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FCRU's Response to Staff's Amended
5th Interrogatories Nos. 37-49

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for water and wastewater service in Duval, Baker, and Nassau Counties, by First Coast Regional Utilities, Inc.	DOCKET NO. 20190168-WS DATED: February 23, 2021
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FIRST COAST REGIONAL UTILITIES, INC.'S RESPONSE TO
STAFF'S AMENDED FIFTH SET OF INTERROGATORIES TO FIRST COAST
REGIONAL UTILITIES, INC. (NOS. 37 - 49)

First Coast Regional Utilities, Inc. ("Applicant" or "FCRU" or the "Utility"), pursuant to rule 1.340, Florida Rules of Civil Procedure, responds to Staff's Fifth Interrogatories to Applicant.

INTERROGATORIES

37. Please describe whether the utility anticipates a seasonal customer base. If so, please provide the percentage of seasonality.

Response: The Utility does not anticipate a seasonal customer base.

38. Please explain in detail the demographics of the proposed service territory.

Response: The PUD Ordinance that applies to the Duval County portion of the proposed service territory permits the construction of: 11,250 single-family residential units; 3,750 multi-family residential units; 750,000 square feet of commercial space and 300,000 square feet of office space. There is a significant need for workforce housing in the area, and there will be a mixture of lot types for single-family detached products. However, as national and regional home builders will purchase the lots and construct the individual units, they will determine the ultimate specific mix of home sizes and prices. The multi-family attached products will vary with ranges facilitating condominiums, single family houses, townhomes and/or apartments. Again, the specific mix will be determined by the home builders that will buy the lots and construct the units. Within each Village

Center, the non-residential intensity within individual parcels will be 7,500 retail square feet per net acre and 12,000 office square feet per net acre. The primary types of commercial customers anticipated to be served include offices, retail stores and restaurants. It is also anticipated that medical facilities and recreational facilities will be constructed.

The Nassau County portion of the proposed service territory is primarily zoned industrial.

The Baker County portion of the proposed service territory has yet to be determined but will likely be a mix of residential product including single-family homes, townhomes and apartments with some supporting commercial and retail.

39. In Witness Swain's Testimony, the utility proposed a reclaim water rate for residential customers, which is shown on Schedule 5, page 1 of 3. The Commission evaluates the pricing of reclaim water based on rates charged by other reclaim water providers in the area. Please explain how the utility determined the reclaim water rate.

Response: The Utility evaluated the reclaimed rates for Jacksonville Electrical Authority (JEA) and Clay County Utility Authority (CCUA) to determine the proposed rates. The rates were as follows:

JEA: \$0.37/kgal

CCUA:

1st 15,000 gals \$0.76/kgal

Next 5,000 gals \$1.50/kgal

Over 20,000 gals \$2.26/kgal

40. In Witness Swain's Testimony, as shown on Schedule 5, page 2 of 3, the utility made a reduction (reclaimed water) to gallons for the water system in its calculation. Please explain in detail why the utility believes this reduction (reclaimed water) to the water gallons is appropriate.

Response: The Utility believes that approximately 15% of the residential potable water will be replaced by reclaimed water thereby reducing water gallons billed.

41. It is Commission practice to recover no more than 40 percent of the water revenues through the base facility charge (BFC) with the exception of a seasonal customer base. In Witness Swain's Testimony, as shown on Schedule 5, page 2 of 3, the utility proposed a 74 percent BFC allocation for its water. Please explain the methodology for the utility's proposed allocation and the appropriateness for this case.

Response: The methodology used was in line with the Utility's objectives to maintain rates that will not only provide revenue stability but allows customers to pay rates more closely associated with the actual cost of providing service. Excessive consumption is discouraged through conservation levels.

42. In Witness Swain's testimony, as shown on Schedule 5, page 3 of 3, the utility removed reclaimed water from the residential wastewater in its calculation. Please explain why the utility believes the removal of reclaimed water from wastewater gallons is appropriate.

Response: The Utility believes that approximately 15% of the residential potable water will be replaced by reclaimed water thereby reducing wastewater gallons billed.

43. It is Commission practice to recover no more than 50 percent of the wastewater revenues from the base facility charge with the exception of a seasonal customer base. In Witness Swain's Testimony, Schedule 5, page 3 of 3, the proposed a 74 percent BFC allocation for its wastewater. Please explain the methodology for the utility's proposed allocation and the appropriateness for this case.

Response: The methodology used was in line with the Utility's objectives to maintain rates that will not only provide revenue stability but allows customers to pay rates more closely associated with the actual cost of providing service. Excessive consumption is discouraged through conservation levels.

44. The utility requested a violation reconnection charge at actual cost. Pursuant to Rule 25-30.460(1) (c), Florida Administrative Code (F.A.C.), it is appropriate for the violation reconnection charge to be actual cost for wastewater service. Please provide the appropriate cost justification for the utility's requested violation reconnection charges for its water system.

Response: For the Water Tariff, the violation reconnection charges should be \$30.00, the same amount as the normal reconnection for which cost justification has been provided.

45. Regarding the utility's labor calculation for its requested miscellaneous service charges, the utility calculated the labor component using an hourly salary of \$20 and 1.33 hours to administer miscellaneous services. Typically, the Commission evaluates the labor component of requested miscellaneous service charges based on the separate administrative and field duties involved with administering miscellaneous services. Furthermore, the Commission typically approves miscellaneous service charges based on one-fourth hour of administrative labor and one-third hour of field labor.

- a. Please specify how much of the 1.33 hours is attributable to administrative and field labor respectively and the job functions performed by each.

Response: The total 1.33 hours is allocated to field labor and supervisor labor in the amount of 1.25 hours and .08 hour respectively. Job functions include the initial connection

for new customers, normal reconnection of service, premise visits in lieu of disconnection and supervision of these services. There is no allocation to administrative as this function is included in contracted services account 632/732.

46. Please explain if there is supervisory labor performed while processing miscellaneous service charges as similarly indicated while processing the utility's requested late payment charge. If not, please explain why.

Response: Yes. Supervisory labor is performed and included in the cost as indicated in response to 45. (a) above.

47. The Commission sets initial residential customer deposits based on two times the average residential consumption for the 5/8" x 3/4" meter size and two times the estimated bill for all general service meter sizes. Please explain the utility's methodology for determining the initial customer deposits for residential and general service shown on Schedule 7B and if different from the Commission methodology, please provide why the utility believes it is appropriate.

Response: The Utility's methodology for calculating the initial residential and general service customer deposits are in line with Commission methodology. The proposed customer deposit was calculated based on two times the average estimated bill, rounded, as shown on Schedule 7B.

48. Please identify the appropriate dollar amount of customer deposits per service (residential and general service) for the water and wastewater systems.

Response: The appropriate customer deposit for residential customers as calculated on

Schedule 7B is \$408.76, rounded to \$400.00. The appropriate customer deposit for general service customers as calculated on Schedule 7B is \$611.30, rounded to \$600.00

49. As shown on Schedules 6A, 6B, and 7A, the utility proposed service availability charges (main extension charges, plant capacity charges, and meter installation charges). Please provide a service availability policy pursuant to Rule 25-30.580, F.A.C.

Response: See attached Exhibit 1.

Respectfully submitted this 23rd day of February, 2021, by:

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AFFIDAVIT

STATE OF FLORIDA

COUNTY OF ST. Johns

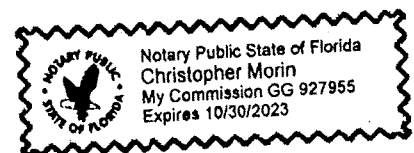
I hereby certify that on this 22 day of February, 2021, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, appeared Robert Kennelly, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory number(s) 37-38 from Staff's Amended Fifth Set of Interrogatories to First Coast Regional Utilities, Inc. (Nos. 37 - 49) in Docket No. 20190168-WS, and that the responses are true and correct based on his personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid on the date aforesaid.


Notary Public
State of Florida, at Large

My Commission Expires:

10/30/2023



State of FLORIDA
County of ST. JOHNS

The foregoing was acknowledged before me this 22nd day of Feb, 2021,
by Robert Kennelly (name of person acknowledging)


Notary Public

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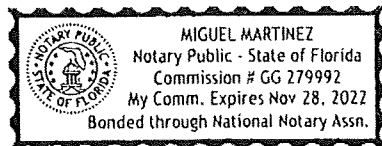
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STATE OF FLORIDA

COUNTY OF Miami-Dade

I hereby certify that on this 22 day of February, 2021, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, appeared Deborah Swain, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory number(s) 39-48 from Staff's Amended Fifth Set of Interrogatories to First Coast Regional Utilities, Inc. (Nos. 37 - 49) in Docket No. 20190168-WS, and that the responses are true and correct based on his personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid on the date aforesaid.





Notary Public
State of Florida, at Large

My Commission Expires:

AFFIDAVIT

STATE OF FLORIDA

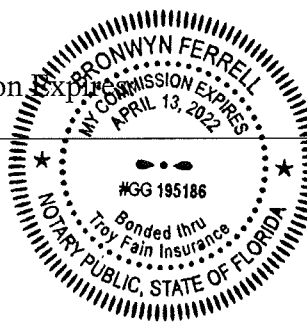
COUNTY OF Leon

I hereby certify that on this 22nd day of February, 2021, before me, an officer duly authorized in the State and County aforesaid to take acknowledgments, appeared F. Marshall Deterding, who is personally known to me, and he acknowledged before me that he provided the answers to interrogatory number 49 from Staff's Amended Fifth Set of Interrogatories to First Coast Regional Utilities, Inc. (Nos. 37 - 49) in Docket No. 20190168-WS, and that the responses are true and correct based on his personal knowledge.

In Witness Whereof, I have hereunto set my hand and seal in the State and County aforesaid on the date aforesaid.

Bronwyn Ferrell
Notary Public
State of Florida, at Large

My Commission Expires



SERVICE AVAILABILITY POLICY

Developers will install and donate all infrastructure to the Company and pay such Service Availability Charges as set forth herein.

ROBERT KENNELLY
ISSUING OFFICER

PRESIDENT
TITLE

SERVICE AVAILABILITY POLICY

Developers will install and donate all infrastructure to the Company and pay such Service Availability Charges as set forth herein.

WS-16-0108

ROBERT KENNELLY
ISSUING OFFICER

PRESIDENT
TITLE