

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for certificate to provide  
wastewater service in Charlotte  
County by Environmental Utilities, LLC

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Docket N0. 20200226-SU

DIRECT TESTIMONY

OF

DEBORAH D. SWAIN

on behalf of

Environmental Utilities, LLC

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

2 A. My name is Deborah D. Swain. I am Vice President of Milian, Swain & Associates, Inc. and  
3 head up the firm's finance, accounting and management team. My business address is 2025  
4 SW 32<sup>nd</sup> Ave., Suite 110, Miami, Florida 33145.

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

6 A. I have a Bachelor of Science degree in Accounting from Florida State University. I have over  
7 35 years of experience in utility management, accounting, finance, rate regulation, rate design  
8 and system development. I have prepared and supervised cost of service studies for over 300  
9 water and wastewater systems, calculated revenue deficiencies and revenue requirements,  
10 and designed rates.

11 **Q. Have you previously appeared and presented testimony before any regulatory bodies?**

12 A. I have prepared and presented expert testimony in the areas of regulatory accounting, rate  
13 regulation and utilities in general, before various federal, state, county, courts and regulatory  
14 agencies, including the Florida Public Service Commission, Collier, Hillsborough, St. Johns  
15 and Washington Counties, the Circuit Court in Palm Beach County, the Town of Jupiter, the  
16 City of Miami, and the US Bankruptcy Court.

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

18 A. I am presenting this testimony and appearing on behalf of Environmental Utilities, LLC (EU),  
19 the applicant for a wastewater certificate in the present docket.

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

21 A. The purpose of my direct testimony is to present information supporting the financial basis  
22 for EU's requested initial rates and charges as presented in the financial schedules filed in  
23 this Docket.

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

25 A. Yes, I am sponsoring one exhibit. Exhibit DDS-1 contains the financial schedules.

1 **Q. Was this Exhibit prepared by you and your staff?**

2 A. Yes it was. As is customary, it was prepared from financial information provided to  
3 my staff and me by EU.

4 **Q. Are there any particular explanations you want to make with regard to the financial  
5 schedules?**

6 A. Yes, I understand that as a part of the proposed infrastructure legislation being considered by  
7 Congress that CIAC would be excluded from taxable income.

8 **Q. Can you provide a summary of the impact that would have on the rates and charges EU is  
9 proposing?**

10 A. Excluding CIAC from taxable income will result in a higher allowed rate of return, the effect of  
11 which will be higher base facility and gallonage charges, and lower impact fees than proposed  
12 by EU.

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

14 A. Yes, it does.

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**Environmental Utilities, LLC**  
**Application for Original Certificate**  
**Accounting Information**

**Docket No.**

**June, 2021**

**Environmental Utilities, LLC**  
**Initial Rates and Charges**  
**Accounting Information**

**Index**

<b>Schedule No.</b>	<b>Description</b>	<b>Page No.</b>
1 Summary	Pro Forma Rate Base	1
1B	Pro Forma Wastewater Plant (NARUC Accounts 351-398)	2
2	Pro Forma Balance Sheet based on projections at 100% Design Capacity	3
3B	Pro Forma Expense for Wastewater System When Plants are Operating at 80% of Design Capacity	4
4B	Service Availability Charge Analysis - Wastewater	5
5	Cost Justification for Service Installation Fees	6
6	Cost Justification for Miscellaneous Service Charges	7
7	Calculation of Proposed Rates and Revenue Proof - Wastewater	8
<b><u>Supporting Schedules</u></b>		
1B Support (Schedule C )	Wastewater Plant and Depreciation	9
1B Support (Schedule D )	CIAC and Amortization	21
7 Support (p1)	Projected Net Operating Income When Plants Operating at 80% Capacity	24
7 Support (p2)	Calculation of Rates for Wastewater Utility based on projections at 80% Design Capacity	25
Additional Support	Cost of Capital	26

**Schedule 1 Summary**

**Environmental Utilities, LLC**  
**Initial Rates and Charges**  
**Projected Rate Base at 100% and 80% of Designed Capacity**

<b>Line No</b>	<b>Description</b>	<b>2047 100%</b>	<b>2033 80%</b>	<b>Referenced Schedule No.</b>
1	<b>Wastewater Rate Base</b>			
2				
3	Utility Plant in Service	\$ 21,958,148	\$ 21,958,148	1 B
4	Accumulated Depreciation	(15,908,207)	(6,731,961)	1 B Support
5	Contributions in Aid of Construction	(16,114,162)	(13,079,845)	1 B Support
6	Accumulated Amortization of CIAC	11,155,986	4,124,751	1 B Support
7	Working Capital Allowance	192,289	174,443	
8	Wastewater Rate Base	<u>\$ 1,284,054</u>	<u>\$ 6,445,536</u>	

**Schedule 1 B**

**Environmental Utilities, LLC  
 Initial Rates and Charges  
 Pro Forma Wastewater Utility Plant  
 Projected December 2033**

<b>Line No.</b>	<b>NARUC Acct.</b>	<b>Description</b>	<b>Wastewater</b>	<b>Accumulated Depreciation</b>
1	351	Organization*	\$ 522,000	\$ 130,500
2	352	Franchises		
3	353	Land and Land Rights	800,000	
4	354	Structures and Improvements	15,581,130	4,869,103
5	355	Power Generation Equipment		
6	360	Collecting Wastewater - Force	3,466,813	1,155,604
7	361	Collecting Wastewater - Gravity	1,228,205	323,212
8	361	Manholes	-	-
9	362	Special Collecting Structures		
10	363	Services to Customers		
11	364	Flow Measuring Devices		
12	365	Flor Measuring Installations		
13	370	Receiving Wells		
14	371	Pumping Equipment		
15	374	Reuse Distribution Reservoirs		
16	375	Reuse T & D		
17	380	Treatment and Disposal Equipment		
18	381	Plant Sewers		
19	382	Outfall Wastewater Lines		
20	389	Other Plant and Miscellaneous Equipment		
21	390	Office Furniture and Equipment	5,000	3,333
22	391	Transportation Equipment	180,000	120,000
23	393	Tools, Shop and Garage Equipment	75,000	46,875
24	395	Power Operated Equipment	100,000	83,333
25	397	Miscellaneous		
26			<u>\$ 21,958,148</u>	<u>\$ 6,731,961</u>
27				
28		Treatment Capacity (gpd)		N/A
29		Line Capacity		1,248 ERCs
30		ERC =		90 GPD

\*Includes additional cost of \$275,000 to attend/prepare for Hearing if contested.

Schedule 2

Environmental Utilities, LLC  
 Initial Rates and Charges  
 Pro Forma Balance Sheet at 100% Design  
 Projected December 2047

Line No.	NARUC Acct.		
<b>Assets and Other Debits</b>			
1	101	Utility Plant In Service	\$ 21,958,148
2	103	Property Held For Future Use	
3	104	Utility Plant Purchased or Sold	
4	105	Construction Work in Progress	
5	108	Accumulated Depreciation and Amortization of UPIS	(15,908,207)
6	114	Utility Plant Acquisition Adjustments	
7	115	Accumulated Amortization of Utility Plant Acquisition Adjustments	
8	121	Nonutility Property	
9	122	Accumulated Depreciation and Amortization of Nonutility Property	
10	124	Utility Investments	
11	131	Cash	154,591
12	132	Special Deposits	
13	141	Customer Accounts Receivable	89,228
14	143	Accumulated Provision of Uncollectible Accounts - CR	
15	151	Plant Material and Supplies	
16	174	Miscellaneous Current and Accrued Assets	
17	186	Miscellaneous Deferred Debits	
18	190	Accumulated Deferred Income Taxes	
19		<b>Total Assets and Other Debits</b>	<b>\$ 6,293,761</b>
20			
21		Equity Capital	
22	201	Common Stock Issued	
23	204	Preferred Stock Issued	
24	211	Other Paid In Capital	14,867,020
25	215	Retained Earnings	241,077
26	218	Proprietary Capital	
27		Liabilities and Other Credits	
28	224	Long Term Debt	
29	231	Accounts Payable	51,530
30	232	Notes Payable	
31	235	Customer Deposits	89,228
32	236	Accrued Taxes	
33	237	Accrued Interest	
34	241	Miscellaneous Current and Accrued Liab.	
35	252	Advances for Construction	
36	253	Other Deferred Credits	
37	255	Accumulated Deferred Investment Tax Credits	
38	265	Accumulated Deferred Investment Tax Credits	
39	271	Contributions in Aid of Construction (CIAC)	(13,079,845)
40	272	Accumulated Amortization of CIAC	4,124,751
41	281	Accumulated Deferred Income Taxes -Accelerated Amortization	
42	282	Accumulated Deferred Income Taxes -Liberalized Depreciation	
43	283	Accumulated Deferred Income Taxes - Other	\$ -
44		<b>Total Equity, Liabilities and Other Credits</b>	<b>\$ 6,293,761</b>

**Schedule 3 B**

**Environmental Utilities, LLC**  
**Initial Rates and Charges**  
**Wastewater System**  
**Pro Forma Expenses for Wastewater Utility based on projections at 80% Design Capacity**  
**Projected December 2033**

Line No.	NARUC Acct. No.	Description	Wastewater
1	701	Salaries and Wages - Employees	\$ 164,808
2	703	Salaries and Wages - Other	85,330
3	704	Employees Pensions and Benefits	86,215
4	710	Purchased Wastewater Treatment	524,684
5	711	Sludge Removal Expense	212,349
6	715	Purchased Power	18,285
7	716	Fuel for Power Production	-
8	718	Chemicals	-
9	720	Materials and Supplies	14,628
10	731	Contract Services - Engineering	-
11	732	Contract Services - Accounting	-
12	733	Contract Services - Legal	-
13	734	Contract Services - Mgmt. Fees	-
14	735	Contract Services - Testing	-
15	736	Contract Services - Billing	29,197
16	741	Rental of Building/Real Property	13,897
17	742	Rental of Equipment	-
18	750	Transportation Expense	19,016
19	756	Insurance - Vehicle	7,314
20	757	Insurance - General Liability	19,504
21	758	Insurance - Workers Comp	22,489
22	759	Insurance - Other	-
23	760	Advertising Expense	-
24	766	Regulatory Commission Expense	-
25	767	Regulatory Commission Expense - Other	-
26	770	Bad Debt Expense	-
27	775	Miscellaneous Expense	19,016
28	403	Depreciation - Net of CIAC Amortization	232,177
29	407	Amortization Expense - Org Cost	13,050
30	407	Amortization Expense - Billing Software Update	4,167
31	408	Taxes Other Than Income (1)	333,110
32		Total Expenses	<u>\$ 1,819,235</u>
33			
34		Average cost per customer per month	<u>\$ 97.18</u>
35			
36	(1) Taxes other than Income		
37		Property Taxes (net tangible plant X 2019 millage 14.2897)	\$ 217,578
38		Payroll Taxes	19,136
39		Regulatory Assessment Fees	96,397
40		Total	<u>\$ 333,110</u>

Schedule 4B

Environmental Utilities, LLC  
 Initial Rates and Charges  
 Service Availability Charge Analysis for Wastewater  
 Projected December 2047

Line No.	Description	Wastewater		
1	Gross Book Value	\$ 21,958,148		
2	Land	\$ 800,000		
3	Depreciable Plant	\$ 21,158,148		
4	Accumulated Depreciation to Date	\$ -		
5	Accumulated Depreciation at Design Capacity	\$ 15,908,207		
6	Net Plant at Design Capacity (includes land)	\$ 4,636,641		
7	Transmission & Distribution / Collection Systems	\$ 14,885,957		
8	Minimum Level of C.I.A.C.	67.79%		
9	C.I.A.C. to Date	\$ -		
10	Accumulated Amortization of C.I.A.C. to Date	\$ -		
11	Accumulated Amortization of C.I.A.C. at Design Capacity	\$ -		
12	Future Customers (ERC) to be Connected	1,248		
13	Composite Depreciation Rate	3.41%		
14	Number of Years to Design Capacity	24		
15	Existing Service Availability Charge Per ERC	\$ -		
16	Level of C.I.A.C. at Design Capacity	0.00%		
17	Requested Service Availability Charge Per ERC	\$ 11,927.85		
18	Level of C.I.A.C. at Design Capacity	81.95%		
19	Minimum Service Availability Charge Per ERC	\$ 4,274.00		
20	Level of C.I.A.C. at Design Capacity	67.79%		
21	Maximum Service Availability Charge Per ERC	\$ 4,729.00	<b>Plant</b>	<b>Main</b>
22	Level of C.I.A.C. at Design Capacity	75.00%	<b>Capacity</b>	<b>Capacity</b>
23	Requested Service Availability Charge Per ERC	\$ 11,928		\$ 11,928
24	Requested Service Availability Charge Gallon Per Day	\$ 55.22	\$ -	\$ 55.22
25				
26				

Schedule 5

Environmental Utilities, LLC  
 Initial Rates and Charges  
 Cost Justification for Service Installation Fees  
 Projected December 2047

Line No.	Description		Wastewater
1	Sewer Lateral Installation Fee		
2	Sewer Lateral Cost	\$ 1,228,205	
3	Future Customers (ERC) to be Connected	<u>1,248</u>	
4	Sewer Lateral Installation Fee		\$ 984.14
5			

Schedule 6

Environmental Utilities, LLC  
 Initial Rates and Charges  
 Cost Justification for Miscellaneous Service Charges

Line No.	Description	Charge During Regular Business Hours	Charge After Regular Business Hours
1	Initial Connection (1)	\$30.00	N/A
2			
3	Normal Reconnection (1)	\$30.00	N/A
4			
5	Violation Reconnection	Actual Cost	Actual Cost
6			
7	Premise Visit Charge (1)	\$30.00	N/A
8			
9	Late Payment Fee (2)	\$7.50	N/A
10			
11	Bad check Charge	Pursuant to 68.065 (2), Florida Statutes	
12			
13	Notes:		
14	(1) Cost Justification		
15	Labor (\$20 * 1.33) = \$26.60		
16	Vehicle (6 miles x \$.58 per mile) = \$3.48		
17	Total = \$30.08, rounded to \$30.00	\$30.00	
18			
19	(2) Cost Justification		
20	Clerical Labor (\$20 * .25) = \$5.00		
21	Supervisor Labor (\$25 * .08) = \$2.00		
22	Printing Supplies (\$.10)		
23	Postage (\$.50)		
24	Total = \$7.60, round to \$7.50	\$7.50	
25			
26	Total new connections 2033	17	
27			
28	Miscellaneous Revenues	\$510.00	

Environmental Utilities, LLC  
 Initial Rates and Charges  
 Proof of Revenue  
 Projected December, 2033

Line No		Rates for Revenue Requirement	Total ERCs	Total Gallons	Revenue Required Annual Revenue
1	<b>Revenue Proof For Wastewater</b>				
2	<b>Requested Rates - Residential - Monthly</b>				
3	Base Facility Charge	\$ 100.12	11,981		\$ 1,199,479.36
4	Gallorage Charge, 10,000 gallons cap	\$ 31.93		29,518	\$ 942,500.03
5	<b>Total Residential Revenues</b>				<b>\$ 2,141,979.39</b>
6	<b>Average Residential Bill</b>				<b>\$ 178.78</b>
7					
8	<b>Requested Rates - General Service</b>				
9	5/8" x 3/4"	\$ 100.12	0		\$ -
10	3/4"	150.18	0		-
11	1"	250.29	0		-
12	1-1/2" Turbine	500.58	0		-
13	2" Turbine	800.93	0		-
14	3" Turbine	1,752.04	0		-
15	Charge per 1,000 gallons	\$ 38.32		0	\$ -
16	<b>Total General Service Revenues</b>				<b>\$ -</b>
17	<b>Average General Service Bill</b>				<b>N/A</b>
18					
19	<b>Requested Rates - Reclaimed Water</b>				
20	Charge per 1,000 gallons	\$ -		0	\$ -
21					
22	Revenues from Miscellaneous Charges	\$ 30.00	17		\$ (510.00)
23					
24	<b>Total Wastewater Revenue at 80% Design Capacity</b>				<b>\$ 2,141,469.39</b>



**Environmental Utilities, LLC**  
**Wastewater Plant and Depreciation**  
**Schedule 1B Support (Schedule C)**

Date In Service	Cost	Regulatory		2024	2025	2026	2027	2028
		Asset Life	Depr Expense					
10" LP Sewer Main PVC - 3,677 LF	183,850	30	6,128	6,128	6,128	6,128	6,128	6,128
12" LP Sewer Main PVC 4,250 LF	255,000	30	8,500	8,500	8,500	8,500	8,500	8,500
10" Directional Drill for Water Crossings HDPE 1,171 LF	93,680	30	3,123	3,123	3,123	3,123	3,123	3,123
16" Directional Drill for Water Crossings HDPE 700 LF	87,500	30	2,917	2,917	2,917	2,917	2,917	2,917
Asphalt Roads	278,400	30	9,280	9,280	9,280	9,280	9,280	9,280
Concrete Driveways	64,900	30	2,163	2,163	2,163	2,163	2,163	2,163
Main Line Road Crossings PVC 45 LF	9,450	30	315	315	315	315	315	315
Overhead / Miscellaneous Giffels Webster Engineers	785,281	30	26,176	26,176	26,176	26,176	26,176	26,176
Total 360Force Main	3,466,813		115,560	115,560	115,560	115,560	115,560	115,560
Accumulated Depreciation				115,560	231,121	346,681	462,242	577,802
<b>361 GRAVITY MAIN</b>								
On Site Lateral Connection	950,000	38	25,000	25,000	25,000	25,000	25,000	25,000
Overhead / Miscellaneous Giffels Webster Engineers	278,205	38	7,321	7,321	7,321	7,321	7,321	7,321
Total 361 Gravity Main	1,228,205		32,321	32,321	32,321	32,321	32,321	32,321
Accumulated Depreciation				32,321	64,642	96,964	129,285	161,606
<b>390 OFFICE FURNITURE AND EQUIPMENT</b>								
2 Computers	2,000	6	333	333	333	333	333	333
PROFORMA RETIREMENT	(2,000)							
Proforma Replacement: 2 Computers	2,000	6	333					
Other office furniture	3,000	15	200	200	200	200	200	200
Total 341 Office Furniture & Equipment	5,000		867	533	533	533	533	533
Accumulated Depreciation				533	1,067	1,600	2,133	2,667
<b>391 TRANSPORTATION EQUIPMENT</b>								
2 Service Trucks	100,000	6	16,667	16,667	16,667	16,667	16,667	16,667
Service boat	40,000	6	6,667	6,667	6,667	6,667	6,667	6,667
Dump Trailer	10,000	6	1,667	1,667	1,667	1,667	1,667	1,667
2 Side by side	30,000	6	5,000	5,000	5,000	5,000	5,000	5,000
PROFORMA RETIREMENT	(180,000)							
Proforma Replacement: 2 Service Trucks	100,000	6	16,667					
Proforma Replacement: Service boat	40,000	6	6,667					
Proforma Replacement: Dump Trailer	10,000	6	1,667					
Proforma Replacement: 2 Side by side	30,000	6	5,000					
Total 341 Transportation	180,000		60,000	30,000	30,000	30,000	30,000	30,000
Accumulated Depreciation				30,000	60,000	90,000	120,000	150,000

**Environmental Utilities, LLC**  
**Wastewater Plant and Depreciation**  
**Schedule 1B Support (Schedule C)**

	Date In Service	Cost	Regulatory		2024	2025	2026	2027	2028
			Asset Life	Depr Expense					
<b>393 TOOLS, SHOP &amp; GARAGE EQUIPMENT</b>									
Tools		50,000	16	3,125	3,125	3,125	3,125	3,125	3,125
Inventory		25,000	16	1,563	1,563	1,563	1,563	1,563	1,563
Total 397 Miscellaneous Equipment		75,000		4,688	4,688	4,688	4,688	4,688	4,688
Accumulated Depreciation					4,688	9,375	14,063	18,750	23,438
<b>395 POWER OPERATED EQUIPMENT</b>									
2 Trackhoes		100,000	12	8,333	8,333	8,333	8,333	8,333	8,333
Total 396 Power Operated Equipment		100,000		8,333	8,333	8,333	8,333	8,333	8,333
Accumulated Depreciation					8,333	16,667	25,000	33,333	41,667
<b>TOTAL UPIS - WASTEWATER</b>		<b>21,958,148</b>		<b>721,729</b>	<b>691,396</b>	<b>691,396</b>	<b>691,396</b>	<b>691,396</b>	<b>691,396</b>
					<b>691,396</b>	<b>1,382,792</b>	<b>2,074,188</b>	<b>2,765,584</b>	<b>3,456,981</b>



**Environmental Utilities, LLC**  
**Wastewater Plant and Depreciation**  
**Schedule 1B Support (Schedule C)**

	Date In Service	Cost	2029	2030	2031	2032	2033	2034	2035
10" LP Sewer Main PVC - 3,677 LF		183,850	6,128	6,128	6,128	6,128	6,128	6,128	6,128
12" LP Sewer Main PVC 4,250 LF		255,000	8,500	8,500	8,500	8,500	8,500	8,500	8,500
10" Directional Drill for Water Crossings HDPE 1,171 LF		93,680	3,123	3,123	3,123	3,123	3,123	3,123	3,123
16" Directional Drill for Water Crossings HDPE 700 LF		87,500	2,917	2,917	2,917	2,917	2,917	2,917	2,917
Asphalt Roads		278,400	9,280	9,280	9,280	9,280	9,280	9,280	9,280
Concrete Driveways		64,900	2,163	2,163	2,163	2,163	2,163	2,163	2,163
Main Line Road Crossings PVC 45 LF		9,450	315	315	315	315	315	315	315
Overhead / Miscellaneous Giffels Webster Engineers		785,281	26,176	26,176	26,176	26,176	26,176	26,176	26,176
Total 360Force Main		3,466,813	115,560	115,560	115,560	115,560	115,560	115,560	115,560
Accumulated Depreciation			693,363	808,923	924,484	1,040,044	1,155,604	1,271,165	1,386,725
<b>361 GRAVITY MAIN</b>									
On Site Lateral Connection		950,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
Overhead / Miscellaneous Giffels Webster Engineers		278,205	7,321	7,321	7,321	7,321	7,321	7,321	7,321
Total 361 Gravity Main		1,228,205	32,321	32,321	32,321	32,321	32,321	32,321	32,321
Accumulated Depreciation			193,927	226,248	258,570	290,891	323,212	355,533	387,854
<b>390 OFFICE FURNITURE AND EQUIPMENT</b>									
2 Computers		2,000	333						
PROFORMA RETIREMENT		(2,000)		(2,000)					
Proforma Replacement: 2 Computers		2,000		333	333	333	333	333	333
Other office furniture		3,000	200	200	200	200	200	200	200
Total 341 Office Furniture & Equipment		5,000	533	(1,467)	533	533	533	533	533
Accumulated Depreciation			3,200	1,733	2,267	2,800	3,333	3,867	4,400
<b>391 TRANSPORTATION EQUIPMENT</b>									
2 Service Trucks		100,000	16,667						
Service boat		40,000	6,667						
Dump Trailer		10,000	1,667						
2 Side by side		30,000	5,000						
PROFORMA RETIREMENT		(180,000)		(180,000)					
Proforma Replacement: 2 Service Trucks		100,000		16,667	16,667	16,667	16,667	16,667	16,667
Proforma Replacement: Service boat		40,000		6,667	6,667	6,667	6,667	6,667	6,667
Proforma Replacement: Dump Trailer		10,000		1,667	1,667	1,667	1,667	1,667	1,667
Proforma Replacement: 2 Side by side		30,000		5,000	5,000	5,000	5,000	5,000	5,000
Total 341 Transportation		180,000	30,000	(150,000)	30,000	30,000	30,000	30,000	30,000
Accumulated Depreciation			180,000	30,000	60,000	90,000	120,000	150,000	180,000

Environmental Utilities, LLC  
 Wastewater Plant and Depreciation  
 Schedule 1B Support (Schedule C)

	Date In Service	Cost	2029	2030	2031	2032	2033	2034	2035
<b>393 TOOLS, SHOP &amp; GARAGE EQUIPMENT</b>									
Tools		50,000	3,125	3,125	3,125	3,125	3,125	3,125	3,125
Inventory		25,000	1,563	1,563	1,563	1,563	1,563	1,563	1,563
Total 397 Miscellaneous Equipment		75,000	4,688	4,688	4,688	4,688	4,688	4,688	4,688
Accumulated Depreciation			28,125	32,813	37,500	42,188	46,875	51,563	56,250
<b>395 POWER OPERATED EQUIPMENT</b>									
2 Trackhoes		100,000	8,333	8,333	8,333	8,333	8,333	8,333	8,333
Total 396 Power Operated Equipment		100,000	8,333	8,333	8,333	8,333	8,333	8,333	8,333
Accumulated Depreciation			50,000	58,333	66,667	75,000	83,333	91,667	100,000
<b>TOTAL UPIS - WASTEWATER</b>		<b>21,958,148</b>	<b>691,396</b>	<b>509,396</b>	<b>691,396</b>	<b>691,396</b>	<b>691,396</b>	<b>691,396</b>	<b>691,396</b>
			<b>4,148,377</b>	<b>4,657,773</b>	<b>5,349,169</b>	<b>6,040,565</b>	<b>6,731,961</b>	<b>7,423,357</b>	<b>8,114,753</b>





**Environmental Utilities, LLC**  
**Wastewater Plant and Depreciation**  
**Schedule 1B Support (Schedule C)**

	Date In Service	Cost	2036	2037	2038	2039	2040	2041	2042
<b>393 TOOLS, SHOP &amp; GARAGE EQUIPMENT</b>									
Tools		50,000	3,125	3,125	3,125	3,125			
Inventory		25,000	1,563	1,563	1,563	1,563			
Total 397 Miscellaneous Equipment		75,000	4,688	4,688	4,688	4,688	-	-	-
Accumulated Depreciation			60,938	65,625	70,313	75,000	75,000	75,000	75,000
<b>395 POWER OPERATED EQUIPMENT</b>									
2 Trackhoes		100,000							
Total 396 Power Operated Equipment		100,000	-	-	-	-	-	-	-
Accumulated Depreciation			100,000	100,000	100,000	100,000	100,000	100,000	100,000
<b>TOTAL UPIS - WASTEWATER</b>		<b>21,958,148</b>	<b>652,729</b>	<b>652,729</b>	<b>652,729</b>	<b>652,529</b>	<b>647,842</b>	<b>647,842</b>	<b>647,842</b>
			<b>8,767,483</b>	<b>9,420,212</b>	<b>10,072,942</b>	<b>10,725,471</b>	<b>11,373,313</b>	<b>12,021,155</b>	<b>12,668,997</b>



**Environmental Utilities, LLC**  
**Wastewater Plant and Depreciation**  
**Schedule 1B Support (Schedule C)**

	Date In Service	Cost	2043	2044	2045	2046	2047	Accumulated Depreciation
10" LP Sewer Main PVC - 3,677 LF		183,850	6,128	6,128	6,128	6,128	6,128	147,080
12" LP Sewer Main PVC 4,250 LF		255,000	8,500	8,500	8,500	8,500	8,500	204,000
10" Directional Drill for Water Crossings HDPE 1,171 LF		93,680	3,123	3,123	3,123	3,123	3,123	74,944
16" Directional Drill for Water Crossings HDPE 700 LF		87,500	2,917	2,917	2,917	2,917	2,917	70,000
Asphalt Roads		278,400	9,280	9,280	9,280	9,280	9,280	222,720
Concrete Driveways		64,900	2,163	2,163	2,163	2,163	2,163	51,920
Main Line Road Crossings PVC 45 LF		9,450	315	315	315	315	315	7,560
Overhead / Miscellaneous Giffels Webster Engineers		785,281	26,176	26,176	26,176	26,176	26,176	628,225
<b>Total 360Force Main</b>		<b>3,466,813</b>	<b>115,560</b>	<b>115,560</b>	<b>115,560</b>	<b>115,560</b>	<b>115,560</b>	<b>2,773,451</b>
<b>Accumulated Depreciation</b>			<b>2,311,209</b>	<b>2,426,769</b>	<b>2,542,330</b>	<b>2,657,890</b>	<b>2,773,451</b>	
<b>361 GRAVITY MAIN</b>								
On Site Lateral Connection		950,000	25,000	25,000	25,000	25,000	25,000	600,000
Overhead / Miscellaneous Giffels Webster Engineers		278,205	7,321	7,321	7,321	7,321	7,321	175,709
<b>Total 361 Gravity Main</b>		<b>1,228,205</b>	<b>32,321</b>	<b>32,321</b>	<b>32,321</b>	<b>32,321</b>	<b>32,321</b>	<b>775,709</b>
<b>Accumulated Depreciation</b>			<b>646,424</b>	<b>678,745</b>	<b>711,066</b>	<b>743,388</b>	<b>775,709</b>	
<b>390 OFFICE FURNITURE AND EQUIPMENT</b>								
2 Computers		2,000						2,000
PROFORMA RETIREMENT		(2,000)						(2,000)
Proforma Replacement: 2 Computers		2,000						2,000
Other office furniture		3,000						3,000
<b>Total 341 Office Furniture &amp; Equipment</b>		<b>5,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,000</b>
<b>Accumulated Depreciation</b>			<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>	
<b>391 TRANSPORTATION EQUIPMENT</b>								
2 Service Trucks		100,000						100,000
Service boat		40,000						40,000
Dump Trailer		10,000						10,000
2 Side by side		30,000						30,000
PROFORMA RETIREMENT		(180,000)						(180,000)
Proforma Replacement: 2 Service Trucks		100,000						100,000
Proforma Replacement: Service boat		40,000						40,000
Proforma Replacement: Dump Trailer		10,000						10,000
Proforma Replacement: 2 Side by side		30,000						30,000
<b>Total 341 Transportation</b>		<b>180,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>180,000</b>
<b>Accumulated Depreciation</b>			<b>180,000</b>	<b>180,000</b>	<b>180,000</b>	<b>180,000</b>	<b>180,000</b>	

**Environmental Utilities, LLC**  
**Wastewater Plant and Depreciation**  
**Schedule 1B Support (Schedule C)**

	<u>Date In</u> <u>Service</u>	<u>Cost</u>	2043	2044	2045	2046	2047	Accumulated Depreciation
<b>393 TOOLS, SHOP &amp; GARAGE EQUIPMENT</b>								
Tools		50,000						50,000
Inventory		25,000						25,000
Total 397 Miscellaneous Equipment		75,000	-	-	-	-	-	75,000
Accumulated Depreciation			75,000	75,000	75,000	75,000	75,000	
<b>395 POWER OPERATED EQUIPMENT</b>								
2 Trackhoes		100,000						100,000
Total 396 Power Operated Equipment		100,000	-	-	-	-	-	100,000
Accumulated Depreciation			100,000	100,000	100,000	100,000	100,000	
<b>TOTAL UPIS - WASTEWATER</b>		<b>21,958,148</b>	<b>647,842</b>	<b>647,842</b>	<b>647,842</b>	<b>647,842</b>	<b>647,842</b>	<b>15,908,207</b>
			<b>13,316,839</b>	<b>13,964,681</b>	<b>14,612,523</b>	<b>15,260,365</b>	<b>15,908,207</b>	

Environmental Utilities, LLC  
 CIAC and Amortization  
 Schedule 1B Support (Schedule D)

<b>CIAC Annual Additions</b>											
CIAC Fee	\$	11,927.85									
Charlotte County Impact Fee	\$	2,251.00									
Total cost Year 2047		21,958,148	Schedule 1B								
Total Factored ERCs		1,248	Capacity								
<b>Year</b>		<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>
Factored ERCs		860	17	17	17	17	17	17	17	17	17
Annual - Service Availability (not incl CC)	\$	10,257,951	202,773	202,773	202,773	202,773	202,773	202,773	202,773	202,773	202,773

Lateral Installation Fee	\$984										
Annual Lateral Installation Fee	\$846,360	\$16,730	\$16,730	\$16,730	\$16,730	\$16,730	\$16,730	\$16,730	\$16,730	\$16,730	\$16,730
Annual CIAC by Year	\$11,104,311	\$219,504	\$219,504	\$219,504	\$219,504	\$219,504	\$219,504	\$219,504	\$219,504	\$219,504	\$219,504
<b>Total CIAC</b>	<b>\$11,104,311</b>	<b>\$11,323,814</b>	<b>\$11,543,318</b>	<b>\$11,762,822</b>	<b>\$11,982,326</b>	<b>\$12,201,830</b>	<b>\$12,421,333</b>	<b>\$12,640,837</b>	<b>\$12,860,341</b>	<b>\$13,079,845</b>	

Collection System Annual Amortization

	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>
Composite Rate										
3.41%	\$ 378,781	\$ 386,269	\$ 393,756	\$ 401,244	\$ 408,731	\$ 416,219	\$ 423,706	\$ 431,194	\$ 438,681	\$ 446,169

Collection System Accumulated Amortization

	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2033</b>
	\$ 378,781	\$ 765,050	\$ 1,158,806	\$ 1,560,050	\$ 1,968,781	\$ 2,385,000	\$ 2,808,706	\$ 3,239,900	\$ 3,678,582	\$ 4,124,751

Environmental Utilities, LLC  
 CIAC and Amortization  
 Schedule 1B Support (Schedule D)

CIAC Annual Additions										
CIAC Fee										
Charlotte County Impact Fee										
Total cost Year 2047										
Total Factored ERCs										
Year	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Factored ERCs	17	17	17	17	17	17	17	17	17	17
Annual - Service Availability (not incl CC)	\$202,773	\$202,773	\$202,773	\$202,773	\$202,773	\$202,773	\$202,773	\$202,773	\$202,773	\$202,773
Lateral Installation Fee										
Annual Lateral Installation Fee	\$16,730	\$16,730	\$16,730	\$16,730	\$16,730	\$16,730	\$16,730	\$16,730	\$16,730	\$16,730
Annual CIAC by Year	\$219,504	\$219,504	\$219,504	\$219,504	\$219,504	\$219,504	\$219,504	\$219,504	\$219,504	\$219,504
<b>Total CIAC</b>	<b>\$13,299,349</b>	<b>\$13,518,853</b>	<b>\$13,738,356</b>	<b>\$13,957,860</b>	<b>\$14,177,364</b>	<b>\$14,396,868</b>	<b>\$14,616,372</b>	<b>\$14,835,875</b>	<b>\$15,055,379</b>	<b>\$15,274,883</b>

Collection System Annual Amortization

		2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Composite Rate											
3.41%	\$	453,657	\$ 461,144	\$ 468,632	\$ 476,119	\$ 483,607	\$ 491,094	\$ 498,582	\$ 506,069	\$ 513,557	\$ 521,044

Collection System Accumulated Amortizat

	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
	\$ 4,578,407	\$ 5,039,551	\$ 5,508,183	\$ 5,984,302	\$ 6,467,909	\$ 6,959,003	\$ 7,457,585	\$ 7,963,654	\$ 8,477,211	\$ 8,998,255

Environmental Utilities, LLC  
 CIAC and Amortization  
 Schedule 1B Support (Schedule D)

CIAC Annual Additions				
CIAC Fee				
Charlotte County Impact Fee				
Total cost Year 2047				
Total Factored ERCs				
Year	2044	2045	2046	2047
Factored ERCs	17	17	17	14
Annual - Service Availability (not incl CC)	\$202,773	\$202,773	\$202,773	\$166,990

<b>Lateral Installation Fee</b>				
Annual Lateral Installation Fee	\$16,730	\$16,730	\$16,730	\$13,778
Annual CIAC by Year	\$219,504	\$219,504	\$219,504	\$180,768
<b>Total CIAC</b>	<b>\$15,494,387</b>	<b>\$15,713,891</b>	<b>\$15,933,395</b>	<b>\$16,114,162</b>

Collection System Annual Amortization

	2044	2045	2046	2047
Composite Rate				
3.41%	\$ 528,532	\$ 536,019	\$ 543,507	\$ 549,673

Collection System Accumulated Amortizat

	2044	2045	2046	2047
	\$ 9,526,787	\$ 10,062,806	\$ 10,606,313	\$ 11,155,986

Schedule 7 (Support)  
 Page 1

Environmental Utilities, LLC  
 Initial Rates and Charges  
 Projected Net Operating Income  
 Projected Year 2033

Line No.	Projected Costs	Additional Revenues and RAFs	Required Revenues
1	<b>Wastewater</b>		
2	Operating Revenue	\$ 2,142,157	\$ 2,142,157
3			
4	Operating Expenses		
5	Operation & Maintenance Expenses \$ 1,236,731		\$ 1,236,731
6	Depreciation net of CIAC Amortization 232,177		232,177
7	Amortization 17,217		17,217
8	Taxes Other Than Income 236,713	96,397	333,110
9	Income Taxes* 81,844		81,844
10	Total Operating Expenses \$ 1,722,838	\$ 96,397	\$ 1,901,080
11			
12	Net Operating Income (Loss) \$ (1,722,838)	\$ 2,045,760	\$ 241,077
13			
14	Rate Base \$ 6,445,536		\$ 6,445,536
15			
16	Rate of Return		3.74%

Environmental Utilities, LLC  
 Initial Rates and Charges  
 Wastewater System  
 Calculation of Rates for Wastewater Utility based on projections at 80% Design Capacity  
 Projected 2033

Line No.	NARUC Acct. No.	Description	Total Revenue Requirement	Allocation Percentage		Allocation Amount	
				Base Facility Charge	Gallorage Charge	Base Facility Charge	Gallorage Charge
1		<b>Operations &amp; Maintenance Expenses</b>					
2	701	Salaries and Wages - Employees	164,808	56%	44%	92,293	72,516
3	703	Salaries and Wages - Other	85,330	56%	44%	47,785	37,545
4	704	Employees Pensions and Benefits	86,215	56%	44%	48,280	37,935
5	710	Purchased Wastewater Treatment	524,684	56%	44%	293,823	230,861
6	711	Sludge Removal Expense	212,349	56%	44%	118,915	93,433
7	715	Purchased Power	18,285	56%	44%	10,240	8,045
8	716	Fuel for Power Production					
9	718	Chemicals		56%	44%	-	-
10	720	Materials and Supplies	14,628	56%	44%	8,192	6,436
11	731	Contractual Services - Engineering		56%	44%	-	-
12	732	Contractual Services - Accounting		56%	44%	-	-
13	733	Contractual Services - Legal		56%	44%	-	-
14	734	Contractual Services - Mgmt. Fees		56%	44%	-	-
15	735	Contractual Services - Testing		56%	44%	-	-
16	736	Contractual Services - Billing	29,197	56%	44%	16,351	12,847
17	740	Rents	13,897	56%	44%	7,782	6,114
18	750	Transportation Expense	19,016	56%	44%	10,649	8,367
19	756	Insurance - Vehicle	7,314	56%	44%	4,096	3,218
20	757	Insurance - General Liability	19,504	56%	44%	10,922	8,582
21	758	Insurance - Workers Comp	22,489	56%	44%	12,594	9,895
22	759	Insurance - Other		56%	44%	-	-
23	766	Regulatory Commission Expense				-	-
24		Amortization of Rate Case Expense					
25	767	Regulatory Commission Expense- Other					
26	770	Bad Debt Expense					
27	775	Miscellaneous Expense	19,016	56%	44%	10,649	8,367
28		<b>Total Operations &amp; Maintenance Expenses</b>	<b>\$ 1,236,731</b>			<b>\$ 692,570</b>	<b>\$ 544,161</b>
29							
30	403	<b>Depreciation - Net of CIAC Amortization</b>	232,177	56%	44%	130,019	102,158
31							
32	407	<b>Amortization Expense - Org Cost</b>	13,050	56%	44%	7,308	5,742
33							
34	407	<b>Amortization Expense - Billing Software</b>	4,167	56%	44%	2,333	1,833
35							
36	408	<b>Taxes Other Than Income</b>	333,110	56%	44%	186,542	146,568
37							
38		<b>Income Taxes</b>	81,844	56%	44%	45,833	36,012
39							
40		<b>Net Operating Income</b>	<b>241,077</b>	56%	44%	<b>135,003</b>	<b>106,074</b>
41							
42		<b>Less: Revenues from Miscellaneous Charges</b>	<b>(128)</b>	100%		<b>(128)</b>	<b>-</b>
43							
44		<b>Total Revenue Requirement from Rates</b>	<b>\$ 2,142,029</b>			<b>\$ 1,199,480</b>	<b>\$ 942,548</b>
45							
46		Factored Bills (Monthly factored bills X 12)				11,981	
47		Annual Billable Gallons					29,518
48							
49		<b>Base Facility Charge</b>				<b>\$ 100.12</b>	
50							
51		<b>Gallorage Charge (per 1,000) - Residential</b>					<b>\$ 31.93</b>
52		<b>Gallorage Charge (per 1,000) - General Service</b>					<b>\$ 38.32</b>
53							
54							
55		<b>Monthly factored bills</b>					
56							
57		5/8" (Res)	1	998	998	1,248	1,248
58		5/8" (Comm)	1	0	0	0	0
59		3/4"	1.5	0	0	0	0
60		1"	2.5	0	0	0	0
61		1-1/2" Turbine	5	0	0	0	0
62		2" Turbine	8	0	0	0	0
63		3" Turbine	17.5	0	0	0	0
64							
65				998	998	1,248	1,248
66							
67		<b>Annual billable gallons</b>	<b>10% Rpression</b>	<b>Adjusted</b>		<b>Annual</b>	
68		Residential Gallons	29,518	23,614		32,797	
69		General Service Gallons	0	0		0	
70			<b>29,518</b>	<b>23,614</b>		<b>32,797</b>	

\*For Income Tax purposes, the Utility opted to be taxed as a C Corporation.

**Environmental Utilities, LLC**  
**Initial Rates and Charges**  
**Projected Capital Structure When Utility Reaches 80% Capacity**

Line No.	(1) Class of Capital	(2) Reconciled to Rate Base (Schedule 1) Year 2033 - 80%	(3) Ratio	(4) Cost Rate	(5) Weighted Cost
1	Long Term Debt	\$ -			
2	Short Term Debt	-			
3	Preferred Stock	-			
4	Common Equity	3,399,206	52.74%	7.09%	3.74%
5	Customer Deposits	6,120	0.09%	2.00%	0.00%
6	Tax Credits - Zero Cost				
7	Tax Credits - Weighted Cost				
8	Accumulated Deferred Income Tax	3,040,210	47.17%		0.00%
9	Other (Explain)				
10					
11	Total	\$ 6,445,536	100.00%		3.74%
12					
13	Note: The cost of equity is based on the leverage formula per Docket No. 20210006-WS				
14					
15					
16				General	
17	<u>Outstanding Customer Deposit Balance</u>		<u>Residential</u>	<u>Service</u>	
18	New Customers connected 2032 and 2033		34		
19	Average monthly bill		\$ 178.78		
20	Deposit requested		\$ 180.00		
21					
22	Deposit balance 2033 from new customers		\$ 6,120	\$ -	\$ 6,120

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing prefiled testimony has been furnished by E-mail to the following parties this 10<sup>th</sup> day of September, 2021:

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*/s/ Martin S. Friedman*  
Martin S. Friedman