriate reuse rates?

**POSITION:** No position at this time.

#### **Other Issues**

**Issue 38:** What are the appropriate customer deposits?

**POSITION:** No position at this time.

**Issue 39:** What are the appropriate miscellaneous service charges?

**POSITION:** No position at this time.

**Issue 40:** What are the appropriate guaranteed revenue charges?

**POSITION:** No position at this time.

**Issue 41:** What are the appropriate meter installation charges?

**POSITION:** No position at this time.

**Issue 42:** Should the Utility's request to establish deferral accounts related to the Corix Infrastructure Inc. and SW Merger Acquisition Corp. merger be approved?

**POSITION:** No position at this time.

**Issue 43:** What is the appropriate amount by which rates should be reduced after the established effective date to reflect the removal of the amortized rate case expense?

**POSITION:** No position at this time.

**Issue 44:** Should the Utility be required to notify, within 90 days of an effective order finalizing this docket, that it has adjusted its books for all the applicable National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (USOA) associated with the Commission approved adjustments?

**POSITION:** No position at this time.

**Issue 45:** Should this docket be closed?

**POSITION:** No position at this time.

### **Contested Issues**

**Issue A:** Is the overall value to a customer provided by the Utility satisfactory, and, if not, what systems have value issues and what action should be taken by the Commission?

**POSITION:** No position at this time.

COMMISSION STAFF'S PREHEARING STATEMENT

DOCKET NO. 20240068-WS

PAGE 7

**Issue B:** Are the resulting rates affordable within the meaning of fair, just, and reasonable pursuant to Sections 367.081 and 367.121 Florida Statutes?

**POSITION:** No position at this time.

**Issue C:** Should the Commission approve the Utility's Advanced Metering Infrastructure (AMI) project?

**POSITION:** No position at this time.

5. Stipulated Issues

None.

6. Pending Motions

Commission Staff's Motion for Leave to Amend Testimony.

7. Pending Confidentiality Claims or Requests

Staff has no pending confidentiality claims or requests.

8. Objections to Witness Qualifications as an Expert

None.

9. Compliance with Order Nos. PSC-2024-0259-PCO-WS and PSC-2024-0437-PCO-WS

Staff has complied with all requirements of the Order Establishing Procedure as Amended entered in this docket.

Respectfully submitted this 15th day of January, 2025.

/s/ Ryan Sandy

RYAN SANDY

Senior Attorney, Office of the General Counsel

FLORIDA PUBLIC SERVICE COMMISSION

2540 Shumard Oak Boulevard

Tallahassee, Florida 32399-0850

Telephone: (850) 413-6199

rsandy@psc.state.fl.us

discovery-gcl@psc.state.fl.us

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties, by Sunshine Water Services Company.

DOCKET NO. 20240068-WS

DATED: December 15, 2024

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that STAFF'S PREHEARING STATEMENT has been filed with the Office of Commission Clerk and that a true copy has been furnished to the following by electronic mail this 15th day of January, 2025:

<p>Martin S. Friedman John L. Wharton Dean Law Firm 420 S. Orange Avenue Suite 700 Orlando, Florida 32801 <a href="mailto:mfriedman@deanmead.com">mfriedman@deanmead.com</a> <a href="mailto:jwharton@deanmead.com">jwharton@deanmead.com</a> <a href="mailto:agilmore@deanmead.com">agilmore@deanmead.com</a></p>	<p>Sean Twomey Jacquee Sillitoe Sunshine Water Services 200 Weathersfield Avenue Altamonte Springs, Florida 32714-4027 <a href="mailto:Sean.twomey@sunshinewater.com">Sean.twomey@sunshinewater.com</a> <a href="mailto:Jacquee.sillitoe@sunshinewater.com">Jacquee.sillitoe@sunshinewater.com</a></p> <p>Walt Trierweiler Charles J. Rehwinkel Octavio Simoes-Ponce Austin Watrous Office of Public Counsel c/o The Florida Legislature 111 West Madison Street, Suite 812 Tallahassee, Florida 32399-1400 <a href="mailto:Trierweiler.walt@leg.state.fl.us">Trierweiler.walt@leg.state.fl.us</a> <a href="mailto:Rehwinkel.charles@leg.state.fl.us">Rehwinkel.charles@leg.state.fl.us</a> <a href="mailto:Ponce.octavio@leg.state.fl.us">Ponce.octavio@leg.state.fl.us</a> <a href="mailto:Watrous.austin@leg.state.fl.us">Watrous.austin@leg.state.fl.us</a></p>
--	---

*/s/ Ryan Sandy*

RYAN SANDY  
Senior Attorney, Office of the General Counsel  
FLORIDA PUBLIC SERVICE COMMISSION  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850  
Telephone: (850) 413-6199  
[rsandy@psc.state.fl.us](mailto:rsandy@psc.state.fl.us)  
[discovery-gcl@psc.state.fl.us](mailto:discovery-gcl@psc.state.fl.us)