

47

FCRU's Response to Staff's 2nd Request
for Production of Documents Nos. 10-11

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for Original Certificate of)	DOCKET NO. 20190168-WS
Authorization and Initial Rates and Charges)	
for Water and Wastewater Service in Duval,)	FILED: July 10, 2020
Baker and Nassau Counties, Florida by)	
FIRST COAST REGIONAL UTILITIES, INC.)	
)	

**FIRST COAST REGIONAL UTILITIES, INC.'S RESPONSE
TO STAFF'S SECOND REQUEST FOR PRODUCTION OF DOCUMENTS
TO FIRST COAST REGIONAL UTILITIES, INC.**

First Coast Regional Utilities, Inc. ("Applicant" or "First Coast"), pursuant to rule 1.350, Florida Rules of Civil Procedure, responds to Staff's Second Request for Production of Documents to Applicant.

**APPLICANT'S RESPONSES TO STAFF'S
SPECIFIC REQUESTS FOR PRODUCTION**

Request 10: Please provide workpapers in support of the utility's proposed 6,000 gallon wastewater cap.

Response: Because our estimated billable gallons were less than 6,000 gallons per customer per month, we determined that the maximum gallons billable should be 6,000 gallons.

See Exhibit H, page 15 (Schedule 5, page 3 of 3), which provides the total expected billed water gallons for wastewater bills, resulting in an anticipated 5,519 gallons per residential customer. (132,451kgs/12mos/2000 customers = 5,519).

Request 11: Please provide the workpapers in support of the utility's proposed customer deposits.

Response: See Exhibit H, page 12 (Schedule 4, Projected Capital cost). While the customer deposits were calculated at \$400 for residential, and \$600 for general service for combined water

and sewer, or twice the estimated bill, a review of the tariffs erroneously lists the customer deposits as \$400 and \$600 each for water and sewer.

Respectfully submitted this 10th day of July, 2020, by:

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By: 

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing has been furnished via electronic mail to the following this 10th day of July, 2020.

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Robert C. Brannan

First Coast Regional Utilities, Inc.
Initial Rates and Charges
Wastewater System
Calculation of Rates for Wastewater Utility based on projections at 80% Design Capacity
Projected Year 4

Line No.	NARUC Acct. No.	Description	Total Revenue Requirement	Allocation Percentage Base Facility Charge	Allocation Percentage Gallonage Charge	Allocation Amount Base Facility Charge	Allocation Amount Gallonage Charge
1		Operations & Maintenance Expenses					
2	701	Salaries and Wages - Employees	252,750	75%	25%	189,563	63,188
3	703	Salaries and Wages - Other					
4	704	Employees Pensions and Benefits	25,280	75%	25%	18,960	6,320
5	710	Purchased Wastewater Treatment			100%	-	-
6	711	Sludge Removal Expense	11,000		100%	-	11,000
7	715	Purchased Power	81,000	75%	25%	60,750	20,250
8	716	Fuel for Power Production					
9	718	Chemicals	45,000		100%	-	45,000
10	720	Materials and Supplies	78,500	75%	25%	58,875	19,625
11	731	Contractual Services - Engineering	10,000	75%	25%	7,500	2,500
12	732	Contractual Services - Accounting	10,000	75%	25%	7,500	2,500
13	733	Contractual Services - Legal	3,000	75%	25%	2,250	750
14	734	Contractual Services - Mgmt. Fees		75%	25%	-	-
15	735	Contractual Services - Testing	12,750	75%	25%	9,563	3,188
16	736	Contractual Services - Other	5,000	75%	25%	3,750	1,250
17	740	Rents				-	-
18	750	Transportation Expense	4,500	75%	25%	3,375	1,125
19	756	Insurance - Vehicle	2,500	75%	25%	1,875	625
20	757	Insurance - General Liability	12,000	75%	25%	9,000	3,000
21	758	Insurance - Workers Comp	6,300	75%	25%	4,725	1,575
22	759	Insurance - Other	5,000	75%	25%	3,750	1,250
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	35,000	75%	25%	26,250	8,750
28		Total Operations & Maintenance Expenses	\$ 599,580			\$ 407,685	\$ 191,895
29							
30	403	Depreciation - Net of CIAC Amortization	1,063,762	75%	25%	797,822	265,941
31							
32	407	Amortization Expense - Org Cost	2,000	75%	25%	1,500	500
33							
34	408	Taxes Other Than Income	741,709	75%	25%	556,281	185,427
35							
36		Income Taxes	465,115	75%	25%	348,836	116,279
37							
38		Net Operating Income	1,376,913	75%	25%	1,032,685	344,228
39							
40		Less: Revenues from Miscellaneous Charges	(8,400)	100%		(8,400)	-
41							
42		Total Revenue Requirement from Rates	\$ 4,240,679			\$ 3,136,409	\$ 1,104,270
43							
44		Factored Bills (Monthly factored bills X 12)				27,960	
45		Annual Billable Gallons					158,468
46							
47		Base Facility Charge				\$ 112.17	
48							
49		Gallonage Charge (per 1,000) - Residential					\$ 6.67
50		Gallonage Charge (per 1,000) - General Service					\$ 8.00
51		Gallonage Charge (per 1,000) - Reclaimed Water					\$ 0.50
52							
53		Monthly factored bills		80%		100%	
54				Bills	Factored	Bills	Factored
55		5/8" (Res)	1	2,000	2,000	2,500	2,500
56		5/8" (Comm)	1	180	180	225	225
57		3/4"	1.5	0	0	0	0
58		1"	2.5	60	150	75	188
59		1-1/2" Turbine	5	0	0	0	0
60		2" Turbine	8	0	0	0	0
61		3" Turbine	17.5	0	0	0	0
62							
63				2,240	2,330	2,800	2,913
64							
65		Annual billable gallons		Less Reclaimed	Adjusted	Annual	
66		Residential Gallons - Less Reclaimed Water	132,451		105,961	157,680	
67		General Service Gallons	26,017		24,977	26,017	
68			158,468		130,937	183,697	

Schedule 4
Docket No.

First Coast Regional Utilities, Inc.
Initial Rates and Charges
Projected Capital Structure When Utility Reaches 80% Capacity

	(1)	(2)	(3)	(4)	(5)
		Reconciled to			
		Rate Base (Schedule 1)			
Line No.	Class of Capital	Year 4 - 80%	Ratio	Cost Rate	Weighted Cost
1	Long Term Debt	\$ -			
2	Short Term Debt	-			
3	Preferred Stock	-			
4	Common Equity	22,519,463	97.95%	8.12%	7.95%
5	Customer Deposits	472,000	2.05%	2.00%	0.04%
6	Tax Credits - Zero Cost				
7	Tax Credits - Weighted Cost				
8	Accumulated Deferred Income Tax				
9	Other (Explain)				
10					
11	Total	\$ 22,991,463	100.00%		7.99%
12					

Note: The cost of equity is based on the leverage formula in effect pursuant to Order No. PSC-2018-0327-PAA-WS

	Residential	General Service
16		
17		
18	1,000	120
19	\$ 204.38	\$ 305.65
20	\$ 400.00	\$ 600.00
21		
22	\$ 400,000	\$ 72,000
		\$ 472,000