

# **Central States Water Resources Florida's Post-Workshop Reply Comments Workshop to Examine Regulatory Policies and Practices in the Water and Wastewater Industry**

## **Introductory Comments**

Central States Water Resources – Florida (CSWR-Florida) appreciates the opportunity to provide these post-workshop reply comments. Having reviewed the post workshop comments filed by other participants in the workshop, CSWR-Florida provides the following response to comments filed by the participants in the Workshop.

### **Comments Filed by Industry Participants**

CSWR-Florida notes that industry participants<sup>1</sup> are in agreement on the need for revisiting Florida Public Service Commission (Commission) policies applicable to water and wastewater (W&W) acquisitions. Specifically, those policies should be revised with an eye toward promoting system consolidation by: (1) encouraging the acquisition of small, non-viable systems by larger viable systems, and (2) providing a range of incentives to encourage investments in needed infrastructure.

CSWR-Florida is in general agreement with the other industry participants regarding their comments on the need to: (1) revise the Commission's criteria on acquisition adjustments and provide flexibility regarding the timing of a decision on an acquisition adjustment; (2) address the setting of ROEs for W&W utilities to reflect risks and consider ROE adders to incent acquisitions and infrastructure investment; (3) revise the used and useful rules; (4) promote rate consolidation and consolidation of administration functions (e.g. accounting, financing, billing), and (5) address various means of improving regulatory efficiency.

### **Comments Filed by the Office of Public Counsel**

The post-workshop comments filed by the Office of Public Counsel are a reiteration of their comments at the workshop, the gist of which is there is no need to revise any Commission policy on the issues discussed at the Workshop.

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<sup>1</sup> Industry participants include: National Association of Water Companies; Sunshine Water Services; U.S. Water Services Corporation; Ni Florida, Inc.; and CSWR-Florida.

Effectively, given its satisfaction with the interpretation of a policy that has done little to encourage system consolidation and acquisition of non-viable system acquisition, the Office of Public Counsel simply seeks to maintain the status quo. CSWR-Florida disagrees and believes failing to address needed changes is a disservice to W&W customers in Florida by denying them the benefits that accrue from the consolidation of smaller systems into larger systems and the provision of necessary operational and customer services that result from a larger viable company. System consolidation is a positive step in improving service to customers and ensuring that environmental, health and safety standards are met.