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DANIEL PEREZ
Speaker of the House of Representatives

March 20, 2026

Adam J. Teitzman, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 20250052-WS - Application for increase in water and wastewater rates in Brevard, Citrus, Duval, Highlands, Marion, and Volusia Counties by CSWR-Florida Utility Operating Company.

Dear Mr. Teitzman:

Please find enclosed for filing in the above-referenced docket the Direct Testimony and Exhibits of Ralph Smith, CPA. This filing is being made via the Florida Public Service Commission's web-based electronic filing portal.

If you have any questions or concerns, please do not hesitate to contact me. Thank you for your assistance in this matter.

Sincerely,

Walt Trierweiler
Public Counsel

/s/ Austin Watrous
Austin Watrous
Associate Public Counsel
Florida Bar No.: 1044249
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CERTIFICATE OF SERVICE
DOCKET NO. 20250052-WS

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail on this 20th day of March, 2026, to the following:

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in water and
wastewater rates in Brevard, Citrus, Duval,
Highlands, Marion, and Volusia Counties by
CSWR-Florida Utility Operating Company.

Docket No.: 20250052-WS

Filed: March 20, 2026

DIRECT TESTIMONY

OF

RALPH SMITH, CPA

ON BEHALF

OF

THE CITIZENS OF THE STATE OF FLORIDA

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Exhibits:

RCS-1, Qualifications Appendix

RCS-2, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Water - Consolidated

RCS-3, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Aquarina Utilities - Water

RCS-4, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for CFAT H2O Landfair WWTF - Water

RCS-5, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Neighborhood Utilities - Water

RCS-6, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Rolling Oaks Utilities - Water

RCS-7, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Sunshine Utilities - Water

RCS-8, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Tradewinds Village - Water

RCS-9, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Tymber Creek Utilities - Water

RCS-10, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Wastewater - Consolidated

RCS-11, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Aquarina Utilities - Wastewater

RCS-12, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for BFF Corp - Wastewater

RCS-13, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for CFAT H2O Landfair WWTF - Wastewater

RCS-14, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for North Peninsula - Wastewater

RCS-15, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Rolling Oaks Utilities - Wastewater

RCS-16, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Sebring Ridge Utilities - Wastewater

RCS-17, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for TKCB - Wastewater

RCS-18, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Tradewinds Village - Wastewater

RCS-19, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Tymber Creek Utilities - Wastewater

RCS-20, Adjustments to Rate Base and Operating Expenses

1 **DIRECT TESTIMONY**

2 **OF**

3 **RALPH SMITH**

4 On Behalf of the Office of Public Counsel

5 Before the

6 Florida Public Service Commission

7 Docket No. 20250052-WS

8
9 **I. INTRODUCTION**

10 **Q. WHAT IS YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS?**

11 A. My name is Ralph Smith. I am a Certified Public Accountant licensed in the State of
12 Michigan and a senior regulatory consultant at the firm Larkin & Associates, PLLC
13 (“Larkin”), Certified Public Accountants, with offices at 15728 Farmington Road,
14 Livonia, Michigan, 48154.

15
16 **Q. PLEASE DESCRIBE THE LARKIN FIRM.**

17 A. Larkin is a Certified Public Accounting and Regulatory Consulting Firm. The firm
18 performs independent regulatory consulting primarily for public service/utility
19 commission staffs and consumer interest groups (public counsels, public advocates,
20 consumer counsels, attorneys general, etc.). Larkin has extensive experience in the
21 utility regulatory field as expert witnesses in over 600 regulatory proceedings,
22 including numerous electric, water and wastewater, gas, and telephone utility cases.

1 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE FLORIDA PUBLIC**
2 **SERVICE COMMISSION (“FPSC” OR “COMMISSION”)?**

3 A. Yes, I have testified before the Commission previously. I have also testified before
4 several other state regulatory commissions.

5
6 **Q. HAVE YOU PREPARED AN EXHIBIT DESCRIBING YOUR**
7 **QUALIFICATIONS AND EXPERIENCE?**

8 A. Yes. I have attached Exhibit RCS-1, which is a summary of my regulatory experience
9 and qualifications.

10

11 **Q. ON WHOSE BEHALF ARE YOU APPEARING?**

12 A. Larkin was retained by the Florida Office of Public Counsel (“OPC”) to review the rate
13 request of CSWR-Florida Utility Operating Company, LLC (“CSWR Florida,” or
14 “Company”) owned by CSWR, LLC. Accordingly, I am appearing on behalf of the
15 Citizens of the State of Florida (“Citizens”).

16

17 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

18 A. I am presenting OPC's overall recommended revenue requirement in this case. I also
19 sponsor the OPC’s recommended adjustments to the Company's proposed rate base and
20 operating income.

21

22 **Q. WHAT EXHIBITS HAVE YOU ATTACHED TO YOUR TESTIMONY?**

23 A. I have attached the following exhibits:

1
2

Table 1
Exhibits Used in Testimony of Ralph Smith, CPA

RCS-1, Qualifications Appendix

RCS-2, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Water - Consolidated

RCS-3, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Aquarina Utilities - Water

RCS-4, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for CFAT H2O Landfair WWTF - Water

RCS-5, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Neighborhood Utilities - Water

RCS-6, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Rolling Oaks Utilities - Water

RCS-7, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Sunshine Utilities - Water

RCS-8, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Tradewinds Village - Water

RCS-9, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Tymber Creek Utilities - Water

RCS-10, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Wastewater - Consolidated

RCS-11, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Aquarina Utilities - Wastewater

RCS-12, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for BFF Corp - Wastewater

RCS-13, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for CFAT H2O Landfair WWTF - Wastewater

RCS-14, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for North Peninsula - Wastewater

RCS-15, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Rolling Oaks Utilities - Wastewater

RCS-16, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Sebring Ridge Utilities - Wastewater

RCS-17, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for TKCB - Wastewater

RCS-18, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Tradewinds Village - Wastewater

RCS-19, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Tymber Creek Utilities - Wastewater

RCS-20, Adjustments to Rate Base and Operating Expenses

1 **Q. ARE ANY ADDITIONAL WITNESSES APPEARING ON BEHALF OF THE**
2 **FLORIDA OFFICE OF PUBLIC COUNSEL IN THIS CASE?**

3 A. No.

4

5 **II. CSWR FLORIDA'S REQUESTED REVENUE INCREASES**

6 **Q. PLEASE BRIEFLY SUMMARIZE THE REVENUE INCREASES THAT WAS**
7 **STATED TO BE REQUESTED BY CSWR FLORIDA IN THE COMPANY'S**
8 **DIRECT TESTIMONY.**

9 A. As stated on page 9 of Company witness Josiah Cox's direct testimony that was filed
10 on May 30, 2025, CSWR Florida asked that the Commission approve a total annual
11 revenue requirement for the water operations of \$7,076,871, which Mr. Cox stated
12 represents an increase of \$3,223,769 over adjusted current revenues of \$3,853,102.

13 For its wastewater operations, Mr. Cox stated that the Company is seeking a
14 total annual revenue requirement of \$4,287,200. Mr. Cox's direct testimony stated that
15 represented an increase of \$954,881 over adjusted current revenues of \$3,332,319.

16

17 Company's Revised Water Utilities Revenue Increase

18 **Q. WERE THOSE INCREASES ADJUSTED BY CSWR FLORIDA IN THE**
19 **COMPANY'S UPDATED FILING ON NOVEMBER 21, 2025?**

20 A. Yes. On the Company's MFR Schedule B-1 Excel file filed on November 21, 2025,
21 for the water utilities on a consolidated basis, CSWR Florida shows a total annual
22 revenue requirement of \$6,842,424, which represents an increase of \$3,056,866 or
23 80.75% over adjusted current revenues of \$3,785,558.

1 **Q. HOW HAVE YOU REPRODUCED THE CALCULATION OF CSWR**
2 **FLORIDA’S REQUESTED REVENUE INCREASE FOR THE WATER**
3 **UTILITIES ON A CONSOLIDATED BASIS?**

4 A. On Exhibit RCS-2, Schedule A, page 1, in column A1, I have reproduced CSWR
5 Florida’s requested consolidated water revenue increase of \$3,056,866 using
6 information that was presented by CSWR Florida in its MFR Schedule B-1 Excel file
7 that was filed on November 21, 2025.

8
9 **Q. DO YOU ADDRESS THE REVENUE REQUIREMENTS FOR EACH CSWR**
10 **FLORIDA WATER UTILITY SEPARATELY IN YOUR TESTIMONY?**

11 A. Yes. I address the revenue requirements for each CSWR Florida water utility separately
12 in my testimony and show related calculations in the following exhibits:

13 **Table 2**
14 **Exhibits Showing Revenue Requirement Calculations**
15 **for each CSWR Florida Water Utility**

RCS-3, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Aquarina Utilities - Water
RCS-4, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for CFAT H2O Landfair WWTF - Water
RCS-5, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Neighborhood Utilities - Water
RCS-6, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Rolling Oaks Utilities - Water
RCS-7, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Sunshine Utilities - Water
RCS-8, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Tradewinds Village - Water
RCS-9, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Tymber Creek Utilities - Water

1 Company's Revised Wastewater Utilities Revenue Increase

2 **Q. WERE THE WASTEWATER UTILITIES INCREASES ALSO ADJUSTED BY**
3 **CSWR FLORIDA IN THE COMPANY'S UPDATED FILING ON NOVEMBER**
4 **21, 2025?**

5 A. Yes. On the Company's MFR Schedule B-2 Excel file filed on November 21, 2025,
6 for the wastewater utilities on a consolidated basis, CSWR Florida shows a total annual
7 revenue requirement of \$3,706,992, which represents an increase of \$232,507 over
8 adjusted current revenues of \$3,474,486.

9
10 **Q. HOW HAVE YOU REPRODUCED THE CALCULATION OF CSWR**
11 **FLORIDA'S REQUESTED REVENUE INCREASE FOR THE WASTEWATER**
12 **UTILITIES ON A CONSOLIDATED BASIS?**

13 A. On Exhibit RCS-10, Schedule A, page 1, in column A1, I have reproduced CSWR
14 Florida's requested consolidated wastewater revenue increase of \$232,507 using
15 information that was presented by CSWR Florida in its MFR Schedule B-2 Excel file
16 that was filed on November 21, 2025.

17
18 **Q. DO YOU ADDRESS THE REVENUE REQUIREMENTS FOR EACH CSWR**
19 **FLORIDA WASTEWATER UTILITY SEPARATELY IN YOUR**
20 **TESTIMONY?**

21 A. Yes. I address the revenue requirements for each CSWR Florida wastewater utility
22 separately in my testimony and show related calculations in the following exhibits:

1
2
3

Table 3
Exhibits Showing Revenue Requirement Calculations
for each CSWR Florida Wastewater Utility

RCS-11, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Aquarina Utilities - Wastewater
RCS-12, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for BFF Corp - Wastewater
RCS-13, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for CFAT H2O Landfair WWTF - Wastewater
RCS-14, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for North Peninsula - Wastewater
RCS-15, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Rolling Oaks Utilities - Wastewater
RCS-16, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Sebring Ridge Utilities - Wastewater
RCS-17, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for TKCB - Wastewater
RCS-18, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Tradewinds Village - Wastewater
RCS-19, Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Tymber Creek Utilities - Wastewater

4
5

III. OPC’S ADJUSTED REVENUE INCREASES FOR CONSOLIDATED WATER UTILITIES

6
7
8

Q. WHAT REVENUE INCREASE, IF ANY, SHOULD THE COMMISSION AUTHORIZE FOR CSWR FLORIDA’S CONSOLIDATED WATER UTILITIES DO YOU RECOMMEND?

9
10
11
12
13
14

A. As shown on Exhibit RCS-2, Schedule A, page 1, in column B, for the CSWR Florida consolidated water utilities, I recommend that the Commission not allow a revenue increase of more than \$1.966 million, which is an approximate increase of 52% over adjusted revenues of the \$3,785,558 generated by current rates. The consolidated water utilities increase of no more than \$1.966 million is also shown on Exhibit RCS-2, Schedule C, column D, line 1.

1 **IV. OPC'S ADJUSTED REVENUE CHANGE FOR CONSOLIDATED**
2 **WASTEWATER UTILITIES**

3 **Q. WHAT REVENUE CHANGE, IF ANY, SHOULD THE COMMISSION**
4 **AUTHORIZE FOR CSWR FLORIDA'S CONSOLIDATED WASTEWATER**
5 **UTILITIES DO YOU RECOMMEND?**

6 A. As shown on Exhibit RCS-10, Schedule A, page 1, in column B, for the CSWR Florida
7 consolidated wastewater utilities, I recommend a revenue decrease of at least \$68,327,
8 which is a decrease of approximately 2% from the adjusted revenues of \$3,474,486
9 generated by current rates. The consolidated wastewater utilities revenue decrease of
10 at least \$68,327 is also shown on Exhibit RCS-10, Schedule C, column D, line 1.

11
12 **V. ORGANIZATION OF TESTIMONY**

13 **Q. HOW ARE THE DISCUSSIONS THAT ARE BEING ADDRESSED IN YOUR**
14 **TESTIMONY ORGANIZED?**

15 A. In Section VI, I discuss each of my recommended adjustments which impact the
16 Company's requested revenue requirement. In Section VII, I discuss the organization
17 of the revenue requirement summary schedules for consolidated results and for each
18 water and wastewater utility. In Section VIII, I discuss the organization of the rate base
19 and operating income adjustment schedules. Finally, in Section IX, I summarize the
20 recommended revenue requirement for each CSWR Florida water and wastewater
21 utility and for consolidated water utilities and for the consolidated wastewater utilities.

22
23 **VI. RECOMMENDED ADJUSTMENTS**

24 **Q. WHAT ADJUSTMENTS ARE YOU RECOMMENDING THAT AFFECT**
25 **CSWR'S REQUESTED REVENUE REQUIREMENT?**

1 A. I am recommending the following adjustments that affect CSWR’s requested revenue
2 requirements:

- 3 1) Removal of CSWR Florida’s requested acquisition adjustments,
4 2) Use of the Commission’s updated leverage graph formula for computing
5 the return on equity,
6 3) Reflection of the Company’s net operating loss carryforwards (“CF” or
7 “CFs”) in the calculation of income tax expense, and
8 4) Removal of the lobbying expense portion of industry association dues.

9 I discuss each of those recommended adjustments below in the same order in which
10 they have been identified.

11

12 Removal of CSWR Florida’s Requested Acquisition Adjustments

13 **Q. WHAT ACQUISITION ADJUSTMENTS HAS CSWR FLORIDA**
14 **REQUESTED?**

15 A. The Company has requested to include in utility rate base, the following three
16 Acquisition Adjustments:

17

18

Table 4
Acquisition Adjustments Requested by CSWR Florida

Utility	Amount
Aquarina Utilities	\$ 2,316,288
Sunshine Utilities	\$ 5,860,877
North Peninsula Utilities Corporation	\$ 1,196,741
Total Acquisiton Adjustments	\$ 9,373,906

1 **Q. HAS CSWR FLORIDA PROPOSED AN AMORTIZATION PERIOD FOR THE**
2 **ACQUISITION ADJUSTMENTS?**

3 A. It appears that an amortization period was proposed by the Company, but no
4 amortization expense was included in the Company's proposed revenue requirement in
5 the current rate case, and to date no amortization has been recorded through the end of
6 the test year on the Company's books for accounting purposes. CSWR Florida witness
7 Brent Thies, at page 26 of his direct testimony, recommends an amortization period of
8 30 years for the Company's acquisition adjustments. His testimony also states that this
9 amortization period has been used in the calculation of the revenue requirement in this
10 case.

11
12 **Q. DID THE COMPANY INCLUDE ANY AMORTIZATION OR**
13 **DEPRECIATION EXPENSE FOR THOSE ACQUISITION ADJUSTMENTS IN**
14 **THIS CASE?**

15 A. No.

16
17 **Q. HAS THE COMPANY RECORDED ON ITS BOOKS ANY AMORTIZATION**
18 **OR DEPRECIATION EXPENSE FOR THOSE ACQUISITION**
19 **ADJUSTMENTS?**

20 A. No. As stated in the Company's response to OPC's 2nd Set of Interrogatories No. 3(b),
21 no amortization or depreciation expense has been recorded on the Company's books
22 related to acquisition adjustments for Aquarina Utilities, Sunshine Utilities, and North
23 Peninsula Utilities.

1 **Q. HAVE THOSE ACQUISITIONS BEEN ADDRESSED IN OTHER DOCKETS?**

2 A. Yes. The acquisition adjustments Aquarina Utilities, Sunshine Utilities, and North
3 Peninsula Utilities were addressed in other dockets, 20210093-WS, 20210095-WU,
4 and 20210133-SU, respectively. These dockets are closed. I offer no opinion on how it
5 would be possible for decisions in those closed dockets to be made part of this case. I
6 am not an attorney licensed in Florida and have not been engaged by the OPC to address
7 any legal matters in this docket.

8

9 **Q. HAVE THOSE OTHER DOCKETS BEEN CONSOLIDATED WITH THE**
10 **CSWR FLORIDA RATE CASE?**

11 A. No. The Company's response to OPC's 2nd Set of Interrogatories No. 3(a) confirms
12 that the Company has not requested that those acquisition dockets be consolidated into
13 the current rate case.

14

15 **Q. DID THE OPC OPPOSE THE INCLUSION IN RATE BASE OF THOSE**
16 **ACQUISITION ADJUSTMENTS IN EACH OF THOSE OTHER**
17 **ACQUISITION DOCKETS?**

18 A. Yes. It is my understanding that the OPC opposed the inclusion in rate base of those
19 acquisition adjustments in those prior acquisition dockets and that it continues to
20 oppose their inclusion in rate base in the current CSWR Florida rate case.

21

22 **Q. PLEASE EXPLAIN YOUR REASONS FOR REMOVING THOSE**
23 **ACQUISITION ADJUSTMENTS.**

1 A. Based on my review of the plain language of each of the previously adjudicated
2 acquisition dockets, the Commission found that the Buyer, CSWR Florida, failed to
3 demonstrate the extraordinary circumstances necessary to support the inclusion of a
4 positive acquisition adjustment. In the current rate case, based on my experience as an
5 accountant addressing issues of acquisition adjustments, CSWR Florida has also failed
6 to demonstrate the circumstances necessary to support the inclusion of a positive
7 acquisition adjustment. Thus, the positive acquisition adjustments being sought by the
8 Company should be removed from each of the utility's respective rate bases.

9

10 **Q. WOULD THE INCLUSION OF THOSE POSITIVE ACQUISITION**
11 **ADJUSTMENTS HARM RATEPAYERS BY INCREASING THE REVENUE**
12 **REQUIREMENT?**

13 A. Yes. The inclusion of those positive acquisition adjustments in rate base would harm
14 customers by increasing the revenue requirement of CSWR Florida.

15

16 **Q. WOULD THE INCLUSION OF THOSE POSITIVE ACQUISITION**
17 **ADJUSTMENTS HARM RATEPAYERS BY REQUIRING RATEPAYERS TO**
18 **PAY DUPLICATIVELY FOR UTILITY PLANT THAT HAD BEEN**
19 **DEPRECIATED UNDER THE PREVIOUS OWNERSHIP?**

20 A. Yes. The acquisition adjustments represent amounts paid above the depreciated net
21 book value of the acquired utilities. Thus, having ratepayers pay for those positive
22 acquisition adjustments would essentially require the customers to pay duplicatively
23 and excessively for the same pre-acquisition utility plant as a result of the ownership
24 change.

1 **Q. HAS THE COMPANY DEMONSTRATED THAT THOSE ACQUISITION**
2 **ADJUSTMENTS RELATE TO THE ELIMINATION OF SUBSTANDARD**
3 **CONDITIONS AT SMALL, TROUBLED SYSTEMS AND WOULD ALLOW**
4 **CUSTOMERS TO RECEIVE A BETTER QUALITY OF SERVICE AT**
5 **REASONABLE RATES?**

6 A. No. CSWR Florida has failed to demonstrate that the Aquarina, Sunshine, and North
7 Peninsula systems were small, troubled systems that had substandard operating
8 conditions that could not have been addressed or eliminated by the previous owners.
9 Nor has CSWR Florida demonstrated that including the acquisition adjustments in rate
10 base would provide customers with a better quality of service at just and reasonable
11 rates. In fact, the only impact of including the Aquarina, Sunshine, and North Peninsula
12 acquisition adjustments in rate base would be to increase the revenue requirements for
13 those utilities in the current rate case, which would be a harm to the customers of those
14 utilities, and a harm to customers of other CSWR Florida utilities under the
15 consolidated revenue requirements for the water and wastewater utilities, respectively.

16
17 **Q. MAY THE OPC HAVE ADDITIONAL REASONS FOR REMOVING THOSE**
18 **ACQUISITION ADJUSTMENTS?**

19 A. Yes. It is my understanding that the OPC reserves the right to present additional reasons
20 for removing the CSWR Florida proposed acquisition adjustments from utility rate base
21 to the extent new information that was not previously made available to the OPC comes
22 to light.

1 Q. DID THE STAFF AUDIT REPORT IN THE RATE CASE ALSO
2 RECOMMEND REMOVAL OF THOSE ACQUISITION ADJUSTMENTS?

3 A. Yes.

4

5 Q. HAVE YOU REMOVED THE COMPANY'S PROPOSED ACQUISITION
6 ADJUSTMENTS FROM RATE BASE?

7 A. Yes. Each of the Company's proposed acquisition adjustments have been removed
8 from the rate base that was proposed by CSWR Florida for Aquarina Utilities, Sunshine
9 Utilities, and North Peninsula Utilities. These adjustments also effectively remove the
10 proposed acquisition adjustments from the consolidated rate base(s) as discussed
11 below.

12

13 Q. WHERE IS THE REMOVAL OF THOSE COMPANY PROPOSED
14 ACQUISITION ADJUSTMENTS SHOWN ON YOUR EXHIBITS?

15 A. Exhibit RCS-20, Schedule E-1 shows the removal of the Company's proposed
16 acquisition adjustments. The removal amounts from Exhibit RCS-20, Schedule E-1 are
17 incorporated in the calculations of the revenue requirements for each of the respective
18 utilities on the rate base schedule, Schedule B, and in the revenue requirement schedule,
19 Schedule A, for each of the affected utilities on the following exhibits:

20

21

Table 5
Exhibits Showing Removal of Company Proposed Acquisition Adjustments

RCS-3, Aquarina Utilities - Water RCS-7, Sunshine Utilities - Water RCS-11, Aquarina Utilities - Wastewater RCS-14, North Peninsula - Wastewater

1 **Q. HAVE THE COMPANY’S PROPOSED ACQUISITION ADJUSTMENTS**
2 **ALSO BEEN REMOVED FROM THE CONSOLIDATED WATER AND**
3 **CONSOLIDATED WASTEWATER UTILITY RATE BASE?**

4 A. Yes. The Company’s proposed acquisition adjustments have also been removed from
5 the consolidated water and consolidated wastewater utility rate base, as shown on
6 Exhibit RCS-2 for the consolidated water, and on Exhibit RCS-10 for the consolidated
7 wastewater utilities results.

8

9 Commission’s Leverage Graph Order for Return on Equity

10 **Q. WHAT COMMISSION ORDER HAVE YOU USED FOR CALCULATING**
11 **THE RETURN ON EQUITY FOR EACH CSWR FLORIDA UTILITY?**

12 A. I used the Commission’s Order No. PSC-2025-0213-PAA-WS (“2025 Leverage Graph
13 Order”), that was issued June 18, 2025, in Docket No. 20250006-WS to compute the
14 return on equity (“ROE”) for each CSWR Florida utility.

15

16 **Q. WHAT IS THE FORMULA TO USE FOR COMPUTING THE ROE THAT**
17 **WAS SPECIFIED IN THAT ORDER?**

18 A. The formula for computing the ROE specified in the 2025 Leverage Graph Order is as
19 follows: $ROE = 7.17\% + (1.337\% / \text{Equity Ratio})$.

20 The resulting range of returns is 8.51% at 100% equity to 10.51% at 40% equity.

1 **Q. DOES THE STAFF AUDIT REPORT RECOMMEND THAT THE UPDATED**
2 **CALCULATION SHOULD BE APPLIED FOR COMPUTING THE**
3 **COMPANY’S ROE IN THE CURRENT RATE CASE?**

4 A. Yes.

5
6 **Q. DOES CSWR FLORIDA AGREE THAT THE UPDATED CALCULATION**
7 **SHOULD BE APPLIED FOR COMPUTING THE COMPANY’S ROE IN THE**
8 **CURRENT RATE CASE?**

9 A. Yes. In his deposition held on February 25, 2025, Company witness Thies agreed that
10 the currently applicable Commission leverage graph formula, as specified in the 2025
11 Leverage Graph Order, should be used to compute the return on equity (“ROE”) for
12 CSWR Florida in the current rate case.

13
14 **Q. HOW HAVE YOU REFLECTED THE ROE FOR EACH CSWR FLORIDA**
15 **UTILITY USING THE FORMULA FROM THE 2025 LEVERAGE GRAPH**
16 **ORDER?**

17 A. On Schedule D of each of the following exhibits, I show the calculation of the resultant
18 ROE using the formula from the 2025 Leverage Graph Order for each of the CSWR
19 Florida water and wastewater utilities:

1
2
3

Table 6
Exhibits Showing Resultant ROE Calculations for each
CSWR Florida Utility

RCS-3, Aquarina Utilities - Water
RCS-4, CFAT H2O Landfair WWTF - Water
RCS-5, Neighborhood Utilities - Water
RCS-6, Rolling Oaks Utilities - Water
RCS-7, Sunshine Utilities - Water
RCS-8, Tradewinds Village - Water
RCS-9, Tymber Creek Utilities - Water
RCS-11, Aquarina Utilities - Wastewater
RCS-12, BFF Corp - Wastewater
RCS-13, CFAT H2O Landfair WWTF - Wastewater
RCS-14, North Peninsula - Wastewater
RCS-15, Rolling Oaks Utilities - Wastewater
RCS-16, Sebring Ridge Utilities - Wastewater
RCS-17, TKCB - Wastewater
RCS-18, Tradewinds Village - Wastewater
RCS-19, Tymber Creek Utilities - Wastewater

4 **Q. FOCUSING ON THE PRESENTATION IN EXHIBIT RCS-3, FOR AQUARINA**
5 **UTILITIES - WATER, CAN YOU PLEASE EXPLAIN THE CALCULATION?**

6 A. Yes. Referring to Exhibit RCS-3, Schedule D, which shows the cost of capital
7 calculation for Aquarina Utilities, Water, this utility has only short-term debt and
8 common equity capital. As shown on RCS-3, Schedule D, line 15, after adjustments,
9 the utility has common equity capital of 98.94%. Applying the formula from the 2025
10 Leverage Graph Order, using that common equity ratio results in an ROE of 8.52% for
11 Aquarina Utilities, Water.

1 **Q. ARE THE OTHER ROE CALCULATIONS FOR EACH WATER AND**
2 **WASTEWATER UTILITY IDENTIFIED IN THE ABOVE-NOTED EXHIBITS**
3 **DONE SIMILARLY?**

4 A. Yes. The ROE calculations for each of the other CSWR Florida water and wastewater
5 utilities are done similarly, as shown on Schedule D of each applicable Exhibit, i.e., on
6 Schedule D from Exhibits RCS-3 through RCS-9 and RCS-11 through RCS-19.

7
8 **Q. WHERE HAVE YOU REFLECTED THE ROE FOR THE COMBINED CSWR**
9 **FLORIDA WATER UTILITIES FOR USING THE FORMULA FROM THE**
10 **2025 LEVERAGE GRAPH ORDER?**

11 A. Exhibit RCS-2, Water - Consolidated, Schedule D shows the calculation of the resultant
12 ROE using the formula from the 2025 Leverage Graph Order for the combined CSWR
13 Florida water utilities.

14
15 **Q. WHAT ROE HAVE YOU CALCULATED FOR THE COMBINED CSWR**
16 **FLORIDA WATER UTILITIES FOR USING THE FORMULA FROM THE**
17 **2025 LEVERAGE GRAPH ORDER?**

18 A. As shown on Exhibit RCS-2, Schedule D, page 2, I calculated an ROE of 8.54% for
19 the consolidated water utilities.

20
21 **Q. WHERE HAVE YOU REFLECTED THE ROE FOR THE COMBINED CSWR**
22 **FLORIDA WASTEWATER UTILITIES FOR USING THE FORMULA FROM**
23 **THE 2025 LEVERAGE GRAPH ORDER?**

1 A. Exhibit RCS-10, Wastewater - Consolidated, Schedule D shows the calculation of the
2 resultant ROE using the formula from the 2025 Leverage Graph Order for the combined
3 CSWR Florida wastewater utilities.

4

5 **Q. WHAT ROE HAVE YOU CALCULATED FOR THE COMBINED CSWR**
6 **FLORIDA WASTEWATER UTILITIES FOR USING THE FORMULA FROM**
7 **THE 2025 LEVERAGE GRAPH ORDER?**

8 A. As shown on Exhibit RCS-10, Schedule D, page 2, I calculated an ROE of 8.54% for
9 the consolidated wastewater utilities.

10

11 Income Tax Allowance and Application of NOL Carryforwards

12 **Q. HOW DID CSWR CALCULATE THE ALLOWANCE FOR INCOME TAX**
13 **EXPENSE IN THE CURRENT RATE CASE?**

14 A. For many but not all of the utilities, CSWR calculated income taxes by multiplying rate
15 base by the Company's proposed weighted cost of common equity to derive state
16 taxable income before state tax exemptions. After applying the state tax exemptions,
17 the Company computed state income tax expenses by multiplying state taxable income
18 by the state income tax rate of 5.50%. After subtracting state income taxes from taxable
19 income, the Company apply the 21% federal corporate income tax rate to its computed
20 amount of federal taxable income to derive its requested federal income tax expense
21 amount.

1 **Q. HAVE YOU REPLICATED CSWR FLORIDA'S CALCULATION OF**
2 **INCOME TAX EXPENSE FOR EACH UTILITY?**

3 A. Yes. On Schedule A-1 of each of the following Exhibits I have replicated CSWR
4 Florida's calculation of the income tax expense for each water and wastewater utility:

5 **Table 7**
6 **Exhibits Showing CSWR Florida's Calculation of Income Tax Expense**
7 **for each Water and Wastewater Utility**

RCS-3, Aquarina Utilities - Water
RCS-4, CFAT H2O Landfair WWTF - Water
RCS-5, Neighborhood Utilities - Water
RCS-6, Rolling Oaks Utilities - Water
RCS-7, Sunshine Utilities - Water
RCS-8, Tradewinds Village - Water
RCS-9, Tymber Creek Utilities - Water
RCS-11, Aquarina Utilities - Wastewater
RCS-12, BFF Corp - Wastewater
RCS-13, CFAT H2O Landfair WWTF - Wastewater
RCS-14, North Peninsula - Wastewater
RCS-15, Rolling Oaks Utilities - Wastewater
RCS-16, Sebring Ridge Utilities - Wastewater
RCS-17, TKCB - Wastewater
RCS-18, Tradewinds Village - Wastewater
RCS-19, Tymber Creek Utilities - Wastewater

8 **Q. USING THE AQUARINA WATER UTILITY, CAN YOU PLEASE EXPLAIN**
9 **YOUR REPLICATION OF THE CSWR FLORIDA CALCULATIONS OF**
10 **INCOME TAXES?**

11 A. Yes. Exhibit RCS-3, Schedule A-1, page 1 of 2, shows the replication of the
12 Company's proposed calculations of income taxes for the Aquarina Water Utility.

1 Section I replicates the Company’s proposed adjustment for income taxes. Line
2 1 reproduces the Company’s proposed rate base. Line 2 shows the Company’s
3 proposed weighted cost of equity of 8.6769%. Line 3 shows the result of multiplying
4 the weighted cost of equity times the Company’s proposed rate base. Line 4 reproduces
5 the Company’s amounts for state tax exemptions. Line 5 shows the amount of state
6 taxable income. Line 6 shows state income taxes computed using the tax rate of 5.5%.
7 Line 8 shows federal taxable income. Line 9 shows federal income taxes computed at
8 the federal corporate income tax rate of 21%. Line 10 shows the Company’s proposed
9 amounts for state and federal income taxes.

10

11 **Q. WHAT IS SHOWN IN THE OTHER SECTIONS OF EXHIBIT RCS-2,**
12 **SCHEDULE A-1, PAGE 1 OF 2?**

13 A. The other sections relate to replicating each component of the Company’s proposed
14 revenue increase for the utility. Section II replicates the Company’s proposed
15 adjustment for the return that the Company has proposed. Section III replicates the
16 calculation of the Company’s proposed RAF fees. Section IV replicates the
17 components of the Company’s proposed revenue increase for the Aquarina water
18 utility.

19

20 **Q. DOES THE COMPANY HAVE INCOME TAX NET OPERATING LOSSES?**

21 A. Yes. Since its formation, the Company has had income tax net operating losses
22 (“NOL”). CSWR Florida has basically reported losses both for book accounting
23 purposes and for income tax purposes since its inception and continuing through the
24 test year. Also, it appears that CSWR Florida’s parent company, CSWR, LLC, has not

1 been reflecting a profit. This understanding is based on responses to questions asked
2 of CSWR Florida witness Brent Thies during his deposition and from a review of other
3 information that has been provided by the Company.

4

5 **Q. ARE ANY OF THE COMPANY’S INCOME TAX NET OPERATING LOSSES**
6 **ATTRIBUTABLE TO THE USE OF ACCELERATED FEDERAL INCOME**
7 **TAX DEPRECIATION?**

8 A. No. The Company does not use accelerated federal income tax depreciation. Thus,
9 none of its tax net operating losses are attributable to the use of accelerated federal
10 income tax depreciation.

11

12 **Q. DO THE INTERNAL REVENUE CODE NORMALIZATION RESTRICTIONS**
13 **THAT ARE APPLICABLE TO THE USE BY A UTILITY OF ACCELERATED**
14 **FEDERAL INCOME TAX DEPRECIATION APPLY TO USING CSWR**
15 **FLORIDA’S NOL AMOUNTS?**

16 A. No. Because none of the Company’s NOLs or NOL carryforwards were caused by the
17 use of accelerated federal income tax depreciation, the Internal Revenue Code
18 normalization restrictions that are applicable to the use by a utility of accelerated
19 federal income tax depreciation apply to using CSWR Florida’s NOL amounts.

20

21 **Q. HAS THE COMMISSION PROVIDED GUIDANCE ON HOW TAX NET**
22 **OPERATING LOSSES SHOULD BE APPLIED IN COMPUTING A**
23 **UTILITY’S INCOME TAX ALLOWANCE?**

1 A. Yes. For example, page 48 of Order No. PSC-06-0170-PAA-WS provides the
2 following guidance for computing a utility’s income tax expense allowance when there
3 have been tax net operating losses:

4 “Income Tax Provision

5 The utility has proposed that an income tax provision be calculated. We disagree
6 with this proposal. The utility has never paid income taxes. The utility has substantial
7 net operating loss carry-forwards. Although some of these loss carry-forwards will
8 expire before being used, we believe that for the next five to six years, the utility will
9 incur no income tax liability.

10 This Commission has addressed this issue in the past. The most recent case is that
11 of Sebring Gas System, Inc., in which we found that:

12 [a] corporation may carryforward a NOL [net operating loss] up to 20 years.
13 Although the Company may reflect positive net income in 2005 and the
14 years to follow due to this rate increase, we find that it will take several
15 years before the Company will be able to fully utilize the NOL
16 carryforwards. Further, the customers have not benefited from the tax losses
17 the Company has accumulated over the years, as evidenced by zero income
18 tax expense reflected in prior years’ Annual Reports and Earnings
19 Surveillance Reports. Therefore, we find that the amount of income tax
20 expense reflected in the MFRs shall be zero and the federal and state income
21 tax factors in the revenue expansion factor shall be omitted.[1]

22 The instant case has exactly the same facts. Therefore, we decline to include a
23 provision for income taxes in this case.”

24 Footnote 1: Order No. PSC-04-1260-PAA-GU, issued December 20, 2004 Docket
25 No. 040270-GU, In re: Application for rate increase by Sebring Gas System, Inc.

1 **Q. HAS CSWR FLORIDA PAID INCOME TAXES?**

2 A. No. CSWR Florida has had both book and income tax NOLs in each year since its
3 inception. Thus, the Company did not have positive taxable income and has not paid
4 income taxes.

5
6 **Q. HAVE THE RULES ON APPLYING NET OPERATING LOSSES CHANGED
7 OVER THE YEARS?**

8 A. Yes. At one point, 100% of a company's NOL carryforward amounts could be used to
9 offset taxable income. However, the current income tax rules allow for only offsetting
10 taxable income by 80% of recently generated NOLs and the related NOL
11 carryforwards.

12
13 **Q. WHAT IS YOUR UNDERSTANDING OF HOW NOL CARRYFORWARDS
14 CAN CURRENTLY BE APPLIED TO OFFSET FLORIDA STATE
15 CORPORATE TAXABLE INCOME?**

16 A. My current understanding is that Florida allows corporations to carry forward NOLs to
17 offset future state income tax. Florida does not allow NOL carrybacks into prior years.
18 State income tax NOLs generated after December 31, 2017 can be carried forward
19 indefinitely. NOLs generated before 2018 expire after 20 years. For tax years
20 beginning on/after January 1, 2021, state NOLs can offset up to 80% of Florida
21 apportioned taxable income. In other words, for tax years 2025 or 2026, a company's
22 post-2020 NOLs can offset up to 80% of Florida tentative apportioned adjusted federal
23 income.

1 **Q. WHAT IS YOUR UNDERSTANDING OF HOW NOL CARRYFORWARDS**
2 **CAN BE APPLIED TO OFFSET CORPORATE TAXABLE INCOME FOR**
3 **FEDERAL INCOME TAX PURPOSES?**

4 A. My understanding is that for U.S. corporations, NOL carryforwards arising in tax years
5 beginning after 2020 can offset a maximum of 80% of taxable income in a single tax
6 year. Such NOLs can be carried forward indefinitely, but the 80% limitation applies
7 annually, with unused federal income tax NOLs continuing to carry forward. In
8 summary, the NOL CF application is limited to offsetting 80% of taxable income
9 calculated without regard to the NOL deduction itself. The federal income tax NOLs
10 arising after 2020 can be carried forward indefinitely, but they cannot be carried back
11 and applied retroactively. In contrast, federal NOL CFs attributable to tax years before
12 2018 generally follow the old rules (20-year carryforward after which they expire). The
13 pre-2018 NOL CFs are also able to offset current year federal taxable income with no
14 percentage limit. NOL CFs attributable to tax years 2018, 2019, and 2020 are not
15 subject to the 80% limitation and can fully offset 100% of taxable income.

16
17 **Q. HOW HAVE YOU APPLIED THAT NOL GUIDANCE IN THE CURRENT**
18 **CSWR FLORIDA RATE CASE?**

19 A. For purposes of the current CSWR Florida rate case, all NOL CFs are presumed for
20 ease of calculation to be generated after tax year 2018 and are subject to the 80%
21 limitation. As shown on Exhibit RCS-3, Schedule A-1, page 2, for Aquarina Water,
22 on lines 5a and 8a, the calculated amounts of state taxable income and federal taxable
23 income are offset by 80% to reflect the application of the Company's state and federal
24 income tax NOL carryforward position. In other words, calculated state and federal

1 taxable income before application of the NOL carryforwards is each reduced by 80%
2 pursuant to the guidance noted above for applying NOLs to state and federal taxable
3 income.

4

5 **Q. WHAT AMOUNT OF STATE AND FEDERAL INCOME TAXES DO YOU**
6 **SHOW FOR THE AQUARINA WATER UTILITY?**

7 A. As calculated on Exhibit RCS-3, Schedule A-1, page 2, for Aquarina Water on line 6,
8 I show \$427 and \$287 of state income tax expense for potable water and non-potable
9 water, respectively. Exhibit RCS-3, Schedule A-1, page 2, line 9, shows \$1,611 and
10 \$207 for federal income tax expense for potable water and non-potable water,
11 respectively. Total state and federal income taxes for the Aquarina water utility are
12 shown on line 10 to be \$2,038 and \$494 for potable water and non-potable water,
13 respectively.

14

15 **Q. ARE THE INCOME TAX ALLOWANCES FOR THE OTHER WATER AND**
16 **WASTEWATER UTILITIES CALCULATED SIMILARLY?**

17 A. Yes. The income tax allowances for the other utilities calculated similarly on Schedule
18 A-1 of Exhibits RCS-4 through RCS-9 for each water utility and on Exhibits RCS-11
19 through RCS-19 to each wastewater utility to show the application of the NOL
20 carryforwards to offset 80% of the applicable state and federal taxable income.

21

22 **Q. YOU PREVIOUSLY INDICATED THAT FOR MANY OF THE UTILITIES,**
23 **CSWR CALCULATED INCOME TAXES BY MULTIPLYING RATE BASE**
24 **BY THE COMPANY'S PROPOSED WEIGHTED COST OF COMMON**

1 EQUITY TO DERIVE STATE TAXABLE INCOME BEFORE STATE TAX
2 EXEMPTIONS. WAS THAT HOW CSWR FLORIDA PERFORMED THE
3 CALCULATION OF TAXABLE INCOME FOR ALL OF ITS UTILITIES IN
4 THE CURRENT RATE CASE?

5 A. No. For certain utilities, CSWR Florida first performed the calculation of multiplying
6 rate base by the Company's proposed weighted cost of common equity, but then also
7 multiplied that result by the Company's proposed overall weighted cost of capital. It
8 appears that CSWR performed this type of calculation for determining taxable income
9 for each of the following utilities, which I have reproduced on the following Exhibits
10 and Schedules:

11 **Table 8**
12 **Exhibits Showing Calculation Method Used by CSWR Florida**
13 **to Determine Taxable Income of Certain Utilities**

RCS-4, CFAT H2O Landfair WWTF - Water, Schedule A-1
RCS-5, Neighborhood Utilities - Water, Schedule A-1
RCS-12, BFF Corp - Wastewater, Schedule A-1
RCS-13, CFAT H2O Landfair WWTF - Wastewater, Schedule A-1
RCS-14, North Peninsula - Wastewater, Schedule A-1
RCS-16, Sebring Ridge Utilities - Wastewater, Schedule A-1
RCS-17, TKCB - Wastewater, Schedule A-1

14 Q. DOES THAT EXTRA MULTIPLICATION APPEAR TO REPRESENT A
15 MISTAKE ON THE COMPANY'S PART?

16 A. Yes.

1 **Q. PLEASE SUMMARIZE THE AMOUNTS OF INCOME TAX ALLOWANCE**
 2 **THAT CSWR FLORIDA HAS REQUESTED FOR WATER UTILITIES AND**
 3 **HOW THOSE COMPARE WITH THE OPC’S ADJUSTED RESULTS.**

4 A. The following table summarizes the amounts of income tax allowance that CSWR
 5 Florida requested for water utilities and how those compare with the OPC’s adjusted
 6 results:

7 **Table 9**
 8 **Comparison of CSWR Florida Income Tax Allowances**
 9 **for Water Utilities to OPC’s Adjusted Results**

Line No.	Sch. A-1 from Exhibit	Utility	Income Taxes		
			Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
1	RCS-3	Aquarina Utilities - Water - Potable	\$ 35,381	\$ 2,038	\$ (33,343)
2	RCS-3	Aquarina Utilities - Water - Non-Potable	\$ 25,975	\$ 494	\$ (25,480)
3	RCS-4	CFAT H2O Landfair WWTF - Water	\$ 585	\$ 1,386	\$ 800
4	RCS-5	Neighborhood Utilities - Water	\$ 807	\$ 1,926	\$ 1,119
5	RCS-6	Rolling Oaks Utilities - Water	\$ 65,749	\$ 12,572	\$ (53,177)
6	RCS-7	Sunshine Utilities - Water	\$ 191,197	\$ 14,804	\$ (176,392)
7	RCS-7	Sunshine Utilities - PP-QR	\$ 23,385	\$ 2,922	\$ (20,464)
8	RCS-8	Tradewinds Village - Water	\$ 7,361	\$ 1,448	\$ (5,913)
9	RCS-9	Tymber Creek Utilities - Water	\$ 705	\$ 106	\$ (599)
10		Total Water - Sum of Systems	\$ 351,145	\$ 37,695	\$ (313,449)
11		Difference	\$ 15,399	\$ 539	\$ (14,860)
12	RCS-2	Total Water - Consolidated	\$ 366,544	\$ 38,235	\$ (328,309)

10 **Q. WHERE DO YOU SHOW THE CALCULATION OF THE ADJUSTED**
 11 **INCOME TAXES FOR THE CONSOLIDATED WATER UTILITIES?**

12 A. The calculation of the adjusted income taxes for the consolidated wastewater utilities
 13 is shown on Exhibit RCS-2, Schedule A-1.

1 **Q. PLEASE SUMMARIZE THE AMOUNTS OF INCOME TAX ALLOWANCE**
 2 **THAT CSWR FLORIDA HAS REQUESTED FOR WASTEWATER**
 3 **UTILITIES AND HOW THOSE COMPARE WITH THE OPC’S ADJUSTED**
 4 **RESULTS.**

5 A. The following table summarizes the amounts of income tax allowance that CSWR
 6 Florida requested for wastewater utilities and how those compare with the OPC’s
 7 adjusted results:

8 **Table 10**
 9 **Comparison of CSWR Florida Income Tax Allowances for**
 10 **Wastewater Utilities to OPC’s Adjusted Results**

Line No.	Sch. A-1 from Exhibit	Utility	Income Taxes		
			Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
1	RCS-11	Aquarina Utilities - Wastewater	\$ 16,917	\$ 2,010	\$ (14,907)
2	RCS-12	BFF Corp - Wastewater	\$ 162	\$ 388	\$ 226
3	RCS-13	CFAT H2O Landfair WWTF - Wastewater	\$ 656	\$ 1,549	\$ 894
4	RCS-14	North Peninsula - Wastewater	\$ 3,826	\$ 3,235	\$ (591)
5	RCS-15	Rolling Oaks Utilities - Wastewater	\$ 78,577	\$ 15,305	\$ (63,272)
6	RCS-16	Sebring Ridge Utilities - Wastewater	\$ 1,276	\$ 2,995	\$ 1,719
7	RCS-17	TKCB - Wastewater	\$ 318	\$ 814	\$ 496
8	RCS-18	Tradewinds Village - Wastewater	\$ 2,377	\$ 445	\$ (1,933)
9	RCS-19	Tymber Creek Utilities - Wastewater	\$ 1,949	\$ 375	\$ (1,574)
10		Total Wastewater - Sum of Systems	\$ 106,058	\$ 27,116	\$ (78,943)
11		Difference	\$ 59,675	\$ (1,055)	\$ (60,729)
12	RCS-10	Total Wastewater - Consolidated	\$ 165,733	\$ 26,061	\$ (139,672)

11 **Q. WHERE DO YOU SHOW THE CALCULATION OF THE ADJUSTED**
 12 **INCOME TAXES FOR THE CONSOLIDATED WASTEWATER UTILITIES?**

13 A. The calculation of the adjusted income taxes for the consolidated wastewater utilities
 14 is shown on Exhibit RCS-10, Schedule A-1.

1 Lobbying Expense Portion of Industry Association Dues

2 **Q. HAS THE COMMISSION INDICATED THAT THE LOBBYING EXPENSE**
3 **ASSOCIATED WITH INDUSTRY DUES SHOULD BE DISALLOWED FOR**
4 **RATEMAKING PURPOSES?**

5 A. Yes. For example, in Order No. PSC-04-1260-PAA-GU, issued December 20, 2004
6 Docket No. 040270-GU, In re: Application for rate increase by Sebring Gas System,
7 Inc., the Commission stated that it is the Commission's practice to treat lobbying
8 expenses below the line. As a below-the-line item, the lobbying expense is borne by
9 the utility's shareholders and is not charged to ratepayers.

10
11 **Q. PLEASE EXPLAIN THE ADJUSTMENT FOR THE LOBBYING EXPENSE**
12 **PORTION OF THE COMPANY'S INDUSTRY ASSOCIATION DUES.**

13 A. As shown on Exhibit RCS-20, Schedule E-2, the lobbying portion of the Company's
14 industry association dues for the American Water Works Association ("AWWA") and
15 the National Association of Water Companies ("NAWC") is being removed. This
16 reduces the Company's proposed expense for the water utilities by \$3,495 and for the
17 wastewater utilities by \$2,111, for a total reduction of \$5,605, as shown on Schedule
18 E-2, page 1, in column I. The adjustment amounts are also shown on Schedule E-2,
19 page 1, in column I for each utility.

20
21 **Q. DOES THIS ADJUSTMENT COMPLETELY REMOVE LOBBYING COSTS**
22 **RECORDED ON CSWR FLORIDA'S BOOK?**

23 A. This adjustment only removes the lobbying costs that have been identified as being
24 included in the AWWA and NAWC industry dues invoicing charged to CSWR Florida.

1 To the extent that there are other lobbying costs that are directly or indirectly included
2 in affiliate costs charged to CSWR Florida or included in outside service costs charged
3 to, or recorded on the books of, the Company, I do not concede that such costs are
4 properly treated for ratemaking purposes in this case.

5
6 **Q. WHAT IS SHOWN IN THE OTHER COLUMNS OF EXHIBIT RCS-20,**
7 **SCHEDULE E-2, PAGE 1?**

8 A. Column C shows the Company's recorded amounts for AWWA and NAWC dues for
9 the test year. Column D shows the Company's proposed adjustment for known and
10 measurable changes. Column E shows the Company's adjusted test amounts. Column
11 F shows the amounts for each utility that relate to lobbying expense. Columns G and
12 H show the AWWA and NAWC lobbying amounts in the industry association dues,
13 respectively. Column I shows the adjustment to removing lobbying expense from those
14 AWWA and NAWC industry association dues amounts.

15
16 **Q. WHAT IS SHOWN ON EXHIBIT RCS-20, SCHEDULE E-2, PAGE 2?**

17 A. Schedule E-2, page 2, shows additional information on the lobbying amounts that was
18 included in CSWR Florida's AWWA and NAWC dues amounts for 2024 and how
19 those lobbying amounts relate as a percent to those total 2024 amounts of AWWA and
20 NAWC dues.

21
22 **Q. PLEASE SUMMARIZE YOUR RECOMMENDED ADJUSTMENT TO**
23 **REMOVE LOBBYING EXPENSE ASSOCIATED WITH THE COMPANY'S**
24 **INDUSTRY ASSOCIATION DUES.**

1 A. As shown on Exhibit RCS-20, Schedule E-2, page 1, in column I, the Company's
2 proposed expense for the water utilities is reduced by \$3,495 and for the wastewater
3 utilities by \$2,111, for a total reduction of \$5,605.

4

5 **VII. ORGANIZATION OF REVENUE REQUIREMENT SUMMARY**
6 **SCHEDULES**

7 **Q. PLEASE EXPLAIN THE ORGANIZATION OF YOUR REVENUE**
8 **REQUIREMENT SUMMARY SCHEDULES.**

9 A. Each of the following exhibits includes revenue requirement summary schedules:

10

Table 11

11

Exhibits Including Revenue Requirement Summary Schedules

RCS-2, Water - Consolidated
RCS-3, Aquarina Utilities - Water
RCS-4, CFAT H2O Landfair WWTF - Water
RCS-5, Neighborhood Utilities - Water
RCS-6, Rolling Oaks Utilities - Water
RCS-7, Sunshine Utilities - Water
RCS-8, Tradewinds Village - Water
RCS-9, Tymber Creek Utilities - Water
RCS-10, Wastewater - Consolidated
RCS-11, Aquarina Utilities - Wastewater
RCS-12, BFF Corp - Wastewater
RCS-13, CFAT H2O Landfair WWTF - Wastewater
RCS-14, North Peninsula - Wastewater
RCS-15, Rolling Oaks Utilities - Wastewater
RCS-16, Sebring Ridge Utilities - Wastewater
RCS-17, TKCB - Wastewater
RCS-18, Tradewinds Village - Wastewater
RCS-19, Tymber Creek Utilities - Wastewater

1 Summary Schedules for each Water and Wastewater Utility

2 **Q. PLEASE DISCUSS THE SCHEDULES THAT ARE CONTAINED IN**
3 **EXHIBITS RCS-3 THROUGH RCS-9 AND RCS-11 THROUGH RCS-19 THAT**
4 **YOU PREPARED IN SUPPORT OF YOUR TESTIMONY.**

5 A. Each of those exhibits, Exhibits RCS-3 through RCS-9 and RCS-11 through RCS-19
6 contains a revenue requirement presentation for a particular utility that contains
7 Summary Schedules A, A-1, B, B.1, C, C.1 and D.

8

9 **Q. WHAT IS SHOWN ON SCHEDULE A?**

10 A. Schedule A presents a reproduction of the Company’s proposed revenue requirement
11 increase or decrease and also shows the revenue requirement calculations, giving effect
12 to all of the adjustments I am recommending in this testimony.

13

14 **Q. WHAT IS SHOWN ON SCHEDULE A-1?**

15 A. Schedule A-1 shows the components of the revenue increase or decrease for each
16 revenue requirement. Each page of Schedule A-1 contains the following sections:

- 17 I. Adjustment for Income Taxes
18 II. Adjustment for Required Return
19 III. Adjustment for RAF fees on Increased Revenue
20 IV. Components of Revenue Increase

21

22 **Q. WHAT IS SHOWN ON SCHEDULE B?**

23 A. Schedule B presents OPC’s adjusted rate base that incorporates each of the adjustments
24 impacting rate base that are recommended by OPC in this case. As noted above, the
25 Company’s proposed acquisition adjustments are being removed from rate base.

1 **Q. WHAT IS SHOWN ON SCHEDULE B.1?**

2 A. Schedule B.1, presents each of the adjustments impacting rate base that are
3 recommended by OPC in this case.

4

5 **Q. WHAT IS SHOWN ON SCHEDULE C?**

6 A. OPC's adjusted net operating income is shown on Schedule C. I am recommending
7 that the lobbying portion of industry association dues be removed from the Company's
8 operating expenses and treated as a below-the-line item. As a below-the-line item, such
9 lobbying cost is borne by shareholders and is not charged to ratepayers. As discussed
10 above, the recommended return and the income tax allowances for purposes of this rate
11 case are calculated on Schedule A-1.

12

13 **Q. WHAT IS SHOWN ON SCHEDULE C.1?**

14 A. Schedule C.1 summarizes each of the adjustments impacting net operating income that
15 are recommended by OPC in this case.

16

17 **Q. WHAT IS SHOWN ON SCHEDULE D?**

18 A. Schedule D presents the adjusted capital structure and overall rate of return. Section I
19 reproduces the capital structure and cost rates proposed by CSWR Florida. Section II
20 shows the OPC's adjusted capital structure and cost rates. Additional information
21 presented on Schedule D shows how the Commission's current leverage graph was
22 used to compute the OPC's recommended return on equity.

1 **Q. HOW DID THE COMPANY DERIVE ITS PROPOSED RETURN ON**
2 **EQUITY?**

3 A. CSWR Florida proposed ROEs based on applying a previous version of the leverage
4 formula that is used by the Commission.

5
6 **Q. WHAT RETURN ON EQUITY HAVE YOU USED?**

7 A. As shown on Schedule D of Exhibits RCS-3 through RCS-9 and RCS-11 through RCS-
8 19, for each water and wastewater utility, I calculated the recommended ROE by
9 applying the leverage formula from the 2025 Leverage Graph Order, issued June 18,
10 2025. This results in slightly lower ROEs than the ones used by CSWR Florida for
11 most but not all of the CSWR Florida water and wastewater utilities.

12

13 Summary Schedules for the Consolidated Water Utilities

14 **Q. PLEASE DISCUSS THE ORGANIZATION OF YOUR SUMMARY**
15 **SCHEDULES FOR THE CONSOLIDATED WATER UTILITIES.**

16 A. My summary schedules for the consolidated water utility results are presented on
17 Exhibit RCS-2, which contains the following schedules:

1
2

Table 12
Summary Schedules for Consolidated Water Utilities in Exhibit RCS-2

- Schedule A, Calculation of Revenue Deficiency (Sufficiency)
- Schedule A-1, Income Taxes and Components of Revenue Change for New Rates
- Schedule A-2, Summary of Calculated Revenue Deficiency for Each Water Utility
- Schedule B, Adjusted Rate Base
- Schedule B.1, Summary of Rate Base Adjustments
- Schedule B-2, Summary of Rate Base for Each Water Utility
- Schedule B-3, Comparison of Rate Base from Company's Consolidated MFRs to Utility MFRs
- Schedule C, Adjusted Net Operating Income
- Schedule C.1, Summary of Net Operating Income Adjustments
- Schedule C-2, Comparison of Operating Income: Per Company Consolidated Results and Sum of Per Company System Results
- Schedule C-3, Summary of Operating Expenses for Each Water Utility
- Schedule C-4, Summary of Income Tax Allowances for Each Water Utility
- Schedule D, Capital Structure and Cost Rates

3 **Q. WHAT IS SHOWN ON SCHEDULE A OF EXHIBIT RCS-2?**

4 A. Exhibit RCS-2, Schedule A, page 1, shows a comparison of CSWR Florida's proposed
5 revenue requirement with OPC's adjusted revenue requirement for the consolidated
6 water utility systems.

7

8 **Q. WHY IS AN ALTERNATIVE VERSION OF CSWR FLORIDA'S PROPOSED**
9 **REVENUE REQUIREMENT FOR THE CONSOLIDATED RESULTS ALSO**
10 **BEING PRESENTED ON EXHIBIT RCS-2, SCHEDULE A, PAGE 2?**

11 A. Two versions are shown on Exhibit RCS-2, Schedule A. The one shown on Exhibit
12 RCS-2, Schedule A, page 1, replicates the calculations shown in the Company's

1 November 21, 2025 Excel file for Company MFR Schedule B-1 for the consolidated
2 water utilities and shows a comparison of that with the OPC adjusted results.

3 The other version presented on Exhibit RCS-2, Schedule A, page 2, shows for
4 comparative purposes results that are based on a summation of the amounts from each
5 water utility per each water utility's MFR Schedule B-1 for the individual water
6 utilities.

7
8 **Q. WHAT IS SHOWN ON EXHIBIT RCS-2, SCHEDULE A-1?**

9 A. Exhibit RCS-2, Schedule A-1 replicates the Company's calculations of their proposed
10 income taxes for the combined water utilities and also shows the OPC's adjusted
11 results. Schedule A-1 also shows the calculation of the Regulatory Assessment Fee
12 ("RAF") and the components of the change in revenues, i.e., the components of the
13 revenue requirement increase for the consolidated CSWR Florida water utilities.

14
15 **Q. WHAT IS SHOWN ON EXHIBIT RCS-2, SCHEDULE A-2?**

16 A. Exhibit RCS-2, Schedule A-2, in column A, shows a summary of the revenue
17 requirement deficiency (or excess) amounts that were individually calculated for each
18 CSWR Florida water utility as presented by the Company. A comparison with the
19 consolidated results is also presented.

20 Exhibit RCS-2, Schedule A-2, in column B shows a summary of the revenue
21 requirement deficiency (or excess) amounts that were individually calculated for each
22 CSWR Florida water utility as adjusted by the OPC. A comparison with the
23 consolidated results is also presented.

1 Column C shows differences between the Company’s proposed and the OPC’s
2 adjusted amounts for each water utility and in total for the consolidated water utilities.

3

4 **Q. WHAT IS SHOWN ON EXHIBIT RCS-2, SCHEDULE B?**

5 A. Schedule B, presents OPC’s adjusted rate base that incorporates each of the adjustments
6 impacting rate base that are recommended by OPC in this case. As noted above, the
7 Company’s proposed acquisition adjustments are being removed from rate base.

8

9 **Q. WHAT IS SHOWN ON SCHEDULE B.1?**

10 A. Schedule B.1, presents each of the adjustments impacting rate base that are
11 recommended by OPC in this case. As noted above, the Company’s proposed
12 acquisition adjustments are being removed from rate base.

13

14 **Q. WHAT IS SHOWN ON SCHEDULE B-2?**

15 A. Exhibit RCS-2, Schedule B-2 shows a summary of the rate base amounts from each
16 water utility and the total and compares that with the rate base amounts from CSWR
17 Florida’s consolidated water utility MFR Schedule A-1. The Company’s proposed rate
18 base amounts for each water utility per its November 21, 2025 filed revised calculations
19 are listed in column A. The OPC’s adjusted results are listed in column B. Column C
20 shows differences between the OPC’s adjusted results and CSWR Florida’s proposed
21 results. As noted above, the Company’s proposed acquisition adjustments are being
22 removed from rate base, which total an adjustment of \$7.870 million to decrease CSWR
23 Florida’s proposed consolidated water utility rate base.

1 **Q. WHAT IS SHOWN ON EXHIBIT RCS-2, SCHEDULE B-3?**

2 A. Exhibit RCS-2, Schedule B-3 presents a comparison of CSWR Florida's proposed
3 water utility rate base amounts for the Company's consolidated water utility
4 presentation, which is reproduced in column A, with a comparable summation of water
5 utility rate base from each Company-prepared water utility rate base.

6

7 **Q. WERE THERE SOME DISCREPANCIES BETWEEN THE SUMMARY OF**
8 **INDIVIDUAL WATER UTILITY RATE BASE AMOUNTS AND CSWR**
9 **FLORIDA'S CONSOLIDATED WATER UTILITY MFR SCHEDULE A-1?**

10 A. Yes. As summarized on Exhibit RCS-2, Schedule B-3, some discrepancies were noted
11 for working capital and CIAC. Specifically, the sum of the individual water utility rate
12 base amounts includes a dollar amount for working capital of \$158,903, but the CSWR
13 Florida consolidated water utility appears to reflect a zero amount for that.

14 A rate base difference of \$3,237 for CIAC between those two sources was also
15 noted.

16

17 **Q. WHAT WATER UTILITY RATE BASE HAVE YOU USED TO COMPUTE**
18 **THE CONSOLIDATED WATER UTILITIES REVENUE REQUIREMENT ON**
19 **EXHIBIT RCS-2?**

20 A. On Exhibit RCS-2, Schedule A, page 1 and on Exhibit RCS-2, Schedule B, I used the
21 OPC adjusted rate base amount of \$9,117,526 to compute the consolidated water
22 utilities revenue requirement.

1 **Q. DO YOU PRESENT AN ALTERNATIVE CALCULATION FOR**
2 **ILLUSTRATIVE PURPOSES ON EXHIBIT RCS-2, SCHEDULE A, PAGE 2?**

3 A. Yes. As shown on Exhibit RCS-2, Schedule A, page 2, in column B, on line 1, the rate
4 base amount I used to compute the consolidated water utilities revenue requirement is
5 based on adding up the adjusted rate base amounts for the individual water utilities is
6 \$9,273,192.

7
8 **Q. WHAT IS SHOWN ON EXHIBIT RCS-2, SCHEDULE C?**

9 A. OPC's adjusted net operating income is shown on Schedule C, in column C, before the
10 rate increase, and after the rate increase in column E. Column D shows the components
11 of the maximum consolidated water utility revenue increase based on OPC's
12 recommended adjustments.

13
14 **Q. WHAT ADJUSTMENTS ARE REFLECTED IN EXHIBIT RCS-2, SCHEDULE**
15 **C, COLUMN B?**

16 A. I am recommending that the lobbying portion of industry association dues be removed
17 from the Company's operating expenses and treated as a below-the-line item. As a
18 below-the-line item, such lobbying cost is borne by shareholders and is not charged to
19 ratepayers.

20
21 **Q. ON WHAT SCHEDULE IN EXHIBIT RCS-2, DO YOU SHOW YOUR**
22 **CALCULATION OF THE INCOME TAX EXPENSE ALLOWANCE?**

1 A. As discussed above, the recommended return and the income tax allowances for
2 purposes of this rate case for the consolidated water utilities results are calculated on
3 Exhibit RCS-2, Schedule A-1.

4

5 **Q. WHAT IS SHOWN ON SCHEDULE C.1?**

6 A. Schedule C.1 summarizes each of the adjustments impacting net operating income that
7 are recommended by OPC in this case. As noted above, I am recommending that the
8 lobbying portion of industry association dues be removed from the Company's
9 operating expenses and treated as a below-the-line item, which results in an expense
10 reduction to CSWR Florida's proposed amounts.

11

12 **Q. WHAT IS SHOWN ON EXHIBIT RCS-2, SCHEDULES C-2 AND C-3?**

13 A. Schedules C-2 and C-3 presents comparisons of Operating Income: from the
14 Company's Consolidated Results with the results from summing the per water utility
15 net operating income amounts. A difference of \$38,147 was noted, with the sum of the
16 individual water utility results being higher than CSWR Florida's consolidated water
17 results by that amount.

18

19 **Q. WHAT IS SHOWN ON EXHIBIT RCS-2, SCHEDULE C-4?**

20 A. Exhibit RCS-2, Schedule C-4 presents a summary of Income Tax Allowances for each
21 water utility, on lines 1 through 9, which have been accumulated from Schedule A-1 of
22 Exhibits RCS-3 through RCS-9. Line 10 also shows the total of those amounts. Line
23 11 shows the income tax allowance amounts for the consolidated water utility results

1 proposed by CSWR Florida in column A and adjusted by the OPC in column B, from
2 Exhibit RCS-2, Schedule A-1, lines 25 and 26.

3

4 **Q. WHAT IS SHOWN ON EXHIBIT RCS-2, SCHEDULE D?**

5 A. Exhibit RCS-2, Schedule D, page 1, presents the adjusted capital structure and overall
6 rate of return for the consolidated water utilities. Section I reproduces the capital
7 structure and cost rates proposed by CSWR Florida. Section II shows the OPC's
8 adjusted capital structure and cost rates. Additional information presented on Schedule
9 D, page 2, shows how the Commission's 2025 Leverage Graph Order was used to
10 compute the OPC's recommended return on equity for the consolidated water utility
11 operations.

12

13 Summary Schedules for the Consolidated Wastewater Utilities

14 **Q. PLEASE DISCUSS THE ORGANIZATION OF YOUR SUMMARY**
15 **SCHEDULES FOR THE CONSOLIDATED WASTEWATER UTILITIES.**

16 A. My summary schedules for the consolidated water utility results are presented on
17 Exhibit RCS-10, which contains the following schedules:

1
2

Table 13

Summary Schedules for Consolidated Wastewater Utilities in Exhibit RCS-10

- Schedule A, Calculation of Revenue Deficiency (Sufficiency)
- Schedule A-1, Income Taxes and Components of Revenue Change for New Rates
- Schedule A-2, Summary of Calculated Revenue Deficiency for Each Wastewater Utility
- Schedule B, Adjusted Rate Base
- Schedule B.1, Summary of Rate Base Adjustments
- Schedule B-2, Summary of Rate Base for Each Wastewater Utility
- Schedule B-3, Comparison of Rate Base from Company's Consolidated MFRs to Utility MFRs
- Schedule C, Adjusted Net Operating Income
- Schedule C.1, Summary of Net Operating Income Adjustments
- Schedule C-2, Comparison of Operating Income: Per Company Consolidated Results and Sum of Per Company System Results
- Schedule C-3, Summary of Operating Expenses for Each Wastewater Utility
- Schedule C-4, Summary of Income Tax Allowances for Each Wastewater Utility
- Schedule D, Capital Structure and Cost Rates

3 **Q. ARE THE CONSOLIDATED WASTEWATER UTILITY SCHEDULES IN**
4 **EXHIBIT RCS-10 ORGANIZED SIMILARLY TO THE CONSOLIDATED**
5 **WATER UTILITY SCHEDULES IN EXHIBIT RCS-2?**

6 **A.** Yes. The consolidated wastewater utility summary schedules in Exhibit RCS-10 are
7 similarly organized to the consolidated wastewater utility summary schedules
8 discussed above that are in Exhibit RCS-2.

9

10 **VIII. ORGANIZATION OF RATE BASE AND OPERATING EXPENSE**
11 **ADJUSTMENT SCHEDULES**

12 **Q. PLEASE EXPLAIN THE ORGANIZATION OF YOUR RATE BASE AND**
13 **OPERATING EXPENSE ADJUSTMENT SCHEDULES.**

1 A. Exhibit RCS-20 contains my rate base and operating expense adjustment schedules.
 2 Exhibit RCS-20, Schedule E-1 shows my recommended adjustment to rate base to
 3 remove CSWR Florida’s acquisition adjustments for the Aquarina, Sunshine and North
 4 Peninsula utilities. Exhibit RCS-20, Schedule E-2 shows my recommended adjustment
 5 to rate base to remove lobbying expenses from CSWR Florida’s AWWA and NAWC
 6 industry association dues expense.

7
 8 **IX. OVERALL REVENUE REQUIREMENT RECOMMENDATION**

9 **Q. WHAT REVENUE REQUIREMENT ARE YOU RECOMMENDING FOR**
 10 **EACH OF THE WATER UTILITIES AND FOR THE CONSOLIDATED**
 11 **WATER UTILITIES?**

12 A. As summarized below, OPC’s recommended adjustments in this case result in a
 13 recommended revenue increase for CSWR Florida consolidated water utilities of no
 14 more than \$1.966 million:

15 **Table 14**
 16 **Recommended Revenue Requirement for each Water Utility and**
 17 **Consolidated Water Utilities**

Line No.	Utility	Reference	Revenue Deficiency/(Excess) (A)	Revenue Deficiency/(Excess) (B)	Difference (C) = (B) - (A)
1	Aquarina Utilities - Water - Potable	Exhibit RCS-3, Schedule A, page 1	\$ 185,357	\$ 43,936	\$ (141,420)
2	Aquarina Utilities - Water - Non-Potable	Exhibit RCS-3, Schedule A, page 2	\$ 77,702	\$ (29,078)	\$ (106,780)
3	CFAT H2O Landfair WWTF - Water	Exhibit RCS-4, Schedule A	\$ 132,423	\$ 132,594	\$ 172
4	Neighborhood Utilities - Water	Exhibit RCS-5, Schedule A	\$ 121,840	\$ 122,065	\$ 225
5	Rolling Oaks Utilities - Water	Exhibit RCS-6, Schedule A	\$ 747,928	\$ 682,841	\$ (65,088)
6	Sunshine Utilities - Water	Exhibit RCS-7, Schedule A, page 1	\$ 1,578,639	\$ 885,120	\$ (693,518)
7	Sunshine Utilities - PP-QR	Exhibit RCS-7, Schedule A, page 2	\$ 205,656	\$ 145,509	\$ (60,148)
8	Tradewinds Village - Water	Exhibit RCS-8, Schedule A	\$ (61,389)	\$ (68,123)	\$ (6,734)
9	Tymber Creek Utilities - Water	Exhibit RCS-9, Schedule A	\$ 106,369	\$ 105,778	\$ (591)
10	Total Water - Sum of Systems	Exhibit RCS-2, Schedule A, page 2	\$ 3,094,525	\$ 2,020,642	\$ (1,073,883)
11	Difference from sum of per-utility results		\$ (37,659)	\$ (54,581)	\$ (16,922)
12	Total Water - Consolidated	Exhibit RCS-2, Schedule A, page 1	\$ 3,056,866	\$ 1,966,060	\$ (1,090,806)

1 **Q. WHAT REVENUE REQUIREMENT ARE YOU RECOMMENDING FOR THE**
 2 **WASTEWATER UTILITIES?**

3 A. As summarized below, OPC’s recommended adjustments in this case result in a
 4 recommended revenue decrease for CSWR Florida consolidated wastewater utilities of
 5 at least \$68,327. The amounts of revenue increase or decrease for each wastewater
 6 utility are also identified in the following table:

7 **Table 15**
 8 **Recommended Revenue Requirement for Wastewater Utilities**

Line No.	Utility	Reference	Per Company	Per OPC	Difference
			Revenue	Revenue	
			Deficiency/(Excess)	Deficiency/(Excess)	(C) = (B) - (A)
			(A)	(B)	
1	Aquarina Utilities - Wastewater	Exhibit RCS-11, Schedule A	\$ 55,206	\$ 10,118	\$ (45,089)
2	BFF Corp - Wastewater	Exhibit RCS-12, Schedule A	\$ 34,217	\$ 34,226	\$ 9
3	CFAT H2O Landfair WWTF - Wastewater	Exhibit RCS-13, Schedule A	\$ 35,182	\$ 35,382	\$ 200
4	North Peninsula - Wastewater	Exhibit RCS-14, Schedule A	\$ 188,187	\$ 75,508	\$ (112,679)
5	Rolling Oaks Utilities- Wastewater	Exhibit RCS-15, Schedule A	\$ (118,848)	\$ (195,549)	\$ (76,702)
6	Sebring Ridge Utilities - Wastewater	Exhibit RCS-16, Schedule A	\$ 145,176	\$ 145,627	\$ 451
7	TKCB - Wastewater	Exhibit RCS-17, Schedule A	\$ 91,511	\$ 92,364	\$ 853
8	Tradewinds Village - Wastewater	Exhibit RCS-18, Schedule A	\$ (88,483)	\$ (90,746)	\$ (2,263)
9	Tymber Creek Utilities - Wastewater	Exhibit RCS-19, Schedule A	\$ (128,881)	\$ (130,286)	\$ (1,406)
10	Total Wastewater - Sum of Systems	Exhibit RCS-10, Schedule A, page 2	\$ 213,267	\$ (23,357)	\$ (236,624)
11	Difference from sum of per-utility results		\$ 19,240	\$ (44,970)	\$ (64,210)
12	Total Wastewater - Consolidated	Exhibit RCS-10, Schedule A, page 1	\$ 232,507	\$ (68,327)	\$ (300,834)

9 **Q. DOES THIS COMPLETE YOUR DIRECT TESTIMONY?**

10 A. Yes, it does. However, I reserve the right to file supplemental testimony and respond
 11 to material information that becomes available after my testimony is filed. The fact that
 12 I do not address any other particular issues in my testimony or am silent with respect
 13 to any portions of CSWR Florida’s petition, MFRs, or direct testimony in this
 14 proceeding should not be interpreted as an approval of any position taken by CSWR
 15 Florida.

QUALIFICATIONS OF RALPH C. SMITH

Accomplishments

Mr. Smith's professional credentials include being a Certified Financial Planner™ professional, a Certified Rate of Return Analyst, a licensed Certified Public Accountant and attorney. He functions as project manager on consulting projects involving utility regulation, regulatory policy and ratemaking and utility management. His involvement in public utility regulation has included project management and in-depth analyses of numerous issues involving telephone, electric, gas, and water and sewer utilities.

Mr. Smith has performed work in the field of utility regulation on behalf of industry, public service commission staffs, state attorney generals, municipalities, and consumer groups concerning regulatory matters before regulatory agencies in Alabama, Alaska, Arizona, Arkansas, Barbados, California, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, New Jersey, New Mexico, New York, Nevada, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, Washington DC, West Virginia, Canada, Federal Energy Regulatory Commission and various state and federal courts of law. He has presented expert testimony in regulatory hearings on behalf of utility commission staffs and intervenors on several occasions.

Project manager in Larkin & Associates' review, on behalf of the Georgia Commission Staff, of the budget and planning activities of Georgia Power Company; supervised 13 professionals; coordinated over 200 interviews with Company budget center managers and executives; organized and edited voluminous audit report; presented testimony before the Commission. Functional areas covered included fossil plant O&M, headquarters and district operations, internal audit, legal, affiliated transactions, and responsibility reporting. All of our findings and recommendations were accepted by the Commission.

Key team member in the firm's management audit of the Anchorage Water and Wastewater Utility on behalf of the Alaska Commission Staff, which assessed the effectiveness of the Utility's operations in several areas; responsible for in-depth investigation and report writing in areas involving information systems, finance and accounting, affiliated relationships and transactions, and use of outside contractors. Testified before the Alaska Commission concerning certain areas of the audit report. AWWU concurred with each of Mr. Smith's 40 plus recommendations for improvement.

Co-consultant in the analysis of the issues surrounding gas transportation performed for the law firm of Cravath, Swaine & Moore in conjunction with the case of Reynolds Metals Co. vs. the Columbia Gas System, Inc.; drafted in-depth report concerning the regulatory treatment at both state and federal levels of issues such as flexible pricing and mandatory gas transportation.

Lead consultant and expert witness in the analysis of the rate increase request of the City of Austin - Electric Utility on behalf of the residential consumers. Among the numerous ratemaking issues addressed were the economies of the Utility's employment of outside services; provided both written and oral testimony outlining recommendations and their bases. Most of Mr. Smith's recommendations were adopted by the City Council and Utility in a settlement.

Key team member performing an analysis of the rate stabilization plan submitted by the Southern Bell Telephone & Telegraph Company to the Florida PSC; performed comprehensive analysis of the Company's projections and budgets which were used as the basis for establishing rates.

Lead consultant in analyzing Southwestern Bell Telephone separations in Missouri; sponsored the complex technical analysis and calculations upon which the firm's testimony in that case was based. He has also assisted in analyzing changes in depreciation methodology for setting telephone rates.

Lead consultant in the review of gas cost recovery reconciliation applications of Michigan Gas Utilities Company, Michigan Consolidated Gas Company, and Consumers Power Company. Drafted recommendations regarding the appropriate rate of interest to be applied to any over or under collections and the proper procedures and allocation methodology to be used to distribute any refunds to customer classes.

Lead consultant in the review of Consumers Power Company's gas cost recovery refund plan. Addressed appropriate interest rate and compounding procedures and proper allocation methodology.

Project manager in the review of the request by Central Maine Power Company for an increase in rates. The major area addressed was the propriety of the Company's ratemaking attrition adjustment in relation to its corporate budgets and projections.

Project manager in an engagement designed to address the impacts of the Tax Reform Act of 1986 on gas distribution utility operations of the Northern States Power Company. Analyzed the reduction in the corporate tax rate, uncollectibles reserve, ACRS, unbilled revenues, customer advances, CIAC, and timing of TRA-related impacts associated with the Company's tax liability.

Project manager and expert witness in the determination of the impacts of the Tax Reform Act of 1986 on the operations of Connecticut Natural Gas Company on behalf of the Connecticut Department of Public Utility Control - Prosecutorial Division, Connecticut Attorney General, and Connecticut Department of Consumer Counsel.

Lead Consultant for The Minnesota Department of Public Service ("DPS") to review the Minnesota Incentive Plan ("Incentive Plan") proposal presented by Northwestern Bell Telephone Company ("NWB") doing business as U S West Communications ("USWC"). Objective was to express an opinion as to whether current rates addressed by the plan were appropriate from a Minnesota intrastate revenue requirements and accounting perspective, and to assist in developing recommended modifications to NWB's proposed Plan.

Performed a variety of analytical and review tasks related to our work effort on this project. Obtained and reviewed data and performed other procedures as necessary (1) to obtain an understanding of the Company's Incentive Plan filing package as it relates to rate base, operating income, revenue requirements, and plan operation, and (2) to formulate an opinion concerning the reasonableness of current rates and of amounts included within the Company's Incentive Plan filing. These procedures included requesting and reviewing extensive discovery, visiting the Company's offices to review data, issuing follow-up information requests in many instances, telephone and on-site discussions with Company representatives, and frequent discussions with counsel and DPS Staff assigned to the project.

Lead Consultant in the regulatory analysis of Jersey Central Power & Light Company for the Department of the Public Advocate, Division of Rate Counsel. Tasks performed included on-site review and audit of Company, identification and analysis of specific issues, preparation of data requests, testimony, and cross examination questions. Testified in Hearings.

Assisted the NARUC Committee on Management Analysis with drafting the Consultant Standards for Management Audits.

Presented training seminars covering public utility accounting, tax reform, ratemaking, affiliated transaction auditing, rate case management, and regulatory policy in Maine, Georgia, Kentucky, and Pennsylvania. Seminars were presented to commission staffs and consumer interest groups.

Previous Positions

With Larkin, Chapski and Co., the predecessor firm to Larkin & Associates, was involved primarily in utility regulatory consulting, and also in tax planning and tax research for businesses and individuals, tax return preparation and review, and independent audit, review and preparation of financial statements.

Installed computerized accounting system for a realty management firm.

Education

Bachelor of Science in Administration in Accounting, with distinction, University of Michigan, Dearborn, 1979.

Master of Science in Taxation, Walsh College, Michigan, 1981. Master's thesis dealt with investment tax credit and property tax on various assets.

Juris Doctor, cum laude, Wayne State University Law School, Detroit, Michigan, 1986. Recipient of American Jurisprudence Award for academic excellence.

Continuing education required to maintain CPA license and CFP® certificate.

Passed all parts of CPA examination in first sitting, 1979. Received CPA certificate in 1981 and Certified Financial Planning certificate in 1983. Admitted to Michigan and Federal bars in 1986.

Michigan Bar Association.

American Bar Association, sections on public utility law and taxation.

Partial list of utility cases participated in:

79-228-EL-FAC	Cincinnati Gas & Electric Company (Ohio PUC)
79-231-EL-FAC	Cleveland Electric Illuminating Company (Ohio PUC)
79-535-EL-AIR	East Ohio Gas Company (Ohio PUC)
80-235-EL-FAC	Ohio Edison Company (Ohio PUC)
80-240-EL-FAC	Cleveland Electric Illuminating Company (Ohio PUC)
U-1933	Tucson Electric Power Company (Arizona Corp. Commission)
U-6794	Michigan Consolidated Gas Co. --16 Refunds (Michigan PSC)
81-0035TP	Southern Bell Telephone Company (Florida PSC)
81-0095TP	General Telephone Company of Florida (Florida PSC)
81-308-EL-EFC	Dayton Power & Light Co.- Fuel Adjustment Clause (Ohio PUC)
810136-EU	Gulf Power Company (Florida PSC)
GR-81-342	Northern States Power Co. -- E-002/Minnesota (Minnesota PUC)
Tr-81-208	Southwestern Bell Telephone Company (Missouri PSC))
U-6949	Detroit Edison Company (Michigan PSC)
8400	East Kentucky Power Cooperative, Inc. (Kentucky PSC)
18328	Alabama Gas Corporation (Alabama PSC)
18416	Alabama Power Company (Alabama PSC)
820100-EU	Florida Power Corporation (Florida PSC)
8624	Kentucky Utilities (Kentucky PSC)
8648	East Kentucky Power Cooperative, Inc. (Kentucky PSC)
U-7236	Detroit Edison - Burlington Northern Refund (Michigan PSC)
U6633-R	Detroit Edison - MRCS Program (Michigan PSC)
U-6797-R	Consumers Power Company -MRCS Program (Michigan PSC)
U-5510-R	Consumers Power Company - Energy conservation Finance Program (Michigan PSC)
82-240E	South Carolina Electric & Gas Company (South Carolina PSC)
7350	Generic Working Capital Hearing (Michigan PSC)
RH-1-83	Westcoast Transmission Co., (National Energy Board of Canada)
820294-TP	Southern Bell Telephone & Telegraph Co. (Florida PSC)
82-165-EL-EFC (Subfile A)	Toledo Edison Company(Ohio PUC)
82-168-EL-EFC	Cleveland Electric Illuminating Company (Ohio PUC)
830012-EU	Tampa Electric Company (Florida PSC)
U-7065	The Detroit Edison Company - Fermi II (Michigan PSC)
8738	Columbia Gas of Kentucky, Inc. (Kentucky PSC)
ER-83-206	Arkansas Power & Light Company (Missouri PSC)
U-4758	The Detroit Edison Company – Refunds (Michigan PSC)
8836	Kentucky American Water Company (Kentucky PSC)
8839	Western Kentucky Gas Company (Kentucky PSC)
83-07-15	Connecticut Light & Power Co. (Connecticut DPU)
81-0485-WS	Palm Coast Utility Corporation (Florida PSC)
U-7650	Consumers Power Co. (Michigan PSC)
83-662	Continental Telephone Company of California, (Nevada PSC)
U-6488-R	Detroit Edison Co., FAC & PIPAC Reconciliation (Michigan PSC)
U-15684	Louisiana Power & Light Company (Louisiana PSC)
7395 & U-7397	Campaign Ballot Proposals (Michigan PSC)
820013-WS	Seacoast Utilities (Florida PSC)
U-7660	Detroit Edison Company (Michigan PSC)
83-1039	CP National Corporation (Nevada PSC)
U-7802	Michigan Gas Utilities Company (Michigan PSC)
83-1226	Sierra Pacific Power Company (Nevada PSC)
830465-EI	Florida Power & Light Company (Florida PSC)
U-7777	Michigan Consolidated Gas Company (Michigan PSC)
U-7779	Consumers Power Company (Michigan PSC)

U-7480-R	Michigan Consolidated Gas Company (Michigan PSC)
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14-0702-E-42T	Monongahela Power Company and The Potomac Edison Company (West Virginia PSC)
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R-2014-2428742 R-2014-2428743 R-2014-2428744 R-2014-2428745	West Penn Power Company (Pennsylvania PUC) Pennsylvania Electric Company (Pennsylvania PUC) Pennsylvania Power Company (Pennsylvania PUC) Metropolitan Edison Company (Pennsylvania PUC)

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WS-01303A-14-0010 2014-000396 15-03-45	EPCOR Water Arizona, Inc. (Arizona CC) Kentucky Power Company (Kentucky PSC) Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Connecticut PURA)
A.14-11-003 U-14-111 2015-UN-049 15-0003-G-42T PUE-2015-00027 Docket No. 2015-0022	San Diego Gas & Electric Company (California PUC) ENSTAR Natural Gas Company (Regulatory Commission of Alaska) Atmos Energy Corporation (Mississippi PSC) Mountaineer Gas Company (West Virginia PSC) Virginia Electric and Power Company (Commonwealth of Virginia SCC) Hawaiian Electric Company, Inc., Hawaii Electric Light Company, Inc., Maui Electric Company Limited, and NextEra Energy, Inc. (Hawaii PUC)
15-0676-W-42T 15-07-38	West Virginia-American Water Company (West Virginia PSC) Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Connecticut PURA)
15-26	Iberdrola, S.A. Et Al, and UIL Holdings Corporation merger (Massachusetts DPU)
15-042-EL-FAC	Management/Performance and Financial Audit of the FAC and Purchased Power Rider for Dayton Power and Light (Ohio PUC)
U-15-016	Cook Inlet Natural Gas Storage Alaska, LLC (Regulatory Commission of Alaska)
2015-UN-0080 Docket No. 15-00042 WR-2015-0301/SR-2015-0302 U-15-089, U-15-091,& U-15-092	Mississippi Power Company (Mississippi PSC) B&W Pipeline, LLC (Tennessee Regulatory Authority) Missouri American Water Company (Missouri PSC) Golden Heart Utilities, Inc. and College Utilities Corporation (The Regulatory Commission of Alaska)
Docket No. 16-00001	Kingsport Power Company d/b/a AEP Appalachian Power (Tennessee Regulatory Authority)
PUE-2015-00097 15-1854-EL-RDR	Virginia-American Water Company (Commonwealth of Virginia SCC) Management/Performance and Financial Audit of the Alternative Energy Recovery Rider of Duke Energy Ohio, Inc. (Ohio PUC)
P-15-014 P-15-020 U-15-127 through U-15-138 Docket No. 40161 Formal Case No. 1137 160021-EI, et al. R-2016-2537349 R-2016-2537352 R-2016-2537355 R-2016-2537359 16-0717-G-390P 15-1256-G-390P (Reopening)/16-0922-G-390P 16-0550-W-P CEPR-AP-2015-0001 E-01345A-16-0036 Docket No. 4618 Docket No. 46238	PTE Pipeline LLC (Regulatory Commission of Alaska) Swanson River Oil Pipeline, LLC (Regulatory Commission of Alaska) Dyon Utilities, LLC (Regulatory Commission of Alaska) Georgia Power Company – Integrated Resource Plan (Georgia PSC) Washington Gas Light Company (District of Columbia PSC) Florida Power Company (Florida PSC) Metropolitan Edison Company (Pennsylvania PUC) Pennsylvania Electric Company (Pennsylvania PUC) Pennsylvania Power Company (Pennsylvania PUC) West Penn Power Company (Pennsylvania PUC) Hope Gas, Inc., dba Dominion Hope (West Virginia PSC)
U-16-066 Case No. 2016-00370	Mountaineer Gas Company (West Virginia PSC) West Virginia-American Water Company (West Virginia PSC) Puerto Rico Electric Power Authority (Puerto Rico Energy Commission) Arizona Public Service Company (Arizona CC) Providence Water Supply Board (Rhode Island PUC) Joint Report and Application of Oncor Electric Delivery Company LLC and NextEra Energy Inc. (Texas State Office of Administrative Hearings; Texas PUC) ENSTAR Natural Gas Company (Regulatory Commission of Alaska) Kentucky Utilities Company (Kentucky PSC)

Case No. 2016-00371	Louisville Gas and Electric Company (Kentucky PSC)
P-2015-2508942	Metropolitan Edison Company (Pennsylvania PUC)
P-2015-2508936	Pennsylvania Electric Company (Pennsylvania PUC)
P-2015-2508931	Pennsylvania Power Company (Pennsylvania PUC)
P-2015-2508948	West Penn Power Company (Pennsylvania PUC)
E-04204A-15-0142	UNS Electric, Inc. (Arizona CC)
E-01933A-15-0322	Tucson Electric Power Company (Arizona CC)
UE-170033 & UG-170034	Puget Sound Energy, Inc. (Washington UTC)
Case No. U-18239	Consumers Energy Company (Michigan PSC)
Case No. U-18248	DTE Electric Company (Michigan PSC)
Case No. 9449	Merger of AltaGas Ltd. and WGL Holdings (Maryland PSC)
Formal Case No. 1142	Merger of AltaGas Ltd. and WGL Holdings (District of Columbia PSC)
Case No. 2017-00179	Kentucky Power Company (Kentucky PSC)
Docket No. 29849	Georgia Power Plant Vogtle Units 3 and 4, VCM 17 (Georgia PSC)
Docket No. 2017-AD-112	Mississippi Power Company (Mississippi PSC)
Docket No. D2017.9.79	Montana-Dakota Utilities Co. (Montana PSC)
Docket No. D2017.9.80	Energy West Montana, Inc. and Cut Bank Gas Company (Montana PSC)
SW-01428A-17-0058 et al	Liberty Utilities (Litchfield Park Water & Sewer) Corp. (Arizona CC)
U-18-021 & U-18-033	Chugach Electric Association, Inc. (Regulatory Commission of Alaska)
Docket No. 4800	Suez Water Rhode Island Inc. (Rhode Island PUC)
General Order No. 236.1	In the Matter of the Effects on Utilities of the 2017 Tax Cuts and Jobs Act (West Virginia PSC)
20180047-EI	Duke Energy Florida, LLC. (Florida PSC)
20180046-EI	Florida Power & Light Company (Florida PSC)
20180048-EI	Florida Public Utilities Company – Electric (Florida PSC)
20180052-GU	Florida Public Utilities Company – Indiantown (Florida PSC)
20180054-GU	Florida Division of Chesapeake Utilities Corporation (Florida PSC)
20180051-GU	Florida Public Utilities Company – Gas Division (Florida PSC)
20180053-GU	Florida Public Utilities Company - Fort Meade (Florida PSC)
Cause No. 45032 S4	Indiana American Water Company, Inc. Phase 2 (Indiana Utility Regulatory Commission)
Docket No. D2018.1.6	Montana-Dakota Utilities Co. (Montana PSC)
Docket No. D2018.4.24	NorthWestern Energy (Montana PSC)
Docket No. D2018.4.22	Montana-Dakota Utilities Co. (Montana PSC)
18-0573-W-42T & 18-0576-S-42T	West Virginia-American Water Company (West Virginia PSC)
18-0646-E-42T & 18-0645 E-D	Appalachian Power Company and Wheeling Power Company (West Virginia PSC)
18-0049-GA-ALT, 18-0298-GA-AIR, & 18-0299-GA-ALT	Vectren Energy Delivery of Ohio, Inc. (Ohio PUC)
R-2018-3003558, R-2018-3003561	Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc. (Pennsylvania PUC)
Cause No. 45142	Indiana-American Water Company, Inc. (Indiana Utility Regulatory Commission)
U-18-043	Cook Inlet Natural Gas Storage Alaska, LLC (Regulatory Commission of Alaska)
T-03214-17-0305	Citizens Telecommunications Company of The White Mountains, Inc. d/b/a Frontier Communications of The White Mountains (Arizona CC)
Docket No. D2018.9.60	Montana-Dakota Utilities Co. (Montana PSC)
Docket No. 4890	Narragansett Bay Commission (Rhode Island PUC)
PUR-2018-00131	Columbia Gas of Virginia (Virginia SCC)
EL18-152-000	Louisiana PSC v. System Energy Resources, Inc. and Entergy Services, Inc. (FERC)

PUR-2018-00175	Virginia-American Water Company (Virginia SCC)
A-2018-3006061, A-2018-3006062 and A-2018-3006063	Aqua America, Inc., Aqua Pennsylvania, Inc., Aqua Pennsylvania Wastewater, Inc., Peoples Natural Gas Company LLC, Peoples Gas Company LLC (Pennsylvania PUC)
Docket No. D2018.2.12 Docket No. 42310 U-18-102	NorthWestern Energy (Montana PSC) Georgia Power Company – Integrated Resource Plan (Georgia PSC) Municipality of Anchorage d/b/a Municipal Light & Power Department (Regulatory Commission of Alaska)
PUC Docket No. 49494 Application 18-12-009 19-0316-G-42T U-19-020	AEP Texas, Inc. (Texas PUC) Pacific Gas and Electric Company (California PUC) Mountaineer Gas Company (West Virginia PSC) Chugach Electric Association, Inc. and Municipality of Anchorage d/b/a Municipal Light & Power Department (Regulatory Commission of Alaska)
19-0051-EL-RDR	Management/Performance and Financial Audit of the Alternative Energy Recovery Rider of Duke Energy Ohio, Inc. (Ohio PUC)
A-2018-3006061, A-2018-3006062, and A-2018-3006063	Joint Application of Aqua America, Inc., Aqua Pennsylvania, Inc. Aqua Pennsylvania Wastewater, Inc., Peoples Natural Gas Company LLC, and Peoples Gas Company LLC (Pennsylvania PUC)
ER-18-1182-001 E-01933A-19-0028 G-01551A-19-0055 2018-UN-205 W-03039A-17-0295, W-03039A-19-0092, and WS-01303A-19-0092 Docket No. 4975	System Energy Resources, Inc. (FERC) Tuscon Electric Power Company (Arizona CC) Southwest Gas Corporation (Arizona CC) Energy Mississippi, LLC (Mississippi PSC)
A-2019-3014248	Brooke Water, LLC and EPCOR Water Arizona (Arizona CC) Block Island Utility District d/b/a Block Island Power Company (Rhode Island PUC)
Docket No. 4994 19-0791-GA-ALT	Pennsylvania-American Water Company and Wastewater System Assets of Kane Borough (Pennsylvania PUC) Providence Water Supply Board (Rhode Island PUC) Plant in Service and Capital Spending Prudence Audit of Duke Energy Ohio (Ohio PUC)
U-19-070/U-19-071/ U-19-087/U-19-088	Golden Heart Utilities, Inc. and College Utilities Corporation (Regulatory Commission of Alaska)
Docket No. 42516 20200070-EI 20200071-EI 20200092-EI	Georgia Power Company (Georgia PSC) Gulf Power Company (Florida PSC) Florida Power & Light Company (Florida PSC) Florida Power & Light Company and Gulf Power Company (Florida PSC)
20-GREC-01	Fitchburg Gas and Electric Light Company d/b/a Unitil (Massachusetts DPU)
20-GREC-03	Boston Gas Company and Colonial Gas Company d/b/a National Grid (Massachusetts DPU)
20-GREC-04	Liberty Utilities (New England Natural Gas Company) Corp d/b/a Liberty Utilities (Massachusetts DPU)
PUR-2020-00015 20-0414-G-390P	Appalachian Power Company (Virginia SCC) Hope Gas, Inc. dba Dominion Energy West Virginia (West Virginia PSC)
Cause No. 45032-S16	Hamilton Southeastern Utilities, Inc. (Indiana URC)

2019.12.101 A-2019-3015173	NorthWestern Energy (Montana PSC) Aqua Pennsylvania Wastewater Inc. and Wastewater System Assets of the Delaware County Regional Water Quality Control Authority (Pennsylvania PUC)
R-2020-3019369 and R-2020-3019371 2020.06.076 P-20-005 2020.05.055 2020.05.066 PUR-2020-00169 20-0746-G-42T	Pennsylvania American Water Company (Pennsylvania PUC) Montana-Dakota Utilities Co. (Montana PSC) Cook Inlet Pipeline LLC (Regulatory Commission of Alaska) Montana-Dakota Utilities Co. (Montana PSC) NorthWestern Energy (Montana PSC) Virginia Electric and Power Company (Virginia SCC) Hope Gas, Inc., d/b/a Dominion Energy West Virginia (West Virginia PSC)
20-553-EL-RDR	Management/Performance and Financial Audit of the Alternative Energy Rider of the Dayton Power and Light Company (Ohio PUC)
E-01345A-19-0236 U-20-012	Arizona Public Service Company (Arizona CC) Cook Inlet Natural Gas Storage Alaska, LLC (Regulatory Commission of Alaska)
Docket No. 20-01-31	The Southern New England Telephone Company d/b/a Frontier Communications of Connecticut (SNET) (Connecticut PURA)
P-2020-3021191 A-2021-3026523, A-2021-3026515, and A-2021-3026522	Peoples Natural Gas Company LLC (Pennsylvania PUC) Joint Application of Veolia Environnement S.A., Veolia North America, Inc., SUEZ S.A., SUEZ Water Pennsylvania Inc. and SUEZ Water Bethel Inc. (Pennsylvania PUC)
A-2021-3026794 and A-2021-3026796	Joint Application of Peoples Natural Gas Company LLC and Peoples Gas Company (Pennsylvania PUC)
A-2021-3026774 and A-2021-3026775	Joint Application of Aqua Pennsylvania Inc., and Aqua Pennsylvania Wastewater Inc. (Pennsylvania PUC)
A-2021-3024267 R-2021-3027385 and R-2021-3027386	Aqua Pennsylvania Wastewater Inc. (Pennsylvania PUC) Aqua Pennsylvania, Inc, and Aqua Pennsylvania Wastewater, Inc. (Pennsylvania PUC)
21-0595-WW-AIR 21-0596-ST-AIR 21-0369-W-42T U-21-058	Aqua Ohio, Inc. (Ohio PUC) Aqua Ohio Wastewater, Inc. (Ohio PUC) West Virginia-American Water Company (West Virginia PSC) Cook Inlet Natural Gas Storage Alaska, LLC (Regulatory Commission of Alaska)
E-01345A-21-0056	Fuel and Purchased Power Audit of Arizona Public Service Company (Arizona CC)
SW-20445A-20-0214 et al PUR-2021-00058 U-21-070/U-21-071	Global Water Resources, Inc. (Arizona CC) Virginia Electric and Power Company (Virginia SCC) Golden Heart Utilities, Inc. and College Utilities Corporation (Regulatory Commission of Alaska)
U-22-001	Railbelt Reliability Council for Certification of an Electric Reliability Organization (Regulatory Commission of Alaska)
Docket No. 44160 22-620-GA-RDR	Georgia Power Company Integrated Resource Plan (Georgia PSC) Plant in Service and Capital Spending Prudence Audit of Vectren Energy Delivery of Ohio, Inc. d/b/a CenterPoint Energy Ohio (Ohio PUC)
PUR-2021-00255 RP19-3-003 22-0304-E-P	Virginia-American Water Company (Virginia SCC) El Paso Natural Gas Company, LLC (FERC) Appalachian Power Company and Wheeling Power Company (West Virginia PSC)

R-2022-3031672 and R-2022-3031673 22-0294-G-PC	Pennsylvania-American Water Company (Pennsylvania PUC) Hope Gas, Inc., dba Dominion Energy West Virginia and Hope Gas Holdings (West Virginia PSC)
G-01551A-21-0368 2022.06.064 U-21-088, U-21-089, U-22-006, U-2-007, U-22-008, U-22-009	Southwest Gas Corporation (Arizona CC) NorthWestern Energy (Montana PSC)
20220067-GU	Sand Point Generating, LLC, North Slope Generating, LLC, TDX Manley Generating, LLC, TDX North Slope Generating, LLC, Sand Point Generating, LLC, TDX ADAK Generating, LLC. (Regulatory Commission of Alaska)
PUR-2020-00015 U-22-029	Florida Public Utilities Company, Florida Division of Chesapeake Utilities Corporation, Florida Public Utilities Company – Fort Meade, and Florida Public Utilities Company – Indiantown Division (Florida PSC)
22-0393-E-ENEC	Appalachian Power Company – Remand (Virginia SCC) Golden Valley Electric Association, Inc. (Regulatory Commission of Alaska)
E-01773A-21-0298 Docket No. 44280 FTC-01/2021-BL&P- RRA-20211004	Appalachian Power Company and Wheeling Power Company (West Virginia PSC) Arizona Electric Power Cooperative, Inc. (Arizona CC) Georgia Power Company (Georgia PSC)
U-22-002 and U-22-003	Barbados Light & Power Company Limited (Barbados Fair Trading Commission)
A-2019-3015173	Municipality of Anchorage d/b/a Anchorage Water and Wastewater Utility (Regulatory Commission of Alaska)
2022.07.078 A.22-05-016 2022-UN-86/2022-UN-087 E-01933A-22-0107 A-2022-3035298, A-2022-3035299, A-2022-3035490, A-2022-3035492	Aqua Pennsylvania Wastewater Inc. and Wastewater System Assets of the Delaware County Regional Water Quality Control Authority - Remand (Pennsylvania PUC) NorthWestern Energy (Montana PSC) San Diego Gas & Electric Company (California PUC) Great River Utility Operating Company, LLC (Mississippi PSC) Tucson Electric Power Company (Arizona CC)
PUR-2022-00052 U-22-078	Manwalamink Water Company, Manwalamink Sewer Company, NextEra Water Pennsylvania, LLC (Pennsylvania PUC) Virginia Natural Gas, Inc. (Virginia SCC) Alaska Electric Light & Power Company (Regulatory Commission of Alaska)
U-22-081 22-47-WW E-01345A-22-0144 E-04204A-22-0251 PUR-2023-00002 22-1094-WW-AIR 22-1096-ST-AIR A-2022-3037047, et al.	ENSTAR Natural Gas Company (Regulatory Commission of Alaska) Narragansett Bay Commission (Rhode Island PUC) Arizona Public Service Company (Arizona CC) UNS Electric, Inc. (Arizona CC) Appalachian Power Company (Virginia SCC) Aqua Ohio, Inc. (Ohio PUC) Aqua Ohio Wastewater, Inc. (Ohio PUC) Pennsylvania-American Water Company, Butler Area Sewer Authority (Pennsylvania PUC)
PUR-2023-00067 and PUR-2023-00112 Docket No. 54634	Virginia Electric and Power Company d/b/a Dominion Energy Virginia (Virginia SCC) Southwestern Public Service Company (Texas PUC)

23-0089-EL-RDR	Duke Energy Ohio, Inc. (Ohio PUC)
23-0280-G-42T	Mountaineer Gas Company (West Virginia PSC)
2022-0208	Kauai Island Utility Cooperative (Hawaii PUC)
PUR-2023-00101	Virginia Electric and Power Company d/b/a Dominion Energy Virginia (Virginia SCC)
23-0383-W-42T and	
23-0384-S-42T	West Virginia-American Water Company (West Virginia PSC)
23-0460-E-42T	Monongahela Power Company and The Potomac Edison Company (West Virginia PSC)
R-2023-3043189&	
R-2023-3043190	Pennsylvania-American Water Company (Pennsylvania PUC)
U-23-047/U-23-048	Chugach Electric Association (Regulatory Commission of Alaska)
U-23-054	Alaska Power Company (Regulatory Commission of Alaska)
U-23-065 through U-23-073	Alaska Waste (Regulatory Commission of Alaska)
T-03214A-23-0250	Citizens Telecommunications of the White Mountains, Inc., dba Frontier Communications of the White Mountains (Arizona CC)
PUR-2023-00194	Virginia-American Water Company (Virginia SCC)
G-01551A-23-0341	Southwest Gas Corporation (Arizona CC)
PUR-2024-00024	Appalachian Power Company (Virginia SCC)
R-2024-3047822 &	
R-2024-3047824	Aqua Pennsylvania, Inc. and Aqua Pennsylvania Wastewater, Inc. (Pennsylvania PUC)
U-24-005/U-24-006	Municipality of Anchorage d/b/a Anchorage Water and Wastewater Utility (Regulatory Commission of Alaska)
24-14-EL	Pascoag Utility District (Rhode Island PUC)
2022-0140	Hawaii Water Service Company, Inc. (Hawaii PUC)
24-0185-EL-RDR	AEP Ohio Company, d/b/a AEP-Ohio (Ohio PUC)
20240068-WS	Sunshine Water Services Company (Florida PSC)
W-02074A-23-0337,	
W-02465A-23-0338,	
WS-02060A-23-0339,	
WS-02676A-23-0340,	
WS-02676A-24-0029,	
W-02074A-24-0030,	
W-02465A-24-0031, and	
WS-02060A-24-0033	Liberty Utilities (Arizona CC)
2024.08.088	NorthWestern Energy, Energy West Montana, Inc., and Cut Bank Gas Company (Montana PSC)
2024.05.053	NorthWestern Energy (Montana PSC)
G-04204A-24-0237	UNS Gas, Inc. (Arizona CC)
25-0594-WW-AIR	Aqua Ohio, Inc. (Ohio PUC)
25-0593-ST-AIR	Aqua Ohio Wastewater, Inc. (Ohio PUC)
E-01933A-25-0103	Tucson Electric Power Company (Arizona CC)
2025.10.078	NorthWestern Corporation, Black Hills Corporation, and NorthWestern Energy Group, Inc. (Montana PSC)

CSWR-Florida Utility Operating Company, LLC
Docket No. 20250052-WS
Exhibit RCS-2
Water Operations - Consolidated
Revenue Requirement Summary Schedules
Accompanying the Direct Testimony of Ralph Smith

Number	Description	No. of Pages	Exhibit Page No.
	Revenue Requirement Summary Schedules		
A	Calculation of Revenue Deficiency (Sufficiency)	2	2-3
A-1	Income Taxes and Components of Revenue Change for New Rates	1	4
A-2	Summary of Calculated Revenue Deficiency for Each Water Utility	1	5
B	Adjusted Rate Base	1	6
B.1	Summary of Rate Base Adjustments	1	7
B-2	Summary of Rate Base for Each Water Utility	1	8
B-3	Comparison of Rate Base from Company's Consolidated MFRs to Utility MFRs	1	9
C	Adjusted Net Operating Income	1	10
C.1	Summary of Net Operating Income Adjustments	1	11
C-2	Comparison of Operating Income: Per Company Consolidated Results and Sum of Per Company System Results	1	12
C-3	Summary of Operating Expenses for Each Water Utility	1	13
C-4	Summary of Income Tax Allowances for Each Water Utility	1	14
D	Capital Structure and Cost Rates	2	15-16
	Total Pages (Including Contents Page)	16	

Line No.	Description	Reference	Per Company - Consolidated MFRs (A1)	Per OPC - Consolidated (B)	Difference (C) = (B) - (A1)
1	Adjusted rate base	Sch B	\$ 16,987,706	\$ 9,117,526	\$ (7,870,180)
2	Rate of return	D	8.7631%	8.5410%	
3	Net operating income required		\$ 1,488,645	\$ 778,729	\$ (709,916)
4	Adjusted net operating income	Sch C	\$ (1,064,120)	\$ (1,060,625)	\$ 3,495
5	Net operating income deficiency		\$ 2,552,763	\$ 1,839,353	\$ (713,410)
6	Gross revenue conversion factor				
7	Revenue deficiency (Sufficiency) - Calculated	Sch A-1	\$ 3,056,866	\$ 1,966,060	\$ (1,090,806)
8	Revenue deficiency (Sufficiency) - Per Company		\$ 3,056,866		
9	Difference		\$ -		
10	Total Operating Revenue at Current Rates	Sch C	\$ 3,785,558	\$ 3,785,558	
11	Percentage Increase	L.7 / L.10	80.75%	51.94%	

Notes and Source

Col. A1: MFR Schedule B-1 from the Company's Consolidated filing

Col. B: See referenced schedules

CSWR-Florida Utility Operating Company, LLC
 Calculation of Revenue Deficiency (Sufficiency)
 Water Operations - Consolidated Based on Sum of Per System Results
 Test Year Ending January 31, 2025

Exhibit RCS-2
 Schedule A
 Docket No. 20250052-WS
 Page 2 of 2

Line No.	Description	Reference	Per Company - Sum of System Specific Amounts (A2)	Per OPC - Sum of System Specific Amounts (B)	Difference (C) = (B) - (A2)
1	Adjusted rate base	Sch B-2	\$ 17,143,371	\$ 9,273,192	\$ (7,870,180)
2	Rate of return	D	8.7631%	8.5410%	
3	Net operating income required		\$ 1,502,286	\$ 792,024	\$ (710,261)
4	Adjusted net operating income	Sch C	\$ (1,102,266)	\$ (1,060,625)	\$ 41,641
5	Net operating income deficiency		\$ 2,604,551	\$ 1,852,648	\$ (751,903)
6	Gross revenue conversion factor				
7	Revenue deficiency (Sufficiency) - Calculated	Sch A-2	\$ 3,094,525	\$ 2,020,642	\$ (1,073,883)
8	Revenue deficiency (Sufficiency) - Consolidated	Sch A, page 1	\$ 3,056,866	\$ 1,966,060	\$ (1,090,806)
9	Difference		\$ 37,659	\$ 54,581	\$ 16,922
10	Total Operating Revenue at Current Rates	Sch C	\$ 3,785,558	\$ 3,785,558	
11	Percentage Increase	L.7 / L.10	81.75%	53.38%	

Notes and Source

Cols. A2 and B: See referenced schedules

CSWR-Florida Utility Operating Company, LLC
Income Taxes and Components of Revenue Change for New Rates
Water Operations - Consolidated
Test Year Ending January 31, 2025

Exhibit RCS-2
Schedule A-1
Docket No. 20250052-WS
Page 1 pf 1

Line No.	Description	Reference	Tax Rate	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
<u>I. Adjustment for Income Taxes</u>						
1	Rate Base	Sch B		\$ 16,987,706	\$ 9,117,526	\$ (7,870,180)
2	Weighted cost of equity	Sch D		8.5447%	8.3230%	
3	Equity return (taxable income before state tax exemption)			\$ 1,451,549	\$ 758,852	\$ (692,697)
4	Less State Tax Exemption	CSWR Sch B-3		\$ (31,095)	\$ (31,095)	\$ -
5	State Taxable Income			\$ 1,420,454	\$ 727,757	\$ (692,697)
5a	Apply NOL Carryforward	80%			\$ (582,205)	\$ (582,205)
5b	Taxable Income after NOL CF				\$ 145,551	\$ 145,551
6	State Income tax (5.5%)		5.50%	\$ 78,125	\$ 8,005	\$ (70,120)
7						
8	Federal Taxable Income before NOL Carryforward	Line 5 - Line 6		\$ 1,373,424	\$ 719,751	\$ (653,672)
8a	Apply NOL Carryforward	80%			\$ (575,801)	\$ (575,801)
8b	Taxable Income after NOL CF				\$ 143,950	\$ 143,950
9	Federal Income Tax (21%)		21%	\$ 288,419	\$ 30,230	\$ (258,189)
10	State and Federal Income Taxes			\$ 366,544	\$ 38,235	\$ (328,309)
<u>II. Adjustment for Required Return</u>						
11	Rate Base	Sch B		\$ 16,987,706	\$ 9,117,526	\$ (7,870,180)
12	Weighted Cost of Capital	Sch D		8.7631%	8.5410%	
13	Required Return			\$ 1,488,644	\$ 778,728	\$ (709,916)
14	Net Operating Income at Current Rates	Sch C		\$ (1,064,120)	\$ (1,060,625)	\$ 3,495
15	Adjustment for Required Return			\$ 2,552,763	\$ 1,839,353	\$ (713,410)
<u>III. Adjustment for RAF fees on Increased Revenue</u>						
16	Required Return	Line 15		\$ 2,552,763	\$ 1,839,353	\$ (713,410)
17	Income Taxes	Line 10		\$ 366,544	\$ 38,235	\$ (328,309)
18	Sum of Required Return and Income Taxes			\$ 2,919,307	\$ 1,877,588	\$ (1,041,719)
19	RAF rate			0.955	0.955	
20	Revenue requirement with RAF			\$ 3,056,866	\$ 1,966,060	\$ (1,090,806)
21	Less: Sum of Required Return and Income Taxes			\$ (2,919,307)	\$ (1,877,588)	\$ 1,041,719
22	RAF			\$ 137,559	\$ 88,473	\$ (49,086)
<u>IV. Components of Revenue Increase</u>						
23	Net Income (aka Required Return)	Line 15		\$ 2,552,763	\$ 1,839,353	\$ (713,410)
24	Regulatory Assessment Fees	Line 22		\$ 137,559	\$ 88,473	\$ (49,086)
25	State Income Tax	Line 6		\$ 78,125	\$ 8,005	\$ (70,120)
26	Federal Income Tax	Line 9		\$ 288,419	\$ 30,230	\$ (258,189)
27	Total Revenue Increase			\$ 3,056,866	\$ 1,966,060	\$ (1,090,806)

Notes and Source

Col. A: Schedule B-3 from the Company's Consolidated filing

Col. B: See referenced schedules

Col. B, Lines 5a and 5b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of state taxable income

Col. B, Lines 8a and 8b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of federal taxable income

Line No.	Utility	Reference	Individual Water System Results		
			Per Company Revenue Deficiency/(Excess) (A)	Per OPC Revenue Deficiency/(Excess) (B)	Difference (C)
1	Aquarina Utilities - Water - Potable	Exhibit RCS-3, Schedule A, page 1	\$ 185,357	\$ 43,936	\$ (141,420)
2	Aquarina Utilities - Water - Non-Potable	Exhibit RCS-3, Schedule A, page 2	\$ 77,702	\$ (29,078)	\$ (106,780)
3	CFAT H2O Landfair WWTF - Water	Exhibit RCS-4, Schedule A	\$ 132,423	\$ 132,594	\$ 172
4	Neighborhood Utilities - Water	Exhibit RCS-5, Schedule A	\$ 121,840	\$ 122,065	\$ 225
5	Rolling Oaks Utilities- Water	Exhibit RCS-6, Schedule A	\$ 747,928	\$ 682,841	\$ (65,088)
6	Sunshine Utilities - Water	Exhibit RCS-7, Schedule A, page 1	\$ 1,578,639	\$ 885,120	\$ (693,518)
7	Sunshine Utilities - PP-QR	Exhibit RCS-7, Schedule A, page 2	\$ 205,656	\$ 145,509	\$ (60,148)
8	Tradewinds Village - Water	Exhibit RCS-8, Schedule A	\$ (61,389)	\$ (68,123)	\$ (6,734)
9	Tymber Creek Utilities - Water	Exhibit RCS-9, Schedule A	\$ 106,369	\$ 105,778	\$ (591)
10	Total Water - Consolidated Sum of System Results	Schedule A, page 2	\$ 3,094,525	\$ 2,020,642	\$ (1,073,883)
11	Total Water - Consolidated	Schedule A, page 1	\$ 3,056,866	\$ 1,966,060	\$ (1,090,806)
12	Difference		\$ 37,659	\$ 54,581	\$ 16,922

Line No.	Description	Per Company - Consolidated MFRs (A1)	Per Company - Sum of System Specific Amounts (A2)	Difference Between Company Amounts (A3) = (A2) - (A1)	OPC Adjustments (B)	OPC Adjusted (C) = (A1) + (B)
1	Utility Plant in Service	\$ 14,957,464	\$ 14,957,464	\$ -	\$ -	\$ 14,957,464
2	Utility Land & Land Rights	\$ 3,188,984	\$ 3,188,984	\$ -	\$ -	\$ 3,188,984
3	Less: Non-Used & Useful Plant	\$ -	\$ -	\$ -	\$ -	\$ -
4	Construction Work in Progress	\$ 1,093,077	\$ 1,093,077	\$ -	\$ -	\$ 1,093,077
5	Less: Accumulated Depreciation	\$ (9,492,632)	\$ (9,492,632)	\$ (0)	\$ -	\$ (9,492,632)
6	Less: CIAC	\$ (5,654,319)	\$ (5,657,556)	\$ (3,237)	\$ -	\$ (5,654,319)
7	Accumulated Amortization of CIAC	\$ 5,024,951	\$ 5,024,951	\$ -	\$ -	\$ 5,024,951
8	Acquisition Adjustments	\$ 7,870,180	\$ 7,870,180	\$ (0)	\$ (7,870,180)	\$ 0
9	Accumulated Amortization of Acquisition Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
10	Advances for Construction	\$ -	\$ -	\$ -	\$ -	\$ -
11	Working Capital Allowance	\$ -	\$ 158,903	\$ 158,903	\$ -	\$ -
12	Total Rate Base	\$ 16,987,706	\$ 17,143,371	\$ 155,665	\$ (7,870,180)	\$ 9,117,526

Notes and Source

Col. A1: MFR Schedule A-1 from the Company's Consolidated filing

Col. A2: Sum of each water utility

Col.B: Schedule B.1, page 1

Line No.	Description	OPC Adjustments	Acquisition Adjustments
1	Utility Plant in Service	\$ -	
2	Utility Land & Land Rights	\$ -	
3	Less: Non-Used & Useful Plant	\$ -	
4	Construction Work in Progress	\$ -	
5	Less: Accumulated Depreciation	\$ -	
6	Less: CIAC	\$ -	
7	Accumulated Amortization of CIAC	\$ -	
8	Acquisition Adjustments	\$ (7,870,180)	\$ (7,870,180)
9	Accumulated Amortization of Acquisition Adjustments	\$ -	
10	Advances for Construction	\$ -	
11	Working Capital Allowance	\$ -	
12	Total Rate Base	<u>\$ (7,870,180)</u>	<u>\$ (7,870,180)</u>

Notes and Source

See referenced schedule for each adjustment

CSWR-Florida Utility Operating Company, LLC
 Summary of Rate Base for Each Water Utility
 Water Operations - Consolidated Based on Sum of Per System Results
 Test Year Ending January 31, 2025

Exhibit RCS-2
 Schedule B-2
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	Company Proposed (A)	OPC Adjusted (B)	Difference (C) = (B) - (A)
I. Rate Base Sum of Per System Results				
1	Aquarina Utilities - Water - Potable	\$ 1,609,423	\$ 463,687	\$ (1,145,736)
2	Aquarina Utilities - Water - Non-Potable	\$ 1,182,675	\$ 319,108	\$ (863,567)
3	CFAT H2O Landfair WWTF - Water	\$ 333,162	\$ 333,162	\$ -
4	Neighborhood Utilities - Water	\$ 467,722	\$ 467,722	\$ -
5	Rolling Oaks Utilities- Water	\$ 3,036,935	\$ 3,036,935	\$ -
6	Sunshine Utilities - Water	\$ 9,012,546	\$ 3,555,380	\$ (5,457,165)
7	Sunshine Utilities - PP-QR	\$ 1,079,427	\$ 675,716	\$ (403,712)
8	Tradewinds Village - Water	\$ 372,210	\$ 372,210	\$ -
9	Tymber Creek Utilities - Water	\$ 49,270	\$ 49,270	\$ -
10	Total Rate Base	<u>\$ 17,143,371</u>	<u>\$ 9,273,192</u>	<u>\$ (7,870,180)</u>
II. Compare Sum of System Results with Consolidated Results				
11	Sum of Per System Rate Bases	\$ 17,143,371	\$ 9,273,192	\$ (7,870,180)
12	Total Rate Base Consolidated Water	<u>\$ 16,987,706</u>	<u>\$ 9,117,526</u>	<u>\$ (7,870,180)</u>
13	Difference	<u>\$ 155,665</u>	<u>\$ 155,665</u>	<u>\$ -</u>

Notes and Source

Col. A, Lines 1-10: Company Schedule A-1 from each utility's MFRs
 Col. A, Line 12: Company Schedule A-1 from the consolidated MFRs
 Col. B, Lines 1-10: Schedule B from Exhibits RCS-3 through RCS-9
 Col. B, Line 12: Exhibit RCS-2, Schedule B

CSWR-Florida Utility Operating Company, LLC
 Comparison of Rate Base from Company's Consolidated MFRs to Utility MFRs
 Water Operations - Consolidated
 Test Year Ending January 31, 2025

Exhibit RCS-2
 Schedule B-3
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	Company Proposed - from Consolidated MFRs (A)	Sum of Company per System MFR Amounts (B)	Difference (C)
1	Utility Plant in Service	\$ 14,957,464	\$ 14,957,464	\$ -
2	Utility Land & Land Rights	\$ 3,188,984	\$ 3,188,984	\$ -
3	Less: Non-Used & Useful Plant	\$ -	\$ -	\$ -
4	Construction Work in Progress	\$ 1,093,077	\$ 1,093,077	\$ -
5	Less: Accumulated Depreciation	\$ (9,492,632)	\$ (9,492,632)	\$ (0)
6	Less: CIAC	\$ (5,654,319)	\$ (5,657,556)	\$ (3,237)
7	Accumulated Amortization of CIAC	\$ 5,024,951	\$ 5,024,951	\$ -
8	Acquisition Adjustments	\$ 7,870,180	\$ 7,870,180	\$ (0)
9	Accumulated Amortization of Acquisition Adjustments	\$ -	\$ -	\$ -
10	Advances for Construction	\$ -	\$ -	\$ -
11	Working Capital Allowance	\$ -	\$ 158,903	\$ 158,903
12	Total Rate Base	\$ 16,987,706	\$ 17,143,371	\$ 155,665

Notes and Source

Col.A: MFR Schedule A-1 from the Company's Consolidated filing

Col.B: Exhibits RCS-3 through RCS-9, Schedule B, page 1

CSWR-Florida Utility Operating Company, LLC
 Adjusted Net Operating Income
 Water Operations - Consolidated
 Test Year Ending January 31, 2025

Exhibit RCS-2
 Schedule C
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	Per Company - Consolidated MFRs (A1)	OPC Adjustments (B)	Per OPC (C) = (A1) + (B)	OPC Revenue Adjustment (D)	OPC Adjusted (E) = (C) + (D)
1	OPERATING REVENUES	\$ 3,785,558	\$ -	\$ 3,785,558	\$ 1,966,060	\$ 5,751,618
2	Operation & Maintenance	\$ 4,458,394	\$ (3,495)	\$ 4,454,900	\$ 88,473	\$ 4,543,372
3	Depreciation, net of CIAC Amortization	\$ 206,235	\$ -	\$ 206,235	\$ -	\$ 206,235
4	Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
5	Taxes Other Than Income	\$ 185,049	\$ -	\$ 185,049	\$ -	\$ 185,049
6	Provision for Income Taxes	\$ -	\$ -	\$ -	\$ 38,235	\$ 38,235
7	OPERATING EXPENSES	\$ 4,849,678	\$ (3,495)	\$ 4,846,183	\$ 126,708	\$ 4,972,891
8	NET OPERATING INCOME	\$ (1,064,120)	\$ 3,495	\$ (1,060,625)	\$ 1,839,353	\$ 778,728
9	Rate Base	\$ 16,987,706		\$ 9,117,526		\$ 9,117,526
10	Rate of Return	-6.26%		-11.63%		8.5410%

Notes and Source

Col. A1: MFR Schedule B-1 from the Company's Consolidated filing

Col. B: Schedule C.1, page 1

Col.C: Col.A + Col.B

Col. D: Schedule A, page 1 and Schedule A-1

Exhibit RCS-2
 Schedule C.1
 Docket No. 20250052-WS
 Page 1 of 1

CSWR-Florida Utility Operating Company, LLC
 Summary of Net Operating Income Adjustments
 Water Operations - Consolidated
 Test Year Ending January 31, 2025

Line No.	Description	OPC Adjustments	Lobbying Expense E-2
1	OPERATING REVENUES	\$ -	
2	Operation & Maintenance	\$ (3,495)	\$ (3,495)
3	Depreciation, net of CIAC Amortization	\$ -	
4	Amortization	\$ -	
5	Taxes Other Than Income	\$ -	
6	PRE-TAX OPERATING EXPENSES	\$ (3,495)	\$ (3,495)
7	PRE-TAX OPERATING INCOME	\$ 3,495	\$ 3,495
8	Federal Income Taxes	\$ -	-
9	State Income Taxes	\$ -	-
10	Total Income Taxes	\$ -	-
11	TOTAL OPERATING EXPENSES	\$ (3,495)	\$ (3,495)
12	OPERATING INCOME	\$ 3,495	\$ 3,495

Notes and Source

Line 8: Federal Income Tax Rate* 21.00%

Line 9: State Income Tax Rate* 5.500%

*See Schedule A-1

CSWR-Florida Utility Operating Company, LLC
 Comparison of Operating Income: Per Company Consolidated Results and Sum of Per Company System Results
 Water Operations - Consolidated
 Test Year Ending January 31, 2025

Exhibit RCS-2
 Schedule C-2
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	Per Company - Consolidated MFRs (A1)	Sum of Per Company System Specific Amounts (A2)	Difference Between Company Amounts (A3) = (A2) - (A1)
1	OPERATING REVENUES	\$ 3,785,558	\$ 3,785,558	\$ -
2	Operation & Maintenance	\$ 4,458,394	\$ 4,496,541	\$ 38,147
3	Depreciation, net of CIAC Amortization	\$ 206,235	\$ 206,235	\$ 0
4	Amortization	\$ -	\$ -	\$ -
5	Taxes Other Than Income	\$ 185,049	\$ 185,049	\$ (0)
6	Provision for Income Taxes	\$ -	\$ -	\$ -
7	OPERATING EXPENSES	\$ 4,849,678	\$ 4,887,824	\$ 38,147
8	NET OPERATING INCOME	\$ (1,064,120)	\$ (1,102,266)	\$ (38,147)

Notes and Source

Col. A1: MFR Schedule B-1 from the Company's Consolidated filing

Col. A2: Sum of each water system

CSWR-Florida Utility Operating Company, LLC
 Summary of Operating Expenses for Each Water Utility
 Water Operations - Consolidated
 Test Year Ending January 31, 2025

Exhibit RCS-2
 Schedule C-3
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	Company Proposed (A)
1	Aquarina Utilities - Water - Potable	\$ 144,048
2	Aquarina Utilities - Water - Non-Potable	\$ 245,634
3	CFAT H2O Landfair WWTF - Water	\$ 195,979
4	Neighborhood Utilities - Water	\$ 238,683
5	Rolling Oaks Utilities- Water	\$ 1,804,094
6	Sunshine Utilities - Water	\$ 1,561,633
7	Sunshine Utilities - PP-QR	\$ 161,916
8	Tradewinds Village - Water	\$ 271,364
9	Tymber Creek Utilities - Water	\$ 264,474
10	Total Operating Expense	<u>\$ 4,887,824</u>
11	Total Operating Expense per Company Consolidated MFRs	\$ 4,849,678
12	Difference	<u><u>\$ 38,147</u></u>

Notes and Source

Lines 1-10: Company Schedule A-1 from each utility's MFRs
 Line 11: Company Schedule A-1 from the consolidated MFRs

CSWR-Florida Utility Operating Company, LLC
 Summary of Income Tax Allowances for Each Water Utility
 Water Operations - Consolidated
 Test Year Ending January 31, 2025

Exhibit RCS-2
 Schedule C-4
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Sch. A-1 from Exhibit	Utility	Income Taxes		
			Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
1	RCS-3	Aquarina Utilities - Water - Potable	\$ 35,381	\$ 2,038	\$ (33,343)
2	RCS-3	Aquarina Utilities - Water - Non-Potable	\$ 25,975	\$ 494	\$ (25,480)
3	RCS-4	CFAT H2O Landfair WWTF - Water	\$ 585	\$ 1,386	\$ 800
4	RCS-5	Neighborhood Utilities - Water	\$ 807	\$ 1,926	\$ 1,119
5	RCS-6	Rolling Oaks Utilities - Water	\$ 65,749	\$ 12,572	\$ (53,177)
6	RCS-7	Sunshine Utilities - Water	\$ 191,197	\$ 14,804	\$ (176,392)
7	RCS-7	Sunshine Utilities - PP-QR	\$ 23,385	\$ 2,922	\$ (20,464)
8	RCS-8	Tradewinds Village - Water	\$ 7,361	\$ 1,448	\$ (5,913)
9	RCS-9	Tymer Creek Utilities - Water	\$ 705	\$ 106	\$ (599)
10		Total State and Federal Income Taxes - Sum of Systems	<u>\$ 351,145</u>	<u>\$ 37,695</u>	<u>\$ (313,449)</u>
11	RCS-2	Total State and Federal Income Taxes - Consolidated	\$ 366,544	\$ 38,235	\$ (328,309)
12		Difference	<u>\$ (15,399)</u>	<u>\$ (539)</u>	<u>\$ 14,860</u>

Line No.	Description	Company Adjusted Amount (A)	Specific Adjustments (B)	Subtotal Adjusted Capital (C)	Prorata Adjustments (D)	Adjusted Amount (E)	Capital Structure Ratio (F)	Cost Rate (G)	Weighted Cost (F) x (G) (H)
	I. Per Company								
1	Long Term Debt	\$ -				\$ -	0.00%	0.00%	0.000%
2	Short Term Debt	\$ 722,441				\$ 722,441	2.57%	8.50%	0.218%
3	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.000%
4	Customer Deposits	\$ -				\$ -	0.00%	0.00%	0.000%
5	Common Equity	\$ 27,399,344				\$ 27,399,344	97.43%	8.77%	8.545%
6	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.000%
7	Tax Credits - Wid. Cost	\$ -				\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.000%
8	Other	\$ -				\$ -	0.00%	0.00%	0.000%
9	Total	\$ 28,121,785				\$ 28,121,785	100.00%		8.763%
10	Weighted Cost of Debt							L1 + L2	0.222%
	II. Per OPC								
	Company Adjusted Amounts		OPC Specific Adjustments	Subtotal	OPC Prorata Adjustments				
11	Long Term Debt	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
12	Short Term Debt	\$ 722,441			\$ (240,813)	\$ 481,628	2.57%	8.50%	0.218%
13	Preferred Stock	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
14	Customer Deposits	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
15	Common Equity	\$ 27,399,344			\$ (9,133,093)	\$ 18,266,251	97.43%	8.54%	8.323%
16	Tax Credits - Zero Cost	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
17	Tax Credits - Wid. Cost	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
18	Other	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
19	Total	\$ 28,121,785			\$ (9,373,906)	\$ 18,747,879	100.00%		8.541%
20	Water Utility Rate Base	Exhibit RCS-2, Sch B			\$ (7,870,180)	\$ 9,117,526			
21	Wastewater Utility Rate Base	Exhibit RCS-10, Sch B			\$ (1,503,727)	\$ 6,186,983			
22	Difference				\$ (9,373,906)	\$ 15,304,510		Line 19 - 9	-0.2221%
23	Weighted Cost of Debt							L11 + L12	0.2180%

Notes

Lines 1-10: Schedule D-1 from the Company's Consolidated filing
 Lines 11-23: Col. B: Adjusted to equal rate base
 Cols F and G, Line 15: See page 2

Sum of LTD, STD and Common Equity \$ 28,121,785

Calculation of Return on Equity

DOCKET NO. 20250006-WS
 ORDER NO. PSC-2025-0213-PAA-WS
 ISSUED: June 18, 2025

Leverage Formula

The updated leverage formula is: $ROE = 7.17\% + (1.337\% / \text{Equity Ratio})$

The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

Calculations		
at 100%	at 40%	at CSWR %
7.17%	7.17%	7.17%
1.337%	1.337%	1.34%
100%	40%	97.43% [A]
1.33700%	3.34250%	1.37225%
8.51%	10.51%	8.54%
8.51%	10.51%	

Table 1
Adjusted Return on Equity

DCF Model	7.25%
CAPM	9.94%
Average	8.60%
Bond Yield Differential	0.36%
Private Placement Premium	0.50%
Small-Utility Risk Premium	0.50%
Adjusted ROE Average	9.96%
Adjustment to Reflect Required Equity Return at a 40% Equity Ratio	0.56%
Upper Range of ROE	10.51%

Source: Commission Staff Worksheets

Leverage Formula

The updated leverage formula is: $ROE = 7.17\% + (1.337 \div \text{Equity Ratio})$

The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

Notes and Source:

Note [A]: From page 1, Col. F, line 15

CSWR-Florida Utility Operating Company, LLC
Docket No. 20250052-WS
Exhibit RCS-3
Aquarina Utilities - Water
Revenue Requirement Summary Schedules
Accompanying the Direct Testimony of Ralph Smith

Number	Description	No. of Pages	Exhibit Page No.
	Revenue Requirement Summary Schedules		
A	Calculation of Revenue Deficiency (Sufficiency)	2	2-3
A-1	Income Taxes and Components of Revenue Change for New Rates	2	4-5
B	Adjusted Rate Base	2	6-7
B.1	Summary of Rate Base Adjustments	2	8-9
C	Adjusted Net Operating Income	2	10-11
C.1	Summary of Net Operating Income Adjustments	2	12-13
D	Capital Structure and Cost Rates	1	14
	Total Pages (Including Contents Page)	14	

Line No.	Description	Reference	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
1	Adjusted rate base	Sch B	\$ 1,609,423	\$ 463,687	\$ (1,145,736)
2	Rate of return	D	8.7671%	8.5211%	
3	Net operating income required		\$ 141,100	\$ 39,511	\$ (101,589)
4	Adjusted net operating income	Sch C	\$ (534)	\$ (410)	\$ 125
5	Net operating income deficiency		\$ 141,635	\$ 39,921	\$ (101,713)
6	Gross revenue conversion factor				
7	Revenue deficiency (Sufficiency) - Calculated	Sch A-1	\$ 185,357	\$ 43,936	\$ (141,420)
8	Revenue deficiency (Sufficiency) - Per Company		\$ 185,357		
9	Unidentified Difference		\$ -		
10	Total Operating Revenue at Current Rates	Sch C	\$ 143,514	\$ 143,514	
11	Percentage Increase	L.7 / L.10	129.16%	30.61%	

Notes and Source

Col.A: Aquarina Utilities MFR Schedule B-1 (Potable) from the Company's filing

Col. B: See referenced schedules

Line No.	Description	Reference	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
1	Adjusted rate base	Sch B	\$ 1,182,675	\$ 319,108	\$ (863,567)
2	Rate of return	D	8.7671%	8.5211%	
3	Net operating income required		\$ 103,687	\$ 27,192	\$ (76,495)
4	Adjusted net operating income	Sch C	\$ 55,456	\$ 55,456	\$ -
5	Net operating income deficiency		\$ 48,231	\$ (28,264)	\$ (76,495)
6	Gross revenue conversion factor				
7	Revenue deficiency (Sufficiency) - Calculated	Sch A-1	\$ 77,702	\$ (29,078)	\$ (106,780)
8	Revenue deficiency (Sufficiency) - Per Company		\$ 77,702		
9	Unidentified Difference		\$ -		
10	Total Operating Revenue at Current Rates	Sch C	\$ 301,090	\$ 301,090	
11	Percentage Increase	L.7 / L.10	25.81%	-9.66%	

Notes and Source

Col.A: Aquarina Utilities MFR Schedule B-1 (Non-Potable) from the Company's filing

Cols. B1 and B2: See referenced schedules

CSWR-Florida Utility Operating Company, LLC
 Income Taxes and Components of Revenue Change for New Rates
 Aquarina Utilities - Water
 Test Year Ending January 31, 2025

Exhibit RCS-3
 Schedule A-1
 Docket No. 20250052-WS
 Page 1 of 2

Replication of Company's Calculations

Line No.	Description	Reference	Tax Rate	Water-P (A)	Water-NP (B)
<u>I. Adjustment for Income Taxes</u>					
1	Rate Base	Sch B		\$ 1,609,423	\$ 1,182,675
2	Weighted cost of equity	Sch D		8.6769%	8.6769%
3	Equity return (taxable income before state tax exemption)			\$ 139,649	\$ 102,620
4	Less State Tax Exemption	CSWR Sch B-3		\$ (301)	\$ (795)
5	State Taxable Income			\$ 139,347	\$ 101,825
6	State Income tax (5.5%)		5.50%	\$ 7,664	\$ 5,600
7					
8	Federal Taxable Income			\$ 131,985	\$ 97,020
9	Federal Income Tax (21%)		21%	\$ 27,717	\$ 20,374
10	State and Federal Income Taxes			\$ 35,381	\$ 25,975
<u>II. Adjustment for Required Return</u>					
11	Rate Base	Sch B		\$ 1,609,423	\$ 1,182,675
12	Weighted Cost of Capital	Sch D		8.7671%	8.7671%
13	Required Return			\$ 141,100	\$ 103,687
14	Net Operating Income at Current Rates	Sch C		\$ (534)	\$ 55,456
15	Adjustment for Required Return			\$ 141,635	\$ 48,231
<u>III. Adjustment for RAF fees on Increased Revenue</u>					
16	Required Return	Line 15		\$ 141,635	\$ 48,231
17	Income Taxes	Line 10		\$ 35,381	\$ 25,975
18	Sum of Required Return and Income Taxes			\$ 177,015	\$ 74,205
19	RAF rate			0.955	0.955
20	Revenue requirement with RAF			\$ 185,357	\$ 77,702
21	Less: Sum of Required Return and Income Taxes			\$ (177,015)	\$ (74,205)
22	RAF			\$ 8,341	\$ 3,497
<u>IV. Components of Revenue Increase</u>					
23	Net Income (aka Required Return)	Line 15		\$ 141,635	\$ 48,231
24	Regulatory Assessment Fees	Line 22		\$ 8,341	\$ 3,497
25	State Income Tax	Line 6		\$ 7,664	\$ 5,600
26	Federal Income Tax	Line 9		\$ 27,717	\$ 20,374
27	Total Revenue Increase			\$ 185,357	\$ 77,702

Notes and Source

Aquarina Utilities MFR Schedule B-3 from the Company's filing

CSWR-Florida Utility Operating Company, LLC
 Income Taxes and Components of Revenue Change for New Rates
 Aquarina Utilities - Water
 Test Year Ending January 31, 2025

Exhibit RCS-3
 Schedule A-1
 Docket No. 20250052-WS
 Page 2 of 2

OPC Adjusted Amounts

Line No.	Description	Reference	Tax Rate	Water-P (A)	Water-NP (B)
<u>I. Adjustment for Income Taxes</u>					
1	Rate Base	Sch B		\$ 463,687	\$ 319,108
2	Weighted cost of equity	Sch D		8.4309%	8.4309%
3	Equity return (taxable income before state tax exemption)			\$ 39,093	\$ 26,904
4	Less State Tax Exemption	CSWR Sch B-3		\$ (301)	\$ (795)
5	State Taxable Income before NOL Carryforward			\$ 38,792	\$ 26,109
5a	Apply NOL Carryforward	80%		\$ (31,033)	\$ (20,887)
5b	Taxable Income after NOL CF			\$ 7,758	\$ 5,222
6	State Income tax (5.5%)		5.50%	\$ 427	\$ 287
7					
8	Federal Taxable Income before NOL Carryforward	Line 5 - Line 6		\$ 38,365	\$ 4,935
8a	Apply NOL Carryforward	80%		\$ (30,692)	\$ (3,948)
8b	Taxable Income after NOL CF			\$ 7,673	\$ 987
9	Federal Income Tax (21%)		21%	\$ 1,611	\$ 207
10	State and Federal Income Taxes			\$ 2,038	\$ 494
<u>II. Adjustment for Required Return</u>					
11	Rate Base	Sch B		\$ 463,687	\$ 319,108
12	Weighted Cost of Capital	Sch D		8.5211%	8.5211%
13	Required Return			\$ 39,511	\$ 27,192
14	Net Operating Income at Current Rates	Sch C		\$ (410)	\$ 55,456
15	Adjustment for Required Return			\$ 39,921	\$ (28,264)
<u>III. Adjustment for RAF fees on Increased Revenue</u>					
16	Required Return	Line 15		\$ 39,921	\$ (28,264)
17	Income Taxes	Line 10		\$ 2,038	\$ 494
18	Sum of Required Return and Income Taxes			\$ 41,959	\$ (27,770)
19	RAF rate			0.955	0.955
20	Revenue requirement with RAF			\$ 43,936	\$ (29,078)
21	Less: Sum of Required Return and Income Taxes			\$ (41,959)	\$ 27,770
22	RAF			\$ 1,977	\$ (1,309)
<u>IV. Components of Revenue Increase</u>					
23	Net Income (aka Required Return)	Line 15		\$ 39,921	\$ (28,264)
24	Regulatory Assessment Fees	Line 22		\$ 1,977	\$ (1,309)
25	State Income Tax	Line 6		\$ 427	\$ 287
26	Federal Income Tax	Line 9		\$ 1,611	\$ 207
27	Total Revenue Increase			\$ 43,936	\$ (29,078)

Notes and Source

See references

Lines 5a and 5b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of state taxable income

Lines 8a and 8b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of federal taxable income

CSWR-Florida Utility Operating Company, LLC
 Adjusted Rate Base
 Aquarina Utilities - Water
 Potable Water
 Test Year Ending January 31, 2025

Exhibit RCS-3
 Schedule B
 Docket No. 20250052-WS
 Page 1 of 2

Line No.	Description	Company Proposed (A)	OPC Adjustments (B)	OPC Proposed (C)
1	Utility Plant in Service	\$ 1,832,238	\$ -	\$ 1,832,238
2	Utility Land & Land Rights	\$ 83,093	\$ -	\$ 83,093
3	Less: Non-Used & Useful Plant	\$ -	\$ -	\$ -
4	Construction Work in Progress	\$ -	\$ -	\$ -
5	Less: Accumulated Depreciation	\$ (1,310,526)	\$ -	\$ (1,310,526)
6	Less: CIAC	\$ (421,159)	\$ -	\$ (421,159)
7	Accumulated Amortization of CIAC	\$ 280,041	\$ -	\$ 280,041
8	Acquisition Adjustments	\$ 1,145,736	\$ (1,145,736)	\$ -
9	Accumulated Amortization of Acquisition Adjustments	\$ -	\$ -	\$ -
10	Advances for Construction	\$ -	\$ -	\$ -
11	Working Capital Allowance	\$ -	\$ -	\$ -
12	Total Rate Base	<u>\$ 1,609,423</u>	<u>\$ (1,145,736)</u>	<u>\$ 463,687</u>

Notes and Source

Col.A: Aquarina Utilities MFR Schedule A-1 (Potable) from the Company's filing
 Col.B: Schedule B.1, page 1

CSWR-Florida Utility Operating Company, LLC
 Adjusted Rate Base
 Aquarina Utilities - Water
 Non-Potable Water
 Test Year Ending January 31, 2025

Exhibit RCS-3
 Schedule B
 Docket No. 20250052-WS
 Page 2 of 2

Line No.	Description	Company Proposed (A)	OPC Adjustments (B)	OPC Proposed (C)
1	Utility Plant in Service	\$ 1,168,579	\$ -	\$ 1,168,579
2	Utility Land & Land Rights	\$ 27,487	\$ -	\$ 27,487
3	Less: Non-Used & Useful Plant	\$ -	\$ -	\$ -
4	Construction Work in Progress	\$ -	\$ -	\$ -
5	Less: Accumulated Depreciation	\$ (876,958)	\$ -	\$ (876,958)
6	Less: CIAC	\$ -	\$ -	\$ -
7	Accumulated Amortization of CIAC	\$ -	\$ -	\$ -
8	Acquisition Adjustments	\$ 863,567	\$ (863,567)	\$ -
9	Accumulated Amortization of Acquisition Adjustments	\$ -	\$ -	\$ -
10	Advances for Construction	\$ -	\$ -	\$ -
11	Working Capital Allowance	\$ -	\$ -	\$ -
12	Total Rate Base	<u>\$ 1,182,675</u>	<u>\$ (863,567)</u>	<u>\$ 319,108</u>

Notes and Source

Col.A: Aquarina Utilities MFR Schedule A-1 (Non-Potable) from the Company's filing
 Col.B: Schedule B.1, page 1

CSWR-Florida Utility Operating Company, LLC
 Summary of Adjustments to Rate Base
 Aquarina Utilities - Water
 Potable Water
 Test Year Ending January 31, 2025

Exhibit RCS-3
 Schedule B.1
 Docket No. 20250052-WS
 Page 1 of 2

Line No.	Description	OPC Adjustments	Acquisition Adjustments
1	Utility Plant in Service	\$ -	
2	Utility Land & Land Rights	\$ -	
3	Less: Non-Used & Useful Plant	\$ -	
4	Construction Work in Progress	\$ -	
5	Less: Accumulated Depreciation	\$ -	
6	Less: CIAC	\$ -	
7	Accumulated Amortization of CIAC	\$ -	
8	Acquisition Adjustments	\$ (1,145,736)	\$ (1,145,736)
9	Accumulated Amortization of Acquisition Adjustments	\$ -	
10	Advances for Construction	\$ -	
11	Working Capital Allowance	\$ -	
12	Total Rate Base	<u>\$ (1,145,736)</u>	<u>\$ (1,145,736)</u>

Notes and Source

See referenced schedule for each adjustment

Line No.	Description	OPC Adjustments	Acquisition Adjustments
1	Utility Plant in Service	-	
2	Utility Land & Land Rights	-	
3	Less: Non-Used & Useful Plant	-	
4	Construction Work in Progress	-	
5	Less: Accumulated Depreciation	-	
6	Less: CIAC	-	
7	Accumulated Amortization of CIAC	-	
8	Acquisition Adjustments	(863,567)	\$ (863,567)
9	Accumulated Amortization of Acquisition Adjustments	-	
10	Advances for Construction	-	
11	Working Capital Allowance	-	
12	Total Rate Base	<u><u>\$(863,567)</u></u>	<u><u>\$ (863,567)</u></u>

Notes and Source

See referenced schedule for each adjustment

CSWR-Florida Utility Operating Company, LLC
 Adjusted Net Operating Income
 Aquarina Utilities - Water
 Potable Water
 Test Year Ending January 31, 2025

Exhibit RCS-3
 Schedule C
 Docket No. 20250052-WS
 Page 1 of 2

Line No.	Description	Per Company (A)	OPC Adjustments (B)	Per OPC at Current Rates (C)	OPC Revenue Adjustment (D)	OPC Adjusted (E) = (C) + (D)
1	OPERATING REVENUES	\$ 143,514	\$ -	\$ 143,514	\$ 43,936	\$ 187,450
2	Operation & Maintenance	\$ 99,302	\$ (125)	\$ 99,177	\$ 1,977	\$ 101,155
3	Depreciation, net of CIAC Amortization	\$ 30,665	\$ -	\$ 30,665		\$ 30,665
4	Amortization	\$ -	\$ -	\$ -		\$ -
5	Taxes Other Than Income	\$ 14,081	\$ -	\$ 14,081		\$ 14,081
6	Provision for Income Taxes	\$ -	\$ -	\$ -	\$ 2,038	\$ 2,038
7	OPERATING EXPENSES	\$ 144,048	\$ (125)	\$ 143,924	\$ 4,015	\$ 147,939
8	NET OPERATING INCOME	<u>\$ (534)</u>	<u>\$ 125</u>	<u>\$ (410)</u>	<u>\$ 39,921</u>	<u>\$ 39,511</u>
9	Rate Base	<u>\$ 1,609,423</u>	<u>\$ (1,145,736)</u>	<u>\$ 463,687</u>		<u>\$ 463,687</u>
10	Earned Rate of Return	<u>-0.03%</u>		<u>-0.09%</u>		<u>8.5211%</u>

Notes and Source

Col.A: Aquarina Utilities MFR Schedule B-1 (Potable) from the Company's filing
 Col.B: Schedule C.1, page 1
 Col.C: Col.A + Col.B
 Col. D: Schedule A, page 1 and Schedule A-1, page 2

CSWR-Florida Utility Operating Company, LLC
 Adjusted Net Operating Income
 Aquarina Utilities - Water
 Non-Potable Water
 Test Year Ending January 31, 2025

Exhibit RCS-3
 Schedule C
 Docket No. 20250052-WS
 Page 2 of 2

Line No.	Description	Per Company (A)	OPC Adjustments (B)	Per OPC at Current Rates (C)	OPC Revenue Adjustment (D)	OPC Adjusted (E) = (C) + (D)
1	OPERATING REVENUES	\$ 301,090	\$ -	\$ 301,090	\$ (29,078)	\$ 272,012
2	Operation & Maintenance	\$ 202,046	\$ -	\$ 202,046	\$ (1,309)	\$ 200,737
3	Depreciation, net of CIAC Amortization	\$ 19,521	\$ -	\$ 19,521		\$ 19,521
4	Amortization	\$ -	\$ -	\$ -		\$ -
5	Taxes Other Than Income	\$ 24,067	\$ -	\$ 24,067		\$ 24,067
6	Provision for Income Taxes	\$ -	\$ -	\$ -	\$ 494	\$ 494
7	OPERATING EXPENSES	\$ 245,634	\$ -	\$ 245,634	\$ (814)	\$ 244,820
8	NET OPERATING INCOME	<u>\$ 55,456</u>	<u>\$ -</u>	<u>\$ 55,456</u>	<u>\$ (28,264)</u>	<u>\$ 27,192</u>
9	Rate Base	<u>\$ 1,182,675</u>	<u>\$ (863,567)</u>	<u>\$ 319,108</u>		<u>\$ 319,108</u>
10	Earned Rate of Return	<u>4.69%</u>		<u>17.38%</u>		<u>8.5211%</u>

Notes and Source

Col.A: Aquarina Utilities MFR Schedule B-1 (Non-Potable) from the Company's filing
 Col.B: Schedule C.1, page 1
 Col.C: Col.A + Col.B
 Col.D: Schedule A, page 2 and Schedule A-1, page 2

CSWR-Florida Utility Operating Company, LLC
 Summary of Net Operating Income Adjustments
 Aquarina Utilities - Water
 Potable Water
 Test Year Ending January 31, 2025
Exhibit RCS-3
 Schedule C.1
 Docket No. 20250052-WS
 Page 1 of 2

Line No.	Description	OPC Adjustments	Lobbying Expense E-2
1	OPERATING REVENUES	\$ -	
2	Operation & Maintenance	\$ (125)	\$ (125)
3	Depreciation, net of CIAC Amortization	\$ -	
4	Amortization	\$ -	
5	Taxes Other Than Income	\$ -	
6	PRE-TAX OPERATING EXPENSES	\$ (125)	\$ (125)
7	PRE-TAX OPERATING INCOME	\$ 125	\$ 125
8	Federal Income Taxes	\$ -	-
9	State Income Taxes	\$ -	-
10	Total Income Taxes	\$ -	-
11	TOTAL OPERATING EXPENSES	\$ (125)	\$ (125)
12	OPERATING INCOME	\$ 125	\$ 125

Notes and Source

Line 8: Federal Income Tax Rate* 21.00%

Line 9: State Income Tax Rate* 5.500%

*See Schedule A-1

CSWR-Florida Utility Operating Company, LLC
 Summary of Net Operating Income Adjustments
 Aquarina Utilities - Water
 Non-Potable Water
 Test Year Ending January 31, 2025

Exhibit RCS-3
 Schedule C.1
 Docket No. 20250052-WS
 Page 2 of 2

Line No.	Description	OPC Adjustments	Lobbying Expense
1	OPERATING REVENUES	\$ -	\$ -
2	Operation & Maintenance	\$ -	\$ -
3	Depreciation, net of CIAC Amortization	\$ -	\$ -
4	Amortization	\$ -	\$ -
5	Taxes Other Than Income	\$ -	\$ -
6	PRE-TAX OPERATING EXPENSES	\$ -	\$ -
7	PRE-TAX OPERATING INCOME	\$ -	\$ -
8	Federal Income Taxes	\$ -	\$ -
9	State Income Taxes	\$ -	\$ -
10	Total Income Taxes	\$ -	\$ -
11	TOTAL OPERATING EXPENSES	\$ -	\$ -
12	OPERATING INCOME	\$ -	\$ -

Notes and Source

Line 8: Federal Income Tax Rate* 21.00%
 Line 9: State Income Tax Rate* 5.500%

*See Schedule A-1

CSWR-Florida Utility Operating Company, LLC
 Capital Structure and Cost Rates
 Aquarina Utilities - Water
 Test Year Ending January 31, 2025

Exhibit RCS-3
 Schedule D
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	Company Adjusted Amount (A)	Specific Adjustments (B)	Subtotal Adjusted Capital (C)	Prorata Adjustments (D)	Adjusted Amount (E)	Capital Structure Ratio (F)	Cost Rate (G)	Weighted Cost (F) x (G) (H)
I. Per Compan									
1	Long Term Debt	\$ -				\$ -	0.00%	0.00%	0.000%
2	Short Term Debt	\$ 37,807				\$ 37,807	1.06%	8.50%	0.090%
3	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.000%
4	Customer Deposits	\$ -				\$ -	0.00%	0.00%	0.000%
5	Common Equity	\$ 3,525,223				\$ 3,525,223	98.94%	8.77%	8.677%
6	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.000%
7	Tax Credits - Wtd. Cost	\$ -				\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.000%
8	Other	\$ -				\$ -	0.00%	0.00%	0.000%
9	Total	\$ 3,563,030				\$ 3,563,030	100.00%		8.767%
10	Weighted Cost of Deb							L1 + L2	0.09%
II. Per OPC									
11	Long Term Debt	\$ -				\$ -	0.00%	0.00%	0.000%
12	Short Term Debt	\$ 37,807				\$ (24,578)	1.06%	8.50%	0.090%
13	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.000%
14	Customer Deposits	\$ -				\$ -	0.00%	0.00%	0.000%
15	Common Equity	\$ 3,525,223				\$ (2,291,710)	98.94%	8.52%	8.431%
16	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.000%
17	Tax Credits - Wtd. Cost	\$ -				\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.000%
18	Other	\$ -				\$ -	0.00%	0.00%	0.000%
19	Total	\$ 3,563,030				\$ (2,316,288)	100.00%		8.521%
20	Water Utility Rate Base	Exhibit RCS-3, Sch B				\$ (2,009,303)			
21	Wastewater Utility Rate Base	Exhibit RCS-11, Sch B				\$ (306,986)			
22	Differenc					\$ (2,316,288)			Line 19 - Line 9
23	Weighted Cost of Deb								L11 + L12

Notes

Lines 1-10: Aquarina Utilities Schedule D-1 from the Company's filing
 Lines 11-23: Col. B: Adjusted to equal rate base

Sum of LTD, STD and Common Equity \$ 3,563,030

DOCKET NO. 20250006-WS
 ORDER NO. PSC-2025-0213-PAA-WS
 ISSUED: June 18, 2025

Leverage Formula
 The updated leverage formula is: $ROE = 7.17\% + (1.337\% / \text{Equity Ratio})$
 The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

Calculations at 100%	at 40%	at CSWR %
7.17%	7.17%	7.17%
1.337%	1.337%	1.34%
100%	40%	98.94%
1.33700%	3.34250%	1.35134%
8.51%	10.51%	8.52%
8.51%	10.51%	

**Table 1
 Adjusted Return on Equity**

DCF Model	7.25%
CAPM	9.94%
Average	8.60%
Bond Yield Differential	0.36%
Private Placement Premium	0.50%
Small-Utility Risk Premium	0.50%
Adjusted ROE Average	9.96%
Adjustment to Reflect Required Equity Return at a 40% Equity Ratio	0.56%
Upper Range of ROE	10.51%

Source: Commission Staff Worksheets

Leverage Formula

The updated leverage formula is: $ROE = 7.17\% + (1.337\% / \text{Equity Ratio})$

The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

CSWR-Florida Utility Operating Company, LLC
Docket No. 20250052-WS
Exhibit RCS-4
C.F.A.T. H2O, INC. - Water
Revenue Requirement Summary Schedules
Accompanying the Direct Testimony of Ralph Smith

Number	Description	No. of Pages	Exhibit Page No.
	Revenue Requirement Summary Schedules		
A	Calculation of Revenue Deficiency (Sufficiency)	1	2
A-1	Income Taxes and Components of Revenue Change for New Rates	1	3
B	Adjusted Rate Base	1	4
B.1	Summary of Rate Base Adjustments	1	5
C	Adjusted Net Operating Income	1	6
C.1	Summary of Net Operating Income Adjustments	1	7
D	Capital Structure and Cost Rates	1	8
	Total Pages (Including Contents Page)	8	

Line No.	Description	Reference	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
1	Adjusted rate base	Sch B	\$ 333,162	\$ 333,162	\$ -
2	Rate of return	D	8.7545%	8.5836%	
3	Net operating income required		\$ 29,167	\$ 28,597	\$ (569)
4	Adjusted net operating income	Sch C	\$ (96,712)	\$ (96,645)	\$ 67
5	Net operating income deficiency		\$ 125,878	\$ 125,242	\$ (636)
6	Gross revenue conversion factor				
7	Revenue deficiency (Sufficiency) - Calculated	Sch A-1	\$ 132,423	\$ 132,594	\$ 172
8	Revenue deficiency (Sufficiency) - Per Company		\$ 132,423		
9	Unidentified Difference		\$ -		
10	Total Operating Revenue at Current Rates	Sch C	\$ 99,267	\$ 99,267	
11	Percentage Increase	L.7 / L.10	133.40%	133.57%	

Notes and Source

Col.A: C.F.A.T. H2O, INC. MFR Schedule B-1 from the Company's filing

Col. B: See referenced schedules

CSWR-Florida Utility Operating Company, LLC
Income Taxes and Components of Revenue Change for New Rates
C.F.A.T. H2O, INC. - Water
Test Year Ending January 31, 2025

Exhibit RCS-4
Schedule A-1
Docket No. 20250052-WS
Page 1 of 1

Line No.	Description	Reference	Tax Rate	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
<u>I. Adjustment for Income Taxes</u>						
1a	Rate Base	Sch B			\$ 333,162	\$ 333,162
1b	Required Return	Line 13		\$ 29,167		-29166.57591
2	Weighted cost of equity	Sch D		8.2652%	8.0943%	
3	Equity return (taxable income before state tax exemption)			\$ 2,411	\$ 26,967	\$ 24,557
4	Less State Tax Exemption	CSWR Sch B-3		\$ (590)	\$ (590)	\$ -
5	State Taxable Income before NOL Carryforward			\$ 1,821	\$ 26,377	\$ 24,557
5a	Apply NOL Carryforward	80%			\$ (21,102)	\$ (21,102)
5b	Taxable Income after NOL CF				\$ 5,275	\$ 5,275
6	State Income tax (5.5%)		5.50%	\$ 100	\$ 290	\$ 190
7						
8	Federal Taxable Income before NOL Carryforward	Line 5 - Line 6		\$ 2,311	\$ 26,087	\$ 23,776
8a	Apply NOL Carryforward	80%			\$ (20,870)	\$ (20,870)
8b	Taxable Income after NOL CF				\$ 5,217	\$ 5,217
9	Federal Income Tax (21%)		21%	\$ 485	\$ 1,096	\$ 610
10	State and Federal Income Taxes			\$ 585	\$ 1,386	\$ 800
<u>II. Adjustment for Required Return</u>						
11	Rate Base	Sch B		\$ 333,162	\$ 333,162	\$ -
12	Weighted Cost of Capital	Sch D		8.7545%	8.5836%	-0.1709%
13	Required Return			\$ 29,167	\$ 28,597	\$ (569)
14	Net Operating Income at Current Rates	Sch C		\$ (96,712)	\$ (96,645)	\$ 67
15	Adjustment for Required Return			\$ 125,878	\$ 125,242	\$ (636)
<u>III. Adjustment for RAF fees on Increased Revenue</u>						
16	Required Return	Line 15		\$ 125,878	\$ 125,242	\$ (636)
17	Income Taxes	Line 10		\$ 585	\$ 1,386	\$ 800
18	Sum of Required Return and Income Taxes			\$ 126,464	\$ 126,628	\$ 164
19	RAF rate			0.955	0.955	
20	Revenue requirement with RAF			\$ 132,423	\$ 132,594	\$ 172
21	Less: Sum of Required Return and Income Taxes			\$ (126,464)	\$ (126,628)	\$ (164)
22	RAF			\$ 5,959	\$ 5,967	\$ 8
<u>IV. Components of Revenue Increase</u>						
23	Net Income (aka Required Return)	Line 15		\$ 125,878	\$ 125,242	\$ (636)
24	Regulatory Assessment Fees	Line 22		\$ 5,959	\$ 5,967	\$ 8
25	State Income Tax	Line 6		\$ 100	\$ 290	\$ 190
26	Federal Income Tax	Line 9		\$ 485	\$ 1,096	\$ 610
27	Total Revenue Increase			\$ 132,423	\$ 132,594	\$ 172

Notes and Source

See referenced schedules

Lines 5a and 5b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of state taxable income

Lines 8a and 8b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of federal taxable income

CSWR-Florida Utility Operating Company, LLC
Adjusted Rate Base
C.F.A.T. H2O, INC. - Water
Test Year Ending January 31, 2025

Exhibit RCS-4
Schedule B
Docket No. 20250052-WS
Page 1 of 1

Line No.	Description	Company Proposed (A)	OPC Adjustments (B)	OPC Proposed (C)
1	Utility Plant in Service	\$ 664,924	\$ -	\$ 664,924
2	Utility Land & Land Rights	\$ 54,295	\$ -	\$ 54,295
3	Less: Non-Used & Useful Plant	\$ -	\$ -	\$ -
4	Construction Work in Progress	\$ -	\$ -	\$ -
5	Less: Accumulated Depreciation	\$ (382,912)	\$ -	\$ (382,912)
6	Less: CIAC	\$ (124,933)	\$ -	\$ (124,933)
7	Accumulated Amortization of CIAC	\$ 121,788	\$ -	\$ 121,788
8	Acquisition Adjustments	\$ -	\$ -	\$ -
9	Accumulated Amortization of Acquisition Adjustments	\$ -	\$ -	\$ -
10	Advances for Construction	\$ -	\$ -	\$ -
11	Working Capital Allowance	\$ -	\$ -	\$ -
12	Total Rate Base	<u>\$ 333,162</u>	<u>\$ -</u>	<u>\$ 333,162</u>

Notes and Source

Col.A: C.F.A.T. H2O, INC. MFR Schedule A-1 from the Company's filing
Col.B: Schedule B.1, page 1

Line No.	Description	OPC Adjustments	Acquisition Adjustments
1	Utility Plant in Service	\$ -	
2	Utility Land & Land Rights	\$ -	
3	Less: Non-Used & Useful Plant	\$ -	
4	Construction Work in Progress	\$ -	
5	Less: Accumulated Depreciation	\$ -	
6	Less: CIAC	\$ -	
7	Accumulated Amortization of CIAC	\$ -	
8	Acquisition Adjustments	\$ -	
9	Accumulated Amortization of Acquisition Adjustments	\$ -	
10	Advances for Construction	\$ -	
11	Working Capital Allowance	\$ -	
12	Total Rate Base	\$ -	\$ -

Notes and Source

See referenced schedule for each adjustment

CSWR-Florida Utility Operating Company, LLC
Adjusted Net Operating Income
C.F.A.T. H2O, INC. - Water
Test Year Ending January 31, 2025

Exhibit RCS-4
Schedule C
Docket No. 20250052-WS
Page 1 of 1

Line No.	Description	Per Company (A)	OPC Adjustments (B)	Per OPC at Current Rates (C)	OPC Revenue Adjustment (D)	OPC Adjusted (E) = (C) + (D)
1	OPERATING REVENUES	\$ 99,267	\$ -	\$ 99,267	\$ 132,594	\$ 231,861
2	Operation & Maintenance	\$ 166,085	\$ (67)	\$ 166,018	\$ 5,967	\$ 171,985
3	Depreciation, net of CIAC Amortization	\$ 23,729	\$ -	\$ 23,729		\$ 23,729
4	Amortization	\$ -	\$ -	\$ -		\$ -
5	Taxes Other Than Income	\$ 6,164	\$ -	\$ 6,164		\$ 6,164
6	Provision for Income Taxes	\$ -	\$ -	\$ -	\$ 1,386	\$ 1,386
7	OPERATING EXPENSES	\$ 195,979	\$ (67)	\$ 195,912	\$ 7,353	\$ 203,264
8	NET OPERATING INCOME	<u>\$ (96,712)</u>	<u>\$ 67</u>	<u>\$ (96,645)</u>	<u>\$ 125,242</u>	<u>\$ 28,597</u>
9	Rate Base	<u>\$ 333,162</u>	<u>\$ -</u>	<u>\$ 333,162</u>		<u>\$ 333,162</u>
10	Earned Rate of Return	<u>-29.03%</u>		<u>-29.01%</u>		<u>8.5836%</u>

Notes and Source

Col.A: C.F.A.T. H2O, INC. MFR Schedule B-1 from the Company's filing

Col.B: Schedule C.1, page 1

Col.C: Col.A + Col.B

Col. D: Schedule A, page 1 and Schedule A-1, page 2

CSWR-Florida Utility Operating Company, LLC
 Summary of Net Operating Income Adjustments
 C.F.A.T. H2O, INC. - Water
 Test Year Ending January 31, 2025

Exhibit RCS-4
 Schedule C.1
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	OPC	
		Adjustments	Lobbying Expense E-2
1	OPERATING REVENUES	\$ -	
2	Operation & Maintenance	\$ (67)	\$ (67)
3	Depreciation, net of CIAC Amortization	\$ -	
4	Amortization	\$ -	
5	Taxes Other Than Income	\$ -	
6	PRE-TAX OPERATING EXPENSES	\$ (67)	\$ (67)
7	PRE-TAX OPERATING INCOME	\$ 67	\$ 67
8	Federal Income Taxes	\$ -	\$ -
9	State Income Taxes	\$ -	\$ -
10	Total Income Taxes	\$ -	\$ -
11	TOTAL OPERATING EXPENSES	\$ (67)	\$ (67)
12	OPERATING INCOME	\$ 67	\$ 67

Notes and Source

Line 8: Federal Income Tax Rate* 21.00%

Line 9: State Income Tax Rate* 5.500%

*See Schedule A-1

CSWR-Florida Utility Operating Company, LLC
 Capital Structure and Cost Rates
 C.F.A.T. H2O, INC. - Water
 Test Year Ending January 31, 2025

Exhibit RCS-4
 Schedule D
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	Company Adjusted Amount (A)	Specific Adjustments (B)	Subtotal Adjusted Capital (C)	Prorata Adjustments (D)	Adjusted Amount (E)	Capital Structure Ratio (F)	Cost Rate (G)	Weighted Cost (F) x (G) (H)
I. Per Compan									
1	Long Term Debt	\$ -				\$ -	0.00%	0.00%	0.000%
2	Short Term Debt	\$ 40,569				\$ 40,569	5.76%	8.50%	0.489%
3	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.000%
4	Customer Deposits	\$ -				\$ -	0.00%	0.00%	0.000%
5	Common Equity	\$ 664,280				\$ 664,280	94.24%	8.77%	8.265%
6	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.000%
7	Tax Credits - Wtd. Cost	\$ -				\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.000%
8	Other	\$ -				\$ -	0.00%	0.00%	0.000%
9	Total	\$ 704,849				\$ 704,849	100.00%		8.754%
10	Weighted Cost of Deb							L1 + L2	0.49%
II. Per OPC									
11	Long Term Debt	\$ -	OPC Specific Adjustments	Subtotal	OPC Prorata Adjustments	\$ -	0.00%	0.00%	0.000%
12	Short Term Debt	\$ 40,569			\$ -	\$ 40,569	5.76%	8.50%	0.489%
13	Preferred Stock	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
14	Customer Deposits	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
15	Common Equity	\$ 664,280			\$ -	\$ 664,280	94.24%	8.59%	8.094%
16	Tax Credits - Zero Cost	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
17	Tax Credits - Wtd. Cost	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
18	Other	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
19	Total	\$ 704,849			\$ -	\$ 704,849	100.00%		8.584%
20	Water Utility Rate Base	Exhibit RCS-4, Sch B			\$ -	\$ 333,162			
21	Wastewater Utility Rate Base	Exhibit RCS-13, Sch. B			\$ -	\$ 371,687			
22	Differenc				\$ -	\$ 704,850		Line 19 - Line 9	-0.1709%
23	Weighted Cost of Deb							L11 + L12	0.4892%

Notes

Lines 1-10: C.F.A.T. H2O, INC. Schedule D-1 from the Company's filing
 Lines 11-23: Col. B: Adjusted to equal rate base

Sum of LTD, STD and Common Equity \$ 704,849

DOCKET NO. 20250006-WS
 ORDER NO. PSC-2025-0213-PAA-WS
 ISSUED: June 18, 2025

Leverage Formula
 The updated leverage formula is: $ROE = 7.17\% + (1.337\% / \text{Equity Ratio})$
 The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

Calculations	at 100%	at 40%	at CSWR %
	7.17%	7.17%	7.17%
	1.337%	1.337%	1.34%
	100%	40%	94.24%
	1.33700%	3.34250%	1.41865%
	8.51%	10.51%	8.59%
	8.51%	10.51%	

Table 1
Adjusted Return on Equity

DCF Model	7.25%
CAPM	9.94%
Average	8.60%
Bond Yield Differential	0.36%
Private Placement Premium	0.50%
Small-Utility Risk Premium	0.50%
Adjusted ROE Average	9.96%
Adjustment to Reflect Required Equity Return at a 40% Equity Ratio	0.56%
Upper Range of ROE	10.51%

Source: Commission Staff Worksheets

Leverage Formula

The updated leverage formula is: $ROE = 7.17\% + (1.337\% \div \text{Equity Ratio})$

The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

CSWR-Florida Utility Operating Company, LLC
Docket No. 20250052-WS
Exhibit RCS-5
Neighborhood Utilities
Revenue Requirement Summary Schedules
Accompanying the Direct Testimony of Ralph Smith

Number	Description	No. of Pages	Exhibit Page No.
	Revenue Requirement Summary Schedules		
A	Calculation of Revenue Deficiency (Sufficiency)	1	2
A-1	Income Taxes and Components of Revenue Change for New Rates	1	3
B	Adjusted Rate Base	1	4
B.1	Summary of Rate Base Adjustments	1	5
C	Adjusted Net Operating Income	1	6
C.1	Summary of Net Operating Income Adjustments	1	7
D	Capital Structure and Cost Rates	1	8
	Total Pages (Including Contents Page)	8	

Line No.	Description	Reference	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
1	Adjusted rate base	Sch B	\$ 467,722	\$ 467,722	\$ -
2	Rate of return	D	8.7537%	8.5873%	
3	Net operating income required		\$ 40,943	\$ 40,165	\$ (778)
4	Adjusted net operating income	Sch C	\$ (74,607)	\$ (74,482)	\$ 126
5	Net operating income deficiency		\$ 115,550	\$ 114,646	\$ (904)
6	Gross revenue conversion factor				
7	Revenue deficiency (Sufficiency) - Calculated	Sch A-1	\$ 121,840	\$ 122,065	\$ 225
8	Revenue deficiency (Sufficiency) - Per Company		\$ 121,840		
9	Unidentified Difference		\$ -		
10	Total Operating Revenue at Current Rates	Sch C	\$ 164,075	\$ 164,075	
11	Percentage Increase	L.7 / L.10	74.26%	74.40%	

Notes and Source

Col.A: Neighborhood Utilities MFR Schedule B-1 from the Company's filing

Col. B: See referenced schedules

CSWR-Florida Utility Operating Company, LLC
 Income Taxes and Components of Revenue Change for New Rates
 Neighborhood Utilities
 Test Year Ending January 31, 2025

Exhibit RCS-5
 Schedule A-1
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	Reference	Tax Rate	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
<u>I. Adjustment for Income Taxes</u>						
1a	Rate Base	Sch B			\$ 467,722	\$ 467,722
1b	Required Return	Line 13		\$ 40,943		\$ (40,943)
2	Weighted cost of equity	Sch D		8.2403%	8.0739%	
3	Equity return (taxable income before state tax exemption)			\$ 3,374	\$ 37,764	\$ 34,390
4	Less State Tax Exemption	CSWR Sch B-3		\$ (1,108)	\$ (1,108)	\$ -
5	State Taxable Income before NOL Carryforward			\$ 2,265	\$ 36,655	\$ 34,390
5a	Apply NOL Carryforward	80%			\$ (29,324)	\$ (29,324)
5b	Taxable Income after NOL CF				\$ 7,331	\$ 7,331
6	State Income tax (5.5%)		5.50%	\$ 125	\$ 403	\$ 279
7						
8	Federal Taxable Income before NOL Carryforward			\$ 3,249	\$ 36,252	\$ 33,003
8a	Apply NOL Carryforward	80%			\$ (29,002)	\$ (29,002)
8b	Taxable Income after NOL CF				\$ 7,250	\$ 7,250
9	Federal Income Tax (21%)		21%	\$ 682	\$ 1,523	\$ 840
10	State and Federal Income Taxes			\$ 807	\$ 1,926	\$ 1,119
<u>II. Adjustment for Required Return</u>						
11	Rate Base	Sch B		\$ 467,722	\$ 467,722	\$ -
12	Weighted Cost of Capital	Sch D		8.7537%	8.5873%	
13	Required Return			\$ 40,943	\$ 40,165	\$ (778)
14	Net Operating Income at Current Rates	Sch C		\$ (74,607)	\$ (74,482)	\$ 126
15	Adjustment for Required Return			\$ 115,550	\$ 114,646	\$ (904)
<u>III. Adjustment for RAF fees on Increased Revenue</u>						
16	Required Return	Line 15		\$ 115,550	\$ 114,646	\$ (904)
17	Income Taxes	Line 10		\$ 807	\$ 1,926	\$ 1,119
18	Sum of Required Return and Income Taxes			\$ 116,357	\$ 116,572	\$ 215
19	RAF rate			0.955	0.955	
20	Revenue requirement with RAF			\$ 121,840	\$ 122,065	\$ 225
21	Less: Sum of Required Return and Income Taxes			\$ (116,357)	\$ (116,572)	\$ (215)
22	RAF			\$ 5,483	\$ 5,493	\$ 10
<u>IV. Components of Revenue Increase</u>						
23	Net Income (aka Required Return)	Line 15		\$ 115,550	\$ 114,646	\$ (904)
24	Regulatory Assessment Fees	Line 22		\$ 5,483	\$ 5,493	\$ 10
25	State Income Tax	Line 6		\$ 125	\$ 403	\$ 279
26	Federal Income Tax	Line 9		\$ 682	\$ 1,523	\$ 840
27	Total Revenue Increase			\$ 121,840	\$ 122,065	\$ 225

Notes and Source

See referenced schedules

Lines 5a and 5b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of state taxable income

Lines 8a and 8b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of federal taxable income

Line No.	Description	Company Proposed (A)	OPC Adjustments (B)	OPC Proposed (C)
1	Utility Plant in Service	\$ 729,247	\$ -	\$ 729,247
2	Utility Land & Land Rights	\$ 39,628	\$ -	\$ 39,628
3	Less: Non-Used & Useful Plant	\$ -	\$ -	\$ -
4	Construction Work in Progress	\$ -	\$ -	\$ -
5	Less: Accumulated Depreciation	\$ (422,288)	\$ -	\$ (422,288)
6	Less: CIAC	\$ (269,576)	\$ -	\$ (269,576)
7	Accumulated Amortization of CIAC	\$ 231,807	\$ -	\$ 231,807
8	Acquisition Adjustments	\$ -	\$ -	\$ -
9	Accumulated Amortization of Acquisition Adjustments	\$ -	\$ -	\$ -
10	Advances for Construction	\$ -	\$ -	\$ -
11	Working Capital Allowance	\$ 158,903	\$ -	\$ 158,903
12	Total Rate Base	\$ 467,722	\$ -	\$ 467,722

Notes and Source

Col.A: Neighborhood Utilities MFR Schedule A-1 from the Company's filing

Col.B: Schedule B.1, page 1

Line No.	Description	OPC Adjustments	Acquisition Adjustments
		E-1	
1	Utility Plant in Service	\$ -	
2	Utility Land & Land Rights	\$ -	
3	Less: Non-Used & Useful Plant	\$ -	
4	Construction Work in Progress	\$ -	
5	Less: Accumulated Depreciation	\$ -	
6	Less: CIAC	\$ -	
7	Accumulated Amortization of CIAC	\$ -	
8	Acquisition Adjustments	\$ -	
9	Accumulated Amortization of Acquisition Adjustments	\$ -	
10	Advances for Construction	\$ -	
11	Working Capital Allowance	\$ -	
12	Total Rate Base	\$ -	\$ -

Notes and Source

See referenced schedule for each adjustment

Line No.	Description	Per Company (A)	OPC Adjustments (B)	Per OPC at Current Rates (C)	OPC Revenue Adjustment (D)	OPC Adjusted (E) = (C) + (D)
1	OPERATING REVENUES	\$ 164,075	\$ -	\$ 164,075	\$ 122,065	\$ 286,140
2	Operation & Maintenance	\$ 215,955	\$ (126)	\$ 215,829	\$ 5,493	\$ 221,322
3	Depreciation, net of CIAC Amortization	\$ 11,844	\$ -	\$ 11,844	\$ -	\$ 11,844
4	Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
5	Taxes Other Than Income	\$ 10,884	\$ -	\$ 10,884	\$ -	\$ 10,884
6	Provision for Income Taxes	\$ -	\$ -	\$ -	\$ 1,926	\$ 1,926
7	OPERATING EXPENSES	\$ 238,683	\$ (126)	\$ 238,557	\$ 7,419	\$ 245,976
8	ET OPERATING INCOME	\$ (74,607)	\$ 126	\$ (74,482)	\$ 114,646	\$ 40,165
9	Rate Base	\$ 467,722	\$ -	\$ 467,722	\$ -	\$ 467,722
10	Earned Rate of Return	-15.95%		-15.92%		8.5873%

Notes and Source

Col.A: Neighborhood Utilities MFR Schedule B-1 from the Company's filing

Col.B: Schedule C.1, page 1

Col.C: Col.A + Col.B

Col.D: Schedule A, page 1 and Schedule A-1, page 2

Line No.	Description	OPC Adjustments	Lobbying Expense E-2
1	OPERATING REVENUES	\$ -	
2	Operation & Maintenance	\$ (126)	\$ (126)
3	Depreciation, net of CIAC Amortization	\$ -	
4	Amortization	\$ -	
5	Taxes Other Than Income	\$ -	
6	PRE-TAX OPERATING EXPENSES	\$ (126)	\$ (126)
7	PRE-TAX OPERATING INCOME	\$ 126	\$ 126
8	Federal Income Taxes	\$ -	\$ -
9	State Income Taxes	\$ -	\$ -
10	Total Income Taxes	\$ -	\$ -
11	TOTAL OPERATING EXPENSES	\$ (126)	\$ (126)
12	OPERATING INCOME	\$ 126	\$ 126

Notes and Source

Line 8: Federal Income Tax Rate* 21.00%
 Line 9: State Income Tax Rate* 5.500%

*See Schedule A-1

CSWR-Florida Utility Operating Company, LLC
 Capital Structure and Cost Rates
 Neighborhood Utilities
 Test Year Ending January 31, 2025

Exhibit RCS-5
 Schedule D
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	Company Adjusted Amount (A)	Specific Adjustments (B)	Subtotal Adjusted Capital (C)	Prorata Adjustments (D)	Adjusted Amount (E)	Capital Structure Ratio (F)	Cost Rate (G)	Weighted Cost (F) x (G) (H)
I. Per Compan									
1	Long Term Debt	\$ -				\$ -	0.00%	0.00%	0.000%
2	Short Term Debt	\$ 28,250				\$ 28,250	6.04%	8.50%	0.513%
3	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.000%
4	Customer Deposits	\$ -				\$ -	0.00%	0.00%	0.000%
5	Common Equity	\$ 439,472				\$ 439,472	93.96%	8.77%	8.240%
6	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.000%
7	Tax Credits - Wtd. Cost	\$ -				\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.000%
8	Other	\$ -				\$ -	0.00%	0.00%	0.000%
9	Total	\$ 467,722				\$ 467,722	100.00%		8.754%
10	Weighted Cost of Deb							L1 + L2	0.51%
II. Per OPC									
		Company Adjusted Amounts	OPC Specific Adjustments	Subtotal	OPC Prorata Adjustments				
11	Long Term Debt	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
12	Short Term Debt	\$ 28,250			\$ -	\$ 28,250	6.04%	8.50%	0.513%
13	Preferred Stock	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
14	Customer Deposits	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
15	Common Equity	\$ 439,472			\$ -	\$ 439,472	93.96%	8.59%	8.074%
16	Tax Credits - Zero Cost	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
17	Tax Credits - Wtd. Cost	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
18	Other	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
19	Total	\$ 467,722			\$ -	\$ 467,722	100.00%		8.587%
20	Water Utility Rate Base		Exhibit RCS-5, Sch B		\$ -	\$ 467,722			
21					\$ -	\$ 467,722			
22	Differenc				\$ -	\$ 467,722		Line 19 - Line 9	-0.1664%
23	Weighted Cost of Deb							L11 + L12	0.5134%

Notes

Lines 1-10: Neighborhood Utilities Schedule D-1 from the Company's filing
 Lines 11-23: Col. B: Adjusted to equal rate base

Sum of LTD, STD and Common Equity \$ 467,722

DOCKET NO. 20250006-WS
 ORDER NO. PSC-2025-0213-PAA-WS
 ISSUED: June 18, 2025

Calculations	at 100%	at 40%	at CSWR %
Leverage Formula	7.17%	7.17%	7.17%
The updated leverage formula is: ROE = 7.17% + (1.337% / Equity Ratio)			
The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.	1.337%	1.337%	1.34%
	100%	40%	93.96%
	1.33700%	3.34250%	1.42294%
	8.51%	10.51%	8.59%
	8.51%	10.51%	

**Table 1
 Adjusted Return on Equity**

DCF Model	7.25%
CAPM	9.94%
Average	8.60%
Bond Yield Differential	0.36%
Private Placement Premium	0.50%
Small-Utility Risk Premium	0.50%
Adjusted ROE Average	9.96%
Adjustment to Reflect Required Equity Return at a 40% Equity Ratio	0.56%
Upper Range of ROE	10.51%

Source: Commission Staff Worksheets

Leverage Formula

The updated leverage formula is: ROE = 7.17% + (1.337 ÷ Equity Ratio)

The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

CSWR-Florida Utility Operating Company, LLC
Docket No. 20250052-WS
Exhibit RCS-6
Rolling Oaks Utilities - Water
Revenue Requirement Summary Schedules
Accompanying the Direct Testimony of Ralph Smith

Number	Description	No. of Pages	Exhibit Page No.
	Revenue Requirement Summary Schedules		
A	Calculation of Revenue Deficiency (Sufficiency)	1	2
A-1	Income Taxes and Components of Revenue Change for New Rates	1	3
B	Adjusted Rate Base	1	4
B.1	Summary of Rate Base Adjustments	1	5
C	Adjusted Net Operating Income	1	6
C.1	Summary of Net Operating Income Adjustments	1	7
D	Capital Structure and Cost Rates	1	8
	Total Pages (Including Contents Page)	8	

Line No.	Description	Reference	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
1	Adjusted rate base	Sch B	\$ 3,036,935	\$ 3,036,935	\$ -
2	Rate of return	D	8.7657%	8.5282%	
3	Net operating income required		\$ 266,208	\$ 258,997	\$ (7,211)
4	Adjusted net operating income	Sch C	\$ (382,314)	\$ (380,544)	\$ 1,770
5	Net operating income deficiency		\$ 648,522	\$ 639,541	\$ (8,982)
6	Gross revenue conversion factor				
7	Revenue deficiency (Sufficiency) - Calcolatec	Sch A-1	\$ 747,928	\$ 682,841	\$ (65,088)
8	Revenue deficiency (Sufficiency) - Per Company		\$ 747,928		
9	Unidentified Difference		\$ -		
10	Total Operating Revenue at Current Rates	Sch C	\$ 1,421,780	\$ 1,421,780	
11	Percentage Increase	L.7 / L.10	52.61%	48.03%	

Notes and Source

Col.A: Rolling Oaks Utilities MFR Schedule B-1 from the Company's filing

Col. B: See referenced schedules

CSWR-Florida Utility Operating Company, LLC
Income Taxes and Components of Revenue Change for New Rates
Rolling Oaks Utilities - Water
Test Year Ending January 31, 2025

Exhibit RCS-6
Schedule A-1
Docket No. 20250052-WS
Page 1 of 1

Line No.	Description	Reference	Tax Rate	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
I. Adjustment for Income Taxes						
1	Rate Base	Sch B		\$ 3,036,935	\$ 3,036,935	\$ -
2	Weighted cost of equity	Sch D		8.6300%	8.3925%	
3	Equity return (taxable income before state tax exemption)			\$ 262,087	\$ 254,876	\$ (7,211)
4	Less State Tax Exemption	CSWR Sch B-3		\$ (15,582)	\$ (15,582)	\$ -
5	State Taxable Income before NOL Carryforward			\$ 246,505	\$ 239,294	\$ (7,211)
5a	Apply NOL Carryforward	80%			\$ (191,435)	\$ (191,435)
5b	Taxable Income after NOL CF				\$ 47,859	\$ 47,859
6	State Income tax (5.5%)		5.50%	\$ 13,558	\$ 2,632	\$ (10,926)
7						
8	Federal Taxable Income before NOL Carryforward	Line 5 - Line 6		\$ 248,529	\$ 236,661	\$ (11,868)
8a	Apply NOL Carryforward	80%			\$ (189,329)	\$ (189,329)
8b	Taxable Income after NOL CF				\$ 47,332	\$ 47,332
9	Federal Income Tax (21%)		21%	\$ 52,191	\$ 9,940	\$ (42,251)
10	State and Federal Income Taxes			\$ 65,749	\$ 12,572	\$ (53,177)
II. Adjustment for Required Return						
11	Rate Base	Sch B		\$ 3,036,935	\$ 3,036,935	\$ -
12	Weighted Cost of Capital	Sch D		8.7657%	8.5282%	
13	Required Return			\$ 266,208	\$ 258,997	\$ (7,211)
14	Net Operating Income at Current Rates	Sch C		\$ (382,314)	\$ (380,544)	\$ 1,770
15	Adjustment for Required Return			\$ 648,522	\$ 639,541	\$ (8,982)
III. Adjustment for RAF fees on Increased Revenue						
16	Required Return	Line 15		\$ 648,522	\$ 639,541	\$ (8,982)
17	Income Taxes	Line 10		\$ 65,749	\$ 12,572	\$ (53,177)
18	Sum of Required Return and Income Taxes			\$ 714,271	\$ 652,113	\$ (62,159)
19	RAF rate			0.955	0.955	
20	Revenue requirement with RAF			\$ 747,928	\$ 682,841	\$ (65,088)
21	Less: Sum of Required Return and Income Taxes			\$ (714,271)	\$ (652,113)	\$ 62,159
22	RAF			\$ 33,657	\$ 30,728	\$ (2,929)
IV. Components of Revenue Increase						
23	Net Income (aka Required Return)	Line 15		\$ 648,522	\$ 639,541	\$ (8,982)
24	Regulatory Assessment Fees	Line 22		\$ 33,657	\$ 30,728	\$ (2,929)
25	State Income Tax	Line 6		\$ 13,558	\$ 2,632	\$ (10,926)
26	Federal Income Tax	Line 9		\$ 52,191	\$ 9,940	\$ (42,251)
27	Total Revenue Increase			\$ 747,928	\$ 682,841	\$ (65,088)

Notes and Source

See referenced schedules

Lines 5a and 5b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of state taxable income

Lines 8a and 8b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of federal taxable income

Line No.	Description	Company Proposed (A)	OPC Adjustments (B)	OPC Proposed (C)
1	Utility Plant in Service	\$ 3,647,486	\$ -	\$ 3,647,486
2	Utility Land & Land Rights	\$ 2,443,987	\$ -	\$ 2,443,987
3	Less: Non-Used & Useful Plant	\$ -	\$ -	\$ -
4	Construction Work in Progress	\$ -	\$ -	\$ -
5	Less: Accumulated Depreciation	\$ (2,728,722)	\$ -	\$ (2,728,722)
6	Less: CIAC	\$ (2,315,859)	\$ -	\$ (2,315,859)
7	Accumulated Amortization of CIAC	\$ 1,990,044	\$ -	\$ 1,990,044
8	Acquisition Adjustments	\$ -	\$ -	\$ -
9	Accumulated Amortization of Acquisition Adjustments	\$ -	\$ -	\$ -
10	Advances for Construction	\$ -	\$ -	\$ -
11	Working Capital Allowance	\$ -	\$ -	\$ -
12	Total Rate Base	\$ 3,036,935	\$ -	\$ 3,036,935

Notes and Source

Col.A: Rolling Oaks Utilities MFR Schedule A-1 from the Company's filing

Col.B: Schedule B.1, page 1

Line No.	Description	OPC Adjustments	Acquisition Adjustments
			E-1
1	Utility Plant in Service	\$ -	
2	Utility Land & Land Rights	\$ -	
3	Less: Non-Used & Useful Plant	\$ -	
4	Construction Work in Progress	\$ -	
5	Less: Accumulated Depreciation	\$ -	
6	Less: CIAC	\$ -	
7	Accumulated Amortization of CIAC	\$ -	
8	Acquisition Adjustments	\$ -	
9	Accumulated Amortization of Acquisition Adjustments	\$ -	
10	Advances for Construction	\$ -	
11	Working Capital Allowance	\$ -	
12	Total Rate Base	\$ -	\$ -

Notes and Source

See referenced schedule for each adjustment

Line No.	Description	Per Company (A)	OPC Adjustments (B)	Per OPC at Current Rates (C)	OPC Revenue Adjustment (D)	OPC Adjusted (E) = (C) + (D)
1	OPERATING REVENUES	\$ 1,421,780	\$ -	\$ 1,421,780	\$ 682,841	\$ 2,104,621
2	Operation & Maintenance	\$ 1,748,564	\$ (1,770)	\$ 1,746,794	\$ 30,728	\$ 1,777,522
3	Depreciation, net of CIAC Amortization	\$ 8,636	\$ -	\$ 8,636	\$ -	\$ 8,636
4	Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
5	Taxes Other Than Income	\$ 46,894	\$ -	\$ 46,894	\$ -	\$ 46,894
6	Provision for Income Taxes	\$ -	\$ -	\$ -	\$ 12,572	\$ 12,572
7	OPERATING EXPENSES	\$ 1,804,094	\$ (1,770)	\$ 1,802,324	\$ 43,300	\$ 1,845,624
8	NET OPERATING INCOME	\$ (382,314)	\$ 1,770	\$ (380,544)	\$ 639,541	\$ 258,997
9	Rate Base	\$ 3,036,935	\$ -	\$ 3,036,935		\$ 3,036,935
10	Earned Rate of Return	-12.59%		-12.53%		8.5282%

Notes and Source

Col.A: Rolling Oaks Utilities MFR Schedule B-1 from the Company's filing

Col.B: Schedule C.1, page 1

Col.C: Col.A + Col.B

Col.D: Schedule A, page 1 and Schedule A-1, page 2

Line No.	Description	OPC Adjustments	Lobbying Expense E-2
1	OPERATING REVENUES	\$ -	
2	Operation & Maintenance	\$ (1,770)	\$ (1,770)
3	Depreciation, net of CIAC Amortization	\$ -	
4	Amortization	\$ -	
5	Taxes Other Than Income	\$ -	
6	PRE-TAX OPERATING EXPENSES	<u>\$ (1,770)</u>	<u>\$ (1,770)</u>
7	PRE-TAX OPERATING INCOME	<u>\$ 1,770</u>	<u>\$ 1,770</u>
8	Federal Income Taxes	\$ -	-
9	State Income Taxes	\$ -	-
10	Total Income Taxes	<u>\$ -</u>	<u>\$ -</u>
11	TOTAL OPERATING EXPENSES	<u>\$ (1,770)</u>	<u>\$ (1,770)</u>
12	OPERATING INCOME	<u>\$ 1,770</u>	<u>\$ 1,770</u>

Notes and Source

Line 8: Federal Income Tax Rate* 21.00%

Line 9: State Income Tax Rate* 5.500%

*See Schedule A-1

CSWR-Florida Utility Operating Company, LLC
 Capital Structure and Cost Rates
 Rolling Oaks Utilities - Water
 Test Year Ending January 31, 2025

Exhibit RCS-6
 Schedule D
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	Company Adjusted Amount (A)	Specific Adjustments (B)	Subtotal Adjusted Capital (C)	Prorata Adjustments (D)	Adjusted Amount (E)	Capital Structure Ratio (F)	Cost Rate (G)	Weighted Cost (F) x (G) (H)
I. Per Compan									
1	Long Term Debt	\$ -				\$ -	0.00%	0.00%	0.00%
2	Short Term Debt	\$ 106,365				\$ 106,365	1.60%	8.50%	0.136%
3	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.00%
4	Customer Deposits	\$ -				\$ -	0.00%	0.00%	0.00%
5	Common Equity	\$ 6,556,213				\$ 6,556,213	98.40%	8.77%	8.630%
6	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.00%
7	Tax Credits - Wtd. Cost	\$ -				\$ -	0.00%	0.00%	0.00%
	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.00%
8	Other	\$ -				\$ -	0.00%	0.00%	0.00%
9	Total	\$ 6,662,578				\$ 6,662,578	100.00%		8.766%
10	Weighted Cost of Deb							L1 + L2	0.14%
II. Per OPC									
		Company Adjusted Amounts	OPC Specific Adjustments	Subtotal	OPC Prorata Adjustments				
11	Long Term Debt	\$ -			\$ -	\$ -	0.00%	0.00%	0.00%
12	Short Term Debt	\$ 106,365			\$ -	\$ 106,365	1.60%	8.50%	0.136%
13	Preferred Stock	\$ -			\$ -	\$ -	0.00%	0.00%	0.00%
14	Customer Deposits	\$ -			\$ -	\$ -	0.00%	0.00%	0.00%
15	Common Equity	\$ 6,556,213			\$ -	\$ 6,556,213	98.40%	8.53%	8.393%
16	Tax Credits - Zero Cost	\$ -			\$ -	\$ -	0.00%	0.00%	0.00%
17	Tax Credits - Wtd. Cost	\$ -			\$ -	\$ -	0.00%	0.00%	0.00%
	Accum. Deferred Income Taxes	\$ -			\$ -	\$ -	0.00%	0.00%	0.00%
18	Other	\$ -			\$ -	\$ -	0.00%	0.00%	0.00%
19	Total	\$ 6,662,578			\$ -	\$ 6,662,578	100.00%		8.528%
20	Water Utility Rate Base	Exhibit RCS-6, Sch. B			\$ -	\$ 3,036,935			
21	Wastewater Utility Rate Base	Exhibit RCS-15, Sch. B			\$ -	\$ 3,616,764			
22	Differenc				\$ -	\$ 6,653,699		Line 19 - Line 9	-0.2375%
23	Weighted Cost of Deb							L11 + L12	0.1357%

Notes

Lines 1-10: Rolling Oaks Utilities Schedule D-1 from the Company's filing
 Lines 11-23: Col. B: Adjusted to equal rate base

Sum of LTD, STD and Common Equity \$ 6,662,578

DOCKET NO. 20250006-WS
 ORDER NO. PSC-2025-0213-PAA-WS
 ISSUED: June 18, 2025

Leverage Formula
 The updated leverage formula is: $ROE = 7.17\% + (1.337\% / \text{Equity Ratio})$
 The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

	Calculations		
	at 100%	at 40%	at CSWR %
	7.17%	7.17%	7.17%
	1.337%	1.337%	1.34%
	100%	40%	98.40%
	1.33700%	3.34250%	1.35869%
	8.51%	10.51%	8.53%
	8.51%	10.51%	

Table 1
Adjusted Return on Equity

DCF Model	7.25%
CAPM	9.94%
Average	8.60%
Bond Yield Differential	0.36%
Private Placement Premium	0.50%
Small-Utility Risk Premium	0.50%
Adjusted ROE Average	9.96%
Adjustment to Reflect Required Equity Return at a 40% Equity Ratio	0.56%
Upper Range of ROE	10.51%

Source: Commission Staff Worksheets

Leverage Formula

The updated leverage formula is: $ROE = 7.17\% + (1.337\% \div \text{Equity Ratio})$

The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

CSWR-Florida Utility Operating Company, LLC
Docket No. 20250052-WS
Exhibit RCS-7
Sunshine Utilities
Revenue Requirement Summary Schedules
Accompanying the Direct Testimony of Ralph Smith

Number	Description	No. of Pages	Exhibit Page No.
	Revenue Requirement Summary Schedules		
A	Calculation of Revenue Deficiency (Sufficiency)	2	2-3
A-1	Income Taxes and Components of Revenue Change for New Rates	2	4-5
B	Adjusted Rate Base	2	6-7
B.1	Summary of Rate Base Adjustments	2	8-9
C	Adjusted Net Operating Income	2	10-11
C.1	Summary of Net Operating Income Adjustments	2	12-13
D	Capital Structure and Cost Rates	2	14-15
	Total Pages (Including Contents Page)	15	

Line No.	Description	Reference	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
1	Adjusted rate base	Sch B	\$ 9,012,546	\$ 3,555,380	\$ (5,457,165)
2	Rate of return	D	8.7583%	8.5649%	
3	Net operating income required		\$ 789,342	\$ 304,513	\$ (484,829)
4	Adjusted net operating income	Sch C	\$ (527,062)	\$ (525,973)	\$ 1,089
5	Net operating income deficiency		\$ 1,316,403	\$ 830,486	\$ (485,918)
6	Gross revenue conversion factor				
7	Revenue deficiency (Sufficiency) - Calculated	Sch A-1	\$ 1,578,639	\$ 885,120	\$ (693,518)
8	Revenue deficiency (Sufficiency) - Per Company		\$ 1,578,639		
9	Unidentified Difference		-		
10	Total Operating Revenue at Current Rates	Sch C	\$ 1,034,571	\$ 1,034,571	
11	Percentage Increase	L.7 / L.10	152.59%	85.55%	

Notes and Source

Col.A: Sunshine Utilities MPR Schedule B-1 from the Company's filing
 Cols. B: See referenced schedules

Line No.	Description	Reference	Per Company (A)	Per OPC (B)	Difference (C) = (B2) - (A)
1	Adjusted rate base	Sch B	\$ 1,079,427	\$ 675,716	\$ (403,712)
2	Rate of return	D	8.7635%	8.5390%	
3	Net operating income required		\$ 94,596	\$ 57,699	\$ (36,897)
4	Adjusted net operating income	Sch C	\$ (78,421)	\$ (78,340)	\$ 81
5	Net operating income deficiency		\$ 173,016	\$ 136,039	\$ (36,977)
6	Gross revenue conversion factor	Sch A-1			
7	Revenue deficiency (Sufficiency) - Calculated		\$ 205,656	\$ 145,509	\$ (60,148)
8	Revenue deficiency (Sufficiency) - Per Company		\$ 205,656		
9	Unidentified Difference		\$ -		
10	Total Operating Revenue at Current Rates	Sch C	\$ 83,495	\$ 83,495	
11	Percentage Increase	L. 7 / L.10	246.31%	174.27%	

Notes and Source

Col.A: Sunshine Utilities MFR Schedule B-1 from the Company's filing
 Cols. B: See referenced schedules

CSWR-Florida Utility Operating Company, LLC
Income Taxes and Components of Revenue Change for New Rates
Sunshine Utilities
Test Year Ending January 31, 2025

Exhibit RCS-7
Schedule A-1
Docket No. 20250052-WS
Page 1 of 2

Replication of Company's Calculations

Line No.	Description	Reference	Tax Rate	Sunshine (A)	PP-QR (B)
<u>I. Adjustment for Income Taxes</u>					
1	Rate Base	Sch B		\$ 9,012,546	\$ 1,079,427
2	Weighted cost of equity	Sch D		8.3885%	8.5592%
3	Equity return (taxable income before state tax exemption)			\$ 756,019	\$ 92,390
4	Less State Tax Exemption	CSWR Sch B-3		\$ (9,586)	\$ (709)
5	State Taxable Income			\$ 746,433	\$ 91,681
6	State Income tax (5.5%)		5.50%	\$ 41,054	\$ 5,042
7					
8	Federal Taxable Income			\$ 714,966	\$ 87,348
9	Federal Income Tax (21%)		21%	\$ 150,143	\$ 18,343
10	State and Federal Income Tax			\$ 191,197	\$ 23,385
<u>II. Adjustment for Required Return</u>					
11	Rate Base	Sch B		\$ 9,012,546	\$ 1,079,427
12	Weighted Cost of Capital	Sch D		8.7583%	8.7635%
13	Required Return			\$ 789,342	\$ 94,596
14	Net Operating Income at Current Rates	Sch C		\$ (527,062)	\$ (78,421)
15	Adjustment for Required Return			\$ 1,316,403	\$ 173,016
<u>III. Adjustment for RAF fees on Increased Revenue</u>					
16	Required Return	Line 15		\$ 1,316,403	\$ 173,016
17	Income Taxes	Line 10		\$ 191,197	\$ 23,385
18	Sum of Required Return and Income Taxes			\$ 1,507,600	\$ 196,402
19	RAF rate			0.955	0.955
20	Revenue requirement with RAF			\$ 1,578,639	\$ 205,656
21	Less: Sum of Required Return and Income Taxes			\$ (1,507,600)	\$ (196,402)
22	RAF			\$ 71,039	\$ 9,255
<u>IV. Components of Revenue Increase</u>					
23	Net Income (aka Required Return)	Line 15		\$ 1,316,403	\$ 173,016
24	Regulatory Assessment Fees	Line 22		\$ 71,039	\$ 9,255
25	State Income Tax	Line 6		\$ 41,054	\$ 5,042
26	Federal Income Tax	Line 9		\$ 150,143	\$ 18,343
27	Total Revenue Increase			\$ 1,578,639	\$ 205,656

Notes and Source

Col. A: Sunshine Utilities MFR Schedule B-3 from the Company's filing
Col. B: Sunshine Utilities MFR Schedule B-3 (PP-QR) from the Company's filing

CSWR-Florida Utility Operating Company, LLC
Income Taxes and Components of Revenue Change for New Rates
Sunshine Utilities
Test Year Ending January 31, 2025

Exhibit RCS-7
Schedule A-1
Docket No. 20250052-WS
Page 2 of 2

OPC Adjusted Amounts

Line No.	Description	Reference	Tax Rate	Sunshine (A)	PP-QR (B)
<u>I. Adjustment for Income Taxes</u>					
1	Rate Base	Sch B		\$ 3,555,380	\$ 675,716
2	Weighted cost of equity	Sch D		8.1951%	8.3346%
3	Equity return (taxable income before state tax exemption)			\$ 291,368	\$ 56,318
4	Less State Tax Exemption	CSWR Sch B-3		\$ (9,586)	\$ (709)
5	State Taxable Income before NOL Carryforward			\$ 281,781	\$ 55,609
5a	Apply NOL Carryforward		80%	\$ (225,425)	\$ (44,487)
5b	Taxable Income after NOL CF			\$ 56,356	\$ 11,122
6	State Income tax (5.5%)		5.50%	\$ 3,100	\$ 612
7					
8	Federal Taxable Income before NOL Carryforward	Line 5 - Line 6		\$ 278,682	\$ 54,998
8a	Apply NOL Carryforward		80%	\$ (222,945)	\$ (43,998)
8b	Taxable Income after NOL CF			\$ 55,736	\$ 11,000
9	Federal Income Tax (21%)		21%	\$ 11,705	\$ 2,310
10	State and Federal Income Tax			\$ 14,804	\$ 2,922
<u>II. Adjustment for Required Return</u>					
11	Rate Base	Sch B		\$ 3,555,380	\$ 675,716
12	Weighted Cost of Capital	Sch D		8.5649%	8.5390%
13	Required Return			\$ 304,513	\$ 57,699
14	Net Operating Income at Current Rates	Sch C		\$ (525,973)	\$ (78,340)
15	Adjustment for Required Return			\$ 830,486	\$ 136,039
<u>III. Adjustment for RAF fees on Increased Revenue</u>					
16	Required Return	Line 15		\$ 830,486	\$ 136,039
17	Income Taxes	Line 10		\$ 14,804	\$ 2,922
18	Sum of Required Return and Income Taxes			\$ 845,290	\$ 138,961
19	RAF rate			0.955	0.955
20	Revenue requirement with RAF			\$ 885,120	\$ 145,509
21	Less: Sum of Required Return and Income Taxes			\$ (845,290)	\$ (138,961)
22	RAF			\$ 39,830	\$ 6,548
<u>IV. Components of Revenue Increase</u>					
23	Net Income (aka Required Return)	Line 15		\$ 830,486	\$ 136,039
24	Regulatory Assessment Fees	Line 22		\$ 39,830	\$ 6,548
25	State Income Tax	Line 6		\$ 3,100	\$ 612
26	Federal Income Tax	Line 9		\$ 11,705	\$ 2,310
27	Total Revenue Increases			\$ 885,120	\$ 145,509

Notes and Source

See referenced schedules

Lines 5a and 5b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of state taxable income

Lines 8a and 8b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of federal taxable income

Line No.	Description	Company Proposed (A)	OPC Adjustments (B)	OPC Proposed (C)
1	Utility Plant in Service	\$ 5,237,433	\$ -	\$ 5,237,433
2	Utility Land & Land Rights	\$ 363,670	\$ -	\$ 363,670
3	Less: Non-Used & Useful Plant	\$ -	\$ -	\$ -
4	Construction Work in Progress	\$ 720,427	\$ -	\$ 720,427
5	Less: Accumulated Depreciation	\$ (2,655,531)	\$ -	\$ (2,655,531)
6	Less: CIAC	\$ (2,047,250)	\$ -	\$ (2,047,250)
7	Accumulated Amortization of CIAC	\$ 1,936,632	\$ -	\$ 1,936,632
8	Acquisition Adjustments	\$ 5,457,165	\$ (5,457,165)	\$ -
9	Accumulated Amortization of Acquisition Adjustments	\$ -	\$ -	\$ -
10	Advances for Construction	\$ -	\$ -	\$ -
11	Working Capital Allowance	\$ -	\$ -	\$ -
12	Total Rate Base	\$ 9,012,546	\$ (5,457,165)	\$ 3,555,380

Notes and Source

Col.A: Sunshine Utilities MFR Schedule A-1 from the Company's filing

Col.B: Schedule B.1, page 1

Exhibit RCS-7
 Schedule B
 Docket No. 20250052-WS
 Page 2 of 2

CSWR-Florida Utility Operating Company, LLC
 Adjusted Rate Base
 Sunshine Utilities - Ponderosa Pines and Quail Run
 Test Year Ending January 31, 2025

Line No.	Description	Company Proposed (A)	OPC Adjustments (B)	OPC Proposed (C)
1	Utility Plant in Service	\$ 377,113	\$ -	\$ 377,113
2	Utility Land & Land Rights	\$ 32,768	\$ -	\$ 32,768
3	Less: Non-Used & Useful Plant	\$ -	\$ -	\$ -
4	Construction Work in Progress	\$ 372,650	\$ -	\$ 372,650
5	Less: Accumulated Depreciation	\$ (96,483)	\$ -	\$ (96,483)
6	Less: CIAC	\$ (26,300)	\$ -	\$ (26,300)
7	Accumulated Amortization of CIAC	\$ 15,968	\$ -	\$ 15,968
8	Acquisition Adjustments	\$ 403,712	\$ (403,712)	\$ -
9	Accumulated Amortization of Acquisition Adjustments	\$ -	\$ -	\$ -
10	Advances for Construction	\$ -	\$ -	\$ -
11	Working Capital Allowance	\$ -	\$ -	\$ -
12	Total Rate Base	\$ 1,079,427	\$ (403,712)	\$ 675,716

Notes and Source

Col.A: Sunshine Utilities MFR Schedule A-1 (PP-QR) from the Company's filing

Col.B: Schedule B.1, page 1

Line No.	Description	OPC Adjustments	Acquisition Adjustments
			E-1
1	Utility Plant in Service	\$ -	
2	Utility Land & Land Rights	\$ -	
3	Less: Non-Used & Useful Plant	\$ -	
4	Construction Work in Progress	\$ -	
5	Less: Accumulated Depreciation	\$ -	
6	Less: CIAC	\$ -	
7	Accumulated Amortization of CIAC	\$ -	
8	Acquisition Adjustments	\$ (5,457,165)	\$ (5,457,165)
9	Accumulated Amortization of Acquisition Adjustments	\$ -	
10	Advances for Construction	\$ -	
11	Working Capital Allowance	\$ -	
12	Total Rate Base	\$ (5,457,165)	\$ (5,457,165)

Notes and Source

See referenced schedule for each adjustment

Line No.	Description	OPC Adjustments	Acquisition Adjustments
			E-1
1	Utility Plant in Service	\$ -	
2	Utility Land & Land Rights	\$ -	
3	Less: Non-Used & Useful Plant	\$ -	
4	Construction Work in Progress	\$ -	
5	Less: Accumulated Depreciation	\$ -	
6	Less: CIAC	\$ -	
7	Accumulated Amortization of CIAC	\$ -	
8	Acquisition Adjustments	\$ (403,712)	\$ (403,712)
9	Accumulated Amortization of Acquisition Adjustments	\$ -	
10	Advances for Construction	\$ -	
11	Working Capital Allowance	\$ -	
12	Total Rate Base	\$ (403,712)	\$ (403,712)

Notes and Source

See referenced schedule for each adjustment

Line No.	Description	Per Company (A)	OPC Adjustments (B)	Per OPC at Current Rates (C)	OPC Revenue Adjustment (D)	OPC Adjusted (E) = (C) + (D)
1	OPERATING REVENUES	\$ 1,034,571	\$ -	\$ 1,034,571	\$ 885,120	\$ 1,919,691
2	Operation & Maintenance	\$ 1,443,162	\$ (1,089)	\$ 1,442,073	\$ 39,830	\$ 1,481,903
3	Depreciation, net of CIAC Amortization	\$ 59,230	\$ -	\$ 59,230	\$ -	\$ 59,230
4	Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
5	Taxes Other Than Income	\$ 59,241	\$ -	\$ 59,241	\$ 14,804	\$ 59,241
6	Provision for Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ 14,804
7	OPERATING EXPENSES	\$ 1,561,633	\$ (1,089)	\$ 1,560,544	\$ 54,635	\$ 1,615,178
8	NET OPERATING INCOME	\$ (527,062)	\$ 1,089	\$ (525,973)	\$ 830,486	\$ 304,513
9	Rate Base	\$ 9,012,546	\$ (5,457,165)	\$ 3,555,380		\$ 3,555,380
10	Earned Rate of Return			-14.79%		8.5649%

Notes and Source

Col.A: Sunshine Utilities MFR Schedule B-1 from the Company's filing

Col.B: Schedule C.1, page 1

Col.C: Col.A + Col.B

Col.D: Schedule A, page 1 and Schedule A-1, page 3

Line No.	Description	Per Company (A)	OPC Adjustments (B)	Per OPC at Current Rates (C)	OPC Revenue Adjustment (D)	OPC Adjusted (E) = (C) + (D)
1	OPERATING REVENUES	\$ 83,495	\$ -	\$ 83,495	\$ 145,509	\$ 229,004
2	Operation & Maintenance	\$ 145,493	\$ (81)	\$ 145,412	\$ 6,548	\$ 151,960
3	Depreciation, net of CIAC Amortization	\$ 15,880	\$ -	\$ 15,880	\$ -	\$ 15,880
4	Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
5	Taxes Other Than Income	\$ 543	\$ -	\$ 543	\$ -	\$ 543
6	Provision for Income Taxes	\$ -	\$ -	\$ -	\$ 2,922	\$ 2,922
7	OPERATING EXPENSES	\$ 161,916	\$ (81)	\$ 161,835	\$ 9,469	\$ 171,305
8	NET OPERATING INCOME	\$ (78,421)	\$ 81	\$ (78,340)	\$ 136,039	\$ 57,699
9	Rate Base	\$ 1,079,427	\$ (403,712)	\$ 675,716	\$ -	\$ 675,716
10	Earned Rate of Return	-7.27%		-11.59%		8.5390%

Notes and Source

Col.A: Sunshine Utilities MFR Schedule B-1 (PP-QR) from the Company's filing

Col.B: Schedule C-1, page 1

Col.C: Col.A + Col.B

Col.D: Schedule A, page 2 and Schedule A-1, page 3

Line No.	Description	OPC Adjustments	Lobbying Expense E-2
1	OPERATING REVENUES	\$ -	
2	Operation & Maintenance	\$ (1,089)	\$ (1,089)
3	Depreciation, net of CIAC Amortization	\$ -	
4	Amortization	\$ -	
5	Taxes Other Than Income	\$ -	
6	PRE-TAX OPERATING EXPENSES	<u>\$ (1,089)</u>	<u>\$ (1,089)</u>
7	PRE-TAX OPERATING INCOME	<u>\$ 1,089</u>	<u>\$ 1,089</u>
8	Federal Income Taxes	\$ -	-
9	State Income Taxes	\$ -	-
10	Total Income Taxes	<u>\$ -</u>	<u>\$ -</u>
11	TOTAL OPERATING EXPENSES	<u>\$ (1,089)</u>	<u>\$ (1,089)</u>
12	OPERATING INCOME	<u>\$ 1,089</u>	<u>\$ 1,089</u>

Notes and Source

Line 8: Federal Income Tax Rate* 21.00%
 Line 9: State Income Tax Rate* 5.500%

*See Schedule A-1

CSWR-Florida Utility Operating Company, LLC
 Summary of Net Operating Income Adjustments
 Sunshine Utilities - Ponderosa Pines and Quail Run
 Test Year Ending January 31, 2025

Exhibit RCS-7
 Schedule C.1
 Docket No. 20250052-WS
 Page 2 of 2

Line No.	Description	OPC Adjustments	Lobbying Expense E-2
1	OPERATING REVENUES	\$ -	
2	Operation & Maintenance	\$ (81)	\$ (81)
3	Depreciation, net of CIAC Amortization	\$ -	
4	Amortization	\$ -	
5	Taxes Other Than Income	\$ -	
6	PRE-TAX OPERATING EXPENSES	\$ (81)	\$ (81)
7	PRE-TAX OPERATING INCOME	\$ 81	\$ 81
8	Federal Income Taxes	\$ -	\$ -
9	State Income Taxes	\$ -	\$ -
10	Total Income Taxes	\$ -	\$ -
11	TOTAL OPERATING EXPENSES	\$ (81)	\$ (81)
12	OPERATING INCOME	\$ 81	\$ 81

Notes and Source

Line 8: Federal Income Tax Rate* 21.00%
 Line 9: State Income Tax Rate* 5.500%

*See Schedule A-1

CSWR-Florida Utility Operating Company, LLC
 Capital Structure and Cost Rates
 Sunshine Utilities
 Test Year Ending January 31, 2025

Exhibit RCS-7
 Schedule D
 Docket No. 20250052-WS
 Page 1 of 2

Line No.	Description	Company Adjusted Amount (A)	Specific Adjustments (B)	Subtotal Adjusted Capital (C)	Prorata Adjustments (D)	Adjusted Amount (E)	Capital Structure Ratio (F)	Cost Rate (G)	Weighted Cost (F) x (G) (H)
I. Per Company									
1	Long Term Debt	\$ -				\$ -	0.00%	0.00%	0.000%
2	Short Term Debt	\$ 256,459				\$ 256,459	4.35%	8.50%	0.370%
3	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.000%
4	Customer Deposits	\$ -				\$ -	0.00%	0.00%	0.000%
5	Common Equity	\$ 5,639,411				\$ 5,639,411	95.65%	8.77%	8.389%
6	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.000%
7	Tax Credits - Wid. Cost	\$ -				\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.000%
8	Other	\$ -				\$ -	0.00%	0.00%	0.000%
9	Total	\$ 5,895,870				\$ 5,895,870	100.00%		8.758%
10	Weighted Cost of Deb							L1 + L2	0.37%
II. Per OPC									
11	Long Term Debt	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
12	Short Term Debt	\$ 256,459			\$ (237,376)	\$ 19,083	4.35%	8.50%	0.370%
13	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.000%
14	Customer Deposits	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
15	Common Equity	\$ 5,639,411			\$ (5,219,789)	\$ 419,622	95.65%	8.57%	8.195%
16	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.000%
17	Tax Credits - Wid. Cost	\$ -				\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.000%
18	Other	\$ -				\$ -	0.00%	0.00%	0.000%
19	Total	\$ 5,895,870			\$ (5,457,165)	\$ 438,705	100.00%		8.565%
20	Water Utility Rate Base	Exhibit RCS-7, Sch B, page 1				\$ (5,457,165)	\$ 3,555,380		
21									
22	Differenc				\$ (5,457,165)	\$ 3,555,380		Line 19 - Line 9	-0.1934%
23	Weighted Cost of Deb							L11 + L12	0.3697%

Notes

Lines 1-10: Sunshine Utilities Schedule D-1 from the Company's filing
 Lines 11-23: Col. B: Adjusted to equal rate base

Sum of LTD, STD and Common Equity \$ 5,895,870

DOCKET NO. 20250006-WS
 ORDER NO. PSC-2025-0213-PAA-WS
 ISSUED: June 18, 2025

Leverage Formula
 The updated leverage formula is: ROE = 7.17% + (1.337% / Equity Ratio)
 The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

Calculations	at 100%	at 40%	at CSWR %
	7.17%	7.17%	7.17%
	1.337%	1.337%	1.34%
	100%	40%	95.65%
	1.33700%	3.34250%	1.39780%
	8.51%	10.51%	8.57%
	8.51%	10.51%	

Table 1
Adjusted Return on Equity

DCF Model	7.25%
CAPM	9.94%
Average	8.60%
Bond Yield Differential	0.36%
Private Placement Premium	0.50%
Small-Utility Risk Premium	0.50%
Adjusted ROE Average	9.96%
Adjustment to Reflect Required Equity Return at a 40% Equity Ratio	0.56%
Upper Range of ROE	10.51%

Source: Commission Staff Worksheets

Leverage Formula

The updated leverage formula is: ROE = 7.17% + (1.337 ÷ Equity Ratio)

The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

CSWR-Florida Utility Operating Company, LLC
Capital Structure and Cost Rates
Sunshine Utilities - Ponderosa Pines and Quail Run
Test Year Ending January 31, 2025

Exhibit RCS-7
Schedule D
Docket No. 20250052-WS
Page 2 of 2

Line No.	Description	Company Adjusted Amount (A)	Specific Adjustments (B)	Subtotal Adjusted Capital (C)	Prorata Adjustments (D)	Adjusted Amount (E)	Capital Structure Ratio (F)	Cost Rate (G)	Weighted Cost (F) x (G) (H)
I. Per Compan									
1	Long Term Debt	\$ -				\$ -	0.00%	0.00%	0.000%
2	Short Term Debt	\$ 25,949				\$ 25,949	2.40%	8.50%	0.204%
3	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.000%
4	Customer Deposits	\$ -				\$ -	0.00%	0.00%	0.000%
5	Common Equity	\$ 1,053,478				\$ 1,053,478	97.60%	8.77%	8.559%
6	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.000%
7	Tax Credits - Wtd. Cost	\$ -				\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.000%
8	Other	\$ -				\$ -	0.00%	0.00%	0.000%
9	Total	<u>\$ 1,079,427</u>				<u>\$ 1,079,427</u>	<u>100.00%</u>		<u>8.764%</u>
10	Weighted Cost of Deb							L1 + L2	<u>0.20%</u>
II. Per OPC									
		Company Adjusted Amounts	OPC Specific Adjustments	Subtotal	OPC Prorata Adjustments				
11	Long Term Debt	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
12	Short Term Debt	\$ 25,949			\$ (9,705)	\$ 16,244	2.40%	8.50%	0.204%
13	Preferred Stock	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
14	Customer Deposits	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
15	Common Equity	\$ 1,053,478			\$ (394,007)	\$ 659,471	97.60%	8.54%	8.335%
16	Tax Credits - Zero Cost	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
17	Tax Credits - Wtd. Cost	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
18	Other	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
19	Total	<u>\$ 1,079,427</u>			<u>\$ (403,712)</u>	<u>\$ 675,715</u>	<u>100.00%</u>		<u>8.539%</u>
20	Water Utility Rate Base		Exhibit RCS-7, Sch B, page 2		\$ (403,712)	\$ 675,716			
21					<u>\$ (403,712)</u>	<u>\$ 675,716</u>		Line 19 - Line 9	<u>-0.2245%</u>
22	Differenc				<u>\$ (403,712)</u>	<u>\$ 675,716</u>			
23	Weighted Cost of Deb							L11 + L12	<u>0.2043%</u>

Notes

Lines 1-10: Sunshine Utilities Schedule D-1 (PP-QR) from the Company's filing
Lines 11-23: Col. B: Adjusted to equal rate base

Sum of LTD, STD and Common Equity \$ 1,079,427

DOCKET NO. 20250006-WS
ORDER NO. PSC-2025-0213-PAA-WS
ISSUED: June 18, 2025

Leverage Formula
The updated leverage formula is: ROE = 7.17% + (1.337% / Equity Ratio)
The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

	Calculations		
	at 100%	at 40%	at CSWR %
	7.17%	7.17%	7.17%
	1.337%	1.337%	1.34%
	100%	40%	97.60%
	1.33700%	3.34250%	1.36993%
	8.51%	10.51%	8.54%
	8.51%	10.51%	

**Table 1
Adjusted Return on Equity**

DCF Model	7.25%
CAPM	9.94%
Average	8.60%
Bond Yield Differential	0.36%
Private Placement Premium	0.50%
Small-Utility Risk Premium	0.50%
Adjusted ROE Average	9.96%
Adjustment to Reflect Required Equity Return at a 40% Equity Ratio	0.56%
Upper Range of ROE	10.51%

Source: Commission Staff Worksheets

Leverage Formula

The updated leverage formula is: ROE = 7.17% + (1.337 ÷ Equity Ratio)

The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

CSWR-Florida Utility Operating Company, LLC
Docket No. 20250052-WS
Exhibit RCS-8
Tradewinds Utilities, Inc.
Revenue Requirement Summary Schedules
Accompanying the Direct Testimony of Ralph Smith

Number	Description	No. of Pages	Exhibit Page No.
	Revenue Requirement Summary Schedules		
A	Calculation of Revenue Deficiency (Sufficiency)	1	2
A-1	Income Taxes and Components of Revenue Change for New Rates	1	3
B	Adjusted Rate Base	1	4
B.1	Summary of Rate Base Adjustments	1	5
C	Adjusted Net Operating Income	1	6
C.1	Summary of Net Operating Income Adjustments	1	7
D	Capital Structure and Cost Rates	1	8
	Total Pages (Including Contents Page)	8	

Line No.	Description	Reference	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
1	Adjusted rate base	Sch B	\$ 372,210	\$ 372,210	\$ -
2	Rate of return	D	8.7421%	8.6442%	
3	Net operating income required		\$ 32,539	\$ 32,175	\$ (364)
4	Adjusted net operating income	Sch C	\$ 98,526	\$ 98,680	\$ 154
5	Net operating income deficiency		\$ (65,987)	\$ (66,505)	\$ (518)
6	Gross revenue conversion factor				
7	Revenue deficiency (Sufficiency) - Calculated	Sch A-1	\$ (61,389)	\$ (68,123)	\$ (6,734)
8	Revenue deficiency (Sufficiency) - Per Company		\$ (61,389)		
9	Unidentified Difference		\$ -		
10	Total Operating Revenue at Current Rates	Sch C	\$ 369,890	\$ 369,890	
11	Percentage Increase	L.7 / L.10	-16.60%	-18.42%	

Notes and Source

Col.A: Tradewinds Utilities MFR Schedule B-1 from the Company's filing
 Col. B: See referenced schedules

CSWR-Florida Utility Operating Company, LLC
 Income Taxes and Components of Revenue Change for New Rates
 Tradewinds Utilities, Inc.
 Test Year Ending January 31, 2025

Exhibit RCS-8
 Schedule A-1
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	Reference	Tax Rate	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
<u>I. Adjustment for Income Taxes</u>						
1	Rate Base	Sch B		\$ 372,210	\$ 372,210	\$ -
2	Weighted cost of equity	Sch D		7.8652%	7.7673%	
3	Equity return (taxable income before state tax exemption)			\$ 29,275	\$ 28,910	\$ (364)
4	Less State Tax Exemption	CSWR Sch B-3		\$ (1,354)	\$ (1,354)	\$ -
5	State Taxable Income before NOL Carryforward			\$ 27,921	\$ 27,557	\$ (364)
5a	Apply NOL Carryforward		80%		\$ (22,045)	\$ (22,045)
5b	Taxable Income after NOL CF				\$ 5,511	\$ 5,511
6	State Income tax (5.5%)		5.50%	\$ 1,536	\$ 303	\$ (1,233)
7						
8	Federal Taxable Income before NOL Carryforward	Line 5 - Line 6		\$ 27,739	\$ 27,253	\$ (486)
8a	Apply NOL Carryforward		80%		\$ (21,803)	\$ (21,803)
8b	Taxable Income after NOL CF				\$ 5,451	\$ 5,451
9	Federal Income Tax (21%)		21%	\$ 5,825	\$ 1,145	\$ (4,681)
10	State and Federal Income Taxes			\$ 7,361	\$ 1,448	\$ (5,913)
<u>II. Adjustment for Required Return</u>						
11	Rate Base	Sch B		\$ 372,210	\$ 372,210	\$ -
12	Weighted Cost of Capital	Sch D		8.7421%	8.6442%	
13	Required Return			\$ 32,539	\$ 32,175	\$ (364)
14	Net Operating Income at Current Rates	Sch C		\$ 98,526	\$ 98,680	\$ 154
15	Adjustment for Required Return			\$ (65,987)	\$ (66,505)	\$ (518)
<u>III. Adjustment for RAF fees on Increased Revenue</u>						
16	Required Return	Line 15		\$ (65,987)	\$ (66,505)	\$ (518)
17	Income Taxes	Line 10		\$ 7,361	\$ 1,448	\$ (5,913)
18	Sum of Required Return and Income Taxes			\$ (58,626)	\$ (65,058)	\$ (6,431)
19	RAF rate			0.955	0.955	
20	Revenue requirement with RAF			\$ (61,389)	\$ (68,123)	\$ (6,734)
21	Less: Sum of Required Return and Income Taxes			\$ 58,626	\$ 65,058	\$ 6,431
22	RAF			\$ (2,762)	\$ (3,066)	\$ (303)
<u>IV. Components of Revenue Increase</u>						
23	Net Income (aka Required Return)	Line 15		\$ (65,987)	\$ (66,505)	\$ (518)
24	Regulatory Assessment Fees	Line 22		\$ (2,762)	\$ (3,066)	\$ (303)
25	State Income Tax	Line 6		\$ 1,536	\$ 303	\$ (1,233)
26	Federal Income Tax	Line 9		\$ 5,825	\$ 1,145	\$ (4,681)
27	Total Revenue Increase			\$ (61,389)	\$ (68,123)	\$ (6,734)

Notes and Source

See referenced schedules

Lines 5a and 5b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of state taxable income

Lines 8a and 8b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of federal taxable income

Line No.	Description	Company Proposed (A)	OPC Adjustments (B)	OPC Proposed (C)
1	Utility Plant in Service	\$ 1,102,258	\$ -	\$ 1,102,258
2	Utility Land & Land Rights	\$ 119,988	\$ -	\$ 119,988
3	Less: Non-Used & Useful Plant	\$ -	\$ -	\$ -
4	Construction Work in Progress	\$ -	\$ -	\$ -
5	Less: Accumulated Depreciation	\$ (849,601)	\$ -	\$ (849,601)
6	Less: CIAC	\$ (342,919)	\$ -	\$ (342,919)
7	Accumulated Amortization of CIAC	\$ 342,484	\$ -	\$ 342,484
8	Acquisition Adjustments	\$ -	\$ -	\$ -
9	Accumulated Amortization of Acquisition Adjustments	\$ -	\$ -	\$ -
10	Advances for Construction	\$ -	\$ -	\$ -
11	Working Capital Allowance	\$ -	\$ -	\$ -
12	Total Rate Base	\$ 372,210	\$ -	\$ 372,210

Notes and Source

Col.A: Tradewinds Utilities MFR Schedule A-1 from the Company's filing

Col.B: Schedule B.1, page 1

Line No.	Description	OPC Adjustments	Acquisition Adjustments
		E-1	
1	Utility Plant in Service	\$ -	
2	Utility Land & Land Rights	\$ -	
3	Less: Non-Used & Useful Plant	\$ -	
4	Construction Work in Progress	\$ -	
5	Less: Accumulated Depreciation	\$ -	
6	Less: CIAC	\$ -	
7	Accumulated Amortization of CIAC	\$ -	
8	Acquisition Adjustments	\$ -	
9	Accumulated Amortization of Acquisition Adjustments	\$ -	
10	Advances for Construction	\$ -	
11	Working Capital Allowance	\$ -	
12	Total Rate Base	\$ -	\$ -

Notes and Source

See referenced schedule for each adjustment

Line No.	Description	Per Company (A)	OPC Adjustments (B)	Per OPC at Current Rates (C)	OPC Revenue Adjustment (D)	OPC Adjusted (E) = (C) + (D)
1	OPERATING REVENUES	\$ 369,890	\$ -	\$ 369,890	\$ (68,123)	\$ 301,767
2	Operation & Maintenance	\$ 218,297	\$ (154)	\$ 218,143	\$ (3,066)	\$ 215,078
3	Depreciation, net of CIAC Amortization	\$ 31,479	\$ -	\$ 31,479	\$ -	\$ 31,479
4	Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
5	Taxes Other Than Income	\$ 21,588	\$ -	\$ 21,588	\$ -	\$ 21,588
6	Provision for Income Taxes	\$ -	\$ -	\$ -	\$ 1,448	\$ 1,448
7	OPERATING EXPENSES	\$ 271,364	\$ (154)	\$ 271,210	\$ (1,618)	\$ 269,592
8	NET OPERATING INCOME	\$ 98,526	\$ 154	\$ 98,680	\$ (66,505)	\$ 32,175
9	Rate Base	\$ 372,210	\$ -	\$ 372,210		\$ 372,210
10	Earned Rate of Return	26.47%		26.51%		8.6442%

Notes and Source

Col.A: Tradewinds Utilities MFR Schedule B-1 from the Company's filing

Col.B: Schedule C.1, page 1

Col.C: Col.A + Col.B

Col.D: Schedule A, page 1 and Schedule A-1, page 2

Line No.	Description	OPC Adjustments	Lobbying Expense E-2
1	OPERATING REVENUES	\$ -	
2	Operation & Maintenance	\$ (154)	\$ (154)
3	Depreciation, net of CIAC Amortization	\$ -	
4	Amortization	\$ -	
5	Taxes Other Than Income	\$ -	
6	PRE-TAX OPERATING EXPENSES	\$ (154)	\$ (154)
7	PRE-TAX OPERATING INCOME	\$ 154	\$ 154
8	Federal Income Taxes	\$ -	\$ -
9	State Income Taxes	\$ -	\$ -
10	Total Income Taxes	\$ -	\$ -
11	TOTAL OPERATING EXPENSES	\$ (154)	\$ (154)
12	OPERATING INCOME	\$ 154	\$ 154

Notes and Source

Line 8: Federal Income Tax Rate* 21.00%
 Line 9: State Income Tax Rate* 5.500%

*See Schedule A-1

CSWR-Florida Utility Operating Company, LLC
 Capital Structure and Cost Rates
 Tradewinds Utilities, Inc.
 Test Year Ending January 31, 2025

Exhibit RCS-8
 Schedule D
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	Company Adjusted Amount (A)	Specific Adjustments (B)	Subtotal Adjusted Capital (C)	Prorata Adjustments (D)	Adjusted Amount (E)	Capital Structure Ratio (F)	Cost Rate (G)	Weighted Cost (F) x (G) (H)
I. Per Compan									
1	Long Term Debt	\$ -				\$ -	0.00%	0.00%	0.000%
2	Short Term Debt	\$ 50,922				\$ 50,922	10.32%	8.50%	0.877%
3	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.000%
4	Customer Deposits	\$ -				\$ -	0.00%	0.00%	0.000%
5	Common Equity	\$ 442,641				\$ 442,641	89.68%	8.77%	7.865%
6	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.000%
7	Tax Credits - Wtd. Cost	\$ -				\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.000%
8	Other	\$ -				\$ -	0.00%	0.00%	0.000%
9	Total	\$ 493,563				\$ 493,563	100.00%		8.742%
10	Weighted Cost of Deb							L1 + L2	0.88%
II. Per OPC									
11	Long Term Debt	\$ -				\$ -	0.00%	0.00%	0.000%
12	Short Term Debt	\$ 50,922				\$ 50,922	10.32%	8.50%	0.877%
13	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.000%
14	Customer Deposits	\$ -				\$ -	0.00%	0.00%	0.000%
15	Common Equity	\$ 442,641				\$ 442,641	89.68%	8.66%	7.767%
16	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.000%
17	Tax Credits - Wtd. Cost	\$ -				\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.000%
18	Other	\$ -				\$ -	0.00%	0.00%	0.000%
19	Total	\$ 493,563				\$ 493,563	100.00%		8.644%
20	Water Utility Rate Base	Exhibit RCS-8, Sch B				\$ 372,210			
21	Wastewater Utility Rate Base	Exhibit RCS-18, Sch B				\$ 121,353			
22	Differenc					\$ 493,563		Line 19 - Line 9	-0.0979%
23	Weighted Cost of Deb							L11 + L12	0.8770%

Notes

Lines 1-10: Tradewinds Utilities Schedule D-1 from the Company's filing
 Lines 11-23: Col. B: Adjusted to equal rate base

Sum of LTD, STD and Common Equity \$ 493,563

DOCKET NO. 20250006-WS
 ORDER NO. PSC-2025-0213-PAA-WS
 ISSUED: June 18, 2025

Leverage Formula
 The updated leverage formula is: ROE = 7.17% + (1.337% / Equity Ratio)
 The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

Calculations at 100%	at 40%	at CSWR %
7.17%	7.17%	7.17%
1.337%	1.337%	1.34%
100%	40%	89.68%
1.33700%	3.34250%	1.49081%
8.51%	10.51%	8.66%
8.51%	10.51%	

**Table 1
 Adjusted Return on Equity**

DCF Model	7.25%
CAPM	9.94%
Average	8.60%
Bond Yield Differential	0.36%
Private Placement Premium	0.50%
Small-Utility Risk Premium	0.50%
Adjusted ROE Average	9.96%
Adjustment to Reflect Required Equity Return at a 40% Equity Ratio	0.56%
Upper Range of ROE	10.51%

Source: Commission Staff Worksheets

Leverage Formula

The updated leverage formula is: ROE = 7.17% + (1.337 ÷ Equity Ratio)

The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

CSWR-Florida Utility Operating Company, LLC
Docket No. 20250052-WS
Exhibit RCS-9
Tymber Creek Utilities, Inc.
Revenue Requirement Summary Schedules
Accompanying the Direct Testimony of Ralph Smith

Number	Description	No. of Pages	Exhibit Page No.
	Revenue Requirement Summary Schedules		
A	Calculation of Revenue Deficiency (Sufficiency)	1	2
A-1	Income Taxes and Components of Revenue Change for New Rates	1	3
B	Adjusted Rate Base	1	4
B.1	Summary of Rate Base Adjustments	1	5
C	Adjusted Net Operating Income	1	6
C.1	Summary of Net Operating Income Adjustments	1	7
D	Capital Structure and Cost Rates	1	8
	Total Pages (Including Contents Page)	8	

Line No.	Description	Reference	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
1	Adjusted rate base	Sch B	\$ 49,270	\$ 49,270	\$ -
2	Rate of return	D	8.6852%	8.9245%	
3	Net operating income required		\$ 4,279	\$ 4,397	\$ 118
4	Adjusted net operating income	Sch C	\$ (96,599)	\$ (96,515)	\$ 83
5	Net operating income deficiency		\$ 100,878	\$ 100,912	\$ 34
6	Gross revenue conversion factor				
7	Revenue deficiency (Sufficiency) - Calculated	Sch A-1	\$ 106,369	\$ 105,778	\$ (591)
8	Revenue deficiency (Sufficiency) - Per Company		\$ 106,369		
9	Unidentified Difference		\$ -		
10	Total Operating Revenue at Current Rates	Sch C	\$ 167,875	\$ 167,875	
11	Percentage Increase	L.7 / L.10	63.36%	63.01%	

Notes and Source

Col.A: Tymber Creek Utilities MFR Schedule B-1 from the Company's filing

Cols. B: See referenced schedules

CSWR-Florida Utility Operating Company, LLC
Income Taxes and Components of Revenue Change for New Rates
Tymber Creek Utilities, Inc.
Test Year Ending January 31, 2025

Exhibit RCS-9
Schedule A-1
Docket No. 20250052-WS
Page 1 of 1

Line No.	Description	Reference	Tax Rate	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
<u>I. Adjustment for Income Taxes</u>						
1	Rate Base	Sch B		\$ 49,270	\$ 49,270	\$ -
2	Weighted cost of equity	Sch D		6.0170%	6.2562%	
3	Equity return (taxable income before state tax exemption)			\$ 2,965	\$ 3,082	\$ 118
4	Less State Tax Exemption	CSWR Sch B-3		\$ (1,069)	\$ (1,069)	\$ -
5	State Taxable Income before NOL Carryforward			\$ 1,896	\$ 2,014	\$ 118
5a	Apply NOL Carryforward	80%			\$ (1,611)	\$ (1,611)
5b	Taxable Income after NOL CF				\$ 403	\$ 403
6	State Income tax (5.5%)		5.50%	\$ 104	\$ 22	\$ (82)
7						\$ -
8	Federal Taxable Income before NOL Carryforward	Line 5 - Line 6		\$ 2,860	\$ 1,992	\$ (869)
8a	Apply NOL Carryforward	80%			\$ (1,593)	\$ (1,593)
8b	Taxable Income after NOL CF				\$ 398	\$ 398
9	Federal Income Tax (21%)		21%	\$ 601	\$ 84	\$ (517)
10	State and Federal Income Taxes			\$ 705	\$ 106	\$ (599)
<u>II. Adjustment for Required Return</u>						
11	Rate Base	Sch B		\$ 49,270	\$ 49,270	\$ -
12	Weighted Cost of Capital	Sch D		8.6852%	8.9245%	
13	Required Return			\$ 4,279	\$ 4,397	\$ 118
14	Net Operating Income at Current Rates	Sch C		\$ (96,599)	\$ (96,515)	\$ 83
15	Adjustment for Required Return			\$ 100,878	\$ 100,912	\$ 34
<u>III. Adjustment for RAF fees on Increased Revenue</u>						
16	Required Return	Line 15		\$ 100,878	\$ 100,912	\$ 34
17	Income Taxes	Line 10		\$ 705	\$ 106	\$ (599)
18	Sum of Required Return and Income Taxes			\$ 101,583	\$ 101,018	\$ (565)
19	RAF rate			0.955	0.955	
20	Revenue requirement with RAF			\$ 106,369	\$ 105,778	\$ (591)
21	Less: Sum of Required Return and Income Taxes			\$ (101,583)	\$ (101,018)	\$ 565
22	RAF			\$ 4,787	\$ 4,760	\$ (27)
<u>IV. Components of Revenue Increase</u>						
23	Net Income (aka Required Return)	Line 15		\$ 100,878	\$ 100,912	\$ 34
24	Regulatory Assessment Fees	Line 22		\$ 4,787	\$ 4,760	\$ (27)
25	State Income Tax	Line 6		\$ 104	\$ 22	\$ (82)
26	Federal Income Tax	Line 9		\$ 601	\$ 84	\$ (517)
27	Total Revenue Increase			\$ 106,369	\$ 105,778	\$ (591)

Notes and Source

See referenced schedules

Lines 5a and 5b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of state taxable income

Lines 8a and 8b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of federal taxable income

Line No.	Description	Company Proposed (A)	OPC Adjustments (B)	OPC Proposed (C)
1	Utility Plant in Service	\$ 198,186	\$ -	\$ 198,186
2	Utility Land & Land Rights	\$ 24,067	\$ -	\$ 24,067
3	Less: Non-Used & Useful Plant	\$ -	\$ -	\$ -
4	Construction Work in Progress	\$ -	\$ -	\$ -
5	Less: Accumulated Depreciation	\$ (169,611)	\$ -	\$ (169,611)
6	Less: CIAC	\$ (109,559)	\$ -	\$ (109,559)
7	Accumulated Amortization of CIAC	\$ 106,188	\$ -	\$ 106,188
8	Acquisition Adjustments	\$ -	\$ -	\$ -
9	Accumulated Amortization of Acquisition Adjustments	\$ -	\$ -	\$ -
10	Advances for Construction	\$ -	\$ -	\$ -
11	Working Capital Allowance	\$ -	\$ -	\$ -
12	Total Rate Base	\$ 49,270	\$ -	\$ 49,270

Notes and Source

Col.A: Tymber Creek Utilities MFR Schedule A-1 from the Company's filing

Col.B: Schedule B.1, page 1

Line No.	Description	OPC Adjustments	Acquisition Adjustments
			E-1
1	Utility Plant in Service	\$ -	
2	Utility Land & Land Rights	\$ -	
3	Less: Non-Used & Useful Plant	\$ -	
4	Construction Work in Progress	\$ -	
5	Less: Accumulated Depreciation	\$ -	
6	Less: CIAC	\$ -	
7	Accumulated Amortization of CIAC	\$ -	
8	Acquisition Adjustments	\$ -	
9	Accumulated Amortization of Acquisition Adjustments	\$ -	
10	Advances for Construction	\$ -	
11	Working Capital Allowance	\$ -	
12	Total Rate Base	\$ -	\$ -

Notes and Source

See referenced schedule for each adjustment

Line No.	Description	Per Company (A)	OPC Adjustments (B)	Per OPC at Current Rates (C)	OPC Revenue Adjustment (D)	OPC Adjusted (E) = (C) + (D)
1	OPERATING REVENUES	\$ 167,875	\$ -	\$ 167,875	\$ 105,778	\$ 273,653
2	Operation & Maintenance	\$ 257,637	\$ (83)	\$ 257,554	\$ 4,760	\$ 262,314
3	Depreciation, net of CIAC Amortization	\$ 5,250	\$ -	\$ 5,250	\$ -	\$ 5,250
4	Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
5	Taxes Other Than Income	\$ 1,587	\$ -	\$ 1,587	\$ -	\$ 1,587
6	Provision for Income Taxes	\$ -	\$ -	\$ -	\$ 106	\$ 106
7	OPERATING EXPENSES	\$ 264,474	\$ (83)	\$ 264,390	\$ 4,866	\$ 269,256
8	NET OPERATING INCOME	\$ (96,599)	\$ 83	\$ (96,515)	\$ 100,912	\$ 4,397
9	Rate Base	\$ 49,270	\$ -	\$ 49,270	\$ -	\$ 49,270
10	Earned Rate of Return	-196.06%		-195.89%		8.9245%

Notes and Source

Col.A: Tymber Creek Utilities MFR Schedule B-1 from the Company's filing

Col.B: Schedule C.1, page 1

Col.C: Col.A + Col.B

Col.D: Schedule A, page 1 and Schedule A-1, page 2

Line No.	Description	OPC Adjustments	Lobbying Expense E-2
1	OPERATING REVENUES	\$ -	
2	Operation & Maintenance	\$ (83)	\$ (83)
3	Depreciation, net of CIAC Amortization	\$ -	
4	Amortization	\$ -	
5	Taxes Other Than Income	\$ -	
6	PRE-TAX OPERATING EXPENSES	\$ (83)	\$ (83)
7	PRE-TAX OPERATING INCOME	\$ 83	\$ 83
8	Federal Income Taxes	\$ -	\$ -
9	State Income Taxes	\$ -	\$ -
10	Total Income Taxes	\$ -	\$ -
11	TOTAL OPERATING EXPENSES	\$ (83)	\$ (83)
12	OPERATING INCOME	\$ 83	\$ 83

Notes and Source

Line 8: Federal Income Tax Rate* 21.00%
 Line 9: State Income Tax Rate* 5.500%

*See Schedule A-1

CSWR-Florida Utility Operating Company, LLC
 Capital Structure and Cost Rates
 Tymber Creek Utilities, Inc.
 Test Year Ending January 31, 2025

Exhibit RCS-9
 Schedule D
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	Company Adjusted Amount (A)	Specific Adjustments (B)	Subtotal Adjusted Capital (C)	Prorata Adjustments (D)	Adjusted Amount (E)	Capital Structure Ratio (F)	Cost Rate (G)	Weighted Cost (F) x (G) (H)
I. Per Compan									
1	Long Term Debt	\$ -				\$ -	0.00%	0.00%	0.000%
2	Short Term Debt	\$ 56,521				\$ 56,521	31.39%	8.50%	2.668%
3	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.000%
4	Customer Deposits	\$ -				\$ -	0.00%	0.00%	0.000%
5	Common Equity	\$ 123,533				\$ 123,533	68.61%	8.77%	6.017%
6	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.000%
7	Tax Credits - Wtd. Cost	\$ -				\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.000%
8	Other	\$ -				\$ -	0.00%	0.00%	0.000%
9	Total	\$ 180,054				\$ 180,054	100.00%		8.685%
10	Weighted Cost of Deb							L1 + L2	2.67%
II. Per OPC									
11	Long Term Debt	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
12	Short Term Debt	\$ 56,521			\$ -	\$ 56,521	31.39%	8.50%	2.668%
13	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.000%
14	Customer Deposits	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
15	Common Equity	\$ 123,533			\$ -	\$ 123,533	68.61%	9.12%	6.256%
16	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.000%
17	Tax Credits - Wtd. Cost	\$ -				\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.000%
18	Other	\$ -				\$ -	0.00%	0.00%	0.000%
19	Total	\$ 180,054			\$ -	\$ 180,054	100.00%		8.925%
20	Water Utility Rate Base	Exhibit RCS-9, Sch B				\$ -	\$ 49,270		
21	Wastewater Utility Rate Base	Exhibit RCS-19, Sch B				\$ -	\$ 130,784		
22	Difference					\$ -	\$ 180,055	Line 19 - Line 9	0.2393%
23	Weighted Cost of Deb							L11 + L12	2.6683%

Notes

Lines 1-10: Tymber Creek Utilities Schedule D-1 from the Company's filing
 Lines 11-23: Col. B: Adjusted to equal rate base

Sum of LTD, STD and Common Equity \$ 180,054

DOCKET NO. 20250006-WS
 ORDER NO. PSC-2025-0213-PAA-WS
 ISSUED: June 18, 2025

Leverage Formula
 The updated leverage formula is: $ROE = 7.17\% + (1.337\% / \text{Equity Ratio})$
 The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

	Calculations		
	at 100%	at 40%	at CSWR %
	7.17%	7.17%	7.17%
	1.337%	1.337%	1.34%
	100%	40%	68.61%
	1.33700%	3.34250%	1.94873%
	8.51%	10.51%	9.12%
	8.51%	10.51%	

**Table 1
Adjusted Return on Equity**

DCF Model	7.25%
CAPM	9.94%
Average	8.60%
Bond Yield Differential	0.36%
Private Placement Premium	0.50%
Small-Utility Risk Premium	0.50%
Adjusted ROE Average	9.96%
Adjustment to Reflect Required Equity Return at a 40% Equity Ratio	0.56%
Upper Range of ROE	10.51%

Source: Commission Staff Worksheets

Leverage Formula

The updated leverage formula is: $ROE = 7.17\% + (1.337\% \div \text{Equity Ratio})$

The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

CSWR-Florida Utility Operating Company, LLC
Docket No. 20250052-WS
Exhibit RCS-10
Wastewater Operations - Consolidated
Revenue Requirement Summary Schedules
Accompanying the Direct Testimony of Ralph Smith

Number	Description	No. of Pages	Exhibit Page No.
	Revenue Requirement Summary Schedules		
A	Calculation of Revenue Deficiency (Sufficiency)	2	2-3
A-1	Income Taxes and Components of Revenue Change for New Rates	1	4
A-2	Summary of Calculated Revenue Deficiency for Each Wastewater Utility	1	5
B	Adjusted Rate Base	1	6
B.1	Summary of Rate Base Adjustments	1	7
B-2	Summary of Rate Base for Each Utility	1	8
B-3	Comparison of Rate Base from Company's Consolidated MFRs to Utility MFRs	1	9
C	Adjusted Net Operating Income	1	10
C.1	Summary of Net Operating Income Adjustments	1	11
C-2	Comparison of Operating Income: Per Company Consolidated Results and Sum of Per Company System Results	1	12
C-3	Summary of Operating Expenses for Each Wastewater Utility	1	13
C-4	Summary of Income Tax Allowances for Each Wastewater Utility	1	14
D	Capital Structure and Cost Rates	2	15-16
	Total Pages (Including Contents Page)	16	

Line No.	Description	Reference	Per Company - Consolidated MFRs (A1)	Per OPC - Consolidated (B)	Difference (C) = (B) - (A1)
1	Adjusted rate base	Sch B	\$ 7,690,711	\$ 6,186,983	\$ (1,503,728)
2	Rate of return	D	8.7631%	8.5410%	
3	Net operating income required		\$ 673,942	\$ 528,431	\$ (145,511)
4	Adjusted net operating income	Sch C	\$ 617,631	\$ 619,743	\$ 2,113
5	Net operating income deficiency		\$ 56,311	\$ (91,313)	\$ (147,624)
6	Gross revenue conversion factor				
7	Revenue deficiency (Sufficiency) - Calculated	Sch A-1	\$ 232,507	\$ (68,327)	\$ (300,834)
8	Revenue deficiency (Sufficiency) - per Company		\$ 232,507		
9	Difference		\$ 0		
10	Total Operating Revenue at Current Rates	Sch C	\$ 3,474,486	\$ 3,474,486	
11	Percentage Increase	L.7 / L.10	6.69%	-1.97%	

Notes and Source

Col. A1: MFR Schedule B-2 from the Company's Consolidated filing

Col. B: See referenced schedules

CSWR-Florida Utility Operating Company, LLC
 Calculation of Revenue Deficiency (Sufficiency)
 Wastewater Operations - Consolidated Based on Sum of Per System Results
 Test Year Ending December 31, 2025

Exhibit RCS-10
 Schedule A
 Docket No. 20250052-WS
 Page 2 of 2

Line No.	Description	Reference	Per Company - Sum of System Specific Amounts (A2)	Per OPC - Sum of System Specific Amounts (B)	Difference (C) = (B) - (A1)
1	Adjusted rate base	Sch B-2	\$ 8,005,137	\$ 6,501,410	\$ (1,503,727)
2	Rate of return	D	8.7631%	8.5410%	
3	Net operating income required		\$ 701,495	\$ 555,286	\$ (146,209)
4	Adjusted net operating income	Sch C	\$ 603,735	\$ 619,743	\$ 16,008
5	Net operating income deficiency		\$ 97,760	\$ (64,458)	\$ (162,218)
6	Gross revenue conversion factor	Sch A-1			
7	Revenue deficiency (Sufficiency) - Calculated		\$ 213,267	\$ (23,357)	\$ (236,624)
8	Revenue deficiency (Sufficiency) - Consolidated	Sch A, page 1	\$ 232,507	\$ (68,327)	\$ (300,834)
9	Difference		\$ (19,240)	\$ 44,970	\$ 64,210
10	Total Operating Revenue at Current Rates	Sch C	\$ 3,474,486	\$ 3,474,486	
11	Percentage Increase	L. 7 / L.10	6.14%	-0.67%	

Notes and Source

Cols. A2 & B: See referenced schedules

CSWR-Florida Utility Operating Company, LLC
Income Taxes and Components of Revenue Change for New Rates
Wastewater Operations - Consolidated
Test Year Ending January 31, 2025

Exhibit RCS-10
Schedule A-1
Docket No. 20250052-WS
Page 1 of 1

Line No.	Description	Reference	Tax Rate	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
<u>I. Adjustment for Income Taxes</u>						
1	Rate Base	Sch B		\$ 7,690,711	\$ 6,186,983	\$ (1,503,728)
2	Weighted cost of equity	Sch D		8.5447%	8.3230%	
3	Equity return (taxable income before state tax exemption)			\$ 657,148	\$ 514,943	\$ (142,206)
4	Less State Tax Exemption	CSWR Sch B-3		\$ (18,905)	\$ (18,905)	\$ -
5	State Taxable Income before NOL Carryforward			\$ 638,243	\$ 496,038	\$ (142,206)
5a	Apply NOL Carryforward	80%			\$ (396,830)	\$ (396,830)
5b	Taxable Income after NOL CF				\$ 99,208	\$ 99,208
6	State Income tax (5.5%)		5.50%	\$ 35,103	\$ 5,456	\$ (29,647)
7						
8	Federal Taxable Income before NOL Carryforward	Line 5 - Line 6		\$ 622,045	\$ 490,581	\$ (131,464)
8a	Apply NOL Carryforward	80%			\$ (392,465)	\$ (392,465)
8b	Taxable Income after NOL CF				\$ 98,116	\$ 98,116
9	Federal Income Tax (21%)		21%	\$ 130,629	\$ 20,604	\$ (110,025)
10	State and Federal Income Taxes			\$ 165,733	\$ 26,061	\$ (139,672)
<u>II. Adjustment for Required Return</u>						
11	Rate Base	Sch B		\$ 7,690,711	\$ 6,186,983	\$ (1,503,728)
12	Weighted Cost of Capital	Sch D		8.7631%	8.5410%	
13	Required Return			\$ 673,942	\$ 528,430	\$ (145,512)
14	Net Operating Income at Current Rates	Sch C		\$ 617,631	\$ 619,743	\$ 2,113
15	Adjustment for Required Return			\$ 56,311	\$ (91,313)	\$ (147,624)
<u>III. Adjustment for RAF fees on Increased Revenue</u>						
16	Required Return	Line 15		\$ 56,311	\$ (91,313)	\$ (147,624)
17	Income Taxes	Line 10		\$ 165,733	\$ 26,061	\$ (139,672)
18	Sum of Required Return and Income Taxes			\$ 222,044	\$ (65,252)	\$ (287,296)
19	RAF rate			0.955	0.955	
20	Revenue requirement with RAF			\$ 232,507	\$ (68,327)	\$ (300,834)
21	Less: Sum of Required Return and Income Taxes			\$ (222,044)	\$ 65,252	\$ 287,296
22	RAF			\$ 10,463	\$ (3,075)	\$ (13,538)
<u>IV. Components of Revenue Increase</u>						
23	Net Income (aka Required Return)	Line 15		\$ 56,311	\$ (91,313)	\$ (147,624)
24	Regulatory Assessment Fees	Line 22		\$ 10,463	\$ (3,075)	\$ (13,538)
25	State Income Tax	Line 6		\$ 35,103	\$ 5,456	\$ (29,647)
26	Federal Income Tax	Line 9		\$ 130,629	\$ 20,604	\$ (110,025)
27	Total Revenue Increase			\$ 232,507	\$ (68,327)	\$ (300,834)

Notes and Source

Col. A: Aquarina Utilities MFR Schedule B-3 from the Company's filing
Col. B: See referenced schedules

Line No.	Utility	Reference	Individual Water System Results		
			Per Company Revenue Deficiency/(Excess) (A)	Per OPC Revenue Deficiency/(Excess) (B)	Difference (C) = (B) - (A)
1	Aquarina Utilities - Wastewater	Exhibit RCS-11, Schedule A	\$ 55,206	\$ 10,118	\$ (45,089)
2	BFF Corp - Wastewater	Exhibit RCS-12, Schedule A	\$ 34,217	\$ 34,226	\$ 9
3	CFAT H2O Landfair WWTF - Wastewater	Exhibit RCS-13, Schedule A	\$ 35,182	\$ 35,382	\$ 200
4	North Peninsula - Wastewater	Exhibit RCS-14, Schedule A	\$ 188,187	\$ 75,508	\$ (112,679)
5	Rolling Oaks Utilities- Wastewater	Exhibit RCS-15, Schedule A	\$ (118,848)	\$ (195,549)	\$ (76,702)
6	Sebring Ridge Utilities - Wastewater	Exhibit RCS-16, Schedule A	\$ 145,176	\$ 145,627	\$ 451
7	TKCB - Wastewater	Exhibit RCS-17, Schedule A	\$ 91,511	\$ 92,364	\$ 853
8	Tradewinds Village - Wastewater	Exhibit RCS-18, Schedule A	\$ (88,483)	\$ (90,746)	\$ (2,263)
9	Tymber Creek Utilities - Wastewater	Exhibit RCS-19, Schedule A	\$ (128,881)	\$ (130,286)	\$ (1,406)
10	Total Wastewater - Consolidated Sum of System Results	Schedule A, page 2	\$ 213,267	\$ (23,357)	\$ (236,624)
11	Total Wastewater - Consolidated	Schedule A, page 1	\$ 232,507	\$ (68,327)	\$ (300,834)
12	Difference		\$ (19,240)	\$ 44,970	\$ 64,210

Line No.	Description	Per Company - Consolidated MFRs (A1)	Per Company - Sum of System Specific Amounts (A2)	Difference Between Company Amounts (A3) = (A2) - (A1)	OPC Adjustments (B)	OPC Proposed (C) = (A1) + (B)
1	Utility Plant in Service	\$ 12,318,880	\$ 12,318,880	\$ -	\$ -	\$ 12,318,880
2	Utility Land & Land Rights	\$ 3,193,430	\$ 3,193,430	\$ -	\$ -	\$ 3,193,430
3	Less: Non-Used & Useful Plant	\$ -	\$ -	\$ -	\$ -	\$ -
4	Construction Work in Progress	\$ -	\$ -	\$ -	\$ -	\$ -
5	Less: Accumulated Depreciation	\$ (8,546,848)	\$ (8,543,884)	\$ 2,964	\$ -	\$ (8,546,848)
6	Less: CIAC	\$ (4,931,359)	\$ (4,926,883)	\$ 4,476	\$ -	\$ (4,931,359)
7	Accumulated Amortization of CIAC	\$ 4,459,868	\$ 4,459,868	\$ -	\$ -	\$ 4,459,868
8	Acquisition Adjustments	\$ 1,196,741	\$ 1,503,727	\$ 306,986	\$ (1,503,727)	\$ (306,986)
9	Accumulated Amortization of Acquisition Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -
10	Advances for Construction	\$ -	\$ -	\$ -	\$ -	\$ -
11	Working Capital Allowance	\$ -	\$ -	\$ -	\$ -	\$ -
12	Total Rate Base	\$ 7,690,711	\$ 8,005,137	\$ 314,426	\$ (1,503,727)	\$ 6,186,983

Notes and Source

Col. A1: MFR Schedule A-2 from the Company's Consolidated filing
Col. A2: Sum of each wastewater utility
Col.B: Schedule B.1, page 2

CSWR-Florida Utility Operating Company, LLC
 Summary of Adjustments to Rate Base
 Wastewater Operations
 Test Year Ending January 31, 2025

Exhibit RCS-10
 Schedule B.1
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	OPC Adjustments	Acquisition Adjustments
1	Utility Plant in Service	\$ -	
2	Utility Land & Land Rights	\$ -	
3	Less: Non-Used & Useful Plant	\$ -	
4	Construction Work in Progress	\$ -	
5	Less: Accumulated Depreciation	\$ -	
6	Less: CIAC	\$ -	
7	Accumulated Amortization of CIAC	\$ -	
8	Acquisition Adjustments	\$ (1,503,727)	\$ (1,503,727)
9	Accumulated Amortization of Acquisition Adjustments	\$ -	
10	Advances for Construction	\$ -	
11	Working Capital Allowance	\$ -	
12	Total Rate Base	<u>\$ (1,503,727)</u>	<u>\$ (1,503,727)</u>

Notes and Source

See referenced schedule for each adjustment

CSWR-Florida Utility Operating Company, LLC
 Summary of Rate Base for Each Utility
 Wastewater Operations - Consolidated Based on Sum of Per System Results
 Test Year Ending January 31, 2025

Exhibit RCS-10
 Schedule B-2
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	Company Proposed (A)	OPC Adjusted (B)	Difference (C) = (B) - (A)
I. Rate Base Sum of Per System Results				
1	Aquarina Utilities - Wastewater	\$ 770,931	\$ 463,946	\$ (306,986)
2	BFF Corp - Wastewater	\$ 93,273	\$ 93,273	\$ -
3	CFAT H2O Landfair WWTF - Wastewater	\$ 371,687	\$ 371,687	\$ -
4	North Peninsula - Wastewater	\$ 1,941,265	\$ 744,524	\$ (1,196,741)
5	Rolling Oaks Utilities- Wastewater	\$ 3,616,764	\$ 3,616,764	\$ -
6	Sebring Ridge Utilities - Wastewater	\$ 713,808	\$ 713,808	\$ -
7	TKCB - Wastewater	\$ 245,271	\$ 245,271	\$ -
8	Tradewinds Village - Wastewater	\$ 121,353	\$ 121,353	\$ -
9	Tymber Creek Utilities - Wastewater	\$ 130,784	\$ 130,784	\$ -
10	Total Rate Base	<u>\$ 8,005,137</u>	<u>\$ 6,501,410</u>	<u>\$ (1,503,727)</u>
II. Compare Sum of System Results with Consolidated Results				
11	Sum of Per System Rate Bases	\$ 8,005,137	\$ 6,501,410	\$ (1,503,727)
12	Total Rate Base Consolidated Wastewater	<u>\$ 7,690,711</u>	<u>\$ 6,186,983</u>	<u>\$ (1,503,728)</u>
13	Difference	<u>\$ 314,426</u>	<u>\$ 314,427</u>	<u>\$ 1</u>

Notes and Source

Col. A, Lines 1-10: Company Schedule A-2 from each utility's MFRs
 Col. A, Line 12: Company Schedule A-2 from the consolidated MFRs
 Col. B, Lines 1-10: Schedule B from Exhibits RCS-11 through RCS-19
 Col. B, Line 12: Exhibit RCS-10, Schedule B

CSWR-Florida Utility Operating Company, LLC
Comparison of Rate Base from Company's Consolidated MFRs to Utility MFRs
Wastewater Operations
Test Year Ending January 31, 2025

Exhibit RCS-10
Schedule B-3
Docket No. 20250052-WS
Page 1 of 1

Line No.	Description	Company Proposed - from Consolidated MFRs (A)	Sum of Company per System MFR Amounts (B)	Difference (C)
1	Utility Plant in Service	\$ 12,318,880	\$ 12,318,880	\$ -
2	Utility Land & Land Rights	\$ 3,193,430	\$ 3,193,430	\$ -
3	Less: Non-Used & Useful Plant	\$ -	\$ -	\$ -
4	Construction Work in Progress	\$ -	\$ -	\$ -
5	Less: Accumulated Depreciation	\$ (8,546,848)	\$ (8,543,884)	\$ 2,964
6	Less: CIAC	\$ (4,931,359)	\$ (4,926,883)	\$ 4,476
7	Accumulated Amortization of CIAC	\$ 4,459,868	\$ 4,459,868	\$ -
8	Acquisition Adjustments	\$ 1,196,741	\$ 1,503,727	\$ 306,986
9	Accumulated Amortization of Acquisition Adjustments	\$ -	\$ -	\$ -
10	Advances for Construction	\$ -	\$ -	\$ -
11	Working Capital Allowance	\$ -	\$ -	\$ -
12	Total Rate Base	<u>\$ 7,690,710</u>	<u>\$ 8,005,136</u>	<u>\$ 314,426</u>

Notes and Source

Col.A: MFR Schedule A-2 from the Company's Consolidated filing
Col.B: Exhibits RCS-11 through RCS-19, Schedule B, page 1

Line No.	Description	Per Company - Consolidated MFRs (A1)	OPC Adjustments (B)	Per OPC at Current Rates (C) = (A1) + (B)	OPC Revenue Adjustment (D)	OPC Adjusted (E) = (C) + (D)
1	OPERATING REVENUES	\$ 3,474,486	\$ -	\$ 3,474,486	\$ (68,327)	\$ 3,406,159
2	Operation & Maintenance	\$ 2,515,947	\$ (2,111)	\$ 2,513,836	\$ (3,075)	\$ 2,510,761
3	Depreciation, net of CIAC Amortization	\$ 172,461	\$ -	\$ 172,461	\$ -	\$ 172,461
4	Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
5	Taxes Other Than Income	\$ 168,448	\$ -	\$ 168,448	\$ -	\$ 168,448
6	Provision for Income Taxes	\$ -	\$ -	\$ -	\$ 26,061	\$ 26,061
7	OPERATING EXPENSES	\$ 2,856,855	\$ (2,111)	\$ 2,854,743	\$ 22,986	\$ 2,877,729
8	NET OPERATING INCOME	\$ 617,631	\$ 2,111	\$ 619,743	\$ (91,313)	\$ 528,430
9	Rate Base	\$ 7,690,711		\$ 6,186,983		\$ 6,186,983
10	Rate of Return	8.03%		10.02%		8.5410%

Notes and Source

Col.A1: MFR Schedule B-2 from the Company's Consolidated filing

Col.B: Schedule C.1., page 2

Col. D: Schedule A, page 1 and Schedule A-1

CSWR-Florida Utility Operating Company, LLC
 Summary of Net Operating Income Adjustments
 Wastewater Operations
 Test Year Ending January 31, 2025

Exhibit RCS-10
 Schedule C.1
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	OPC	
		Adjustments	Lobbying Expense E-2
1	OPERATING REVENUES	\$ -	
2	Operation & Maintenance	\$ (2,111)	\$ (2,111)
3	Depreciation, net of CIAC Amortization	\$ -	
4	Amortization	\$ -	
5	Taxes Other Than Income	\$ -	
6	PRE-TAX OPERATING EXPENSES	\$ (2,111)	\$ (2,111)
7	PRE-TAX OPERATING INCOME	\$ 2,111	\$ 2,111
8	Federal Income Taxes	\$ -	\$ -
9	State Income Taxes	\$ -	\$ -
10	Total Income Taxes	\$ -	\$ -
11	TOTAL OPERATING EXPENSES	\$ (2,111)	\$ (2,111)
12	OPERATING INCOME	\$ 2,111	\$ 2,111

Notes and Source

Line 8: Federal Income Tax Rate* 21.000%

Line 9: State Income Tax Rate* 5.500%

*See Schedule A-1

CSWR-Florida Utility Operating Company, LLC

Comparison of Operating Income: Per Company Consolidated Results and Sum of Per Company System Results
Wastewater Operations

Test Year Ending January 31, 2025

Exhibit RCS-10

Schedule C-2

Docket No. 20250052-WS

Page 1 of 1

Line No.	Description	Per Company - Consolidated MFRs (A1)	Sum of		Difference Between Company Amounts (A3) = (A2) - (A1)
			Per Company System Specific Amounts (A2)	Company Amounts	
1	OPERATING REVENUES	\$ 3,474,486	\$ 3,474,486	\$ -	\$ -
2	Operation & Maintenance	\$ 2,515,947	\$ 2,532,452	\$ 16,505	\$ 16,505
3	Depreciation, net of CIAC Amortization	\$ 172,461	\$ 172,461	\$ 0	\$ 0
4	Amortization	\$ -	\$ -	\$ -	\$ -
5	Taxes Other Than Income	\$ 168,448	\$ 165,838	\$ (2,610)	\$ (2,610)
6	Provision for Income Taxes	\$ -	\$ -	\$ -	\$ -
7	OPERATING EXPENSES	\$ 2,856,855	\$ 2,870,750	\$ 13,895	\$ 13,895
8	NET OPERATING INCOME	\$ 617,631	\$ 603,735	\$ (13,895)	\$ (13,895)

Notes and Source

Col.A1: MFR Schedule B-2 from the Company's Consolidated filing

Col. A2: Sum of each wastewater utility

CSWR-Florida Utility Operating Company, LLC
Summary of Operating Expenses for Each Wastewater Utility
Wastewater Operations - Consolidated
Test Year Ending January 31, 2025

Exhibit RCS-10
Schedule C-3
Docket No. 20250052-WS
Page 1 of 1

Line No.	Description	Company Proposed (A)
1	Aquarina Utilities - Wastewater	\$ 223,316
2	BFF Corp - Wastewater	\$ 122,841
3	CFAT H2O Landfair WWTF - Wastewater	\$ 138,259
4	North Peninsula - Wastewater	\$ 287,199
5	Rolling Oaks Utilities- Wastewater	\$ 1,379,048
6	Sebring Ridge Utilities - Wastewater	\$ 189,457
7	TKCB - Wastewater	\$ 165,456
8	Tradewinds Village - Wastewater	\$ 161,618
9	Tymber Creek Utilities - Wastewater	\$ 203,558
10	Total Operating Expense	<u>\$ 2,870,750</u>
11	Total Operating Expense per Company Consolidated MFRs	\$ 2,856,855
12	Difference	<u><u>\$ 13,895</u></u>

Notes and Source

Lines 1-10: Company Schedule A-2 from each utility's MFRs

Line 11: Company Schedule A-2 from the consolidated MFRs

CSWR-Florida Utility Operating Company, LLC
 Summary of Income Tax Allowances for Each Wastewater Utility
 Wastewater Operations - Consolidated
 Test Year Ending January 31, 2025

Exhibit RCS-10
 Schedule C-4
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Sch. A-1 from Exhibit	Utility	Income Taxes		
			Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
1	RCS-11	Aquarina Utilities - Wastewater	\$ 16,917	\$ 2,010	\$ (14,907)
2	RCS-12	BFF Corp - Wastewater	\$ 162	\$ 388	\$ 226
3	RCS-13	CFAT H2O Landfair WWTF - Wastewater	\$ 656	\$ 1,549	\$ 894
4	RCS-14	North Peninsula - Wastewater	\$ 3,826	\$ 3,235	\$ (591)
5	RCS-15	Rolling Oaks Utilities- Wastewater	\$ 78,577	\$ 15,305	\$ (63,272)
6	RCS-16	Sebring Ridge Utilities - Wastewater	\$ 1,276	\$ 2,995	\$ 1,719
7	RCS-17	TKCB - Wastewater	\$ 318	\$ 814	\$ 496
8	RCS-18	Tradewinds Village - Wastewater	\$ 2,377	\$ 445	\$ (1,933)
9	RCS-19	Tymer Creek Utilities - Wastewater	\$ 1,949	\$ 375	\$ (1,574)
10		Total State and Federal Income Taxes - Sum of System	<u>\$ 106,058</u>	<u>\$ 27,116</u>	<u>\$ (78,943)</u>
11	RCS-10	Total State and Federal Income Taxes - Consolidated	\$ 165,733	\$ 26,061	\$ (139,672)
12		Difference	<u>\$ (59,675)</u>	<u>\$ 1,055</u>	<u>\$ 60,729</u>

Line No.	Description	Company Adjusted Amount (A)	Specific Adjustments (B)	Subtotal Adjusted Capital (C)	Prorata Adjustments (D)	Adjusted Amount (E)	Capital Structure Ratio (F)	Cost Rate (G)	Weighted Cost (F) x (G) (H)
I. Per Company									
1	Long Term Debt	\$ -				\$ -	0.00%	0.00%	0.000%
2	Short Term Debt	\$ 722,441				\$ 722,441	2.57%	8.50%	0.218%
3	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.000%
4	Customer Deposits	\$ -				\$ -	0.00%	0.00%	0.000%
5	Common Equity	\$ 27,399,344				\$ 27,399,344	97.43%	8.77%	8.545%
6	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.000%
7	Tax Credits - Wild. Cost	\$ -				\$ -	0.00%	0.00%	0.000%
8	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.000%
9	Other	\$ -				\$ -	0.00%	0.00%	0.000%
	Total	\$ 28,121,785				\$ 28,121,785	100.00%		8.763%
10	Weighted Cost of Debt							L1 + L2	0.22%
II. Per OPC									
11	Long Term Debt	\$ -	OPC Specific Adjustments	Subtotal	OPC Prorata Adjustments	\$ -	0.00%	0.00%	0.000%
12	Short Term Debt	\$ 722,441			\$ (240,813)	\$ 481,628	2.57%	8.50%	0.218%
13	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.000%
14	Customer Deposits	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
15	Common Equity	\$ 27,399,344			\$ (9,133,093)	\$ 18,266,251	97.43%	8.54%	8.323%
16	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.000%
17	Tax Credits - Wild. Cost	\$ -				\$ -	0.00%	0.00%	0.000%
18	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.000%
19	Other	\$ -				\$ -	0.00%	0.00%	0.000%
	Total	\$ 28,121,785			\$ (9,373,906)	\$ 18,747,879	100.00%		8.541%
20	Water Utility Rate Base	Exhibit RCS-2, Sch B			\$ (7,870,180)	\$ 9,117,526			
21	Wastewater Utility Rate Base	Exhibit RCS-10, Sch B			\$ (1,503,727)	\$ 6,186,983			
22	Difference				\$ (9,373,906)	\$ 15,304,510		Line 19 - Line 9	-0.2221%
23	Weighted Cost of Debt							L11 + L12	0.2180%

Notes

Lines 1-10: Schedule D-1 from the Company's Consolidated filing

Lines 11-23: Col. B: Adjusted to equal rate base

Cols F and G, Line 15: See page 2

Sum of LTD, STD and Common Equity \$ 28,121,785

Calculation of Return on Equity

DOCKET NO. 20250006-WS
 ORDER NO. PSC-2025-0213-PAA-WS
 ISSUED: June 18, 2025

Leverage Formula

The updated leverage formula is: $ROE = 7.17\% + (1.337\% / \text{Equity Ratio})$

The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

Calculations		
at 100%	at 40%	at CSWR %
7.17%	7.17%	7.17%
1.337%	1.337%	1.34%
100%	40%	97.43% [A]
1.33700%	3.34250%	1.37225%
8.51%	10.51%	8.54%
8.51%	10.51%	

Table 1
Adjusted Return on Equity

DCF Model	7.25%
CAPM	9.94%
Average	8.60%
Bond Yield Differential	0.36%
Private Placement Premium	0.50%
Small-Utility Risk Premium	0.50%
Adjusted ROE Average	9.96%
Adjustment to Reflect Required Equity Return at a 40% Equity Ratio	0.56%
Upper Range of ROE	10.51%

Source: Commission Staff Worksheets

Leverage Formula

The updated leverage formula is: $ROE = 7.17\% + (1.337 \div \text{Equity Ratio})$

The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

Notes and Source:

Note [A]: From Page 1, Col. F, line 15

CSWR-Florida Utility Operating Company, LLC
Docket No. 20250052-WS
Exhibit RCS-11
Aquarina Utilities - Wastewater
Revenue Requirement Summary Schedules
Accompanying the Direct Testimony of Ralph Smith

Number	Description	No. of Pages	Exhibit Page No.
	Revenue Requirement Summary Schedules		
A	Calculation of Revenue Deficiency (Sufficiency)	1	2
A-1	Income Taxes and Components of Revenue Change for New Rates	1	3
B	Adjusted Rate Base	1	4
B.1	Summary of Rate Base Adjustments	1	5
C	Adjusted Net Operating Income	1	6
C.1	Summary of Net Operating Income Adjustments	1	7
D	Capital Structure and Cost Rates	1	8
	Total Pages (Including Contents Page)	8	

Line No.	Description	Reference	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
1	Adjusted rate base	Sch B	\$ 770,931	\$ 463,946	\$ (306,986)
2	Rate of return	D	8.7671%	8.5211%	
3	Net operating income required		\$ 67,589	\$ 39,533	\$ (28,055)
4	Adjusted net operating income	Sch C	\$ 31,784	\$ 31,881	\$ 97
5	Net operating income deficiency		\$ 35,805	\$ 7,652	\$ (28,153)
6	Gross revenue conversion factor				
7	Revenue deficiency (Sufficiency) - Calculated	Sch A-1	\$ 55,206	\$ 10,118	\$ (45,089)
8	Revenue deficiency (Sufficiency) - per Company		\$ 55,206		
9	Unidentified difference		-		
10	Total Operating Revenue at Current Rates	Sch C	\$ 255,100	\$ 255,100	
11	Percentage Increase	L.7 / L.10	21.64%	3.97%	

Notes and Source

Col.A: Aquarina Utilities MFR Schedule B-2 from the Company's filing

Col. B: See referenced schedules

CSWR-Florida Utility Operating Company, LLC
 Income Taxes and Components of Revenue Change for New Rates
 Aquarina Utilities - Wastewater
 Test Year Ending January 31, 2025

Exhibit RCS-11
 Schedule A-1
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	Reference	Tax Rate	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
<u>I. Adjustment for Income Taxes</u>						
1	Rate Base	Sch B		\$ 770,931	\$ 463,946	\$ (306,986)
2	Weighted cost of equity	Sch D		8.6769%	8.4309%	
3	Equity return (taxable income before state tax exemption)			\$ 66,893	\$ 39,115	\$ (27,778)
4	Less State Tax Exemption	CSWR Sch B-3		\$ (858)	\$ (858)	\$ -
5	State Taxable Income before NOL Carryforward			\$ 66,035	\$ 38,257	\$ (27,778)
5a	Apply NOL Carryforward		80%		\$ (30,606)	\$ (30,606)
5b	Taxable Income after NOL CF				\$ 7,651	\$ 7,651
6	State Income tax (5.5%)		5.50%	\$ 3,632	\$ 421	\$ (3,211)
7						
8	Federal Taxable Income before NOL Carryforward	Line 5 - Line 6		\$ 63,261	\$ 37,836	\$ (25,425)
8a	Apply NOL Carryforward	80%			\$ (30,269)	\$ (30,269)
8b	Taxable Income after NOL CF				\$ 7,567	\$ 7,567
9	Federal Income Tax (21%)		21%	\$ 13,285	\$ 1,589	\$ (11,696)
10	State and Federal Income Taxes			\$ 16,917	\$ 2,010	\$ (14,907)
<u>II. Adjustment for Required Return</u>						
11	Rate Base	Sch B		\$ 770,931	\$ 463,946	\$ (306,986)
12	Weighted Cost of Capital	Sch D		8.7671%	8.5211%	-0.2460%
13	Required Return			\$ 67,589	\$ 39,533	\$ (28,055)
14	Net Operating Income at Current Rates	Sch C		\$ 31,784	\$ 31,881	\$ 97
15	Adjustment for Required Return			\$ 35,805	\$ 7,652	\$ (28,153)
<u>III. Adjustment for RAF fees on Increased Revenue</u>						
16	Required Return	Line 15		\$ 35,805	\$ 7,652	\$ (28,153)
17	Income Taxes	Line 10		\$ 16,917	\$ 2,010	\$ (14,907)
18	Sum of Required Return and Income Taxes			\$ 52,722	\$ 9,662	\$ (43,060)
19	RAF rate			0.955	0.955	
20	Revenue requirement with RAF			\$ 55,206	\$ 10,118	\$ (45,089)
21	Less: Sum of Required Return and Income Taxes			\$ (52,722)	\$ (9,662)	\$ 43,060
22	RAF			\$ 2,484	\$ 455	\$ (2,029)
<u>IV. Components of Revenue Increase</u>						
23	Net Income (aka Required Return)	Line 15		\$ 35,805	\$ 7,652	\$ (28,153)
24	Regulatory Assessment Fees	Line 22		\$ 2,484	\$ 455	\$ (2,029)
25	State Income Tax	Line 6		\$ 3,632	\$ 421	\$ (3,211)
26	Federal Income Tax	Line 9		\$ 13,285	\$ 1,589	\$ (11,696)
27	Total Revenue Increase			\$ 55,206	\$ 10,118	\$ (45,089)

Notes and Source

See references

Lines 5a and 5b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of state taxable income

Lines 8a and 8b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of federal taxable income

Line No.	Description	Company Proposed (A)	OPC Adjustments (B)	OPC Proposed (C)
1	Utility Plant in Service	\$ 1,227,079	\$ -	\$ 1,227,079
2	Utility Land & Land Rights	\$ 67,076	\$ -	\$ 67,076
3	Less: Non-Used & Useful Plant	\$ -	\$ -	\$ -
4	Construction Work in Progress	\$ -	\$ -	\$ -
5	Less: Accumulated Depreciation	\$ (742,009)	\$ -	\$ (742,009)
6	Less: CIAC	\$ (612,495)	\$ -	\$ (612,495)
7	Accumulated Amortization of CIAC	\$ 524,294	\$ -	\$ 524,294
8	Acquisition Adjustments	\$ 306,986	\$ (306,986)	\$ -
9	Accumulated Amortization of Acquisition Adjustments	\$ -	\$ -	\$ -
10	Advances for Construction	\$ -	\$ -	\$ -
11	Working Capital Allowance	\$ -	\$ -	\$ -
12	Total Rate Base	\$ 770,931	\$ (306,986)	\$ 463,946

Notes and Source

Col.A: Aquarina Utilities MFR Schedule A-2 from the Company's filing

Col.B: Schedule B.1, page 1

Line No.	Description	OPC Adjustments	Acquisition Adjustments
			E-1
1	Utility Plant in Service	\$ -	
2	Utility Land & Land Rights	\$ -	
3	Less: Non-Used & Useful Plant	\$ -	
4	Construction Work in Progress	\$ -	
5	Less: Accumulated Depreciation	\$ -	
6	Less: CIAC	\$ -	
7	Accumulated Amortization of CIAC	\$ -	
8	Acquisition Adjustments	\$ (306,986)	\$ (306,986)
9	Accumulated Amortization of Acquisition Adjustments	\$ -	
10	Advances for Construction	\$ -	
11	Working Capital Allowance	\$ -	
12	Total Rate Base	\$ (306,986)	\$ (306,986)

Notes and Source

See referenced schedule for each adjustment

Line No.	Description	Per Company (A)	OPC Adjustments (B)	Per OPC at Current Rates (C)	OPC Revenue Adjustment (D)	OPC Adjusted (E) = (C) + (D)
1	OPERATING REVENUES	\$ 255,100	\$ -	\$ 255,100	\$ 10,118	\$ 265,218
2	Operation & Maintenance	\$ 196,720	\$ (97)	\$ 196,622	\$ 455	\$ 197,077
3	Depreciation, net of CIAC Amortization	\$ 5,447	\$ -	\$ 5,447	\$ -	\$ 5,447
4	Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
5	Taxes Other Than Income	\$ 21,150	\$ -	\$ 21,150	\$ -	\$ 21,150
6	Provision for Income Taxes	\$ -	\$ -	\$ -	\$ 2,010	\$ 2,010
7	OPERATING EXPENSES	\$ 223,316	\$ (97)	\$ 223,219	\$ 2,465	\$ 225,684
8	NET OPERATING INCOME	\$ 31,784	\$ 97	\$ 31,881	\$ 7,652	\$ 39,533
9	Rate Base	\$ 770,931	\$ (306,986)	\$ 463,946		\$ 463,946
10	Earned Rate of Return	4.12%		6.87%		8.5211%

Notes and Source

Col.A: Aquarina Utilities MFR Schedule B-2 from the Company's filing

Col.B: Schedule C.1, page 1

Col.C: Col.A + Col.B

Col.D: Schedule A, page 1 and Schedule A-1, page 2

Line No.	Description	OPC Adjustments	Lobbying Expense E-2
1	OPERATING REVENUES	\$ -	
2	Operation & Maintenance	\$ (97)	\$ (97)
3	Depreciation, net of CIAC Amortization	\$ -	
4	Amortization	\$ -	
5	Taxes Other Than Income	\$ -	
6	PRE-TAX OPERATING EXPENSES	\$ (97)	\$ (97)
7	PRE-TAX OPERATING INCOME	\$ 97	\$ 97
8	Federal Income Taxes	\$ -	\$ -
9	State Income Taxes	\$ -	\$ -
10	Total Income Taxes	\$ -	\$ -
11	TOTAL OPERATING EXPENSES	\$ (97)	\$ (97)
12	OPERATING INCOME	\$ 97	\$ 97

Notes and Source

Line 8: Federal Income Tax Rate* 21.00%
 Line 9: State Income Tax Rate* 5.500%

*See Schedule A-1

CSWR-Florida Utility Operating Company, LLC
 Capital Structure and Cost Rates
 Aquarina Utilities - Wastewater
 Test Year Ending January 31, 2025

Exhibit RCS-11
 Schedule D
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	Company Adjusted Amount (A)	Specific Adjustments (B)	Subtotal Adjusted Capital (C)	Prorata Adjustments (D)	Adjusted Amount (E)	Capital Structure Ratio (F)	Cost Rate (G)	Weighted Cost (F) x (G) (H)
I. Per Compan									
1	Long Term Debt	\$ -				\$ -	0.00%	0.00%	0.000%
2	Short Term Debt	\$ 37,807				\$ 37,807	1.06%	8.50%	0.090%
3	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.000%
4	Customer Deposits	\$ -				\$ -	0.00%	0.00%	0.000%
5	Common Equity	\$ 3,525,223				\$ 3,525,223	98.94%	8.77%	8.677%
6	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.000%
7	Tax Credits - Wtd. Cost	\$ -				\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.000%
8	Other	\$ -				\$ -	0.00%	0.00%	0.000%
9	Total	<u>\$ 3,563,030</u>				<u>\$ 3,563,030</u>	<u>100.00%</u>		<u>8.767%</u>
10	Weighted Cost of Deb							L1 + L2	<u>0.09%</u>
II. Per OPC									
11	Long Term Debt	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
12	Short Term Debt	\$ 37,807			\$ (24,578)	\$ 13,229	1.06%	8.50%	0.090%
13	Preferred Stock	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
14	Customer Deposits	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
15	Common Equity	\$ 3,525,223			\$ (2,291,710)	\$ 1,233,512	98.94%	8.52%	8.431%
16	Tax Credits - Zero Cost	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
17	Tax Credits - Wtd. Cost	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
18	Other	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
19	Total	<u>\$ 3,563,030</u>			<u>\$ (2,316,288)</u>	<u>\$ 1,246,742</u>	<u>100.00%</u>		<u>8.521%</u>
20	Water Utility Rate Base	Exhibit RCS-3, Sch B			\$ (2,009,303)	\$ 782,796			
21	Wastewater Utility Rate Base	Exhibit RCS-11, Sch B			\$ (306,986)	\$ 463,946			
22	Differenc				<u>\$ (2,316,288)</u>	<u>\$ 1,246,742</u>		Line 19 - Line 9	<u>-0.2460%</u>
23	Weighted Cost of Deb							L11 + L12	<u>0.0902%</u>

Notes

Lines 1-10: Aquarina Utilities Schedule D-1 from the Company's filing
 Lines 11-23: Col. B: Adjusted to equal rate base

Sum of LTD, STD and Common Equity \$ 3,563,030

DOCKET NO. 20250006-WS
 ORDER NO. PSC-2025-0213-PAA-WS
 ISSUED: June 18, 2025

Leverage Formula

The updated leverage formula is: $ROE = 7.17\% + (1.337\% / \text{Equity Ratio})$
 The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

Calculations

	at 100%	at 40%	at CSWR %
	7.17%	7.17%	7.17%
	1.337%	1.337%	1.34%
	100%	40%	98.94%
	1.33700%	3.34250%	1.35134%
	8.51%	10.51%	8.52%
	8.51%	10.51%	

**Table 1
 Adjusted Return on Equity**

DCF Model	7.25%
CAPM	9.94%
Average	8.60%
Bond Yield Differential	0.36%
Private Placement Premium	0.50%
Small-Utility Risk Premium	0.50%
Adjusted ROE Average	9.96%
Adjustment to Reflect Required Equity Return at a 40% Equity Ratio	0.56%
Upper Range of ROE	10.51%

Source: Commission Staff Worksheets

Leverage Formula

The updated leverage formula is: $ROE = 7.17\% + (1.337\% / \text{Equity Ratio})$

The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

CSWR-Florida Utility Operating Company, LLC
Docket No. 20250052-WS
Exhibit RCS-12
BFF Corp.
Revenue Requirement Summary Schedules
Accompanying the Direct Testimony of Ralph Smith

Number	Description	No. of Pages	Exhibit Page No.
	Revenue Requirement Summary Schedules		
A	Calculation of Revenue Deficiency (Sufficiency)	1	2
A-1	Income Taxes and Components of Revenue Change for New Rates	1	3
B	Adjusted Rate Base	1	4
B.1	Summary of Rate Base Adjustments	1	5
C	Adjusted Net Operating Income	1	6
C.1	Summary of Net Operating Income Adjustments	1	7
D	Capital Structure and Cost Rates	1	8
	Total Pages (Including Contents Page)	8	

Line No.	Description	Reference	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
1	Adjusted rate base	Sch B	\$ 93,273	\$ 93,273	\$ -
2	Rate of return	D	8.7591%	8.5609%	
3	Net operating income required		\$ 8,170	\$ 7,985	\$ (185)
4	Adjusted net operating income	Sch C	\$ (24,346)	\$ (24,313)	\$ 32
5	Net operating income deficiency		\$ 32,516	\$ 32,298	\$ (217)
6	Gross revenue conversion factor				
7	Revenue deficiency (Sufficiency) - Calculated	Sch A-1	\$ 34,217	\$ 34,226	\$ 9
8	Revenue deficiency (Sufficiency) - per Company		\$ 34,217		
9	Unidentified difference		\$ -		
10	Total Operating Revenue at Current Rates	Sch C	\$ 98,495	\$ 98,495	
11	Percentage Increase	L.7 / L.10	34.74%	34.75%	

Notes and Source

Col.A: BFF Corp. MFR Schedule B-2 from the Company's filing

Col. B: See referenced schedules

CSWR-Florida Utility Operating Company, LLC
Income Taxes and Components of Revenue Change for New Rates
BFF Corp.
Test Year Ending January 31, 2025

Exhibit RCS-12
Schedule A-1
Docket No. 20250052-WS
Page 1 of 1

Line No.	Description	Reference	Tax Rate	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
<u>I. Adjustment for Income Taxes</u>						
1a	Rate Base	Sch B			\$ 93,273	\$ 93,273
1b	Required Return	Line 13		\$ 8,170		\$ (8,170)
2	Weighted cost of equity	Sch D		8.4146%	8.2164%	
3	Equity return (taxable income before state tax exemption)			\$ 687	\$ 7,664	\$ 6,976
4	Less State Tax Exemption	CSWR Sch B-3		\$ (285)	\$ (285)	\$ -
5	State Taxable Income before NOL Carryforward			\$ 402	\$ 7,378	\$ 6,976
5a	Apply NOL Carryforward	80%			\$ (5,903)	\$ (5,903)
5b	Taxable Income after NOL CF				\$ 1,476	\$ 1,476
6	State Income tax (5.5%)		5.50%	\$ 22	\$ 81	\$ 59
7						
8	Federal Taxable Income before NOL Carryforward	Line 5 - Line 6		\$ 665	\$ 7,297	\$ 6,632
8a	Apply NOL Carryforward	80%			\$ (5,838)	\$ (5,838)
8b	Taxable Income after NOL CF				\$ 1,459	\$ 1,459
9	Federal Income Tax (21%)		21%	\$ 140	\$ 306	\$ 167
10	State and Federal Income Taxes			\$ 162	\$ 388	\$ 226
<u>II. Adjustment for Required Return</u>						
11	Rate Base	Sch B		\$ 93,273	\$ 93,273	\$ -
12	Weighted Cost of Capital	Sch D		8.7591%	8.5609%	
13	Required Return			\$ 8,170	\$ 7,985	\$ (185)
14	Net Operating Income at Current Rates	Sch C		\$ (24,346)	\$ (24,313)	\$ 32
15	Adjustment for Required Return			\$ 32,516	\$ 32,298	\$ (217)
<u>III. Adjustment for RAF fees on Increased Revenue</u>						
16	Required Return	Line 15		\$ 32,516	\$ 32,298	\$ (217)
17	Income Taxes	Line 10		\$ 162	\$ 388	\$ 226
18	Sum of Required Return and Income Taxes			\$ 32,677	\$ 32,686	\$ 9
19	RAF rate			0.955	0.955	
20	Revenue requirement with RAF			\$ 34,217	\$ 34,226	\$ 9
21	Less: Sum of Required Return and Income Taxes			\$ (32,677)	\$ (32,686)	\$ (9)
22	RAF			\$ 1,540	\$ 1,540	\$ 0
<u>IV. Components of Revenue Increase</u>						
23	Net Income (aka Required Return)	Line 15		\$ 32,516	\$ 32,298	\$ (217)
24	Regulatory Assessment Fees	Line 22		\$ 1,540	\$ 1,540	\$ 0
25	State Income Tax	Line 6		\$ 22	\$ 81	\$ 59
26	Federal Income Tax	Line 9		\$ 140	\$ 306	\$ 167
27	Total Revenue Increase			\$ 34,217	\$ 34,226	\$ 9

Notes and Source

See references

Lines 5a and 5b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of state taxable income

Lines 8a and 8b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of federal taxable income

Line No.	Description	Company Proposed (A)	OPC Adjustments (B)	OPC Proposed (C)
1	Utility Plant in Service	\$ 264,864	\$ -	\$ 264,864
2	Utility Land & Land Rights	\$ 34,751	\$ -	\$ 34,751
3	Less: Non-Used & Useful Plant	\$ -	\$ -	\$ -
4	Construction Work in Progress	\$ -	\$ -	\$ -
5	Less: Accumulated Depreciation	\$ (202,039)	\$ -	\$ (202,039)
6	Less: CIAC	\$ (35,402)	\$ -	\$ (35,402)
7	Accumulated Amortization of CIAC	\$ 31,097	\$ -	\$ 31,097
8	Acquisition Adjustments	\$ -	\$ -	\$ -
9	Accumulated Amortization of Acquisition Adjustments	\$ -	\$ -	\$ -
10	Advances for Construction	\$ -	\$ -	\$ -
11	Working Capital Allowance	\$ -	\$ -	\$ -
12	Total Rate Base	\$ 93,273	\$ -	\$ 93,273

Notes and Source

Col.A: BFF Corp. MFR Schedule A-2 from the Company's filing

Col.B: Schedule B.1, page 1

Line No.	Description	OPC Adjustments	Acquisition Adjustments
			E-1
1	Utility Plant in Service	\$ -	
2	Utility Land & Land Rights	\$ -	
3	Less: Non-Used & Useful Plant	\$ -	
4	Construction Work in Progress	\$ -	
5	Less: Accumulated Depreciation	\$ -	
6	Less: CIAC	\$ -	
7	Accumulated Amortization of CIAC	\$ -	
8	Acquisition Adjustments	\$ -	
9	Accumulated Amortization of Acquisition Adjustments	\$ -	
10	Advances for Construction	\$ -	
11	Working Capital Allowance	\$ -	
12	Total Rate Base	\$ -	\$ -

Notes and Source

See referenced schedule for each adjustment

Line No.	Description	Per Company (A)	OPC Adjustments (B)	Per OPC at Current Rates (C)	OPC Revenue Adjustment (D)	OPC Adjusted (E) = (C) + (D)
1	OPERATING REVENUES	\$ 98,495	\$ -	\$ 98,495	\$ 34,226	\$ 132,721
2	Operation & Maintenance	\$ 111,010	\$ (32)	\$ 110,978	\$ 1,540	\$ 112,518
3	Depreciation, net of CIAC Amortization	\$ 6,624	\$ -	\$ 6,624	\$ -	\$ 6,624
4	Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
5	Taxes Other Than Income	\$ 5,207	\$ -	\$ 5,207	\$ 388	\$ 5,207
6	Provision for Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ 388
7	OPERATING EXPENSES	\$ 122,841	\$ (32)	\$ 122,808	\$ 1,928	\$ 124,736
8	NET OPERATING INCOME	\$ (24,346)	\$ 32	\$ (24,313)	\$ 32,298	\$ 7,985
9	Rate Base	\$ 93,273	\$ -	\$ 93,273		\$ 93,273
10	Earned Rate of Return	-26.10%		-26.07%		8.5609%

Notes and Source

Col.A: BFF Corp. MFR Schedule B-2 from the Company's filing

Col.B: Schedule C.1, page 1

Col.C: Col.A + Col.B

Col.D: Schedule A, page 1 and Schedule A-1, page 2

Line No.	Description	OPC Adjustments	Lobbying Expense E-2
1	OPERATING REVENUES	\$ -	
2	Operation & Maintenance	\$ (32)	\$ (32)
3	Depreciation, net of CIAC Amortization	\$ -	
4	Amortization	\$ -	
5	Taxes Other Than Income	\$ -	
6	PRE-TAX OPERATING EXPENSES	\$ (32)	\$ (32)
7	PRE-TAX OPERATING INCOME	\$ 32	\$ 32
8	Federal Income Taxes	\$ -	\$ -
9	State Income Taxes	\$ -	\$ -
10	Total Income Taxes	\$ -	\$ -
11	TOTAL OPERATING EXPENSES	\$ (32)	\$ (32)
12	OPERATING INCOME	\$ 32	\$ 32

Notes and Source

Line 8: Federal Income Tax Rate* 21.00%
 Line 9: State Income Tax Rate* 5.500%

*See Schedule A-1

CSWR-Florida Utility Operating Company, LLC
 Capital Structure and Cost Rates
 BFF Corp.
 Test Year Ending January 31, 2025

Exhibit RCS-12
 Schedule D
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	Company Adjusted Amount (A)	Specific Adjustments (B)	Subtotal Adjusted Capital (C)	Prorata Adjustments (D)	Adjusted Amount (E)	Capital Structure Ratio (F)	Cost Rate (G)	Weighted Cost (F) x (G) (H)
I. Per Compan									
1	Long Term Debt	\$ -				\$ -	0.00%	0.00%	0.000%
2	Short Term Debt	\$ 3,780				\$ 3,780	4.05%	8.50%	0.344%
3	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.000%
4	Customer Deposits	\$ -				\$ -	0.00%	0.00%	0.000%
5	Common Equity	\$ 89,493				\$ 89,493	95.95%	8.77%	8.415%
6	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.000%
7	Tax Credits - Wtd. Cost	\$ -				\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.000%
8	Other	\$ -				\$ -	0.00%	0.00%	0.000%
9	Total	<u>\$ 93,273</u>				<u>\$ 93,273</u>	<u>100.00%</u>		<u>8.759%</u>
10	Weighted Cost of Deb							L1 + L2	<u>0.34%</u>
II. Per OPC									
11	Long Term Debt	\$ -	OPC Specific Adjustments	Subtotal	OPC Prorata Adjustments	\$ -	0.00%	0.00%	0.000%
12	Short Term Debt	\$ 3,780				\$ 3,780	4.05%	8.50%	0.344%
13	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.000%
14	Customer Deposits	\$ -				\$ -	0.00%	0.00%	0.000%
15	Common Equity	\$ 89,493				\$ 89,493	95.95%	8.56%	8.216%
16	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.000%
17	Tax Credits - Wtd. Cost	\$ -				\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.000%
18	Other	\$ -				\$ -	0.00%	0.00%	0.000%
19	Total	<u>\$ 93,273</u>				<u>\$ 93,273</u>	<u>100.00%</u>		<u>8.561%</u>
20									
21	Wastewater Utility Rate Base	Exhibit RCS-12, Sch B				\$ -		\$ 93,273	
22	Differenc					\$ -		<u>\$ 93,273</u>	Line 19 - Line 9
23	Weighted Cost of Deb							L11 + L12	<u>0.3445%</u>

Notes

Lines 1-10: BFF Corp. Schedule D-1 from the Company's filing
 Lines 11-23: Col. B: Adjusted to equal rate base

Sum of LTD, STD and Common Equity \$ 93,273

DOCKET NO. 20250006-WS
 ORDER NO. PSC-2025-0213-PAA-WS
 ISSUED: June 18, 2025

Leverage Formula
 The updated leverage formula is: ROE = 7.17% + (1.337% / Equity Ratio)
 The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

Calculations	at 40%		at CSWR %	
	at 100%	7.17%	7.17%	7.17%
	1.337%		1.337%	1.34%
	100%		40%	95.95%
	1.33700%		3.34250%	1.39348%
	8.51%		10.51%	8.56%
	8.51%		10.51%	

Table 1
Adjusted Return on Equity

DCF Model	7.25%
CAPM	9.94%
Average	8.60%
Bond Yield Differential	0.36%
Private Placement Premium	0.50%
Small-Utility Risk Premium	0.50%
Adjusted ROE Average	9.96%
Adjustment to Reflect Required Equity Return at a 40% Equity Ratio	0.56%
Upper Range of ROE	10.51%

Source: Commission Staff Worksheets

Leverage Formula

The updated leverage formula is: ROE = 7.17% + (1.337 ÷ Equity Ratio)

The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

CSWR-Florida Utility Operating Company, LLC
Docket No. 20250052-WS
Exhibit RCS-13
C.F.A.T. H2O, INC. - Wastewater
Revenue Requirement Summary Schedules
Accompanying the Direct Testimony of Ralph Smith

Number	Description	No. of Pages	Exhibit Page No.
	Revenue Requirement Summary Schedules		
A	Calculation of Revenue Deficiency (Sufficiency)	1	2
A-1	Income Taxes and Components of Revenue Change for New Rates	1	3
B	Adjusted Rate Base	1	4
B.1	Summary of Rate Base Adjustments	1	5
C	Adjusted Net Operating Income	1	6
C.1	Summary of Net Operating Income Adjustments	1	7
D	Capital Structure and Cost Rates	1	8
	Total Pages (Including Contents Page)	8	

Line No.	Description	Reference	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
1	Adjusted rate base	Sch B	\$ 371,687	\$ 371,687	\$ -
2	Rate of return	D	8.7545%	8.5836%	
3	Net operating income required		\$ 32,539	\$ 31,904	\$ (635)
4	Adjusted net operating income	Sch C	\$ (404)	\$ (336)	\$ 68
5	Net operating income deficiency		\$ 32,943	\$ 32,240	\$ (703)
6	Gross revenue conversion factor				
7	Revenue deficiency (Sufficiency) - Calculated	Sch A-1	\$ 35,182	\$ 35,382	\$ 200
8	Revenue deficiency (Sufficiency) - per Company		\$ 35,182		
9	Unidentified difference		\$ -		
10	Total Operating Revenue at Current Rates	Sch C	\$ 137,855	\$ 137,855	
11	Percentage Increase	L.7 / L.10	25.52%	25.67%	

Notes and Source

Col.A: C.F.A.T. H2O, INC. MFR Schedule B-2 from the Company's filing

Col. B: See referenced schedules

CSWR-Florida Utility Operating Company, LLC
Income Taxes and Components of Revenue Change for New Rates
C.F.A.T. H2O, INC. - Wastewater
Test Year Ending January 31, 2025

Exhibit RCS-13
Schedule A-1
Docket No. 20250052-WS
Page 1 of 1

Line No.	Description	Reference	Tax Rate	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
<u>I. Adjustment for Income Taxes</u>						
1a	Rate Base	Sch B			\$ 371,687	\$ 371,687
1b	Required Return	Line 13		\$ 32,539		\$ (32,539)
2	Weighted cost of equity	Sch D		8.2652%	8.0943%	
3	Equity return (taxable income before state tax exemption)			\$ 2,689	\$ 30,086	\$ 27,396
4	Less State Tax Exemption	CSWR Sch B-3		\$ (595)	\$ (595)	\$ -
5	State Taxable Income before NOL Carryforward			\$ 2,094	\$ 29,490	\$ 27,396
5a	Apply NOL Carryforward	80%			\$ (23,592)	\$ (23,592)
5b	Taxable Income after NOL CF				\$ 5,898	\$ 5,898
6	State Income tax (5.5%)		5.50%	\$ 115	\$ 324	\$ 209
7						
8	Federal Taxable Income before NOL Carryforward	Line 5 - Line 6		\$ 2,574	\$ 29,166	\$ 26,592
8a	Apply NOL Carryforward	80%			\$ (23,333)	\$ (23,333)
8b	Taxable Income after NOL CF				\$ 5,833	\$ 5,833
9	Federal Income Tax (21%)		21%	\$ 541	\$ 1,225	\$ 684
10	State and Federal Income Taxes			\$ 656	\$ 1,549	\$ 894
<u>II. Adjustment for Required Return</u>						
11	Rate Base	Sch B		\$ 371,687	\$ 371,687	\$ -
12	Weighted Cost of Capital	Sch D		8.7545%	8.5836%	
13	Required Return			\$ 32,539	\$ 31,904	\$ (635)
14	Net Operating Income at Current Rates	Sch C		\$ (404)	\$ (336)	\$ 68
15	Adjustment for Required Return			\$ 32,943	\$ 32,240	\$ (703)
<u>III. Adjustment for RAF fees on Increased Revenue</u>						
16	Required Return	Line 15		\$ 32,943	\$ 32,240	\$ (703)
17	Income Taxes	Line 10		\$ 656	\$ 1,549	\$ 894
18	Sum of Required Return and Income Taxes			\$ 33,599	\$ 33,789	\$ 191
19	RAF rate			0.955	0.955	
20	Revenue requirement with RAF			\$ 35,182	\$ 35,382	\$ 200
21	Less: Sum of Required Return and Income Taxes			\$ (33,599)	\$ (33,789)	\$ (191)
22	RAF			\$ 1,583	\$ 1,592	\$ 9
<u>IV. Components of Revenue Increase</u>						
23	Net Income (aka Required Return)	Line 15		\$ 32,943	\$ 32,240	\$ (703)
24	Regulatory Assessment Fees	Line 22		\$ 1,583	\$ 1,592	\$ 9
25	State Income Tax	Line 6		\$ 115	\$ 324	\$ 209
26	Federal Income Tax	Line 9		\$ 541	\$ 1,225	\$ 684
27	Total Revenue Increase			\$ 35,182	\$ 35,382	\$ 200

Notes and Source

See references

Lines 5a and 5b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of state taxable income

Lines 8a and 8b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of federal taxable income

Line No.	Description	Company Proposed (A)	OPC Adjustments (B)	OPC Proposed (C)
1	Utility Plant in Service	\$ 409,465	\$ -	\$ 409,465
2	Utility Land & Land Rights	\$ 55,948	\$ -	\$ 55,948
3	Less: Non-Used & Useful Plant	\$ -	\$ -	\$ -
4	Construction Work in Progress	\$ -	\$ -	\$ -
5	Less: Accumulated Depreciation	\$ (96,238)	\$ -	\$ (96,238)
6	Less: CIAC	\$ (262,882)	\$ -	\$ (262,882)
7	Accumulated Amortization of CIAC	\$ 265,394	\$ -	\$ 265,394
8	Acquisition Adjustments	\$ -	\$ -	\$ -
9	Accumulated Amortization of Acquisition Adjustments	\$ -	\$ -	\$ -
10	Advances for Construction	\$ -	\$ -	\$ -
11	Working Capital Allowance	\$ -	\$ -	\$ -
12	Total Rate Base	\$ 371,687	\$ -	\$ 371,687

Notes and Source

Col.A: C.F.A.T. H2O, INC. MFR Schedule A-2 from the Company's filing

Col.B: Schedule B.1, page 1

Line No.	Description	OPC Adjustments	Acquisition Adjustments
			E-1
1	Utility Plant in Service	\$ -	
2	Utility Land & Land Rights	\$ -	
3	Less: Non-Used & Useful Plant	\$ -	
4	Construction Work in Progress	\$ -	
5	Less: Accumulated Depreciation	\$ -	
6	Less: CIAC	\$ -	
7	Accumulated Amortization of CIAC	\$ -	
8	Acquisition Adjustments	\$ -	
9	Accumulated Amortization of Acquisition Adjustments	\$ -	
10	Advances for Construction	\$ -	
11	Working Capital Allowance	\$ -	
12	Total Rate Base	\$ -	\$ -

Notes and Source

See referenced schedule for each adjustment

Line No.	Description	Per Company (A)	OPC Adjustments (B)	Per OPC at Current Rates (C)	OPC Revenue Adjustment (D)	OPC Adjusted (E) = (C) + (D)
1	OPERATING REVENUES	\$ 137,855	\$ -	\$ 137,855	\$ 35,382	\$ 173,237
2	Operation & Maintenance	\$ 113,880	\$ (68)	\$ 113,813	\$ 1,592	\$ 115,405
3	Depreciation, net of CIAC Amortization	\$ 17,216	\$ -	\$ 17,216		\$ 17,216
4	Amortization	\$ -	\$ -	\$ -		\$ -
5	Taxes Other Than Income	\$ 7,162	\$ -	\$ 7,162		\$ 7,162
6	Provision for Income Taxes	\$ -	\$ -	\$ -	\$ 1,549	\$ 1,549
7	OPERATING EXPENSES	\$ 138,259	\$ (68)	\$ 138,191	\$ 3,142	\$ 141,333
8	NET OPERATING INCOME	\$ (404)	\$ 68	\$ (336)	\$ 32,240	\$ 31,904
9	Rate Base	\$ 371,687	\$ -	\$ 371,687		\$ 371,687
10	Earned Rate of Return	-0.11%		-0.09%		8.5836%

Notes and Source

Col.A: C.F.A.T. H2O, INC. MFR Schedule B-2 from the Company's filing

Col.B: Schedule C.1., page 1

Col.C: Col.A + Col.B

Col.D: Schedule A, page 1 and Schedule A-1, page 2

Line No.	Description	OPC Adjustments	Lobbying Expense E-2
1	OPERATING REVENUES	\$ -	
2	Operation & Maintenance	\$ (68)	\$ (68)
3	Depreciation, net of CIAC Amortization	\$ -	
4	Amortization	\$ -	
5	Taxes Other Than Income	\$ -	
6	PRE-TAX OPERATING EXPENSES	\$ (68)	\$ (68)
7	PRE-TAX OPERATING INCOME	\$ 68	\$ 68
8	Federal Income Taxes	\$ -	\$ -
9	State Income Taxes	\$ -	\$ -
10	Total Income Taxes	\$ -	\$ -
11	TOTAL OPERATING EXPENSES	\$ (68)	\$ (68)
12	OPERATING INCOME	\$ 68	\$ 68

Notes and Source

Line 8: Federal Income Tax Rate* 21.00%
 Line 9: State Income Tax Rate* 5.500%

*See Schedule A-1

CSWR-Florida Utility Operating Company, LLC
 Capital Structure and Cost Rates
 C.F.A.T. H2O, INC. - Wastewater
 Test Year Ending January 31, 2025

Exhibit RCS-13
 Schedule D
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	Company Adjusted Amount (A)	Specific Adjustments (B)	Subtotal Adjusted Capital (C)	Prorata Adjustments (D)	Adjusted Amount (E)	Capital Structure Ratio (F)	Cost Rate (G)	Weighted Cost (F) x (G) (H)
I. Per Compan									
1	Long Term Debt	\$ -				\$ -	0.00%	0.00%	0.000%
2	Short Term Debt	\$ 40,569				\$ 40,569	5.76%	8.50%	0.489%
3	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.000%
4	Customer Deposits	\$ -				\$ -	0.00%	0.00%	0.000%
5	Common Equity	\$ 664,280				\$ 664,280	94.24%	8.77%	8.265%
6	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.000%
7	Tax Credits - Wtd. Cost	\$ -				\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.000%
8	Other	\$ -				\$ -	0.00%	0.00%	0.000%
9	Total	\$ 704,849				\$ 704,849	100.00%		8.754%
10	Weighted Cost of Deb							L1 + L2	0.49%
II. Per OPC									
		Company Adjusted Amounts	OPC Specific Adjustments	Subtotal	OPC Prorata Adjustments				
11	Long Term Debt	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
12	Short Term Debt	\$ 40,569			\$ -	\$ 40,569	5.76%	8.50%	0.489%
13	Preferred Stock	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
14	Customer Deposits	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
15	Common Equity	\$ 664,280			\$ -	\$ 664,280	94.24%	8.59%	8.094%
16	Tax Credits - Zero Cost	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
17	Tax Credits - Wtd. Cost	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
18	Other	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
19	Total	\$ 704,849			\$ -	\$ 704,849	100.00%		8.584%
20	Water Utility Rate Base	Exhibit RCS-4, Sch B			\$ -	\$ 333,162			
21	Wastewater Utility Rate Base	Exhibit RCS-13, Sch B			\$ -	\$ 371,687			
22	Differenc				\$ -	\$ 704,850		Line 19 - Line 9	-0.1709%
23	Weighted Cost of Deb							L11 + L12	0.4892%

Notes

Lines 1-10: C.F.A.T. H2O, INC. Schedule D-1 from the Company's filing
 Lines 11-23: Col. B: Adjusted to equal rate base

Sum of LTD, STD and Common Equity \$ 704,849

DOCKET NO. 20250006-WS
 ORDER NO. PSC-2025-0213-PAA-WS
 ISSUED: June 18, 2025

Leverage Formula
 The updated leverage formula is: ROE = 7.17% + (1.337% / Equity Ratio)
 The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

Calculations	at 100%	at 40%	at CSWR %
	7.17%	7.17%	7.17%
	1.337%	1.337%	1.34%
	100%	40%	94.24%
	1.33700%	3.34250%	1.41865%
	8.51%	10.51%	8.59%
	8.51%	10.51%	

**Table 1
Adjusted Return on Equity**

DCF Model	7.25%
CAPM	9.94%
Average	8.60%
Bond Yield Differential	0.36%
Private Placement Premium	0.50%
Small-Utility Risk Premium	0.50%
Adjusted ROE Average	9.96%
Adjustment to Reflect Required Equity Return at a 40% Equity Ratio	0.56%
Upper Range of ROE	10.51%

Source: Commission Staff Worksheets

Leverage Formula

The updated leverage formula is: ROE = 7.17% + (1.337 ÷ Equity Ratio)

The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

CSWR-Florida Utility Operating Company, LLC
Docket No. 20250052-WS
Exhibit RCS-14
North Peninsula Utilities Corporation
Revenue Requirement Summary Schedules
Accompanying the Direct Testimony of Ralph Smith

Number	Description	No. of Pages	Exhibit Page No.
	Revenue Requirement Summary Schedules		
A	Calculation of Revenue Deficiency (Sufficiency)	1	2
A-1	Income Taxes and Components of Revenue Change for New Rates	1	3
B	Adjusted Rate Base	1	4
B.1	Summary of Rate Base Adjustments	1	5
C	Adjusted Net Operating Income	1	6
C.1	Summary of Net Operating Income Adjustments	1	7
D	Capital Structure and Cost Rates	1	8
	Total Pages (Including Contents Page)	8	

Line No.	Description	Reference	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
1	Adjusted rate base	Sch B	\$ 1,941,265	\$ 744,524	\$ (1,196,741)
2	Rate of return	D	8.7688%	8.5130%	
3	Net operating income required		\$ 170,225	\$ 63,381	\$ (106,844)
4	Adjusted net operating income	Sch C	\$ (5,667)	\$ (5,494)	\$ 173
5	Net operating income deficiency		\$ 175,893	\$ 68,875	\$ (107,017)
6	Gross revenue conversion factor				
7	Revenue deficiency (Sufficiency) - Calculated	Sch A-1	\$ 188,187	\$ 75,508	\$ (112,679)
8	Revenue deficiency (Sufficiency) - per Company		\$ 188,187		
9	Unidentified difference		\$ -		
10	Total Operating Revenue at Current Rates	Sch C	\$ 281,531	\$ 281,531	
11	Percentage Increase	L.7 / L.10	66.84%	26.82%	

Notes and Source

Col.A: North Peninsula MFR Schedule B-2 from the Company's filing

Col. B: See referenced schedules

CSWR-Florida Utility Operating Company, LLC
Income Taxes and Components of Revenue Change for New Rates
North Peninsula Utilities Corporation
Test Year Ending January 31, 2025

Exhibit RCS-14
Schedule A-1
Docket No. 20250052-WS
Page 1 of 1

Line No.	Description	Reference	Tax Rate	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
<u>I. Adjustment for Income Taxes</u>						
1a	Rate Base	Sch B			\$ 744,524	\$ 744,524
1b	Adjustment for Required Return	Line 15		\$ 175,893		\$ (175,893)
2	Weighted cost of equity	Sch D		8.7305%	8.4747%	
3	Equity return (taxable income before state tax exemption)			\$ 15,356	\$ 63,096	\$ 47,740
4	Less State Tax Exemption	CSWR Sch B-3		\$ (1,525)	\$ (1,525)	\$ -
5	State Taxable Income before NOL Carryforward			\$ 13,831	\$ 61,571	\$ 47,740
5a	Apply NOL Carryforward	80%			\$ (49,257)	\$ (49,257)
5b	Taxable Income after NOL CF				\$ 12,314	\$ 12,314
6	State Income tax (5.5%)		5.50%	\$ 761	\$ 677	\$ (83)
7						
8	Federal Taxable Income before NOL Carryforward	Line 5 - Line 6		\$ 14,596	\$ 60,894	\$ 46,298
8a	Apply NOL Carryforward	80%			\$ (48,715)	\$ (48,715)
8b	Taxable Income after NOL CF				\$ 12,179	\$ 12,179
9	Federal Income Tax (21%)		21%	\$ 3,065	\$ 2,558	\$ (508)
10	State and Federal Income Taxes			\$ 3,826	\$ 3,235	\$ (591)
<u>II. Adjustment for Required Return</u>						
11	Rate Base	Sch B		\$ 1,941,265	\$ 744,524	\$ (1,196,741)
12	Weighted Cost of Capital	Sch D		8.7688%	8.5130%	
13	Required Return			\$ 170,225	\$ 63,381	\$ (106,844)
14	Net Operating Income at Current Rates	Sch C		\$ (5,667)	\$ (5,494)	\$ 173
15	Adjustment for Required Return			\$ 175,893	\$ 68,875	\$ (107,017)
<u>III. Adjustment for RAF fees on Increased Revenue</u>						
16	Required Return	Line 15		\$ 175,893	\$ 68,875	\$ (107,017)
17	Income Taxes	Line 10		\$ 3,826	\$ 3,235	\$ (591)
18	Sum of Required Return and Income Taxes			\$ 179,718	\$ 72,110	\$ (107,608)
19	RAF rate			0.955	0.955	
20	Revenue requirement with RAF			\$ 188,187	\$ 75,508	\$ (112,679)
21	Less: Sum of Required Return and Income Taxes			\$ (179,718)	\$ (72,110)	\$ 107,608
22	RAF			\$ 8,468	\$ 3,398	\$ (5,071)
<u>IV. Components of Revenue Increase</u>						
23	Net Income (aka Required Return)	Line 15		\$ 175,893	\$ 68,875	\$ (107,017)
24	Regulatory Assessment Fees	Line 22		\$ 8,468	\$ 3,398	\$ (5,071)
25	State Income Tax	Line 6		\$ 761	\$ 677	\$ (83)
26	Federal Income Tax	Line 9		\$ 3,065	\$ 2,558	\$ (508)
27	Total Revenue Increase			\$ 188,187	\$ 75,508	\$ (112,679)

Notes and Source

See references

Lines 5a and 5b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of state taxable income

Lines 8a and 8b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of federal taxable income

Line No.	Description	Company Proposed (A)	OPC Adjustments (B)	OPC Proposed (C)
1	Utility Plant in Service	\$ 1,286,434	\$ -	\$ 1,286,434
2	Utility Land & Land Rights	\$ 93,203	\$ -	\$ 93,203
3	Less: Non-Used & Useful Plant	\$ -	\$ -	\$ -
4	Construction Work in Progress	\$ -	\$ -	\$ -
5	Less: Accumulated Depreciation	\$ (633,925)	\$ -	\$ (633,925)
6	Less: CIAC	\$ (642,965)	\$ -	\$ (642,965)
7	Accumulated Amortization of CIAC	\$ 641,777	\$ -	\$ 641,777
8	Acquisition Adjustments	\$ 1,196,741	\$ (1,196,741)	\$ -
9	Accumulated Amortization of Acquisition Adjustments	\$ -	\$ -	\$ -
10	Advances for Construction	\$ -	\$ -	\$ -
11	Working Capital Allowance	\$ -	\$ -	\$ -
12	Total Rate Base	\$ 1,941,265	\$ (1,196,741)	\$ 744,524

Notes and Source

Col.A: North Peninsula MFR Schedule A-2 from the Company's filing

Col.B: Schedule B.1, page 1

Line No.	Description	OPC Adjustments	Acquisition Adjustments
		E-1	
1	Utility Plant in Service	\$ -	
2	Utility Land & Land Rights	\$ -	
3	Less: Non-Used & Useful Plant	\$ -	
4	Construction Work in Progress	\$ -	
5	Less: Accumulated Depreciation	\$ -	
6	Less: CIAC	\$ -	
7	Accumulated Amortization of CIAC	\$ -	
8	Acquisition Adjustments	\$ (1,196,741)	\$ (1,196,741)
9	Accumulated Amortization of Acquisition Adjustments	\$ -	
10	Advances for Construction	\$ -	
11	Working Capital Allowance	\$ -	
12	Total Rate Base	<u>\$ (1,196,741)</u>	<u>\$ (1,196,741)</u>

Notes and Source

See referenced schedule for each adjustment

Line No.	Description	Per Company (A)	OPC Adjustments (B)	Per OPC at Current Rates (C)	OPC Revenue Adjustment (D)	OPC Adjusted (E) = (C) + (D)
1	OPERATING REVENUES	\$ 281,531	\$ -	\$ 281,531	\$ 75,508	\$ 357,039
2	Operation & Maintenance	\$ 213,726	\$ (173)	\$ 213,553	\$ 3,398	\$ 216,951
3	Depreciation, net of CIAC Amortization	\$ 50,385	\$ -	\$ 50,385	\$ -	\$ 50,385
4	Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
5	Taxes Other Than Income	\$ 23,087	\$ -	\$ 23,087	\$ 3,235	\$ 23,087
6	Provision for Income Taxes	\$ -	\$ -	\$ -	\$ 3,235	\$ 3,235
7	OPERATING EXPENSES	\$ 287,199	\$ (173)	\$ 287,025	\$ 6,633	\$ 293,658
8	NET OPERATING INCOME	\$ (5,667)	\$ 173	\$ (5,494)	\$ 68,875	\$ 63,381
9	Rate Base	\$ 1,941,265	\$ (1,196,741)	\$ 744,524		\$ 744,524
10	Earned Rate of Return	-0.29%		-0.74%		8.5130%

Notes and Source

Col.A: North Peninsula MFR Schedule B-2 from the Company's filing

Col.B: Schedule C.1, page 1

Col.C: Col.A + Col.B

Col.D: Schedule A, page 1 and Schedule A-1, page 2

Line No.	Description	OPC Adjustments	Lobbying Expense E-2
1	OPERATING REVENUES	\$ -	
2	Operation & Maintenance	\$ (173)	\$ (173)
3	Depreciation, net of CIAC Amortization	\$ -	
4	Amortization	\$ -	
5	Taxes Other Than Income	\$ -	
6	PRE-TAX OPERATING EXPENSES	\$ (173)	\$ (173)
7	PRE-TAX OPERATING INCOME	\$ 173	\$ 173
8	Federal Income Taxes	\$ -	\$ -
9	State Income Taxes	\$ -	\$ -
10	Total Income Taxes	\$ -	\$ -
11	TOTAL OPERATING EXPENSES	\$ (173)	\$ (173)
12	OPERATING INCOME	\$ 173	\$ 173

Notes and Source

Line 8: Federal Income Tax Rate* 21.00%
 Line 9: State Income Tax Rate* 5.500%

*See Schedule A-1

CSWR-Florida Utility Operating Company, LLC
 Capital Structure and Cost Rates
 North Peninsula Utilities Corporation
 Test Year Ending January 31, 2025

Exhibit RCS-14
 Schedule D
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	Company Adjusted Amount (A)	Specific Adjustments (B)	Subtotal Adjusted Capital (C)	Prorata Adjustments (D)	Adjusted Amount (E)	Capital Structure Ratio (F)	Cost Rate (G)	Weighted Cost (F) x (G) (H)
I. Per Compan									
1	Long Term Debt	\$ -				\$ -	0.00%	0.00%	0.000%
2	Short Term Debt	\$ 8,752				\$ 8,752	0.45%	8.50%	0.038%
3	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.000%
4	Customer Deposits	\$ -				\$ -	0.00%	0.00%	0.000%
5	Common Equity	\$ 1,932,513				\$ 1,932,513	99.55%	8.77%	8.730%
6	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.000%
7	Tax Credits - Wtd. Cost	\$ -				\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.000%
8	Other	\$ -				\$ -	0.00%	0.00%	0.000%
9	Total	<u>\$ 1,941,265</u>				<u>\$ 1,941,265</u>	<u>100.00%</u>		<u>8.769%</u>
10	Weighted Cost of Deb							L1 + L2	<u>0.04%</u>
II. Per OPC									
11	Long Term Debt	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
12	Short Term Debt	\$ 8,752			\$ (5,396)	\$ 3,357	0.45%	8.50%	0.038%
13	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.000%
14	Customer Deposits	\$ -				\$ -	0.00%	0.00%	0.000%
15	Common Equity	\$ 1,932,513			\$ (1,191,345)	\$ 741,167	99.55%	8.51%	8.475%
16	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.000%
17	Tax Credits - Wtd. Cost	\$ -				\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.000%
18	Other	\$ -				\$ -	0.00%	0.00%	0.000%
19	Total	<u>\$ 1,941,265</u>			<u>\$ (1,196,741)</u>	<u>\$ 744,524</u>	<u>100.00%</u>		<u>8.513%</u>
20									
21	Wastewater Utility Rate Base	RCS-14, Sch B			\$ (1,196,741)	\$ 744,524			
22	Differenc				<u>\$ (1,196,741)</u>	<u>\$ 744,524</u>		Line 19 - Line 9	<u>-0.2558%</u>
23	Weighted Cost of Deb							L11 + L12	<u>0.0383%</u>

Notes

Lines 1-10: North Peninsula Schedule D-1 from the Company's filing
 Lines 11-23: Col. B: Adjusted to equal rate base

Sum of LTD, STD and Common Equity \$ 1,941,265

DOCKET NO. 20250006-WS
 ORDER NO. PSC-2025-0213-PAA-WS
 ISSUED: June 18, 2025

Leverage Formula
 The updated leverage formula is: $ROE = 7.17\% + (1.337\% / \text{Equity Ratio})$
 The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

Calculations	at 40%		at CSWR %	
	at 100%	7.17%	7.17%	7.17%
	1.337%	1.337%	1.34%	
	100%	40%	99.55%	
	1.33700%	3.34250%	1.34306%	
	8.51%	10.51%	8.51%	
	8.51%	10.51%		

**Table 1
 Adjusted Return on Equity**

DCF Model	7.25%
CAPM	9.94%
Average	8.60%
Bond Yield Differential	0.36%
Private Placement Premium	0.50%
Small-Utility Risk Premium	0.50%
Adjusted ROE Average	9.96%
Adjustment to Reflect Required Equity Return at a 40% Equity Ratio	0.56%
Upper Range of ROE	10.51%

Source: Commission Staff Worksheets

Leverage Formula

The updated leverage formula is: $ROE = 7.17\% + (1.337\% / \text{Equity Ratio})$

The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

CSWR-Florida Utility Operating Company, LLC
Docket No. 20250052-WS
Exhibit RCS-15
Rolling Oaks Utilities, Inc. - Wastewater
Revenue Requirement Summary Schedules
Accompanying the Direct Testimony of Ralph Smith

Number	Description	No. of Pages	Exhibit Page No.
	Revenue Requirement Summary Schedules		
A	Calculation of Revenue Deficiency (Sufficiency)	1	2
A-1	Income Taxes and Components of Revenue Change for New Rates	1	3
B	Adjusted Rate Base	1	4
B.1	Summary of Rate Base Adjustments	1	5
C	Adjusted Net Operating Income	1	6
C.1	Summary of Net Operating Income Adjustments	1	7
D	Capital Structure and Cost Rates	1	8
	Total Pages (Including Contents Page)	8	

Line No.	Description	Reference	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
1	Adjusted rate base	Sch B	\$ 3,616,764	\$ 3,616,764	\$ -
2	Rate of return	D	8.7657%	8.5282%	
3	Net operating income required		\$ 317,034	\$ 308,446	\$ (8,588)
4	Adjusted net operating income	Sch C	\$ 509,111	\$ 510,500	\$ 1,389
5	Net operating income deficiency		\$ (192,077)	\$ (202,054)	\$ (9,978)
6	Gross revenue conversion factor				
7	Revenue deficiency (Sufficiency) - Calculated	Sch A-1	\$ (118,848)	\$ (195,549)	\$ (76,702)
8	Revenue deficiency (Sufficiency) - per Company		\$ (118,848)		
9	Unidentified difference		\$ -		
10	Total Operating Revenue at Current Rates	Sch C	\$ 1,888,159	\$ 1,888,159	
11	Percentage Increase	L.7 / L.10	-6.29%	-10.36%	

Notes and Source

Col.A: Rolling Oaks Utilities MFR Schedule B-2 from the Company's filing

Col. B: See referenced schedules

CSWR-Florida Utility Operating Company, LLC
Income Taxes and Components of Revenue Change for New Rates
Rolling Oaks Utilities, Inc. - Wastewater
Test Year Ending January 31, 2025

Exhibit RCS-15
Schedule A-1
Docket No. 20250052-WS
Page 1 of 1

Line No.	Description	Reference	Tax Rate	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
<u>I. Adjustment for Income Taxes</u>						
1	Rate Base	Sch B		\$ 3,616,764	\$ 3,616,764	\$ -
2	Weighted cost of equity	Sch D		8.6300%	8.3925%	
3	Equity return (taxable income before state tax exemption)			\$ 312,126	\$ 303,538	\$ (8,588)
4	Less State Tax Exemption	CSWR Sch B-3		\$ (12,230)	\$ (12,230)	\$ -
5	State Taxable Income before NOL Carryforward			\$ 299,897	\$ 291,308	\$ (8,588)
5a	Apply NOL Carryforward	80%			\$ (233,047)	\$ (233,047)
5b	Taxable Income after NOL CF				\$ 58,262	\$ 58,262
6	State Income tax (5.5%)		5.50%	\$ 16,494	\$ 3,204	\$ (13,290)
7						
8	Federal Taxable Income before NOL Carryforward	Line 5 - Line 6		\$ 295,632	\$ 288,104	\$ (7,528)
8a	Apply NOL Carryforward	80%			\$ (230,483)	\$ (230,483)
8b	Taxable Income after NOL CF				\$ 57,621	\$ 57,621
9	Federal Income Tax (21%)		21%	\$ 62,083	\$ 12,100	\$ (49,982)
10	State and Federal Income Taxes			\$ 78,577	\$ 15,305	\$ (63,272)
<u>II. Adjustment for Required Return</u>						
11	Rate Base	Sch B		\$ 3,616,764	\$ 3,616,764	\$ -
12	Weighted Cost of Capital	Sch D		8.7657%	8.5282%	
13	Required Return			\$ 317,034	\$ 308,446	\$ (8,588)
14	Net Operating Income at Current Rates	Sch C		\$ 509,111	\$ 510,500	\$ 1,389
15	Adjustment for Required Return			\$ (192,077)	\$ (202,054)	\$ (9,978)
<u>III. Adjustment for RAF fees on Increased Revenue</u>						
16	Required Return	Line 15		\$ (192,077)	\$ (202,054)	\$ (9,978)
17	Income Taxes	Line 10		\$ 78,577	\$ 15,305	\$ (63,272)
18	Sum of Required Return and Income Taxes			\$ (113,500)	\$ (186,750)	\$ (73,250)
19	RAF rate			0.955	0.955	
20	Revenue requirement with RAF			\$ (118,848)	\$ (195,549)	\$ (76,702)
21	Less: Sum of Required Return and Income Taxes			\$ 113,500	\$ 186,750	\$ 73,250
22	RAF			\$ (5,348)	\$ (8,800)	\$ (3,452)
<u>IV. Components of Revenue Increase</u>						
23	Net Income (aka Required Return)	Line 15		\$ (192,077)	\$ (202,054)	\$ (9,978)
24	Regulatory Assessment Fees	Line 22		\$ (5,348)	\$ (8,800)	\$ (3,452)
25	State Income Tax	Line 6		\$ 16,494	\$ 3,204	\$ (13,290)
26	Federal Income Tax	Line 9		\$ 62,083	\$ 12,100	\$ (49,982)
27	Total Revenue Increase			\$ (118,848)	\$ (195,549)	\$ (76,702)

Notes and Source

See references

Lines 5a and 5b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of state taxable income

Lines 8a and 8b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of federal taxable income

Line No.	Description	Company Proposed (A)	OPC Adjustments (B)	OPC Proposed (C)
1	Utility Plant in Service	\$ 6,575,892	\$ -	\$ 6,575,892
2	Utility Land & Land Rights	\$ 2,694,945	\$ -	\$ 2,694,945
3	Less: Non-Used & Useful Plant	\$ -	\$ -	\$ -
4	Construction Work in Progress	\$ -	\$ -	\$ -
5	Less: Accumulated Depreciation	\$ (5,329,283)	\$ -	\$ (5,329,283)
6	Less: CIAC	\$ (2,281,111)	\$ -	\$ (2,281,111)
7	Accumulated Amortization of CIAC	\$ 1,956,321	\$ -	\$ 1,956,321
8	Acquisition Adjustments	\$ -	\$ -	\$ -
9	Accumulated Amortization of Acquisition Adjustments	\$ -	\$ -	\$ -
10	Advances for Construction	\$ -	\$ -	\$ -
11	Working Capital Allowance	\$ -	\$ -	\$ -
12	Total Rate Base	\$ 3,616,764	\$ -	\$ 3,616,764

Notes and Source

Col.A: Rolling Oaks Utilities MFR Schedule A-2 from the Company's filing

Col.B: Schedule B.1, page 1

Line No.	Description	OPC Adjustments	Acquisition Adjustments
		E-1	
1	Utility Plant in Service	\$ -	
2	Utility Land & Land Rights	\$ -	
3	Less: Non-Used & Useful Plant	\$ -	
4	Construction Work in Progress	\$ -	
5	Less: Accumulated Depreciation	\$ -	
6	Less: CIAC	\$ -	
7	Accumulated Amortization of CIAC	\$ -	
8	Acquisition Adjustments	\$ -	
9	Accumulated Amortization of Acquisition Adjustments	\$ -	
10	Advances for Construction	\$ -	
11	Working Capital Allowance	\$ -	
12	Total Rate Base	\$ -	\$ -

Notes and Source

See referenced schedule for each adjustment

Line No.	Description	Per Company (A)	OPC Adjustments (B)	Per OPC at Current Rates (C)	OPC Revenue Adjustment (D)	OPC Adjusted (E) = (C) + (D)
1	OPERATING REVENUES	\$ 1,888,159	\$ -	\$ 1,888,159	\$ (195,549)	\$ 1,692,609
2	Operation & Maintenance	\$ 1,268,046	\$ (1,389)	\$ 1,266,656	\$ (8,800)	\$ 1,257,857
3	Depreciation, net of CIAC Amortization	\$ 37,372	\$ -	\$ 37,372	\$ -	\$ 37,372
4	Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
5	Taxes Other Than Income	\$ 73,630	\$ -	\$ 73,630	\$ -	\$ 73,630
6	Provision for Income Taxes	\$ -	\$ -	\$ -	\$ 15,305	\$ 15,305
7	OPERATING EXPENSES	\$ 1,379,048	\$ (1,389)	\$ 1,377,658	\$ 6,505	\$ 1,384,163
8	NET OPERATING INCOME	\$ 509,111	\$ 1,389	\$ 510,500	\$ (202,054)	\$ 308,446
9	Rate Base	\$ 3,616,764	\$ -	\$ 3,616,764		\$ 3,616,764
10	Earned Rate of Return	14.08%		14.11%		8.5282%

Notes and Source

Col.A: Rolling Oaks Utilities MFR Schedule B-2 from the Company's filing

Col.B: Schedule C.1, page 1

Col.C: Col.A + Col.B

Col.D: Schedule A, page 1 and Schedule A-1, page 2

CSWR-Florida Utility Operating Company, LLC
Summary of Net Operating Income Adjustments
Rolling Oaks Utilities, Inc. - Wastewater
Test Year Ending January 31, 2025

Exhibit RCS-15
Schedule C.1
Docket No. 20250052-WS
Page 1 of 1

Line No.	Description	OPC Adjustments	Lobbying Expense E-2
1	OPERATING REVENUES	\$ -	
2	Operation & Maintenance	\$ (1,389)	\$ (1,389)
3	Depreciation, net of CIAC Amortization	\$ -	
4	Amortization	\$ -	
5	Taxes Other Than Income	\$ -	
6	PRE-TAX OPERATING EXPENSES	<u>\$ (1,389)</u>	<u>\$ (1,389)</u>
7	PRE-TAX OPERATING INCOME	<u>\$ 1,389</u>	<u>\$ 1,389</u>
8	Federal Income Taxes	\$ -	\$ -
9	State Income Taxes	\$ -	\$ -
10	Total Income Taxes	<u>\$ -</u>	<u>\$ -</u>
11	TOTAL OPERATING EXPENSES	<u>\$ (1,389)</u>	<u>\$ (1,389)</u>
12	OPERATING INCOME	<u>\$ 1,389</u>	<u>\$ 1,389</u>

Notes and Source

Line 8: Federal Income Tax Rate* 21.00%
Line 9: State Income Tax Rate* 5.500%

*See Schedule A-1

CSWR-Florida Utility Operating Company, LLC
 Capital Structure and Cost Rates
 Rolling Oaks Utilities, Inc. - Wastewater
 Test Year Ending January 31, 2025

Exhibit RCS-15
 Schedule D
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	Company Adjusted Amount (A)	Specific Adjustments (B)	Subtotal Adjusted Capital (C)	Prorata Adjustments (D)	Adjusted Amount (E)	Capital Structure Ratio (F)	Cost Rate (G)	Weighted Cost (F) x (G) (H)
I. Per Company									
1	Long Term Debt	\$ -				\$ -	0.00%	0.00%	0.00%
2	Short Term Debt	\$ 106,365				\$ 106,365	1.60%	8.50%	0.136%
3	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.00%
4	Customer Deposits	\$ -				\$ -	0.00%	0.00%	0.00%
5	Common Equity	\$ 6,556,213				\$ 6,556,213	98.40%	8.77%	8.630%
6	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.00%
7	Tax Credits - Wtd. Cost	\$ -				\$ -	0.00%	0.00%	0.00%
	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.00%
8	Other	\$ -				\$ -	0.00%	0.00%	0.00%
9	Total	\$ 6,662,578				\$ 6,662,578	100.00%		8.766%
10	Weighted Cost of Deb							L1 + L2	<u>0.14%</u>
II. Per OPC									
		Company Adjusted Amounts	OPC Specific Adjustments	Subtotal	OPC Prorata Adjustments				
11	Long Term Debt	\$ -			\$ -	\$ -	0.00%	0.00%	0.00%
12	Short Term Debt	\$ 106,365			\$ -	\$ 106,365	1.60%	8.50%	0.136%
13	Preferred Stock	\$ -			\$ -	\$ -	0.00%	0.00%	0.00%
14	Customer Deposits	\$ -			\$ -	\$ -	0.00%	0.00%	0.00%
15	Common Equity	\$ 6,556,213			\$ -	\$ 6,556,213	98.40%	8.53%	8.393%
16	Tax Credits - Zero Cost	\$ -			\$ -	\$ -	0.00%	0.00%	0.00%
17	Tax Credits - Wtd. Cost	\$ -			\$ -	\$ -	0.00%	0.00%	0.00%
	Accum. Deferred Income Taxes	\$ -			\$ -	\$ -	0.00%	0.00%	0.00%
18	Other	\$ -			\$ -	\$ -	0.00%	0.00%	0.00%
19	Total	\$ 6,662,578			\$ -	\$ 6,662,578	100.00%		8.528%
20	Water Utility Rate Base	Exhibit RCS-6, Sch B			\$ -	\$ 3,036,935			
21	Wastewater Utility Rate Base	Exhibit RCS-15, Sch B			\$ -	\$ 3,616,764			
22	Differene				<u>\$ -</u>	<u>\$ 6,653,699</u>		Line 19 - Line 9	<u>-0.2375%</u>
23	Weighted Cost of Deb							L11 + L12	<u>8.5282%</u>

Notes

Lines 1-10: Rolling Oaks Utilities Schedule D-1 from the Company's filing
 Lines 11-23: Col. B: Adjusted to equal rate base

Sum of LTD, STD and Common Equity \$ 6,662,578

DOCKET NO. 20250006-WS
 ORDER NO. PSC-2025-0213-PAA-WS
 ISSUED: June 18, 2025

Leverage Formula
 The updated leverage formula is: $ROE = 7.17\% + (1.337\% / \text{Equity Ratio})$
 The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

Calculations		
at 100%	at 40%	at CSWR %
7.17%	7.17%	7.17%
1.337%	1.337%	1.34%
100%	40%	98.40%
1.33700%	3.34250%	1.35869%
8.51%	10.51%	8.53%
8.51%	10.51%	

Table 1
Adjusted Return on Equity

DCF Model	7.25%
CAPM	9.94%
Average	8.60%
Bond Yield Differential	0.36%
Private Placement Premium	0.50%
Small-Utility Risk Premium	0.50%
Adjusted ROE Average	9.96%
Adjustment to Reflect Required Equity Return at a 40% Equity Ratio	0.56%
Upper Range of ROE	10.51%

Source: Commission Staff Worksheets

Leverage Formula

The updated leverage formula is: $ROE = 7.17\% + (1.337\% \div \text{Equity Ratio})$

The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

CSWR-Florida Utility Operating Company, LLC
Docket No. 20250052-WS
Exhibit RCS-16
Sebring Ridge Utilities, Inc.
Revenue Requirement Summary Schedules
Accompanying the Direct Testimony of Ralph Smith

Number	Description	No. of Pages	Exhibit Page No.
	Revenue Requirement Summary Schedules		
A	Calculation of Revenue Deficiency (Sufficiency)	1	2
A-1	Income Taxes and Components of Revenue Change for New Rates	1	3
B	Adjusted Rate Base	1	4
B.1	Summary of Rate Base Adjustments	1	5
C	Adjusted Net Operating Income	1	6
C.1	Summary of Net Operating Income Adjustments	1	7
D	Capital Structure and Cost Rates	1	8
	Total Pages (Including Contents Page)	8	

Line No.	Description	Reference	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
1	Adjusted rate base	Sch B	\$ 713,808	\$ 713,808	\$ -
2	Rate of return	D	8.7541%	8.5851%	
3	Net operating income required		\$ 62,488	\$ 61,281	\$ (1,207)
4	Adjusted net operating income	Sch C	\$ (74,879)	\$ (74,798)	\$ 81
5	Net operating income deficiency		\$ 137,366	\$ 136,079	\$ (1,288)
6	Gross revenue conversion factor				
7	Revenue deficiency (Sufficiency) - Calculated	Sch A-1	\$ 145,176	\$ 145,627	\$ 451
8	Revenue deficiency (Sufficiency) - per Company		\$ 145,176		
9	Unidentified difference		\$ -		
10	Total Operating Revenue at Current Rates	Sch C	\$ 114,578	\$ 114,578	
11	Percentage Increase	L.7 / L.10	126.70%	127.10%	

Notes and Source

Col.A: Sebring Ridge Utilities MFR Schedule B-2 from the Company's filing

Col. B: See referenced schedules

CSWR-Florida Utility Operating Company, LLC
Income Taxes and Components of Revenue Change for New Rates
Sebring Ridge Utilities, Inc.
Test Year Ending January 31, 2025

Exhibit RCS-16
Schedule A-1
Docket No. 20250052-WS
Page 1 of 1

Line No.	Description	Reference	Tax Rate	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
<u>I. Adjustment for Income Taxes</u>						
1a	Rate Base	Sch B			\$ 713,808	\$ 713,808
1b	Required Return	Line 13		\$ 62,488		\$ (62,488)
2	Weighted cost of equity	Sch D		8.2551%	8.0860%	
3	Equity return (taxable income before state tax exemption)			\$ 5,158	\$ 57,719	\$ 52,560
4	Less State Tax Exemption	CSWR Sch B-3		\$ (712)	\$ (712)	\$ -
5	State Taxable Income before NOL Carryforward			\$ 4,447	\$ 57,007	\$ 52,560
5a	Apply NOL Carryforward	80%			\$ (45,606)	\$ (45,606)
5b	Taxable Income after NOL CF				\$ 11,401	\$ 11,401
6	State Income tax (5.5%)		5.50%	\$ 245	\$ 627	\$ 383
7						
8	Federal Taxable Income before NOL Carryforward	Line 5 - Line 6		\$ 4,914	\$ 56,380	\$ 51,466
8a	Apply NOL Carryforward	80%			\$ (45,104)	\$ (45,104)
8b	Taxable Income after NOL CF				\$ 11,276	\$ 11,276
9	Federal Income Tax (21%)		21%	\$ 1,032	\$ 2,368	\$ 1,336
10	State and Federal Income Taxes			\$ 1,276	\$ 2,995	\$ 1,719
<u>II. Adjustment for Required Return</u>						
11	Rate Base	Sch B		\$ 713,808	\$ 713,808	\$ -
12	Weighted Cost of Capital	Sch D		8.7541%	8.5851%	
13	Required Return			\$ 62,488	\$ 61,281	\$ (1,207)
14	Net Operating Income at Current Rates	Sch C		\$ (74,879)	\$ (74,798)	\$ 81
15	Adjustment for Required Return			\$ 137,366	\$ 136,079	\$ (1,288)
<u>III. Adjustment for RAF fees on Increased Revenue</u>						
16	Required Return	Line 15		\$ 137,366	\$ 136,079	\$ (1,288)
17	Income Taxes	Line 10		\$ 1,276	\$ 2,995	\$ 1,719
18	Sum of Required Return and Income Taxes			\$ 138,643	\$ 139,074	\$ 431
19	RAF rate			0.955	0.955	
20	Revenue requirement with RAF			\$ 145,176	\$ 145,627	\$ 451
21	Less: Sum of Required Return and Income Taxes			\$ (138,643)	\$ (139,074)	\$ (431)
22	RAF			\$ 6,533	\$ 6,553	\$ 20
<u>IV. Components of Revenue Increase</u>						
23	Net Income (aka Required Return)	Line 15		\$ 137,366	\$ 136,079	\$ (1,288)
24	Regulatory Assessment Fees	Line 22		\$ 6,533	\$ 6,553	\$ 20
25	State Income Tax	Line 6		\$ 245	\$ 627	\$ 383
26	Federal Income Tax	Line 9		\$ 1,032	\$ 2,368	\$ 1,336
27	Total Revenue Increase			\$ 145,176	\$ 145,627	\$ 451

Notes and Source

See references

Lines 5a and 5b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of state taxable income

Lines 8a and 8b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of federal taxable income

Line No.	Description	Company Proposed (A)	OPC Adjustments (B)	OPC Proposed (C)
1	Utility Plant in Service	\$ 1,087,791	\$ -	\$ 1,087,791
2	Utility Land & Land Rights	\$ 103,019	\$ -	\$ 103,019
3	Less: Non-Used & Useful Plant	\$ -	\$ -	\$ -
4	Construction Work in Progress	\$ -	\$ -	\$ -
5	Less: Accumulated Depreciation	\$ (425,073)	\$ -	\$ (425,073)
6	Less: CIAC	\$ (282,771)	\$ -	\$ (282,771)
7	Accumulated Amortization of CIAC	\$ 230,841	\$ -	\$ 230,841
8	Acquisition Adjustments	\$ -	\$ -	\$ -
9	Accumulated Amortization of Acquisition Adjustments	\$ -	\$ -	\$ -
10	Advances for Construction	\$ -	\$ -	\$ -
11	Working Capital Allowance	\$ -	\$ -	\$ -
12	Total Rate Base	\$ 713,808	\$ -	\$ 713,808

Notes and Source

Col.A: Sebring Ridge Utilities MFR Schedule A-2 from the Company's filing

Col.B: Schedule B.1, page 1

Line No.	Description	OPC Adjustments	Acquisition Adjustments
			E-1
1	Utility Plant in Service	\$ -	
2	Utility Land & Land Rights	\$ -	
3	Less: Non-Used & Useful Plant	\$ -	
4	Construction Work in Progress	\$ -	
5	Less: Accumulated Depreciation	\$ -	
6	Less: CIAC	\$ -	
7	Accumulated Amortization of CIAC	\$ -	
8	Acquisition Adjustments	\$ -	
9	Accumulated Amortization of Acquisition Adjustments	\$ -	
10	Advances for Construction	\$ -	
11	Working Capital Allowance	\$ -	
12	Total Rate Base	\$ -	\$ -

Notes and Source

See referenced schedule for each adjustment

Line No.	Description	Per Company (A)	OPC Adjustments (B)	Per OPC at Current Rates (C)	OPC Revenue Adjustment (D)	OPC Adjusted (E) = (C) + (D)
1	OPERATING REVENUES	\$ 114,578	\$ -	\$ 114,578	\$ 145,627	\$ 260,205
2	Operation & Maintenance	\$ 164,351	\$ (81)	\$ 164,271	\$ 6,553	\$ 170,824
3	Depreciation, net of CIAC Amortization	\$ 22,857	\$ -	\$ 22,857	\$ -	\$ 22,857
4	Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
5	Taxes Other Than Income	\$ 2,248	\$ -	\$ 2,248	\$ 2,995	\$ 2,248
6	Provision for Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,995
7	OPERATING EXPENSES	\$ 189,457	\$ (81)	\$ 189,376	\$ 9,548	\$ 198,924
8	NET OPERATING INCOME	\$ (74,879)	\$ 81	\$ (74,798)	\$ 136,079	\$ 61,281
9	Rate Base	\$ 713,808	\$ -	\$ 713,808		\$ 713,808
10	Earned Rate of Return	-10.49%		-10.48%		8.5851%

Notes and Source

Col.A: Sebring Ridge Utilities MFR Schedule B-2 from the Company's filing

Col.B: Schedule C.1., page 1

Col.C: Col.A + Col.B

Col.D: Schedule A, page 1 and Schedule A-1, page 2

Line No.	Description	OPC Adjustments	Lobbying Expense E-2
1	OPERATING REVENUES	\$ -	
2	Operation & Maintenance	\$ (81)	\$ (81)
3	Depreciation, net of CIAC Amortization	\$ -	
4	Amortization	\$ -	
5	Taxes Other Than Income	\$ -	
6	PRE-TAX OPERATING EXPENSES	\$ (81)	\$ (81)
7	PRE-TAX OPERATING INCOME	\$ 81	\$ 81
8	Federal Income Taxes	\$ -	\$ -
9	State Income Taxes	\$ -	\$ -
10	Total Income Taxes	\$ -	\$ -
11	TOTAL OPERATING EXPENSES	\$ (81)	\$ (81)
12	OPERATING INCOME	\$ 81	\$ 81

Notes and Source

Line 8: Federal Income Tax Rate* 21.00%
 Line 9: State Income Tax Rate* 5.500%

*See Schedule A-1

CSWR-Florida Utility Operating Company, LLC
 Capital Structure and Cost Rates
 Sebring Ridge Utilities, Inc.
 Test Year Ending January 31, 2025

Exhibit RCS-16
 Schedule D
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	Company Adjusted Amount (A)	Specific Adjustments (B)	Subtotal Adjusted Capital (C)	Prorata Adjustments (D)	Adjusted Amount (E)	Capital Structure Ratio (F)	Cost Rate (G)	Weighted Cost (F) x (G) (H)
I. Per Compan									
1	Long Term Debt	\$ -				\$ -	0.00%	0.00%	0.000%
2	Short Term Debt	\$ 41,912				\$ 41,912	5.87%	8.50%	0.499%
3	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.000%
4	Customer Deposits	\$ -				\$ -	0.00%	0.00%	0.000%
5	Common Equity	\$ 671,896				\$ 671,896	94.13%	8.77%	8.255%
6	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.000%
7	Tax Credits - Wtd. Cost	\$ -				\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.000%
8	Other	\$ -				\$ -	0.00%	0.00%	0.000%
9	Total	\$ 713,808				\$ 713,808	100.00%		8.754%
10	Weighted Cost of Deb							L1 + L2	0.50%
II. Per OPC									
11	Long Term Debt	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
12	Short Term Debt	\$ 41,912			\$ -	\$ 41,912	5.87%	8.50%	0.499%
13	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.000%
14	Customer Deposits	\$ -				\$ -	0.00%	0.00%	0.000%
15	Common Equity	\$ 671,896			\$ -	\$ 671,896	94.13%	8.59%	8.086%
16	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.000%
17	Tax Credits - Wtd. Cost	\$ -				\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.000%
18	Other	\$ -				\$ -	0.00%	0.00%	0.000%
19	Total	\$ 713,808			\$ -	\$ 713,808	100.00%		8.585%
20									
21	Wastewater Utility Rate Base	Exhibit RCS-16, Sch B			\$ -	\$ 713,808			
22	Difference				\$ -	\$ 713,808		Line 19 - Line 9	-0.1691%
23	Weighted Cost of Deb							L11 + L12	0.4991%

Notes

Lines 1-10: Sebring Ridge Utilities Schedule D-1 from the Company's filing
 Lines 11-23: Col. B: Adjusted to equal rate base

Sum of LTD, STD and Common Equity \$ 713,808

DOCKET NO. 20250006-WS
 ORDER NO. PSC-2025-0213-PAA-WS
 ISSUED: June 18, 2025

Leverage Formula
 The updated leverage formula is: $ROE = 7.17\% + (1.337\% / \text{Equity Ratio})$
 The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

	Calculations		
	at 100%	at 40%	at CSWR %
	7.17%	7.17%	7.17%
	1.337%	1.337%	1.34%
	100%	40%	94.13%
	1.33700%	3.34250%	1.42040%
	8.51%	10.51%	8.59%
	8.51%	10.51%	

**Table 1
Adjusted Return on Equity**

DCF Model	7.25%
CAPM	9.94%
Average	8.60%
Bond Yield Differential	0.36%
Private Placement Premium	0.50%
Small-Utility Risk Premium	0.50%
Adjusted ROE Average	9.96%
Adjustment to Reflect Required Equity Return at a 40% Equity Ratio	0.56%
Upper Range of ROE	10.51%

Source: Commission Staff Worksheets

Leverage Formula

The updated leverage formula is: $ROE = 7.17\% + (1.337\% \div \text{Equity Ratio})$

The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

CSWR-Florida Utility Operating Company, LLC
Docket No. 20250052-WS
Exhibit RCS-17
TKCB, Inc.
Revenue Requirement Summary Schedules
Accompanying the Direct Testimony of Ralph Smith

Number	Description	No. of Pages	Exhibit Page No.
	Revenue Requirement Summary Schedules		
A	Calculation of Revenue Deficiency (Sufficiency)	1	2
A-1	Income Taxes and Components of Revenue Change for New Rates	1	3
B	Adjusted Rate Base	1	4
B.1	Summary of Rate Base Adjustments	1	5
C	Adjusted Net Operating Income	1	6
C.1	Summary of Net Operating Income Adjustments	1	7
D	Capital Structure and Cost Rates	1	8
	Total Pages (Including Contents Page)	8	

Line No.	Description	Reference	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
1	Adjusted rate base	Sch B	\$ 245,271	\$ 245,271	\$ -
2	Rate of return	D	8.6983%	8.8603%	
3	Net operating income required		\$ 21,334	\$ 21,732	\$ 397
4	Adjusted net operating income	Sch C	\$ (65,741)	\$ (65,661)	\$ 79
5	Net operating income deficiency		\$ 87,075	\$ 87,393	\$ 318
6	Gross revenue conversion factor				
7	Revenue deficiency (Sufficiency) - Calculated	Sch A-1	\$ 91,511	\$ 92,364	\$ 853
8	Revenue deficiency (Sufficiency) - per Company		\$ 91,511		
9	Unidentified difference		\$ -		
10	Total Operating Revenue at Current Rates	Sch C	\$ 99,715	\$ 99,715	
11	Percentage Increase	L.7 / L.10	91.77%	92.63%	

Notes and Source

Col.A: TKCB MFR Schedule B-2 from the Company's filing

Col. B: See referenced schedules

CSWR-Florida Utility Operating Company, LLC
Income Taxes and Components of Revenue Change for New Rates
TKCB, Inc.
Test Year Ending January 31, 2025

Exhibit RCS-17
Schedule A-1
Docket No. 20250052-WS
Page 1 of 1

Line No.	Description	Reference	Tax Rate	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
<u>I. Adjustment for Income Taxes</u>						
1a	Rate Base	Sch B			\$ 245,271	\$ 245,271
1b	Required Return	Line 13		\$ 21,334		\$ (21,334)
2	Weighted cost of equity	Sch D		6.4403%	6.6024%	
3	Equity return (taxable income before state tax exemption)			\$ 1,374	\$ 16,194	\$ 14,820
4	Less State Tax Exemption	CSWR Sch B-3		\$ (697)	\$ (697)	\$ -
5	State Taxable Income before NOL Carryforward			\$ 677	\$ 15,497	\$ 14,820
5a	Apply NOL Carryforward	80%			\$ (12,398)	\$ (12,398)
5b	Taxable Income after NOL CF				\$ 3,099	\$ 3,099
6	State Income tax (5.5%)		5.50%	\$ 37	\$ 170	\$ 133
7						
8	Federal Taxable Income before NOL Carryforward	Line 5 - Line 6		\$ 1,337	\$ 15,326	\$ 13,990
8a	Apply NOL Carryforward	80%			\$ (12,261)	\$ (12,261)
8b	Taxable Income after NOL CF				\$ 3,065	\$ 3,065
9	Federal Income Tax (21%)		21%	\$ 281	\$ 644	\$ 363
10	State and Federal Income Taxes			\$ 318	\$ 814	\$ 496
<u>II. Adjustment for Required Return</u>						
11	Rate Base	Sch B		\$ 245,271	\$ 245,271	\$ -
12	Weighted Cost of Capital	Sch D		8.6983%	8.8603%	
13	Required Return			\$ 21,334	\$ 21,732	\$ 397
14	Net Operating Income at Current Rates	Sch C		\$ (65,741)	\$ (65,661)	\$ 79
15	Adjustment for Required Return			\$ 87,075	\$ 87,393	\$ 318
<u>III. Adjustment for RAF fees on Increased Revenue</u>						
16	Required Return	Line 15		\$ 87,075	\$ 87,393	\$ 318
17	Income Taxes	Line 10		\$ 318	\$ 814	\$ 496
18	Sum of Required Return and Income Taxes			\$ 87,393	\$ 88,207	\$ 814
19	RAF rate			0.955	0.955	
20	Revenue requirement with RAF			\$ 91,511	\$ 92,364	\$ 853
21	Less: Sum of Required Return and Income Taxes			\$ (87,393)	\$ (88,207)	\$ (814)
22	RAF			\$ 4,118	\$ 4,156	\$ 38
<u>IV. Components of Revenue Increase</u>						
23	Net Income (aka Required Return)	Line 15		\$ 87,075	\$ 87,393	\$ 318
24	Regulatory Assessment Fees	Line 22		\$ 4,118	\$ 4,156	\$ 38
25	State Income Tax	Line 6		\$ 37	\$ 170	\$ 133
26	Federal Income Tax	Line 9		\$ 281	\$ 644	\$ 363
27	Total Revenue Increase			\$ 91,511	\$ 92,364	\$ 853

Notes and Source

See references

Lines 5a and 5b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of state taxable income

Lines 8a and 8b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of federal taxable income

Line No.	Description	Company Proposed (A)	OPC Adjustments (B)	OPC Proposed (C)
1	Utility Plant in Service	\$ 173,583	\$ -	\$ 173,583
2	Utility Land & Land Rights	\$ 83,755	\$ -	\$ 83,755
3	Less: Non-Used & Useful Plant	\$ -	\$ -	\$ -
4	Construction Work in Progress	\$ -	\$ -	\$ -
5	Less: Accumulated Depreciation	\$ (12,067)	\$ -	\$ (12,067)
6	Less: CIAC	\$ -	\$ -	\$ -
7	Accumulated Amortization of CIAC	\$ -	\$ -	\$ -
8	Acquisition Adjustments	\$ -	\$ -	\$ -
9	Accumulated Amortization of Acquisition Adjustments	\$ -	\$ -	\$ -
10	Advances for Construction	\$ -	\$ -	\$ -
11	Working Capital Allowance	\$ -	\$ -	\$ -
12	Total Rate Base	\$ 245,271	\$ -	\$ 245,271

Notes and Source

Col.A: TKCB MFR Schedule A-2 from the Company's filing

Col.B: Schedule B.1, page 1

Line No.	Description	OPC Adjustments	Acquisition Adjustments
			E-1
1	Utility Plant in Service	\$ -	
2	Utility Land & Land Rights	\$ -	
3	Less: Non-Used & Useful Plant	\$ -	
4	Construction Work in Progress	\$ -	
5	Less: Accumulated Depreciation	\$ -	
6	Less: CIAC	\$ -	
7	Accumulated Amortization of CIAC	\$ -	
8	Acquisition Adjustments	\$ -	
9	Accumulated Amortization of Acquisition Adjustments	\$ -	
10	Advances for Construction	\$ -	
11	Working Capital Allowance	\$ -	
12	Total Rate Base	\$ -	\$ -

Notes and Source

See referenced schedule for each adjustment

Line No.	Description	Per Company (A)	OPC Adjustments (B)	Per OPC at Current Rates (C)	OPC Revenue Adjustment (D)	OPC Adjusted (E) = (C) + (D)
1	OPERATING REVENUES	\$ 99,715	\$ -	\$ 99,715	\$ 92,364	\$ 192,079
2	Operation & Maintenance	\$ 141,837	\$ (79)	\$ 141,758	\$ 4,156	\$ 145,914
3	Depreciation, net of CIAC Amortization	\$ 9,019	\$ -	\$ 9,019	\$ -	\$ 9,019
4	Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
5	Taxes Other Than Income	\$ 14,599	\$ -	\$ 14,599	\$ -	\$ 14,599
6	Provision for Income Taxes	\$ -	\$ -	\$ -	\$ 814	\$ 814
7	OPERATING EXPENSES	\$ 165,456	\$ (79)	\$ 165,376	\$ 4,971	\$ 170,347
8	NET OPERATING INCOME	\$ (65,741)	\$ 79	\$ (65,661)	\$ 87,593	\$ 21,732
9	Rate Base	\$ 245,271	\$ -	\$ 245,271		\$ 245,271
10	Earned Rate of Return	-26.80%		-26.77%		8.8603%

Notes and Source

Col.A: TKCB MFR Schedule B-2 from the Company's filing

Col.B: Schedule C.1, page 1

Col.C: Col.A + Col.B

Col.D: Schedule A, page 1 and Schedule A-1, page 2

Line No.	Description	OPC Adjustments	Lobbying Expense E-2
1	OPERATING REVENUES	\$ -	
2	Operation & Maintenance	\$ (79)	\$ (79)
3	Depreciation, net of CIAC Amortization	\$ -	
4	Amortization	\$ -	
5	Taxes Other Than Income	\$ -	
6	PRE-TAX OPERATING EXPENSES	\$ (79)	\$ (79)
7	PRE-TAX OPERATING INCOME	\$ 79	\$ 79
8	Federal Income Taxes	\$ -	\$ -
9	State Income Taxes	\$ -	\$ -
10	Total Income Taxes	\$ -	\$ -
11	TOTAL OPERATING EXPENSES	\$ (79)	\$ (79)
12	OPERATING INCOME	\$ 79	\$ 79

Notes and Source

Line 8: Federal Income Tax Rate* 21.00%
 Line 9: State Income Tax Rate* 5.500%

*See Schedule A-1

CSWR-Florida Utility Operating Company, LLC
Capital Structure and Cost Rates
TKCB, Inc.
Test Year Ending January 31, 2025

Exhibit RCS-17
Schedule D
Docket No. 20250052-WS
Page 1 of 1

Line No.	Description	Company Adjusted Amount (A)	Specific Adjustments (B)	Subtotal Adjusted Capital (C)	Prorata Adjustments (D)	Adjusted Amount (E)	Capital Structure Ratio (F)	Cost Rate (G)	Weighted Cost (F) x (G) (H)
I. Per Compan									
1	Long Term Debt	\$ -				\$ -	0.00%	0.00%	0.000%
2	Short Term Debt	\$ 65,154				\$ 65,154	26.56%	8.50%	2.258%
3	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.000%
4	Customer Deposits	\$ -				\$ -	0.00%	0.00%	0.000%
5	Common Equity	\$ 180,117				\$ 180,117	73.44%	8.77%	6.440%
6	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.000%
7	Tax Credits - Wid. Cost	\$ -				\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.000%
8	Other	\$ -				\$ -	0.00%	0.00%	0.000%
9	Total	\$ 245,271				\$ 245,271	100.00%		8.698%
10	Weighted Cost of Deb							L1 + L2	2.26%
II. Per OPC									
		Company Adjusted Amounts	OPC Specific Adjustments	Subtotal	OPC Prorata Adjustments				
11	Long Term Debt	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
12	Short Term Debt	\$ 65,154			\$ -	\$ 65,154	26.56%	8.50%	2.258%
13	Preferred Stock	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
14	Customer Deposits	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
15	Common Equity	\$ 180,117			\$ -	\$ 180,117	73.44%	8.99%	6.602%
16	Tax Credits - Zero Cost	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
17	Tax Credits - Wid. Cost	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
18	Other	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
19	Total	\$ 245,271			\$ -	\$ 245,271	100.00%		8.860%
20									
21	Wastewater Utility Rate Base	Exhibit RCS-17, Sch B			\$ -	\$ 245,271			
22	Difference				\$ -	\$ 245,271		Line 19 - Line 9	0.1620%
23	Weighted Cost of Deb							L11 + L12	2.2579%

Notes

Lines 1-10: TKCB Schedule D-1 from the Company's filing
Lines 11-23: Col. B: Adjusted to equal rate base

Sum of LTD, STD and Common Equity \$ 245,271

DOCKET NO. 20250006-WS
ORDER NO. PSC-2025-0213-PAA-WS
ISSUED: June 18, 2025

Leverage Formula
The updated leverage formula is: $ROE = 7.17\% + (1.337\% / \text{Equity Ratio})$
The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

Calculations	at 100%	at 40%	at CSWR %
	7.17%	7.17%	7.17%
	1.337%	1.337%	1.34%
	100%	40%	73.44%
	1.33700%	3.34250%	1.82063%
	8.51%	10.51%	8.99%
	8.51%	10.51%	

Table 1
Adjusted Return on Equity

DCF Model	7.25%
CAPM	9.94%
Average	8.60%
Bond Yield Differential	0.36%
Private Placement Premium	0.50%
Small-Utility Risk Premium	0.50%
Adjusted ROE Average	9.96%
Adjustment to Reflect Required Equity Return at a 40% Equity Ratio	0.56%
Upper Range of ROE	10.51%

Source: Commission Staff Worksheets

Leverage Formula

The updated leverage formula is: $ROE = 7.17\% + (1.337\% \div \text{Equity Ratio})$

The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

CSWR-Florida Utility Operating Company, LLC
Docket No. 20250052-WS
Exhibit RCS-18
Tradewinds Utilities, Inc. - Wastewater
Revenue Requirement Summary Schedules
Accompanying the Direct Testimony of Ralph Smith

Number	Description	No. of Pages	Exhibit Page No.
	Revenue Requirement Summary Schedules		
A	Calculation of Revenue Deficiency (Sufficiency)	1	2
A-1	Income Taxes and Components of Revenue Change for New Rates	1	3
B	Adjusted Rate Base	1	4
B.1	Summary of Rate Base Adjustments	1	5
C	Adjusted Net Operating Income	1	6
C.1	Summary of Net Operating Income Adjustments	1	7
D	Capital Structure and Cost Rates	1	8
	Total Pages (Including Contents Page)	8	

Line No.	Description	Reference	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
1	Adjusted rate base	Sch B	\$ 121,353	\$ 121,353	\$ -
2	Rate of return	D	8.7421%	8.6442%	
3	Net operating income required		\$ 10,609	\$ 10,490	\$ (119)
4	Adjusted net operating income	Sch C	\$ 97,488	\$ 97,597	\$ 109
5	Net operating income deficiency		\$ (86,879)	\$ (87,107)	\$ (228)
6	Gross revenue conversion factor				
7	Revenue deficiency (Sufficiency) - Calculated	Sch A-1	\$ (88,483)	\$ (90,746)	\$ (2,263)
8	Revenue deficiency (Sufficiency) - per Company		\$ (88,483)		
9	Unidentified difference		\$ -		
10	Total Operating Revenue at Current Rates	Sch C	\$ 259,106	\$ 259,106	
11	Percentage Increase	L.7 / L.10	-34.15%	-35.02%	

Notes and Source

Col.A: Tradewinds Utilities MFR Schedule B-2 from the Company's filing

Col. B: See referenced schedules

CSWR-Florida Utility Operating Company, LLC
 Income Taxes and Components of Revenue Change for New Rates
 Tradewinds Utilities, Inc. - Wastewater
 Test Year Ending January 31, 2025

Exhibit RCS-18
 Schedule A-1
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	Reference	Tax Rate	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
<u>I. Adjustment for Income Taxes</u>						
1	Rate Base	Sch B		\$ 121,353	\$ 121,353	\$ -
2	Weighted cost of equity	Sch D		7.8652%	7.7673%	
3	Equity return (taxable income before state tax exemption)			\$ 9,545	\$ 9,426	\$ (119)
4	Less State Tax Exemption	CSWR Sch B-3		\$ (962)	\$ (962)	\$ -
5	State Taxable Income before NOL Carryforward			\$ 8,583	\$ 8,464	\$ (119)
5a	Apply NOL Carryforward		80%		\$ (6,771)	\$ (6,771)
5b	Taxable Income after NOL CF				\$ 1,693	\$ 1,693
6	State Income tax (5.5%)		5.50%	\$ 472	\$ 93	\$ (379)
7						
8	Federal Taxable Income before NOL Carryforward	Line 5 - Line 6		\$ 9,073	\$ 8,371	\$ (702)
8a	Apply NOL Carryforward	80%			\$ (6,696)	\$ (6,696)
8b	Taxable Income after NOL CF				\$ 1,674	\$ 1,674
9	Federal Income Tax (21%)		21%	\$ 1,905	\$ 352	\$ (1,554)
10	State and Federal Income Taxes			\$ 2,377	\$ 445	\$ (1,933)
<u>II. Adjustment for Required Return</u>						
11	Rate Base	Sch B		\$ 121,353	\$ 121,353	\$ -
12	Weighted Cost of Capital	Sch D		8.7421%	8.6442%	-0.0979%
13	Required Return			\$ 10,609	\$ 10,490	\$ (119)
14	Net Operating Income at Current Rates	Sch C		\$ 97,488	\$ 97,597	\$ 109
15	Adjustment for Required Return			\$ (86,879)	\$ (87,107)	\$ (228)
<u>III. Adjustment for RAF fees on Increased Revenue</u>						
16	Required Return	Line 15		\$ (86,879)	\$ (87,107)	\$ (228)
17	Income Taxes	Line 10		\$ 2,377	\$ 445	\$ (1,933)
18	Sum of Required Return and Income Taxes			\$ (84,502)	\$ (86,662)	\$ (2,161)
19	RAF rate			0.955	0.955	
20	Revenue requirement with RAF			\$ (88,483)	\$ (90,746)	\$ (2,263)
21	Less: Sum of Required Return and Income Taxes			\$ 84,502	\$ 86,662	\$ 2,161
22	RAF			\$ (3,982)	\$ (4,084)	\$ (102)
<u>IV. Components of Revenue Increase</u>						
23	Net Income (aka Required Return)	Line 15		\$ (86,879)	\$ (87,107)	\$ (228)
24	Regulatory Assessment Fees	Line 22		\$ (3,982)	\$ (4,084)	\$ (102)
25	State Income Tax	Line 6		\$ 472	\$ 93	\$ (379)
26	Federal Income Tax	Line 9		\$ 1,905	\$ 352	\$ (1,554)
27	Total Revenue Increase			\$ (88,483)	\$ (90,746)	\$ (2,263)

Notes and Source

See references

Lines 5a and 5b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of state taxable income

Lines 8a and 8b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of federal taxable income

Line No.	Description	Company Proposed (A)	OPC Adjustments (B)	OPC Proposed (C)
1	Utility Plant in Service	\$ 639,537	\$ -	\$ 639,537
2	Utility Land & Land Rights	\$ 33,938	\$ -	\$ 33,938
3	Less: Non-Used & Useful Plant	\$ -	\$ -	\$ -
4	Construction Work in Progress	\$ -	\$ -	\$ -
5	Less: Accumulated Depreciation	\$ (553,008)	\$ -	\$ (553,008)
6	Less: CIAC	\$ (545,968)	\$ -	\$ (545,968)
7	Accumulated Amortization of CIAC	\$ 546,854	\$ -	\$ 546,854
8	Acquisition Adjustments	\$ -	\$ -	\$ -
9	Accumulated Amortization of Acquisition Adjustments	\$ -	\$ -	\$ -
10	Advances for Construction	\$ -	\$ -	\$ -
11	Working Capital Allowance	\$ -	\$ -	\$ -
12	Total Rate Base	\$ 121,353	\$ -	\$ 121,353

Notes and Source

Col.A: Tradewinds Utilities MFR Schedule A-2 from the Company's filing

Col.B: Schedule B.1, page 1

Line No.	Description	OPC Adjustments	Acquisition Adjustments
			E-1
1	Utility Plant in Service	\$ -	
2	Utility Land & Land Rights	\$ -	
3	Less: Non-Used & Useful Plant	\$ -	
4	Construction Work in Progress	\$ -	
5	Less: Accumulated Depreciation	\$ -	
6	Less: CIAC	\$ -	
7	Accumulated Amortization of CIAC	\$ -	
8	Acquisition Adjustments	\$ -	
9	Accumulated Amortization of Acquisition Adjustments	\$ -	
10	Advances for Construction	\$ -	
11	Working Capital Allowance	\$ -	
12	Total Rate Base	\$ -	\$ -

Notes and Source

See referenced schedule for each adjustment

Line No.	Description	Per Company (A)	OPC Adjustments (B)	Per OPC at Current Rates (C)	OPC Revenue Adjustment (D)	OPC Adjusted (E) = (C) + (D)
1	OPERATING REVENUES	\$ 259,106	\$ -	\$ 259,106	\$ (90,746)	\$ 168,360
2	Operation & Maintenance	\$ 138,225	\$ (109)	\$ 138,116	\$ (4,084)	\$ 134,032
3	Depreciation, net of CIAC Amortization	\$ 11,386	\$ -	\$ 11,386	\$ -	\$ 11,386
4	Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
5	Taxes Other Than Income	\$ 12,006	\$ -	\$ 12,006	\$ 445	\$ 12,006
6	Provision for Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ 445
7	OPERATING EXPENSES	\$ 161,618	\$ (109)	\$ 161,509	\$ (3,639)	\$ 157,870
8	NET OPERATING INCOME	\$ 97,488	\$ 109	\$ 97,597	\$ (87,107)	\$ 10,490
9	Rate Base	\$ 121,353	\$ -	\$ 121,353		\$ 121,353
10	Earned Rate of Return	80.33%		80.42%		8.6442%

Notes and Source

Col.A: Tradewinds Utilities MFR Schedule B-2 from the Company's filing

Col.B: Schedule C.1, page 1

Col.C: Col.A + Col.B

Col.D: Schedule A, page 1 and Schedule A-1, page 2

Line No.	Description	OPC Adjustments	Lobbying Expense E-2
1	OPERATING REVENUES	\$ -	
2	Operation & Maintenance	\$ (109)	\$ (109)
3	Depreciation, net of CIAC Amortization	\$ -	
4	Amortization	\$ -	
5	Taxes Other Than Income	\$ -	
6	PRE-TAX OPERATING EXPENSES	\$ (109)	\$ (109)
7	PRE-TAX OPERATING INCOME	\$ 109	\$ 109
8	Federal Income Taxes	\$ -	\$ -
9	State Income Taxes	\$ -	\$ -
10	Total Income Taxes	\$ -	\$ -
11	TOTAL OPERATING EXPENSES	\$ (109)	\$ (109)
12	OPERATING INCOME	\$ 109	\$ 109

Notes and Source

Line 8: Federal Income Tax Rate* 21.00%
 Line 9: State Income Tax Rate* 5.500%

*See Schedule A-1

CSWR-Florida Utility Operating Company, LLC
 Capital Structure and Cost Rates
 Tradewinds Utilities, Inc. - Wastewater
 Test Year Ending January 31, 2025

Exhibit RCS-18
 Schedule D
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	Company Adjusted Amount (A)	Specific Adjustments (B)	Subtotal Adjusted Capital (C)	Prorata Adjustments (D)	Adjusted Amount (E)	Capital Structure Ratio (F)	Cost Rate (G)	Weighted Cost (F) x (G) (H)
I. Per Company									
1	Long Term Debt	\$ -				\$ -	0.00%	0.00%	0.000%
2	Short Term Debt	\$ 50,922				\$ 50,922	10.32%	8.50%	0.877%
3	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.000%
4	Customer Deposits	\$ -				\$ -	0.00%	0.00%	0.000%
5	Common Equity	\$ 442,641				\$ 442,641	89.68%	8.77%	7.865%
6	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.000%
7	Tax Credits - Wid. Cost	\$ -				\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.000%
8	Other	\$ -				\$ -	0.00%	0.00%	0.000%
9	Total	\$ 493,563				\$ 493,563	100.00%		8.742%
10	Weighted Cost of Deb							L1 + L2	<u>0.88%</u>
II. Per OPC									
		Company Adjusted Amounts	OPC Specific Adjustments	Subtotal	OPC Prorata Adjustments				
11	Long Term Debt	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
12	Short Term Debt	\$ 50,922			\$ -	\$ 50,922	10.32%	8.50%	0.877%
13	Preferred Stock	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
14	Customer Deposits	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
15	Common Equity	\$ 442,641			\$ -	\$ 442,641	89.68%	8.66%	7.767%
16	Tax Credits - Zero Cost	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
17	Tax Credits - Wid. Cost	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
18	Other	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
19	Total	\$ 493,563			\$ -	\$ 493,563	100.00%		8.644%
20	Water Utility Rate Base	Exhibit RCS-8, Sch B			\$ -	\$ 372,210			
21	Wastewater Utility Rate Base	Exhibit RCS-18, Sch B			\$ -	\$ 121,353			
22	Differenc				\$ -	\$ 493,563		Line 19 - Line 9	<u>-0.0979%</u>
23	Weighted Cost of Deb							L11 + L12	<u>0.8770%</u>

Notes

Lines 1-10: Tradewinds Utilities Schedule D-1 from the Company's filing
 Lines 11-23: Col. B: Adjusted to equal rate base

Sum of LTD, STD and Common Equity \$ 493,563

DOCKET NO. 20250006-WS
 ORDER NO. PSC-2025-0213-PAA-WS
 ISSUED: June 18, 2025

Leverage Formula
 The updated leverage formula is: ROE = 7.17% + (1.337% / Equity Ratio)
 The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

Calculations at 100%	at 40%		at CSWR %
	7.17%	7.17%	7.17%
1.337%	1.337%	1.34%	
100%	40%	89.68%	
1.33700%	3.34250%	1.49081%	
8.51%	10.51%	8.66%	
8.51%	10.51%		

**Table 1
Adjusted Return on Equity**

DCF Model	7.25%
CAPM	9.94%
Average	8.60%
Bond Yield Differential	0.36%
Private Placement Premium	0.50%
Small-Utility Risk Premium	0.50%
Adjusted ROE Average	9.96%
Adjustment to Reflect Required Equity Return at a 40% Equity Ratio	0.56%
Upper Range of ROE	10.51%

Source: Commission Staff Worksheets

Leverage Formula

The updated leverage formula is: ROE = 7.17% + (1.337 ÷ Equity Ratio)

The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

CSWR-Florida Utility Operating Company, LLC
Docket No. 20250052-WS
Exhibit RCS-19
Tymber Creek Utilities, Inc.
Revenue Requirement Summary Schedules
Accompanying the Direct Testimony of Ralph Smith

Number	Description	No. of Pages	Exhibit Page No.
	Revenue Requirement Summary Schedules		
A	Calculation of Revenue Deficiency (Sufficiency)	1	2
A-1	Income Taxes and Components of Revenue Change for New Rates	1	3
B	Adjusted Rate Base	1	4
B.1	Summary of Rate Base Adjustments	1	5
C	Adjusted Net Operating Income	1	6
C.1	Summary of Net Operating Income Adjustments	1	7
D	Capital Structure and Cost Rates	1	8
	Total Pages (Including Contents Page)	8	

Line No.	Description	Reference	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
1	Adjusted rate base	Sch B	\$ 130,784	\$ 130,784	\$ -
2	Rate of return	D	8.6852%	8.9245%	
3	Net operating income required		\$ 11,359	\$ 11,672	\$ 313
4	Adjusted net operating income	Sch C	\$ 136,389	\$ 136,471	\$ 81
5	Net operating income deficiency		\$ (125,030)	\$ (124,799)	\$ 232
6	Gross revenue conversion factor				
7	Revenue deficiency (Sufficiency) - Calculated	Sch A-1	\$ (128,881)	\$ (130,286)	\$ (1,406)
8	Revenue deficiency (Sufficiency) - per Company		\$ (128,881)		
9	Unidentified difference		\$ -		
10	Total Operating Revenue at Current Rates	Sch C	\$ 339,947	\$ 339,947	
11	Percentage Increase	L.7 / L.10	-37.91%	-38.33%	

Notes and Source

Col.A: Tymber Creek Utilities MFR Schedule B-2 from the Company's filing

Col. B: See referenced schedules

CSWR-Florida Utility Operating Company, LLC
Income Taxes and Components of Revenue Change for New Rates
Tymber Creek Utilities, Inc.
Test Year Ending January 31, 2025

Exhibit RCS-19
Schedule A-1
Docket No. 20250052-WS
Page 1 of 1

Line No.	Description	Reference	Tax Rate	Per Company (A)	Per OPC (B)	Difference (C) = (B) - (A)
<u>I. Adjustment for Income Taxes</u>						
1	Rate Base	Sch B		\$ 130,784	\$ 130,784	\$ -
2	Weighted cost of equity	Sch D		6.0170%	6.2562%	
3	Equity return (taxable income before state tax exemption)			\$ 7,869	\$ 8,182	\$ 313
4	Less State Tax Exemption	CSWR Sch B-3		\$ (1,041)	\$ (1,041)	\$ -
5	State Taxable Income before NOL Carryforward			\$ 6,828	\$ 7,141	\$ 313
5a	Apply NOL Carryforward		80%		\$ (5,713)	\$ (5,713)
5b	Taxable Income after NOL CF				\$ 1,428	\$ 1,428
6	State Income tax (5.5%)		5.50%	\$ 376	\$ 79	\$ (297)
7						
8	Federal Taxable Income before NOL Carryforward	Line 5 - Line 6		\$ 7,494	\$ 7,062	\$ (432)
8a	Apply NOL Carryforward		80%		\$ (5,650)	\$ (5,650)
8b	Taxable Income after NOL CF				\$ 1,412	\$ 1,412
9	Federal Income Tax (21%)		21%	\$ 1,574	\$ 297	\$ (1,277)
10	State and Federal Income Taxes			\$ 1,949	\$ 375	\$ (1,574)
<u>II. Adjustment for Required Return</u>						
11	Rate Base	Sch B		\$ 130,784	\$ 130,784	\$ -
12	Weighted Cost of Capital	Sch D		8.6852%	8.9245%	
13	Required Return			\$ 11,359	\$ 11,672	\$ 313
14	Net Operating Income at Current Rates	Sch C		\$ 136,389	\$ 136,471	\$ 81
15	Adjustment for Required Return			\$ (125,030)	\$ (124,799)	\$ 232
<u>III. Adjustment for RAF fees on Increased Revenue</u>						
16	Required Return	Line 15		\$ (125,030)	\$ (124,799)	\$ 232
17	Income Taxes	Line 10		\$ 1,949	\$ 375	\$ (1,574)
18	Sum of Required Return and Income Taxes			\$ (123,081)	\$ (124,424)	\$ (1,342)
19	RAF rate			0.955	0.955	
20	Revenue requirement with RAF			\$ (128,881)	\$ (130,286)	\$ (1,406)
21	Less: Sum of Required Return and Income Taxes			\$ 123,081	\$ 124,424	\$ 1,342
22	RAF			\$ (5,800)	\$ (5,863)	\$ (63)
<u>IV. Components of Revenue Increase</u>						
23	Net Income (aka Required Return)	Line 15		\$ (125,030)	\$ (124,799)	\$ 232
24	Regulatory Assessment Fees	Line 22		\$ (5,800)	\$ (5,863)	\$ (63)
25	State Income Tax	Line 6		\$ 376	\$ 79	\$ (297)
26	Federal Income Tax	Line 9		\$ 1,574	\$ 297	\$ (1,277)
27	Total Revenue Increase			\$ (128,881)	\$ (130,286)	\$ (1,406)

Notes and Source

See references

Lines 5a and 5b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of state taxable income

Lines 8a and 8b: CSWR has income tax net operating loss carryforwards that are not attributable to the use of accelerated tax depreciation which are being applied to offset 80% of federal taxable income

Line No.	Description	Company Proposed (A)	OPC Adjustments (B)	OPC Proposed (C)
1	Utility Plant in Service	\$ 654,234	\$ -	\$ 654,234
2	Utility Land & Land Rights	\$ 26,794	\$ -	\$ 26,794
3	Less: Non-Used & Useful Plant	\$ -	\$ -	\$ -
4	Construction Work in Progress	\$ -	\$ -	\$ -
5	Less: Accumulated Depreciation	\$ (550,243)	\$ -	\$ (550,243)
6	Less: CIAC	\$ (263,289)	\$ -	\$ (263,289)
7	Accumulated Amortization of CIAC	\$ 263,289	\$ -	\$ 263,289
8	Acquisition Adjustments	\$ -	\$ -	\$ -
9	Accumulated Amortization of Acquisition Adjustments	\$ -	\$ -	\$ -
10	Advances for Construction	\$ -	\$ -	\$ -
11	Working Capital Allowance	\$ -	\$ -	\$ -
12	Total Rate Base	\$ 130,784	\$ -	\$ 130,784

Notes and Source

Col.A: Tymer Creek Utilities MFR Schedule A-2 from the Company's filing

Col.B: Schedule B.1, page 1

CSWR-Florida Utility Operating Company, LLC
Summary of Adjustments to Rate Base
Tymber Creek Utilities, Inc.
Test Year Ending January 31, 2025

Exhibit RCS-19
Schedule B.1
Docket No. 20250052-WS
Page 1 of 1

Line No.	Description	OPC Adjustments	Acquisition Adjustments E-1
1	Utility Plant in Service	\$ -	
2	Utility Land & Land Rights	\$ -	
3	Less: Non-Used & Useful Plant	\$ -	
4	Construction Work in Progress	\$ -	
5	Less: Accumulated Depreciation	\$ -	
6	Less: CIAC	\$ -	
7	Accumulated Amortization of CIAC	\$ -	
8	Acquisition Adjustments	\$ -	
9	Accumulated Amortization of Acquisition Adjustments	\$ -	
10	Advances for Construction	\$ -	
11	Working Capital Allowance	\$ -	
12	Total Rate Base	<u>\$ -</u>	<u>\$ -</u>

Notes and Source

See referenced schedule for each adjustment

Line No.	Description	Per Company (A)	OPC Adjustments (B)	Per OPC at Current Rates (C)	OPC Revenue Adjustment (D)	OPC Adjusted (E) = (C) + (D)
1	OPERATING REVENUES	\$ 339,947	\$ -	\$ 339,947	\$ (130,286)	\$ 209,661
2	Operation & Maintenance	\$ 184,656	\$ (81)	\$ 184,575	\$ (5,863)	\$ 178,712
3	Depreciation, net of CIAC Amortization	\$ 12,154	\$ -	\$ 12,154	\$ -	\$ 12,154
4	Amortization	\$ -	\$ -	\$ -	\$ -	\$ -
5	Taxes Other Than Income	\$ 6,748	\$ -	\$ 6,748	\$ -	\$ 6,748
6	Provision for Income Taxes	\$ -	\$ -	\$ -	\$ 375	\$ 375
7	OPERATING EXPENSES	\$ 203,558	\$ (81)	\$ 203,477	\$ (5,488)	\$ 197,989
8	NET OPERATING INCOME	\$ 136,389	\$ 81	\$ 136,471	\$ (124,799)	\$ 11,672
9	Rate Base	\$ 130,784	\$ -	\$ 130,784		\$ 130,784
10	Earned Rate of Return	104.29%		104.35%		8.9245%

Notes and Source

Col.A: Tymber Creek Utilities MFR Schedule B-2 from the Company's filing

Col.B: Schedule C.1, page 1

Col.C: Col.A + Col.B

Col.D: Schedule A, page 1 and Schedule A-1, page 2

CSWR-Florida Utility Operating Company, LLC
Summary of Net Operating Income Adjustments
Tymber Creek Utilities, Inc.
Test Year Ending January 31, 2025

Exhibit RCS-19
Schedule C.1
Docket No. 20250052-WS
Page 1 of 1

Line No.	Description	OPC Adjustments	Lobbying Expense E-2
1	OPERATING REVENUES	\$ -	
2	Operation & Maintenance	\$ (81)	\$ (81)
3	Depreciation, net of CIAC Amortization	\$ -	
4	Amortization	\$ -	
5	Taxes Other Than Income	\$ -	
6	PRE-TAX OPERATING EXPENSES	<u>\$ (81)</u>	<u>\$ (81)</u>
7	PRE-TAX OPERATING INCOME	<u>\$ 81</u>	<u>\$ 81</u>
8	Federal Income Taxes	\$ -	\$ -
9	State Income Taxes	\$ -	\$ -
10	Total Income Taxes	<u>\$ -</u>	<u>\$ -</u>
11	TOTAL OPERATING EXPENSES	<u>\$ (81)</u>	<u>\$ (81)</u>
12	OPERATING INCOME	<u><u>\$ 81</u></u>	<u><u>\$ 81</u></u>

Notes and Source

Line 8: Federal Income Tax Rate*	21.00%
Line 9: State Income Tax Rate*	5.500%
*See Schedule A-1	

CSWR-Florida Utility Operating Company, LLC
 Capital Structure and Cost Rates
 Tymber Creek Utilities, Inc.
 Test Year Ending January 31, 2025

Exhibit RCS-19
 Schedule D
 Docket No. 20250052-WS
 Page 1 of 1

Line No.	Description	Company Adjusted Amount (A)	Specific Adjustments (B)	Subtotal Adjusted Capital (C)	Prorata Adjustments (D)	Adjusted Amount (E)	Capital Structure Ratio (F)	Cost Rate (G)	Weighted Cost (F) x (G) (H)
I. Per Compan									
1	Long Term Debt	\$ -				\$ -	0.00%	0.00%	0.000%
2	Short Term Debt	\$ 56,521				\$ 56,521	31.39%	8.50%	2.668%
3	Preferred Stock	\$ -				\$ -	0.00%	0.00%	0.000%
4	Customer Deposits	\$ -				\$ -	0.00%	0.00%	0.000%
5	Common Equity	\$ 123,533				\$ 123,533	68.61%	8.77%	6.017%
6	Tax Credits - Zero Cost	\$ -				\$ -	0.00%	0.00%	0.000%
7	Tax Credits - Wtd. Cost	\$ -				\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -				\$ -	0.00%	0.00%	0.000%
8	Other	\$ -				\$ -	0.00%	0.00%	0.000%
9	Total	\$ 180,054				\$ 180,054	100.00%		8.685%
10	Weighted Cost of Deb							L1 + L2	2.67%
II. Per OPC									
		Company Adjusted Amounts	OPC Specific Adjustments	Subtotal	OPC Prorata Adjustments				
11	Long Term Debt	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
12	Short Term Debt	\$ 56,521			\$ -	\$ 56,521	31.39%	8.50%	2.668%
13	Preferred Stock	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
14	Customer Deposits	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
15	Common Equity	\$ 123,533			\$ -	\$ 123,533	68.61%	9.12%	6.256%
16	Tax Credits - Zero Cost	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
17	Tax Credits - Wtd. Cost	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
	Accum. Deferred Income Taxes	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
18	Other	\$ -			\$ -	\$ -	0.00%	0.00%	0.000%
19	Total	\$ 180,054			\$ -	\$ 180,054	100.00%		8.925%
20	Water Utility Rate Base	Exhibit RCS-9, Sch B			\$ -	\$ 49,270			
21	Wastewater Utility Rate Base	Exhibit RCS-19, Sch B			\$ -	\$ 130,784			
22	Difference				\$ -	\$ 180,055		Line 19 - Line 9	0.2393%
23	Weighted Cost of Deb							L11 + L12	2.6683%

Notes

Lines 1-10: Tymber Creek Utilities Schedule D-1 from the Company's filing
 Lines 11-23: Col. B: Adjusted to equal rate base

Sum of LTD, STD and Common Equity \$ 180,054

DOCKET NO. 20250006-WS
 ORDER NO. PSC-2025-0213-PAA-WS
 ISSUED: June 18, 2025

Leverage Formula

The updated leverage formula is: $ROE = 7.17\% + (1.337\% / \text{Equity Ratio})$
 The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

Calculations

	at 100%	at 40%	at CSWR %
7.17%	7.17%	7.17%	7.17%
1.337%	1.337%	1.34%	1.34%
100%	40%	68.61%	68.61%
1.33700%	3.34250%	1.94873%	1.94873%
8.51%	10.51%	9.12%	9.12%
8.51%	10.51%		

Table 1
Adjusted Return on Equity

DCF Model	7.25%
CAPM	9.94%
Average	8.60%
Bond Yield Differential	0.36%
Private Placement Premium	0.50%
Small-Utility Risk Premium	0.50%
Adjusted ROE Average	9.96%
Adjustment to Reflect Required Equity Return at a 40% Equity Ratio	0.56%
Upper Range of ROE	10.51%

Source: Commission Staff Worksheets

Leverage Formula

The updated leverage formula is: $ROE = 7.17\% + (1.337\% / \text{Equity Ratio})$

The resulting range of returns is 8.51 percent at 100 percent equity to 10.51 percent at 40 percent equity.

CSWR-Florida Utility Operating Company, LLC
Docket No. 20250052-WS
Exhibit RCS-20
Revenue Requirement Adjustment Schedules
Accompanying the Direct Testimony of Ralph Smith

Number	Description	No. of Pages	Exhibit Page No.
	Adjustments		
E-1	Acquisition Adjustments	1	2
E-2	Lobbying Expense	2	3-4
	Total Pages (Including Contents Page)	4	

CSWR-Florida Utility Operating Company, LLC
Acquisition Adjustments

Exhibit RCS-20
Schedule E-1
Docket No. 20250052-WS
Page 1 of 1

Test Year Ending January 31, 2025

Line No.	Description	Per Company (A)	Per OPC (B)	Adjustment (C) = (B) - (A)
Water				
1	Aquarina Utilities - Water - Potable Water	\$ 1,145,736	\$ -	\$ (1,145,736)
2	Aquarina Utilities - Water - Non-Potable Water	\$ 863,567	\$ -	\$ (863,567)
3	Sunshine Utilities	\$ 5,457,165	\$ -	\$ (5,457,165)
4	Sunshine Utilities - Ponderosa Pines and Quail Run	\$ 403,712	\$ -	\$ (403,712)
5	Total Water Acquisition Adjustments	<u>\$ 7,870,180</u>	<u>\$ -</u>	<u>\$ (7,870,180)</u>
Wastewater				
6	Aquarina Utilities - Wastewater	\$ 306,986	\$ -	\$ (306,986)
7	North Peninsula Utilities Corporation	\$ 1,196,741	\$ -	\$ (1,196,741)
8	Total Wastewater Acquisition Adjustments	<u>\$ 1,503,727</u>	<u>\$ -</u>	<u>\$ (1,503,727)</u>
9	Total	<u>\$ 9,373,906</u>		<u>\$ (9,373,906)</u>

Notes and Source

- Line 1: Aquarina Utilities MFR Schedule A-1 (Potable) from the Company's filing
- Line 2: Aquarina Utilities MFR Schedule A-1 (Non-Potable) from the Company's filing
- Line 3: Sunshine Utilities MFR Schedule A-1 from the Company's filing
- Line 4: Sunshine Utilities MFR Schedule A-1 (PP-QR) from the Company's filing
- Line 6: Aquarina Utilities MFR Schedule A-2 from the Company's filing
- Line 7: North Peninsula Utilities Corporation MFR Schedule A-2 from the Company's filing

Utility	Amount
10 Aquarina Utilities	\$ 2,316,288
11 Sunshine Utilities	\$ 5,860,877
12 North Peninsula Utilities Corporation	\$ 1,196,741
13 Total Acquisition Adjustments	<u>\$ 9,373,906</u>

Test Year Ending January 31, 2025

System Adjustment Breakdown of AWWA and NAWC Dues

Line No	Type (A)	Company (B)	Account 634/734 (C)	K&M Adjustment (D)	Test Year Total (E)	Percentage (F)	AWWA Lobbying In Dues (G)	NAWC Lobbying In Dues (H)	Total Adjustment (I) = (G) + (H)
1	Water	Aquarina	\$ 44,759	\$ (9,752)	\$ 35,007	2.22%	\$ (2.30)	\$ (122.22)	\$ (125)
2	Water	CFAT	\$ 24,101	\$ (5,251)	\$ 18,850	1.20%	\$ (1.24)	\$ (65.81)	\$ (67)
3	Water	Neighborhood	\$ 45,266	\$ (9,862)	\$ 35,404	2.25%	\$ (2.32)	\$ (123.60)	\$ (126)
4	Water	Rolling Oaks	\$ 636,553	\$ (138,646)	\$ 497,907	31.58%	\$ (32.65)	\$ (1,737.62)	\$ (1,770)
5	Water	Sunshine	\$ 391,493	\$ (85,297)	\$ 306,196	19.43%	\$ (20.09)	\$ (1,069.01)	\$ (1,089)
6	Water	Sunshine - QR PP	\$ 28,962	\$ (6,310)	\$ 22,652	1.44%	\$ (1.49)	\$ (79.08)	\$ (81)
7	Water	Tradewinds	\$ 55,291	\$ (12,047)	\$ 43,244	2.74%	\$ (2.84)	\$ (150.98)	\$ (154)
8	Water	Tymber Creek	\$ 32,965	\$ (9,509)	\$ 23,456	1.49%	\$ (1.54)	\$ (81.89)	\$ (83)
9		Total Water	\$ 1,259,190	\$ (276,674)	\$ 982,516		\$ (64.46)	\$ (3,430.22)	\$ (3,495)
9	Sewer	Aquarina	\$ 35,038	\$ (7,634)	\$ 27,404	1.74%	\$ (1.80)	\$ (95.67)	\$ (97)
10	Sewer	BFF	\$ 11,646	\$ (2,537)	\$ 9,109	0.58%	\$ (0.60)	\$ (31.80)	\$ (32)
11	Sewer	CFAT	\$ 24,304	\$ (5,295)	\$ 19,009	1.21%	\$ (1.25)	\$ (66.37)	\$ (68)
12	Sewer	North Peninsula	\$ 62,278	\$ (13,569)	\$ 48,709	3.09%	\$ (3.20)	\$ (170.06)	\$ (173)
13	Sewer	Rolling Oaks	\$ 499,442	\$ (108,817)	\$ 390,625	24.79%	\$ (25.63)	\$ (1,363.77)	\$ (1,389)
14	Sewer	Sebring	\$ 29,063	\$ (6,332)	\$ 22,731	1.44%	\$ (1.49)	\$ (79.36)	\$ (81)
15	Sewer	TKCB	\$ 28,456	\$ (6,200)	\$ 22,256	1.41%	\$ (1.46)	\$ (77.70)	\$ (79)
16	Sewer	Tradewinds	\$ 39,291	\$ (8,561)	\$ 30,730	1.95%	\$ (2.02)	\$ (107.29)	\$ (109)
17	Sewer	Tymber Creek	\$ 32,124	\$ (9,267)	\$ 22,857	1.45%	\$ (1.50)	\$ (79.80)	\$ (81)
18		Total Sewer	\$ 761,642	\$ (168,212)	\$ 593,430		\$ (38.93)	\$ (2,071.82)	\$ (2,111)
19		Total Company	\$ 2,020,832	\$ (444,886)	\$ 1,575,946	100.00%	\$ (103.40)	\$ (5,502.03)	\$ (5,605)

Notes and Source:

Cols. A-E: CSWR Response to 2nd Data Req. No. 6 & Support Docs in PDF Part 1 - Page 48 of PDF file

Col. G: Page 2, line 17 x Col. F

Col. H: Page 2, line 35 x Col. F

Test Year Ending January 31, 2025

AWWA and NAWC Dues Analysis

Line No.	Date	Description	Amount	Source
1	1/31/2024	American Water Works Association	\$ 904.17	CSWR Response to 2nd Data Req. No. 6 & Support Docs in PDF Part 1 - Page 56 of PDF file
2	2/28/2024	American Water Works Association	\$ 904.17	CSWR Response to 2nd Data Req. No. 6 & Support Docs in PDF Part 1 - Page 63 of PDF file
3	3/31/2024	American Water Works Association	\$ 904.17	CSWR Response to 2nd Data Req. No. 6 & Support Docs in PDF Part 1 - Page 67 of PDF file
4	4/30/2024	American Water Works Association-Dues	\$ 904.17	CSWR Response to 2nd Data Req. No. 6 & Support Docs in PDF Part 1 - Page 75 of PDF file
5	5/31/2024	American Water Works Association-Dues	\$ 904.17	CSWR Response to 2nd Data Req. No. 6 & Support Docs in PDF Part 1 - Page 89 of PDF file
6	6/30/2024	American Water Works Association-Dues	\$ 904.17	CSWR Response to 2nd Data Req. No. 6 & Support Docs in PDF Part 1 - Page 95 of PDF file
7	7/31/2024	American Water Works Association-Dues	\$ 904.17	CSWR Response to 2nd Data Req. No. 6 & Support Docs in PDF Part 1 - Page 105 of PDF file
8	8/31/2024	American Water Works Association-Dues	\$ 904.17	CSWR Response to 2nd Data Req. No. 6 & Support Docs in PDF Part 1 - Page 114 of PDF file
9	9/30/2024	American Water Works Association-Dues	\$ 904.17	CSWR Response to 2nd Data Req. No. 6 & Support Docs in PDF Part 1 - Page 122 of PDF file
10	10/31/2024	American Water Works Association-Dues	\$ 904.17	CSWR Response to 2nd Data Req. No. 6 & Support Docs in PDF Part 1 - Page 129 of PDF file
11		Total AWWA Dues Included	\$ 9,041.70	
12		2024 Form 990 - Lobbying [A]	\$ 179,161	
13		2024 Form 990 - Membership Dues [A]	\$ 15,666,959	
15		2024 Percentage of Lobbying to Membership Dues	1.14%	
16		Total 2024 AWWA Dues	\$ 9,041.70	
17		Lobbying Portion of AWWA Dues	\$ (103)	
18	1/31/2024	NAWC - National Association of Water Companies	\$ 4,152.08	CSWR Response to 2nd Data Req. No. 6 & Support Docs in PDF Part 1 - Page 55 of PDF file
19	2/29/2024	NAWC - National Association of Water Companies	\$ 4,152.08	CSWR Response to 2nd Data Req. No. 6 & Support Docs in PDF Part 1 - Page 62 of PDF file
20	3/31/2024	NAWC - National Association of Water Companies	\$ 4,152.08	CSWR Response to 2nd Data Req. No. 6 & Support Docs in PDF Part 1 - Page 67 of PDF file
21	4/30/2024	NAWC - National Association of Water Companies-NWAC Dues	\$ 4,779.83	CSWR Response to 2nd Data Req. No. 6 & Support Docs in PDF Part 1 - Page 77 of PDF file
22	5/31/2024	NAWC - National Association of Water Companies-NWAC Dues	\$ 4,779.83	CSWR Response to 2nd Data Req. No. 6 & Support Docs in PDF Part 1 - Page 90 of PDF file
23	6/30/2024	NAWC - National Association of Water Companies-NWAC Dues	\$ 4,779.83	CSWR Response to 2nd Data Req. No. 6 & Support Docs in PDF Part 1 - Page 95 of PDF file
24	7/31/2024	NAWC - National Association of Water Companies-NWAC Dues	\$ 4,779.83	CSWR Response to 2nd Data Req. No. 6 & Support Docs in PDF Part 1 - Page 106 of PDF file
25	8/31/2024	NAWC - National Association of Water Companies-NWAC Dues	\$ 4,779.83	CSWR Response to 2nd Data Req. No. 6 & Support Docs in PDF Part 1 - Page 115 of PDF file
26	9/30/2024	NAWC - National Association of Water Companies-NWAC Dues	\$ 4,779.83	CSWR Response to 2nd Data Req. No. 6 & Support Docs in PDF Part 1 - Page 123 of PDF file
27	10/31/2024	NAWC - National Association of Water Companies-NWAC Dues	\$ 4,779.83	CSWR Response to 2nd Data Req. No. 6 & Support Docs in PDF Part 1 - Page 131 of PDF file
28	11/30/2024	NAWC - National Association of Water Companies-NWAC Dues	\$ 4,779.83	CSWR Response to 2nd Data Req. No. 6 & Support Docs in PDF Part 1 - Page 142 of PDF file
29	12/31/2024	NAWC - National Association of Water Companies-NWAC Dues	\$ 4,779.83	CSWR Response to 2nd Data Req. No. 6 & Support Docs in PDF Part 1 - Page 153 of PDF file
30		Total 2024 NAWC Dues Included	\$ 55,474.71	
31		2024 Form 990 - Lobbying [B]	\$ 689,548	
32		2024 Form 990 - Membership Dues [B]	\$ 6,952,425	
33		2024 Percentage of Lobbying to Membership Dues	9.92%	
34		Total 2024 NAWC Dues	\$ 55,474.71	
35		Lobbying Portion of NAWC Dues	\$ (5,502)	

Notes and Source:

Note [A]: <https://projects.propublica.org/nonprofits/organizations/13566027202513149349306551/full>
 Note [B]: <https://projects.propublica.org/nonprofits/organizations/251064082202533189349306588/full>