

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for an increase in water and
wastewater rates in Charlotte, Highlands, Lake,
Lee, Marion, Orange, Pasco, Pinellas, Polk,
and Seminole Counties by Utilities, Inc. of Florida

Docket No. 20200139-WS

DIRECT TESTIMONY

OF

JARED DEASON

on behalf of

Utilities, Inc. of Florida

1 **Q. Please state your, name profession and address.**

2 A. My name is Jared Deason. I am the Regulatory Manager for Utilities, Inc. of Florida. My
3 business address is 200 Weathersfield Ave., Altamonte Springs, FL 32714.

4 **Q. State briefly your educational background and experience.**

5 A. I have a Bachelors Degree in Economics from Florida State University. I have
6 approximately 10 years of experience in the utility industry, the last five years of which
7 has been with Utilities, Inc. of Florida (UIF). I joined UIF in June 2015 as a Financial
8 Analyst. I am currently the Regulatory Manager. I was previously employed by the
9 Florida Public Service Commission in the years 2007 to 2011 as a Regulatory Analyst IV
10 assigned to the water and wastewater section of the former Division of Economic
11 Regulation. In that role I was lead analyst in many water and wastewater rate
12 proceedings. Additionally, I am a current member of the Society of Utility and
13 Regulatory Financial Analysts and I am a Certified Rate of Return Analyst (CRRA).

14 **Q. On whose behalf are you presenting this testimony?**

15 A. I am presenting this testimony and appearing on behalf of UIF, the applicant for rate increase
16 in the present docket.

17 **Q. What is the purpose of your direct testimony?**

18 A. The purpose of my direct testimony is to sponsor the billing analysis, allocation schedules,
19 and to address UIF's proposal for cost recovery for its proposed Sewer and Water
20 Improvement Mechanism ("SWIM").

21 **Q. Are you sponsoring any exhibits?**

22 A. Yes, I am sponsoring 2 exhibits; the billing analysis schedules contained in MFR Volume II
23 and the allocation schedules required by Commission Rule 25-30.436(4)(h), which are
24 contained on a USB drive provided to the Commission Clerk.

25 **Q. Were these Exhibits prepared by you and your staff under your supervision and**

1 **control?**

2 A. Yes, they were.

3 **Q. Would explain UIF’s proposal to recover the capital costs of the implementation of**
4 **SWIM?**

5 A. The revenue requirement would be inclusive of the return on investment as calculated
6 using the equity and debt components of the weighted average cost of capital from UIF’s
7 prior rate case and depreciation expense (calculated using the Commission prescribed
8 depreciation rates), grossed up for federal and state income taxes. UIF proposes the
9 additional revenues associated with the SWIM be recovered by combining it with the
10 annual index filing. Therefore, the revenue requirements for the Program and the index
11 mechanism will be included together to calculate the percentage increase in rates. The
12 Program, as proposed by UIF, would require an annual filing in conjunction with the
13 index and pass-through filings. The filing would detail the investments made, revenue
14 requirement associated with the investments, and a projection of the next two years of
15 scheduled investments with estimated revenue requirements. The annual filings would
16 also provide for Commission review and audit of the program as well as continuous
17 oversight of the effectiveness and rate impacts to customers. A true-up would be filed
18 with the Commission on an annual basis that would show the actual replacement costs,
19 actual index revenues, and over or under recovery amount for the 12-month historical
20 period from January 1 through December 31 of the year prior to UIF’s annual SWIM
21 petition. This true up would occur annually prior to April 30th in conjunction with the
22 index filings.

23 **Q. Does that conclude your direct testimony?**

24 A. Yes

25

CERTIFICATE OF SERVICE

HEREBY CERTIFY that on the 30th day of June 2020, a true and correct copy of the foregoing Prefiled Direct Testimony has been served via email to:

Walter Trierweiler, Esquire
Office of General Counsel
wtrierwe@psc.state.fl.us

Stephanie Morse, Esquire
Office of Public Counsel
morse.stephanie@leg.state.fl.us

/s/ Martin S. Friedman

MARTIN S. FRIEDMAN