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# Public Service Commission

March 23, 2022

Ms. Susan Clark  
Radey Thomas Yon & Clark, P.A.  
301 South Bronough St., Suite 200  
Tallahassee, FL 32301  
sclark@radeylaw.com

**STAFF'S FIRST DATA REQUEST  
VIA EMAIL**

**Re: Docket No. 20220019-WU - Application for transfer of water facilities of Neighborhood Utilities, Inc. and water Certificate No. 430-W to CSWR-Florida Utility Operating Company, LLC, in Duval County.**

Dear Ms. Clark:

Please provide the information requested below regarding CSWR-Florida Utility Operating Company, LLC (CSWR or Utility) to the Office of Commission Clerk by **April 13, 2022**.

1. Does the Utility plan on once again asking for a deferral of a decision regarding the requested positive acquisition adjustment?
2. Other than Order No. 24259, issued March 20, 1991, in Docket No. 19900928-WS, *In re: Application for transfer of facilities and Certificate No. 229-S from PPW Sewer Company, Inc. and transfer of facilities of PPW Water Company Inc. to Utilities, Inc. of Florida; cancellation of Certificate No. 283-W; and amendment of Certificate No. 107-W in Pasco County*, are you aware of any other orders, in Florida or other original cost states, where a request to defer the decision on a positive acquisition adjustment was approved? If so, please provide a copy of the order(s).
3. Is it correct that after rate base is set, if a company provides support in a separate and subsequent case for utility investments that were not previously supported, that a company can prospectively recover the undepreciated amount of that investment? If not, please explain in detail.
4. In its application, the Utility stated that the quality of service would be improved by access to managerial and operational resources not available to a system the size of Neighborhood Utilities, Inc. Please elaborate and quantify cost savings previously realized in other jurisdictions.
5. If the transfer is approved, does CSWR plan on using the leverage formula?

6. Based on CSWR's extensive experience serving approximately 180,000 customers through many utilities in several states, what do you estimate will be the approximate overall cost of capital for this system?
7. Since the contract between CSWR and Neighborhood Utilities, Inc. was signed, CSWR has had over nine months to learn about the water system and area. Based on CSWR's extensive experience in operating utilities in other states, what estimated cost savings is anticipated for the benefit of the customers?
8. Please provide a copy of all orders in original cost states where you have been denied a positive acquisition adjustment.
9. Please provide a copy of all orders in original cost states where you have been granted a positive acquisition adjustment.
10. For each of the orders provided in the Utility's response to data request number nine above where a positive acquisition adjustment was approved, please provide whether the cost savings to customers were greater than the acquisition adjustment.
11. Please estimate and quantify the impact to customer rates of potential future rate case proceedings due to the requested positive acquisition adjustment.
12. In its application, the Utility stated that through the consolidation of many small systems, CSWR will reduce overall operating expenses of the acquired systems. The following items relate to this assertion:
  - a. In order to demonstrate cost savings, please estimate and provide a breakdown of projected Operations & Maintenance (O&M) expenses that reflect CSWR assuming operation of the Utility. In your response, please include all basis, assumptions, documentation, and calculations which supports CSWR's estimated/projected O&M expenses.
  - b. Using the O&M expenses from the Utility's 2020 Annual Report, please compare and identify projected cost savings to operating expenses that will be achieved through CSWR's acquisition of North Peninsula's systems.
13. Please provide the specific regulatory compliance issues the previous owner had, and state how CSWR anticipates improving the Utility's compliance with regulatory mandates.
  - a. With respect to anticipated improvements in quality of service, the Utility listed in its application the steps it plans to take to achieve improvements in quality of service. Please provide specific information regarding the Seller's history of quality of service.

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Please file all responses electronically at the Commission's website at [www.floridapsc.com](http://www.floridapsc.com), by selecting the Clerk's Office and Electronic Filing Web Form. Please contact me by phone at (850) 413-6836 or by email at [kmaloy@psc.state.fl.us](mailto:kmaloy@psc.state.fl.us), if you have any questions.

Sincerely,



Kerri Maloy  
Engineering Specialist

KM:pz

cc: Mr. Thomas Crabb, Esq. ([tcrabb@radeylaw.com](mailto:tcrabb@radeylaw.com))  
Office of Commission Clerk (Docket No. 20220019-WU)