



PHONE (850) 425-6654 FAX (850) 425-6694 WEB WWW.RADEYLAW.COM
MAIL POST OFFICE BOX 10967 | TALLAHASSEE, FL 32302 OFFICE 301 SOUTH BRONOUGH ST. | STE. 200 | TALLAHASSEE, FL 32301

e-Mail: tcrabb@radeylaw.com

November 9, 2021

VIA Electronic Filing to the Office of Commission Clerk

Amber Norris, Public Utilities Supervisor
Jonathan Blocker, Public Utility Analyst I
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 20210093-WS - Application for transfer of water and wastewater systems of Aquarina Utilities, Inc., Water Certificate No. 517-W, and Wastewater Certificate No. 450-S to CSWR-Florida Utility Operating Company, LLC, in Brevard County.

Dear Ms. Norris and Mr. Blocker:

Exhibit D to the Purchase and Sale Agreement (Application Exhibit A page 18 of 25) references a purchase price allocation to be inserted prior to closing. CSWR-Florida Utility Operating Company, LLC ("CSWR-FL") has made the following allocation of the \$2,500,00 purchase price for regulatory purposes:

\$825,000 to potable water (33% of purchase price),

\$775,000 to nonpotable water (31% of purchase price), and

\$900,000 to wastewater (36% of purchase price).

The methodology used to determine these allocation amounts is a ratio of 2020 annual operating revenue of each component to the total operating revenue as reported on Aquarina's 2020 Annual Report to the Commission. According to Aquarina's 2020 Annual Report, operating revenues last year totaled \$655,200, broken out as \$216,791 (33%) from potable water, \$203,867 (31%) from nonpotable water, and \$234,542 (36%) from wastewater.

Applying those same percentages to the purchase price of \$2,500,000 provides allocations of \$825,000 (33%) to potable water, \$775,000 (31%) to nonpotable water, and \$900,000 (36%) to



wastewater. As described in Exhibit A (Supplement) to the Application, CSWR-FL will not be acquiring any nonregulated assets or operations of the Seller.

Thank you for the opportunity to provide additional information in support of the application. Please feel free to contact me at your convenience with any additional questions or concerns.

Sincerely,

/s/ Thomas A. Crabb

Thomas A. Crabb
Attorney for Buyer CSWR-FL

cc: Stephanie Morse, Esq., Office of Public Counsel (morse.stephanie@leg.state.fl.us)
Martin Friedman, Esq. (mfriedman@deanmead.com)