



KATHLEEN PASSIDOMO
President of the Senate

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PAUL RENNER
*Speaker of the House of
Representatives*

December 5, 2023

Adam Teitzman
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No 20230083-WS, Application for increase in water and wastewater rates in Orange County by Pluris Wedgefield, LLC.

Dear Mr. Teitzman:

Attached please find copies of the two exhibits that the Florida Office of Public Counsel distributed and referenced at this morning's agenda conference. Please file these in the docket.

Sincerely,

S/Charles J. Rehwinkel

Charles J. Rehwinkel
Deputy Public Counsel

cc: Parties of Record



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PAUL RENNER
*Speaker of the House of
Representatives*

November 30, 2023

Adam Teitzman
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No 20230083-WS, Application for increase in water and wastewater rates in Orange County by Pluris Wedgefield, LLC.

Dear Mr. Teitzman:

Commission staff's November 21, 2023 Memorandum recommending an interim rate increase for Pluris Wedgefield, LLC ("utility" or "company"), contains a recommended interim rate increase of \$410,299 or 25.16% for water and \$244,186 or 23.10% for wastewater. On November 13, 2023 and November 15, 2023, respectively, the Office of Public Counsel ("OPC") previously filed documents in the docket describing the errors in the calculation of interim rates that would violate Section 367.082, Florida Statutes. *See* Attachment A. OPC, after first conferring with the utility and staff, respectfully requests that the Commission not award unlawful interim revenues to the utility.

Section 367.082(5)(b)1., Florida Statutes, requires interim rates to be calculated by the strict statutory formula of "applying appropriate adjustments consistent with those which were used in the most recent individual rate proceeding of the utility...". Further, Section 367.082(5)(b)2., Florida Statutes, requires the use of the "average cost of capital for the most recent 12-month period" in determining the required rate of return. The balance sheet and capital structure adjustments presented by staff in its Recommendation are *pro forma* or reconstructed adjustment to the actual books. As such, they directly violate the interim statute provisions and cannot be used to increase customer rates.¹

¹ The staff overlooked the company's inclusion of \$28,682 in Contract Services – Management Fees in the interim revenue requirement. These are the functional equivalent of the \$14,341 for water and \$14,341 for wastewater that were disallowed in the 2011 rate case and faithfully removed in price index adjustments made in 2013 and 2015. *See* Attachment B. For some unknown reason, they were not removed in the utility's 2020 Price Index Application. At a minimum, the \$14,341 amounts for water and wastewater should be removed in accordance with the interim statute.

Specifically, the OPC asserts that the adjustment to increase equity as obliquely described on page 5 of the memorandum and reflected on Schedule 2 of the memorandum, is unlawful as it effectively constitutes a restatement of the 13-month average capital structure for the historical period of 2022 by impermissibly retroactively reclassifying as equity, current and accrued liabilities balances of the Accounts Payable – Associated Companies and Miscellaneous Current and Accrued Liabilities accounts in the amounts of \$3,848,517 and \$3,049,849, respectively, as a long-term liability. The effect of these adjustments is to convert current liabilities – not supporting any assets devoted to public service – into “common equity.” The adjustment also has the effect of “zeroing out” the negative working capital balance of \$6,055,979 that results from applying the balance sheet method consistent with the adjustment made in the utility’s last rate case. Both of these adjustments together unlawfully increase interim revenue requirements by over \$245,000.²

If the Commission ignores the interim statute and discards the objective historical 12-month period standard that has been followed for the past 50 years since the adoption of the interim statute in 1973 for electric utilities, the OPC will seek appellate relief in the form of an interlocutory appeal and a stay of the interim rate increase. The violation of the statute is plain on its face and is constitutionally required to be interpreted by the court. Interlocutory relief in the form of a stay is appropriate as customers will otherwise suffer irreparable harm by the Commission’s process to review interim rates at the conclusion of the case without consideration as to whether the initial interim revenues were illegal, but only whether they exceeded the permanent revenues awarded. Further, the authorization of illegal interim rates could force customers in the Hobson’s choice of accepting the illegality and thus the precedent of departure from the historical 12-month standard or to roll the dice and incur additional rate case expense in protesting the PAA rates in order to challenge the new capitalization that was applied in December 2022.³

² To the extent that the staff’s recommendation is somehow intended to be based on a combination of historical, year-end or projected information pursuant to Section 367.082(5)(a), Florida Statutes, the OPC would note that the Commission has already determined that such a “mix-and-match” approach is impermissible. See, e.g., Docket No. 950495-WS; Order No. PSC-96-0125-FOF-WS. Furthermore, there are no extraordinary circumstances that would support the use of year-end or projected information in any event.

³ To further explain the interim true-up methodology, pursuant to Section 367.082(4), F.S., any refund shall be calculated to reduce the rate of return of the Utility during the pendency of the proceeding to the same level within the range of the newly authorized rate of return. Adjustments made in the rate case test period that do not relate to the period interim rates are in effect shall be removed. Thusly, a revised interim revenue requirement is calculated utilizing the same data used to establish final rates. Rate case expense is excluded because this item is prospective in nature and did not occur during the interim collection period. Using the principles discussed above, the Commission calculates a revenue requirement for the interim collection period and compares it with the revenue requirement granted as memorialize in the Interim Order. If the revenue requirement approved in the Interim Order is less than the calculated revenue requirement for the interim collection period, no interim refund is required. It is theoretically possible that a pro forma restatement of the balance sheet accounts could be authorized for setting prospective permanent rates. If approved, such an adjustment would then “relate back” to the interim period in violation of Section 367.082(5), Florida Statutes. Thus, the customers would have no remedy at the conclusion of the case.

Adam Teitzman
November 30, 2023
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The OPC will appear at the December 5, 2023, Agenda Conference and respectfully request, on the record, a waiver of the 60-day time period for consideration of the interim rates and a deferral of this item to allow the OPC to confer with staff and the utility. We respectfully suggest that seeking such a waiver and deferral from the utility is preferable to accepting either OPC's accurate statutory computation of the interim request or the inaccurate version contained within the staff recommendation. We also ask that the Commission not be swayed by the argument that the non-final nature of an interim order is sufficient reason to order the payment of improper rates by customers in the furtherance an increase that both violates the statute and is a significant departure from this Commission's past practice. Errors of this financial magnitude that directly contravene the controlling statute should be acknowledged and corrected before moving forward.

We are available to answer any questions you might have. We have advised counsel for the company of our concerns and our intent and are copying him on this letter.

Sincerely,

S/Walt Trierweiler

Walt Trierweiler
Public Counsel

cc: Parties of Record

Attachment A



**KATHLEEN
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PAUL RENNER
*Speaker of the House of
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November 13, 2023

VIA: ELECTRONIC FILING

Adam Teitzman
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

**Re: Docket No. 20230083-WS – Application for Increase in Water and Wastewater Rates
in Orange County by Pluris Wedgefield, LLC.**

On September 22, 2023, Pluris Wedgefield, LLC (Pluris or Utility) filed the minimum filling requirements (MFRs) for the above-referenced docket. Section 367.082(2)(a), F.S., states that, in a proceeding for an interim increase in rates, the Commission shall authorize, within 60 days of the filing for such relief, the collection of rates sufficient to earn the minimum of the range of rate of return calculated in accordance with subparagraph (5)(b)2. The difference between the interim rates and the previously authorized rates shall be collected under bond, escrow, letter of credit, or corporate undertaking subject to refund with interest at a rate ordered by the Commission.

Section 367.082(2)(b), F.S., states that, in a proceeding for an interim decrease in rates, the Commission shall authorize, within 60 days of the filing for such relief, the continued collection of the previously authorized rates; however, revenues collected under those rates sufficient to reduce the achieved rate of return to the maximum of the rate of return calculated in accordance with subsection (5) shall be placed under bond, escrow, letter of credit, or corporate undertaking subject to refund with interest at a rate ordered by the Commission.

Section 350.0611(1), F.S., states that the Public Counsel shall have the powers to recommend to the Commission in any proceeding and urge therein any position deemed to be in the public interest. Section 350.0611(4), F.S., states that the Public Counsel shall have the powers to prepare and issue recommendations to the Commission on any matter or subject within the jurisdiction of the Commission. Section 367.082 (5)(b)1., Florida Statutes (F.S.), states:

‘Achieved rate of return’ means the rate of return earned by the company for the most recent 12-month period. The achieved rate of return shall be calculated by applying appropriate adjustments consistent with those which were used in the most recent individual rate proceeding of the utility or regulated company and annualizing any rate changes occurring during such period.

(Underline emphasis added)

The following are interim adjustments in accordance with Section 367.082(5)(b)1., F.S. that OPC respectfully submits for the Commission’s consideration.

Non-Used and Useful Adjustments

Pluris only reflected wastewater non-U&U adjustments of (\$8,648) to rate base (\$845) to depreciation expenses related to its wastewater treatment plant. However, the Utility failed to make interim non-U&U adjustments for its water distribution and wastewater collection systems. Pursuant to MFR Schedule F-5 and consistent with the Utility’s last rate case, the Used and Useful (U&U) percentage for Pluris’ water distribution and wastewater collection systems should be 92.20% $[(1,669+63)/1,911]$ which results in a 7.80% non-U&U percentage for interim purposes. In the last rate case for the distribution and collection systems, the Commission applied the non-U&U percentage to water accounts distribution reservoirs (330.4) and transmission & distribution mains (331.4) and wastewater accounts power generation equipment (355.2), collection sewers – force (360.2), collection sewers – gravity (361.2), services to customers (363.2), and flow measuring devices (364.2). Unlike the last rate case, the Utility now has a \$60,055 water balance for structures & improvements (304.4) for which the non-U&U percentage should be applied. Also, unlike the last rate case, the Utility now has a \$15,016 wastewater balance for structures & improvements (354.2) for which the non-U&U percentage should be applied. Based on the above, there should water non-U&U adjustments of (\$37,252) to rate base, (\$2,504) to depreciation expenses, and (\$499) to property taxes related to its distribution system, and wastewater non-U&U adjustments of (\$54,022) to rate base, (\$3,610) to depreciation expenses, and (\$2,210) to property taxes related to its collection system.

Working Capital Allowance

Rule 25-30.433(3), F.A.C., requires Class A utilities shall be calculated it working capital using the balance sheet approach. Rule 25-30.433(5), F.A.C., states, in pertinent part, that the averaging method used by the Commission to calculate rate base and cost of capital shall be a 13-month average for Class A utilities. On MFR Schedules A-18 and A-19, Pluris reported current assets of \$1,074,130 and current & accrued liabilities of \$7,130,109 which yields a negative working capital allowance of \$6,055,979. However, on MFR Schedule A-17 for both final and interim, the utility reduced its current & accrued liabilities by \$3,046,154 for accrued legal settlement and \$3,786,184 for accounts payable – associated companies. For interim purposes, these adjustments are inappropriate because they’re normalization adjustments to the historical test year that are pro

forma in nature which can be addressed in Pluris' final rate request.¹ In addition, these adjustments would subvert the historical 13-month average balance requirement for interim purposes. As stated above, the historical 13-month average balance using the balance sheet approach results in a negative working capital allowance for which the Commission has consistently set to zero based on its practice.²

Based on the Utility's adjustments to reduce its current & accrued liabilities by \$3,046,154 for accrued legal settlement and \$3,786,184 for accounts payable – associated companies, it resulted in positive working capital allowance of \$389,416 for water and \$386,943 for wastewater, as reflected on MFR Schedules A-1(a), A-2(a), and A-17. Accordingly, as discussed above for interim purposes, the working capital allowances for water and wastewater should be set to zero.

Overall Cost of Capital

On MFR Schedule D-2(a), Pluris made a \$6,281,931 specific adjustment to increase its 13-month average historical negative common equity balance of \$1,003,979. The \$6,281,931 amount was associated with a water lawsuit for which \$2,981,931 was legal expenses incurred from 2020-2022 and a \$3,300,000 settlement payment in 2022. This proposed adjustment by the Utility is yet another normalization adjustment to the 13-month average historical negative common equity balance that is not permitted for interim purposes. The removal of this specific adjustment results in a negative common equity balance for which the Commission has consistently set to zero based on its practice.³

Operating Revenues

On MFR Schedule B-3(a), Pluris did not reflect annualized operating revenue adjustments. As stated above, pursuant to Section 367.082(5)(b)1., F.S., the achieved rate of return for interim purposes must be calculated annualizing any rate changes. Using test year rates, the annualized service rate revenues are \$1,602,459 for water and \$1,087,300 for wastewater. On MFR Schedule B-4, the Utility reflected service rate operating revenues of \$1,598,744 for water and \$1,051,949 for wastewater. Thus, in accordance with Section 367.082(5)(b)1., F.S., there should be annualized operating revenue adjustments of \$3,715 for water and \$35,351 for wastewater.

Contractual Services – Management Fees

First, on MFR Schedule B-3(a), the Utility requested proforma adjustments to increase contractual services – management fees by \$237,010 for water and \$237,010 for wastewater. For interim purposes, the Commission has consistently excluded adjustments pro forma in nature.

Second, in its last rate case, the test year was December 31, 2011. On its 2011 Annual Report Schedule E-10(a), the Utility reflected \$198,315 for “Management, Accounting, Tax,

¹ For interim purposes, the Commission has consistently excluded normalization adjustments as they're pro forma in nature. Please see page 9 of Order No. PSC-08-0534-FOF-WS and page 14 of Order No. PSC-09-0022-PCO-WU.

² Please see page 3 of Order No. PSC-09-0751-PCO-SU.

³ Please see page 4 of Order No. PSC-09-0022-PCO-WU.

Construction, Financial Services, and all Administrative Services” provided by Pluris Holdings, LLC, as well as \$99,158 on Schedule W-10(a) and \$99,157 on S-10(a).

On Column 14, Line 12 on MFR Schedule B-5 from its last rate case, the Utility reflected an annual amount of Contractual Services – management fees of \$98,046 for water which represented an unreconciled difference of \$1,112 from the 2011 Annual Report Schedule w-10(a). On Column 14, Line 13 on MFR Schedule B-6 from its last rate case, Pluris reflected an annual amount of Contractual Services – management fees of \$98,045 for wastewater which represented an unreconciled difference of \$1,112 from the 2011 Annual Report Schedule S-10(a).

On Column 16, Line 12 on the MFR Schedule B-5 from its last rate case, the Utility reflected an adjusted annual amount of Contractual Services – management fees of \$96,969 for water. On Column 16, Line 13 on the MFR Schedule B-6 from its last rate case, Pluris reflected an adjusted annual amount of Contractual Services – management fees of \$96,969 for wastewater. The total amount on these schedules for water and wastewater amounted to \$193,938 which matched the total Utility allocation of \$193,938 reflected on MFR Schedules G-1 and G-2 from the last rate case. In the last rate case, the Commission granted a total of \$159,091 (\$79,545 for water and \$79,544 for wastewater) of contractual services – management fees which represents 82.03% of the \$193,938 amount.

Like the 2011 Annual Report, the 2012 through 2021 Annual Reports reflected the organizational chart on Schedule E-5 with only Pluris Holdings, LLC as the parent company to the Utility. On Schedule E-5 of the 2022 Annual Report, Pluris reflects two additional affiliates. Pluris Capital Group, LLC is reflected as the grand parent company to the Utility, and Pluris Management Group, LLC is a sister company of Pluris which reports directly to Pluris Capital Group, LLC. Further, on Schedule E-10(a), Pluris Management Group, LLC replaced Pluris Holding, LLC but the description of service remained the same as “Management, Accounting, Tax, Construction, Financial Services, and all Administrative Services”.

Like the 2011 Annual Report, the amount reflected on Schedule E-10(a) of annual reports from 2012 through 2020 tied to the sum of the amounts reflected on Schedules W-10(a) and S-10(a). However, inexplicably in the Utility’s 2021 and 2022 Annual Reports, the sum of the amounts reflected on Schedules W-10(a) and S-10(a) is \$225,020 and \$207,876, respectively, greater than the amounts of \$327,766 and \$311,712, respectively, reflected on Schedule E-5(a).⁴ Specifically, for the 2022 Annual Report, Pluris reflected \$259,794 for water on Schedule W-10(a) and \$259,794 for wastewater on Schedule S-10(a).

By letter dated October 26, 2023,⁵ OPC pointed out that Pluris failed to comply in its petition for instant case with Rule 25-30.436(5)(g), F.A.C., which requires detailed affiliate cost allocation information that the Utility previously provided in its last rate case. Instead of in response to a

⁴ These differences will need to be investigated further for final purposes.

⁵ See Document No. 05829-2023.

Commission staff's deficiency letter, the Utility did provide detailed affiliate cost allocation information in response to Commission Staff's First Data Request.⁶

Based on the above and to make adjustments consistent with the last rate case in accordance with Section 367.082(5)(b)1., F.S., the Utility should be limited to \$213,109 or 82.03% of the \$259,794 amount recorded for both water and wastewater. Accordingly, this would represent a reduction of \$46,680 [$\$259,794 * (1-0.820319)$] for water and \$46,680 for wastewater.

Contractual Services – Legal

On MFR Schedule B-5 (Column 14, Line 11), the Utility reflected \$655,854 in total annual contractual services – legal expenses for water. On MFR Schedule B-3(a), Pluris removed \$655,854 for which it stated were extraordinary legal fees. The Utility's election to not seek recovery of these costs for interim purposes does not justify nor support altering the historical negative test year balances for working capital and common equity for interim purposes.

Provision for Income Taxes

On MFR Schedule C-1 - entitled "Reconciliation of Total Income Tax Provision," Pluris stated the following: "The Utility is not currently a C-Corp so this schedule is not applicable." On MFR Schedule B-1(a) and B-2(a), Pluris reflected a Provision for Income Taxes of \$108,578 and \$29,478 for water and wastewater, respectively. Further, on these MFR schedules, the Utility erroneously reflected that the supporting schedule was B-3(a).

Pursuant to Rule 25-30.437(1), F.A.C., Class A utilities are required to provide Commission Form PSC 1028 (12/20), entitled "Class A Water and/or Wastewater Utilities Financial, Rate and Engineering Minimum Filing Requirements." Pursuant to Rule 25-30.437(2)(d), F.A.C., requires that, if a petition for interim rates is filed, a utility must demonstrate that it is earning outside the range of reasonableness on rate of return calculated in accordance with Section 367.082(5), F.S. To demonstrate this, the utility must submit schedules of rate base, cost of capital and net operating income on an historical basis, with schedules of all adjustments thereto, consistent with Commission Form PSC 1028 (12/20) for a Class A utility, PSC 1029 (12/20). Under Form PSC 1028 (12/20), MFR Schedule C-1 is the supporting schedule for the "Provision for Income Taxes" amounts reflected on MFR Schedules B-1 and B-2. Therefore, consistent with Pluris' MFR Schedule C-1, there should be \$0 for the "Provision for Income Taxes" on MFR Schedules B-1(a) and B-2(a) for interim purposes. Accordingly, Pluris' requested provision for income taxes of \$108,578 for water and \$29,478 for wastewater should be disallowed for interim purposes.

Conclusion

The Utility requested a revenue increase of \$743,196 or 45.66% for water and \$541,637 or 51.49% for wastewater. Based on the adjustments discussed above in accordance with Section 368.082(5)(b)1., F.S., Rules 25-30.433, 25-30.436, and 25-30.437, F.A.C., and Commission

⁶ See Document No. 05940-2023.

Adam Teitzman
November 13, 2023

practice, the Commission should approve a water interim increase of \$152,190 or 9.19% and a wastewater interim increase of \$83,936 or 7.52%.

Respectfully submitted,

Bart Fletcher

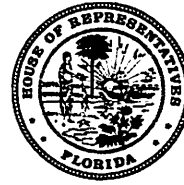
Bart Fletcher
Legislative Analyst



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November 15, 2023

VIA: ELECTRONIC FILING

Adam Teitzman
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2540 Shumard Oak Boulevard
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Re: Docket No. 20230083-WS – Application for Increase in Water and Wastewater Rates in Orange County by Pluris Wedgefield, LLC; Public Counsel’s Corrected letter recommending a reduction in the statutorily required interim rates.

On September 22, 2023, Pluris Wedgefield, LLC (Pluris or Utility) filed the minimum filing requirements (MFRs) for the above-referenced docket. Section 367.082(2)(a), F.S., states that, in a proceeding for an interim increase in rates, the Commission shall authorize, within 60 days of the filing for such relief, the collection of rates sufficient to earn the minimum of the range of rate of return calculated in accordance with subparagraph (5)(b)2. The difference between the interim rates and the previously authorized rates shall be collected under bond, escrow, letter of credit, or corporate undertaking subject to refund with interest at a rate ordered by the Commission.

Section 367.082(2)(b), F.S., states that, in a proceeding for an interim decrease in rates, the Commission shall authorize, within 60 days of the filing for such relief, the continued collection of the previously authorized rates; however, revenues collected under those rates sufficient to reduce the achieved rate of return to the maximum of the rate of return calculated in accordance with subsection (5) shall be placed under bond, escrow, letter of credit, or corporate undertaking subject to refund with interest at a rate ordered by the Commission.

Section 350.0611(1), F.S., states that the Public Counsel shall have the powers to recommend to the Commission in any proceeding and urge therein any position deemed to be in the public interest. Section 350.0611(4), F.S., states that the Public Counsel shall have the powers to prepare

Adam Teitzman
Corrected Letter
November 15, 2023

and issue recommendations to the Commission on any matter or subject within the jurisdiction of the Commission. Section 367.082 (5)(b)1., Florida Statutes (F.S.), states:

‘Achieved rate of return’ means the rate of return earned by the company for the most recent 12-month period. The achieved rate of return shall be calculated by applying appropriate adjustments consistent with those which were used in the most recent individual rate proceeding of the utility or regulated company and annualizing any rate changes occurring during such period.

(Underline emphasis added)

The following are interim adjustments in accordance with Section 367.082(5)(b)1., F.S., that OPC respectfully submits for the Commission’s consideration. *The original November 13, 2023 letter has been corrected to clarify that the OPC is only recommending a limitation in the interim rates required by law.*

Non-Used and Useful Adjustments

Pluris only reflected wastewater non-U&U adjustments of (\$8,648) to rate base (\$845) to depreciation expenses related to its wastewater treatment plant. However, the Utility failed to make interim non-U&U adjustments for its water distribution and wastewater collection systems. Pursuant to MFR Schedule F-5 and consistent with the Utility’s last rate case, the Used and Useful (U&U) percentage for Pluris’ water distribution and wastewater collection systems should be 92.20% $[(1,669+63)/1,911]$ which results in a 7.80% non-U&U percentage for interim purposes. In the last rate case for the distribution and collection systems, the Commission applied the non-U&U percentage to water accounts distribution reservoirs (330.4) and transmission & distribution mains (331.4) and wastewater accounts power generation equipment (355.2), collection sewers – force (360.2), collection sewers – gravity (361.2), services to customers (363.2), and flow measuring devices (364.2). Unlike the last rate case, the Utility now has a \$60,055 water balance for structures & improvements (304.4) for which the non-U&U percentage should be applied. Also, unlike the last rate case, the Utility now has a \$15,016 wastewater balance for structures & improvements (354.2) for which the non-U&U percentage should be applied. Based on the above, there should water non-U&U adjustments of (\$37,252) to rate base, (\$2,504) to depreciation expenses, and (\$499) to property taxes related to its distribution system, and wastewater non-U&U adjustments of (\$54,022) to rate base, (\$3,610) to depreciation expenses, and (\$2,210) to property taxes related to its collection system.

Working Capital Allowance

Rule 25-30.433(3), F.A.C., requires Class A utilities shall be calculated its working capital using the balance sheet approach. Rule 25-30.433(5), F.A.C., states, in pertinent part, that the averaging method used by the Commission to calculate rate base and cost of capital shall be a 13-month average for Class A utilities. On MFR Schedules A-18 and A-19, Pluris reported current assets of \$1,074,130 and current & accrued liabilities of \$7,130,109 which yields a negative working capital allowance of \$6,055,979. However, on MFR Schedule A-17 for both final and interim, the utility

reduced its current & accrued liabilities by \$3,046,154 for accrued legal settlement and \$3,786,184 for accounts payable – associated companies. For interim purposes, these adjustments are inappropriate because they're normalization adjustments to the historical test year that are pro forma in nature which can be addressed in Pluris' final rate request.¹ In addition, these adjustments would subvert the historical 13-month average balance requirement for interim purposes. As stated above, the historical 13-month average balance using the balance sheet approach results in a negative working capital allowance for which the Commission has consistently set to zero based on its practice.²

Based on the Utility's adjustments to reduce its current & accrued liabilities by \$3,046,154 for accrued legal settlement and \$3,786,184 for accounts payable – associated companies, it resulted in positive working capital allowance of \$389,416 for water and \$386,943 for wastewater, as reflected on MFR Schedules A-1(a), A-2(a), and A-17. Accordingly, as discussed above for interim purposes, the working capital allowances for water and wastewater should be set to zero.

Overall Cost of Capital

On MFR Schedule D-2(a), Pluris made a \$6,281,931 specific adjustment to increase its 13-month average historical negative common equity balance of \$1,003,979. The \$6,281,931 amount was associated with a water lawsuit for which \$2,981,931 was legal expenses incurred from 2020-2022 and a \$3,300,000 settlement payment in 2022. This proposed adjustment by the Utility is yet another normalization adjustment to the 13-month average historical negative common equity balance that is not permitted for interim purposes. The removal of this specific adjustment results in a negative common equity balance for which the Commission has consistently set to zero based on its practice.³

Operating Revenues

On MFR Schedule B-3(a), Pluris did not reflect annualized operating revenue adjustments. As stated above, pursuant to Section 367.082(5)(b)1., F.S., the achieved rate of return for interim purposes must be calculated annualizing any rate changes. Using test year rates, the annualized service rate revenues are \$1,602,459 for water and \$1,087,300 for wastewater. On MFR Schedule B-4, the Utility reflected service rate operating revenues of \$1,598,744 for water and \$1,051,949 for wastewater. Thus, in accordance with Section 367.082(5)(b)1., F.S., there should be annualized operating revenue adjustments of \$3,715 for water and \$35,351 for wastewater.

Contractual Services – Management Fees

First, on MFR Schedule B-3(a), the Utility requested proforma adjustments to increase contractual services – management fees by \$237,010 water and \$237,010 for wastewater. For interim purposes, the Commission has consistently excludes adjustments pro forma in nature.

¹ For interim purposes, the Commission has consistently excluded normalization adjustments as they're pro forma in nature. Please see page 9 of Order No. PSC-08-0534-FOF-WS and page 14 of Order No. PSC-09-0022-PCO-WU.

² Please see page 3 of Order No. PSC-09-0751-PCO-SU.

³ Please see page 4 of Order No. PSC-09-0022-PCO-WU.

Adam Teitzman
Corrected Letter
November 15, 2023

Second, in its last rate case, the test year was December 31, 2011. On its 2011 Annual Report Schedule E-10(a), the Utility reflected \$198,315 for “Management, Accounting, Tax, Construction, Financial Services, and all Administrative Services” provided by Pluris Holdings, LLC, as well as \$99,158 on Schedule W-10(a) and \$99,157 on S-10(a).

On Column 14, Line 12 on MFR Schedule B-5 from its last rate case, the Utility reflected an annual amount of Contractual Services – management fees of \$98,046 for water which represented an unreconciled difference of \$1,112 from the 2011 Annual Report Schedule w-10(a). On Column 14, Line 13 on MFR Schedule B-6 from its last rate case, Pluris reflected an annual amount of Contractual Services – management fees of \$98,045 for wastewater which represented an unreconciled difference of \$1,112 from the 2011 Annual Report Schedule S-10(a).

On Column 16, Line 12 on the MFR Schedule B-5 from its last rate case, the Utility reflected an adjusted annual amount of Contractual Services – management fees of \$96,969 for water. On Column 16, Line 13 on the MFR Schedule B-6 from its last rate case, Pluris reflected an adjusted annual amount of Contractual Services – management fees of \$96,969 for wastewater. The total amount on these schedules for water and wastewater amounted to \$193,938 which matched the total Utility allocation of \$193,938 reflected on MFR Schedules G-1 and G-2 from the last rate case. In the last rate case, the Commission granted a total of \$159,091 (\$79,545 for water and \$79,544 for wastewater) of contractual services – management fees which represents 82.03% of the \$193,938 amount.

Like the 2011 Annual Report, the 2012 through 2021 Annual Reports reflected the organizational chart on Schedule E-5 with only Pluris Holdings, LLC as the parent company to the Utility. On Schedule E-5 of the 2022 Annual Report, Pluris reflects two additional affiliates. Pluris Capital Group, LLC is reflected as the grand parent company to the Utility, and Pluris Management Group, LLC is a sister company of Pluris which reports directly to Pluris Capital Group, LLC. Further, on Schedule E-10(a), Pluris Management Group, LLC replaced Pluris Holding, LLC but the description of service remained the same as “Management, Accounting, Tax, Construction, Financial Services, and all Administrative Services”.

Like the 2011 Annual Report, the amount reflected on Schedule E-10(a) of annual reports from 2012 through 2020 tied to the sum of the amounts reflected on Schedules W-10(a) and S-10(a). However, inexplicably in the Utility’s 2021 and 2022 Annual Reports, the sum of the amounts reflected on Schedules W-10(a) and S-10(a) is \$225,020 and \$207,876, respectively, greater than the amounts of \$327,766 and \$311,712, respectively, reflected on Schedule E-5(a).⁴ Specifically, for the 2022 Annual Report, Pluris reflected \$259,794 for water on Schedule W-10(a) and \$259,794 for wastewater on Schedule S-10(a).

By letter dated October 26, 2023,⁵ OPC pointed out that Pluris failed to comply in its petition for instant case with Rule 25-30.436(5)(g), F.A.C., which requires detailed affiliate cost allocation information that the Utility previously provided in its last rate case. Instead of in response to a

⁴ These differences will need to be investigated further for final purposes.

⁵ See Document No. 05829-2023.

Adam Teitzman
Corrected Letter
November 15, 2023

Commission staff's deficiency letter, the Utility did provide detailed affiliate cost allocation information in response to Commission Staff's First Data Request.⁶

Based on the above and to make adjustments consistent with the last rate case in accordance with Section 367.082(5)(b)1., F.S., the Utility should be limited to \$213,109 or 82.03% of the \$259,794 amount recorded for both water and wastewater. Accordingly, this would represent a reduction of \$46,680 [$\$259,794 * (1 - 0.820319)$] for water and \$46,680 for wastewater.

Contractual Services – Legal

On MFR Schedule B-5 (Column 14, Line 11), the Utility reflected \$655,854 in total annual contractual services – legal expenses for water. On MFR Schedule B-3(a), Pluris removed \$655,854 for which it stated were extraordinary legal fees. The Utility's election to not seek recovery of these costs for interim purposes does not justify nor support altering the historical negative test year balances for working capital and common equity for interim purposes.

Provision for Income Taxes

On MFR Schedule C-1 - entitled "Reconciliation of Total Income Tax Provision," Pluris stated the following: "The Utility is not currently a C-Corp so this schedule is not applicable." On MFR Schedule B-1(a) and B-2(a), Pluris reflected a Provision for Income Taxes of \$108,578 and \$29,478 for water and wastewater, respectively. Further, on these MFR schedules, the Utility erroneously reflected that the supporting schedule was B-3(a).

Pursuant to Rule 25-30.437(1), F.A.C., Class A utilities are required to provide Commission Form PSC 1028 (12/20), entitled "Class A Water and/or Wastewater Utilities Financial, Rate and Engineering Minimum Filing Requirements." Pursuant to Rule 25-30.437(2)(d), F.A.C., requires that, if a petition for interim rates is filed, a utility must demonstrate that it is earning outside the range of reasonableness on rate of return calculated in accordance with Section 367.082(5), F.S. To demonstrate this, the utility must submit schedules of rate base, cost of capital and net operating income on an historical basis, with schedules of all adjustments thereto, consistent with Commission Form PSC 1028 (12/20) for a Class A utility, PSC 1029 (12/20). Under Form PSC 1028 (12/20), MFR Schedule C-1 is the supporting schedule for the "Provision for Income Taxes" amounts reflected on MFR Schedules B-1 and B-2. Therefore, consistent with Pluris' MFR Schedule C-1, there should be \$0 for the "Provision for Income Taxes" on MFR Schedules B-1(a) and B-2(a) for interim purposes. Accordingly, Pluris' requested provision for income taxes of \$108,578 for water and \$29,478 for wastewater should be disallowed for interim purposes.

Conclusion

The Utility requested a revenue increase of \$743,196 or 45.66% for water and \$541,637 or 51.49% for wastewater.⁷ Based on the adjustments discussed above in accordance with Section

⁶ See Document No. 05940-2023.

⁷ This conclusion portion of the letter has been revised as shown in *italics*. There is no substantive change in the OPC recommendation.

Adam Teitzman
Corrected Letter
November 15, 2023

368.082(5)(b)1., F.S., Rules 25-30.433, 25-30.436, and 25-30.437, F.A.C., and Commission practice, the Commission *should not approve a water interim increase in an amount greater than \$152,190 or 9.19% nor should it approve a wastewater interim increase in an amount greater than \$83,936 or 7.52%.*

Respectfully submitted,

Bart Fletcher

Bart Fletcher
Legislative Analyst

SUNDSTROM,
FRIEDMAN & FUMERO, LLP
Attorneys | Counselors



Attachment B

766 NORTH SUN DRIVE
SUITE 4030
LAKE MARY, FLORIDA 32746

PHONE (407) 830-6331
FAX (407) 830-8522

www.sfflaw.com

September 25, 2013

VIA FEDEX

Mr. Marshall Willis
Director of Economic Regulation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Pluris Wedgefield, Inc.
2013 Price Index Filing
Our File No.: 43085.09

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION
13 SEP 27 AM 12: 24
DIVISION OF
ACCOUNTING & FINANCE

Dear Mr. Willis:

Enclosed for filing are the original and five (5) copies of the Notice of Intention to Increase Rates for Pluris Wedgefield, Inc.

Should you have any questions concerning this filing or need additional information, please do not hesitate to contact me.

Very truly yours,

MARTIN S. FRIEDMAN
For the Firm

MSF/
Enclosures

cc: Maurice Gallarda (via email, w/enclosures)
Dan Winters (via email, w/enclosures)

**FLORIDA PUBLIC SERVICE COMMISSION
2013 PRICE INDEX APPLICATION
TEST YEAR ENDED DECEMBER 31, 2012**

PLURIS WEDGEFIELD, INC.

DEP PWS ID NO.	PWS 3480149	<u>WATER</u>	<u>WASTEWATER</u>
DEP WWTP ID NO.	FLA 010900-005		
2012 Operation and Maintenance Expenses (O&M)		\$ 582,765	\$ 715,947
LESS: (a) Pass-through Items:			
(1) Purchased Power		(14,828)	(119,549)
(2) Purchased Water			
(3) Purchased Wastewater Treatment			
(4) New DEP Required Water Testing			
(5) New DEP Required Wastewater Testing			
(6) NPDES Fees			
(b) Rate Case Expense Included in 2012 Expenses			
(c) Adjustments to O&M Expenses from last rate case, if applicable:			
(1) See deductions to O&M expenses on following workpaper		(14,341)	(14,341)
		<hr/>	<hr/>
Costs to be Indexed		\$ 553,596	\$ 582,057
Multiply by change in GDP Implicit Price Deflator Index		.0163	.0163
		<hr/>	<hr/>
Indexed Costs		\$ 9,024	\$ 9,488
Add Change in Pass-Through Items:			
(1)			
(2)			
Divide Index and Pass-Through Sum by Expansion Factor for Regulatory Assessment Fees		0.955	0.955
		<hr/>	<hr/>
Increase in Revenue		\$ 9,449	\$ 9,935
Divide by 2012 Revenue		1,438,043	898,990
		<hr/>	<hr/>
Percentage Increase in Rates		0.66%	1.11%
		<hr/> <hr/>	<hr/> <hr/>

**FLORIDA PUBLIC SERVICE COMMISSION
2013 PRICE INDEX APPLICATION
TEST YEAR ENDED DECEMBER 31, 2012**

2012 O&M Expense Deductions Workpaper

WATER

WASTEWATER

**Note: Contractual Services - Mgt. Fees includes Parent expenses allocated across Pluris Utilities.
Per PSC-13-0187-PAA-WS pgs. 13-20, there were adjustments made to several line items for the 2011 test year. These line items are listed below (along with the page number from the Order) and the allocated amount of O&M expenses to Wedgefield for 2012 are reduced by the same amounts in the Order.**

	<u>2011 PSC Disallowed</u>		
Accounting/Tax Fees (p.16)	(80)	(40)	(40)
Automobile Expense (p.16)	(3,321)	(1,661)	(1,661)
Travel (p.17)	(11,736)	(5,868)	(5,868)
Dues and Subscriptions (p.17)	(65)	(33)	(33)
Wages (p.18-20)	(13,480)	(6,740)	(6,740)
Total deductions from 2012 O&M Expenses		<u>(14,341)</u>	<u>(14,341)</u>



March 31, 2015

VIA FEDEX

Mr. Andrew Maurey
Director of Economic Regulation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Pluris Wedgefield, Inc.
2015 Price Index Filing
Our File No.: 43085.09

Dear Mr. Maurey:

Enclosed for filing are the original and five (5) copies of the Notice of Intention to Increase Rates for Pluris Wedgefield, Inc.

Should you have any questions concerning this filing or need additional information, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in blue ink that reads "Martin S. Friedman".

MARTIN S. FRIEDMAN
For the Firm

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION
15 APR - 1 AM 8:09
ACCOUNTING & FINANCE

MSF/
Enclosures

cc: Maurice Gallarda (via email, w/enclosures)
Dan Winters (via email, w/enclosures)

**FLORIDA PUBLIC SERVICE COMMISSION
2015 PRICE INDEX APPLICATION
TEST YEAR ENDED DECEMBER 31, 2014**

PLURIS WEDGEFIELD, INC.

DEP PWS ID NO.	PWS 3480149	<u>WATER</u>	<u>WASTEWATER</u>
DEP WWTP ID NO.	FLA 010900-005		
2014 Operation and Maintenance Expenses (O&M)		\$ 573,913	\$ 567,068
LESS: (a)	Pass-through Items:		
	(1) Purchased Power	(32,091)	(96,619)
	(2) Purchased Water		
	(3) Purchased Wastewater Treatment		
	(4) New DEP Required Water Testing		
	(5) New DEP Required Wastewater Testing		
	(6) NPDES Fees		
(b)	Rate Case Expense Included in 2014 Expenses	(12,042)	(11,570)
(c)	Adjustments to O&M Expenses from last rate case, if applicable:		
	(1) See deductions to O&M expenses on following workpaper	(14,341)	(14,341)
		<hr/>	<hr/>
Costs to be Indexed		\$ 515,439	\$ 444,538
Multiply by change in GDP Implicit Price Deflator Index		0.0157	0.0157
		<hr/>	<hr/>
Indexed Costs		\$ 8,092	\$ 6,979
Add Change in Pass-Through Items:			
(1)			
(2)			
Divide Index and Pass-Through Sum by Expansion Factor for Regulatory Assessment Fees		0.955	0.955
		<hr/>	<hr/>
Increase in Revenue		\$ 8,474	\$ 7,308
Divide by 2014 Revenue		1,226,529	877,300
		<hr/>	<hr/>
Percentage Increase in Rates		0.69%	0.83%
		<hr/> <hr/>	<hr/> <hr/>

Company: Pluris Wedgefield, LLC
 Docket No.: 20230083-WS
 Test Year Ended: December 31, 2022

Schedule: A-17
 Page 1 of 1
 Preparer: Dan Winters
 Recap Schedule: A-1, A-2

Explanation: Provide the calculation of working capital using the balance sheet approach. This is calculated by subtracting current liabilities from current assets.

Line No	Water	Sewer
<u>Final & Interim Rates - 12/31/22</u>		
1	\$ 1,074,130	\$ 1,074,130
2	7,130,109	7,130,109
3	(3,046,154)	(3,046,154)
4	(3,786,184)	(3,786,184)
5	\$ 297,771	\$ 297,771
6	\$ 776,359	\$ 776,359
7	1,732	1,732
8	1,721	1,721
9	3,453	3,453
10	50.2%	49.8%
11	\$ 389,416	\$ 386,943

* A legal settlement was accrued in Dec 2021 and remained on the books until paid in Dec 2022. That expense has been removed from operating expenses and the average balance should be removed from the associated accrual account. See Schedule A-19 (2 of 2) for calculation of the adjustment.

** An adjustment was recorded in Dec 2022 to properly reclassify Debt from the Parent company as Equity contributions. In order to correctly average this balance, all amounts due to the Parent Company are removed from the associated Accounts Payable account. See Schedule A-19 (2 of 2) for calculation of the adjustment.

INTENTIONAL BANK

Comparative Balance Sheet - Assets

Florida Public Service Commission

Company: Pluris Wedgefield, LLC
 Docket No.: 20230083-WS
 Test Year Ended: December 31, 2022

Schedule: A-18
 Page 1 of 2
 Preparer: Dan Winters

Explanation: Provide a balance sheet for years requested. Provide same for historical base or intermediate years, if not already shown.

Line No.	(1) ASSETS	(2) Historic Year Ended 12/31/21	(3) January 2022	(4) February 2022	(5) March 2022	(6) April 2022	(7) May 2022	(8) June 2022
1	Utility Plant in Service	\$ 21,057,755	\$ 21,058,324	\$ 21,075,623	\$ 21,094,727	\$ 21,133,251	\$ 21,171,812	\$ 21,208,265
2	Construction Work in Progress	-	-	-	-	-	-	-
3	Other Utility Plant Adjustments	1,427,644	1,427,644	1,427,644	1,427,644	1,427,644	1,427,644	1,427,644
4	GROSS UTILITY PLANT	22,485,399	22,485,968	22,503,267	22,522,371	22,560,895	22,599,456	22,635,909
5	Less: Accumulated Depreciation	(12,655,645)	(12,715,212)	(12,774,850)	(12,834,600)	(12,894,569)	(12,954,783)	(13,015,207)
6	NET UTILITY PLANT	9,829,754	9,770,756	9,728,417	9,687,771	9,666,325	9,644,673	9,620,702
7	Other Investments	108,704	108,704	108,704	115,288	115,288	115,288	115,288
8	TOTAL OTHER PROPERTY & INVESTMENTS	108,704	108,704	108,704	115,288	115,288	115,288	115,288
9	Cash	518,320	542,976	556,003	666,222	580,275	473,010	487,243
10	Special Deposits	25,300	25,300	25,300	25,300	25,300	25,300	25,300
11	Accounts Rec'b - trade	305,958	329,392	313,807	313,169	308,777	338,889	335,087
12	Notes Receivable	-	-	-	-	-	-	-
13	Accts. Rec'b - Assoc. Cos.	-	-	-	-	-	-	-
14	Notes Rec'b - Assoc. Cos.	-	-	-	-	-	-	-
15	Accts. Rec'b - Other	-	-	-	-	-	-	-
16	Accrued Interest Rec'b	-	-	-	-	-	-	-
17	Allowance for Bad Debts	-	-	-	-	-	-	-
18	Materials & Supplies	-	-	-	-	-	-	-
19	Prepayments	235,609	220,773	210,069	325,218	317,411	315,812	292,040
20	Temporary Cash Investments	-	-	-	-	-	-	-
21	Miscellaneous Current & Accrued Assets	-	-	-	-	-	-	-
22	TOTAL CURRENT ASSETS	1,085,186	1,118,441	1,105,179	1,329,908	1,231,763	1,153,011	1,139,669
23	Net nonutility property	-	-	-	-	-	-	-
24	Unamortized Debt Discount & Exp.	13,603	13,225	12,848	12,470	12,092	11,714	11,336
25	Prelim. Survey & Investigation Charges	-	-	-	-	-	-	-
26	Clearing Accounts	-	-	-	-	-	-	-
27	Deferred Rate Case Expense	-	-	-	-	-	-	-
28	Other Miscellaneous Deferred Debits	7,914	7,419	6,923	7,130	7,180	6,685	7,650
29	Accum. Deferred Income Taxes	-	-	-	-	-	-	-
30	TOTAL OTHER ASSETS	21,517	20,644	19,771	19,599	19,272	18,399	18,986
31	TOTAL ASSETS	\$ 11,045,162	\$ 11,018,545	\$ 10,962,070	\$ 11,152,566	\$ 11,032,649	\$ 10,931,370	\$ 10,894,645

Comparative Balance Sheet - Assets

Florida Public Service Commission

Company: Pluris Wedgefield, LLC
 Docket No.: 20230083-WS
 Test Year Ended: December 31, 2022

Schedule: A-18
 Page 2 of 2
 Preparer: Dan Winters

Explanation: Provide a balance sheet for years requested. Provide same for historical base or intermediate years, if not already shown.

Line No.	(1) ASSETS	(2) July 2022	(3) August 2022	(4) September 2022	(5) October 2022	(6) November 2022	(7) December 2022	(8) Average Balance
1	Utility Plant in Service	\$ 21,222,874	\$ 21,268,855	\$ 21,312,918	\$ 21,323,370	\$ 21,381,610	\$ 21,515,348	\$ 21,217,287
2	Construction Work in Progress	-	-	-	-	-	-	-
3	Other Utility Plant Adjustments	1,427,644	1,427,644	1,427,644	1,427,644	1,427,644	1,427,644	1,427,644
4	GROSS UTILITY PLANT	22,650,518	22,696,499	22,740,562	22,751,014	22,809,254	22,942,992	22,644,931
5	Less: Accumulated Depreciation	(13,075,300)	(13,136,096)	(13,196,874)	(13,257,216)	(13,299,520)	(13,362,710)	(13,013,276)
6	NET UTILITY PLANT	9,575,218	9,560,403	9,543,688	9,493,798	9,509,734	9,580,282	9,631,655
7	Other Investments	115,288	115,288	115,288	115,288	115,288	115,288	113,768
8	TOTAL OTHER PROPERTY & INVESTMENTS	115,288	115,288	115,288	115,288	115,288	115,288	113,768
9	Cash	532,515	459,839	442,210	310,873	294,187	328,101	476,290
10	Special Deposits	25,300	25,300	25,300	25,300	25,300	25,300	25,300
11	Accounts Rec'b - trade	328,545	314,576	303,943	324,316	318,404	309,509	318,798
12	Notes Receivable	-	-	-	-	-	-	-
13	Accts. Rec'b - Assoc. Cos.	-	-	-	-	-	-	-
14	Notes Rec'b - Assoc. Cos.	-	-	-	-	-	-	-
15	Accts. Rec'b - Other	-	-	-	-	-	-	-
16	Accrued Interest Rec'b	-	-	-	-	-	-	-
17	Allowance for Bad Debts	-	-	-	-	-	-	-
18	Materials & Supplies	-	-	-	-	-	-	-
19	Prepayments	252,062	243,890	235,980	229,330	221,750	198,699	253,742
20	Temporary Cash Investments	-	-	-	-	-	-	-
21	Miscellaneous Current & Accrued Assets	-	-	-	-	-	-	-
22	TOTAL CURRENT ASSETS	1,138,423	1,043,605	1,007,433	889,819	859,641	861,609	1,074,130
23	Net nonutility property	-	-	-	-	-	-	-
24	Unamortized Debt Discount & Exp.	10,958	10,580	10,202	9,825	9,447	9,069	11,336
25	Prelim. Survey & Investigation Charges	-	-	-	-	-	-	-
26	Clearing Accounts	-	-	-	-	-	-	-
27	Deferred Rate Case Expense	-	-	-	-	-	-	-
28	Other Miscellaneous Deferred Debits	7,620	8,506	8,506	8,506	8,506	8,506	7,773
29	Accum. Deferred Income Taxes	-	-	-	-	-	-	-
30	TOTAL OTHER ASSETS	18,578	19,086	18,708	18,330	17,952	17,574	19,109
31	TOTAL ASSETS	\$ 10,847,507	\$ 10,738,382	\$ 10,685,117	\$ 10,517,235	\$ 10,502,615	\$ 10,574,753	\$ 10,838,663

Company: Pluris Wedgefield, LLC
 Docket No.: 20230083-WS
 Test Year Ended: December 31, 2022

Schedule: A-19
 Page 1 of 2
 Preparer: Dan Winters

Explanation: Provide a balance sheet for years requested. Provide same for historical base or intermediate years, if not already shown.

Line No.	(1) EQUITY CAPITAL & LIABILITIES	(2) Historic Year Ended 12/31/21	(3) January 2022	(4) February 2022	(5) March 2022	(6) April 2022	(7) May 2022	(8) June 2022
1	Common Stock Issued	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
2	Preferred Stock Issued	-	-	-	-	-	-	-
3	Additional Paid in Capital	1,153,190	1,153,190	1,153,190	1,153,190	1,153,190	1,153,190	1,153,190
4	Retained Earnings	(2,471,823)	(2,389,961)	(2,640,737)	(2,561,051)	(2,767,793)	(2,763,342)	(2,746,519)
5	Other Equity Capital	-	-	-	-	-	-	-
6	TOTAL EQUITY CAPITAL	(1,316,633)	(1,234,770)	(1,485,547)	(1,405,861)	(1,612,603)	(1,608,152)	(1,591,329)
7	Bonds	-	-	-	-	-	-	-
8	Reacquired Bonds	-	-	-	-	-	-	-
9	Advances From Associated Companies	250,000	250,000	250,000	250,000	250,000	250,000	250,000
10	Other Long-Term Debt	1,860,032	1,827,437	1,794,740	1,761,377	1,728,475	1,695,289	1,662,182
11	TOTAL LONG-TERM DEBT	2,110,032	2,077,437	2,044,740	2,011,377	1,978,475	1,945,289	1,912,182
12	Accounts Payable	821,840	101,015	276,613	30,023	155,091	32,148	39,719
13	Notes Payable	-	-	-	-	-	-	-
14	Accounts Payable - Assoc. Cos.	3,134,506	3,847,547	3,899,324	4,299,796	4,301,753	4,354,906	4,330,144
15	Customer Deposits	23,275	23,275	23,275	23,275	23,275	23,275	23,275
16	Accrued Taxes	58,648	10,049	20,508	30,358	39,693	50,720	61,266
17	Accrued Interest	8,842	8,842	8,842	8,842	8,842	8,842	8,842
18	Accrued Dividends	-	-	-	-	-	-	-
19	Misc. Current and Accrued Liabilities	3,303,645	3,303,645	3,303,645	3,303,645	3,303,645	3,303,645	3,303,645
20	TOTAL CURRENT & ACCRUED LIABILITIES	7,350,756	7,294,373	7,532,207	7,695,938	7,832,299	7,773,536	7,766,892
21	Advances for Construction	-	-	-	-	-	-	-
22	Prepaid Capacity Charges	-	-	-	-	-	-	-
23	Accum. Deferred ITC's	-	-	-	-	-	-	-
24	Operating Reserves	-	-	-	-	-	-	-
25	TOTAL DEFERRED CREDITS & OPER. RESERVES	-	-	-	-	-	-	-
26	Contributions in Aid of Construction	7,329,190	7,329,190	7,337,860	7,337,860	7,340,750	7,346,530	7,352,310
27	Less: Accum. Amortization of CIAC	(4,428,183)	(4,447,684)	(4,467,191)	(4,486,748)	(4,506,273)	(4,525,834)	(4,545,410)
	TOTAL NET C.I.A.C	2,901,007	2,881,506	2,870,669	2,851,112	2,834,477	2,820,696	2,806,900
28	Accumulated Deferred Income Taxes	-	-	-	-	-	-	-
29	Other Advances	-	-	-	-	-	-	-
30	Total Equity Capital and Liabilities	\$ 11,045,162	\$ 11,018,545	\$ 10,962,070	\$ 11,152,566	\$ 11,032,649	\$ 10,931,370	\$ 10,894,645
31	<u>Adjustment to reclassify Debt from Parent company to Equity</u>							
32	Accounts Payable - Assoc. Cos.	\$ 3,134,506	\$ 3,847,547	\$ 3,899,324	\$ 4,299,796	\$ 4,301,753	\$ 4,354,906	\$ 4,330,144
33	Remove Debt from Parent company	3,137,731	3,882,059	3,899,554	4,253,365	4,273,469	4,287,193	4,243,641
34	Accounts Payable - Assoc. Cos.	\$ (3,225)	\$ (34,512)	\$ (230)	\$ 46,430	\$ 28,284	\$ 67,713	\$ 86,503
35	<u>Adjustment to remove Accrued Legal Settlement</u>							
36	Misc. Current and Accrued Liabilities	\$ 3,303,645	\$ 3,303,645	\$ 3,303,645	\$ 3,303,645	\$ 3,303,645	\$ 3,303,645	\$ 3,303,645
37	Remove Accrued Legal Settlement	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000
38	Misc. Current and Accrued Liabilities	\$ 3,645	\$ 3,645	\$ 3,645	\$ 3,645	\$ 3,645	\$ 3,645	\$ 3,645

Company: Pluris Wedgefield, LLC
 Docket No.: 20230083-WS
 Test Year Ended: December 31, 2022

Schedule: A-19
 Page 2 of 2
 Preparer: Dan Winters

Explanation: Provide a balance sheet for years requested. Provide same for historical base or intermediate years, if not already shown.

Line No.	(1)	(2) July 2022	(3) August 2022	(4) September 2022	(5) October 2022	(6) November 2022	(7) December 2022	(8) Average Balance
	EQUITY CAPITAL & LIABILITIES							
1	Common Stock Issued	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
2	Preferred Stock Issued	-	-	-	-	-	-	-
3	Additional Paid in Capital	1,153,190	1,153,190	1,153,190	1,153,190	1,153,190	1,153,190	1,153,190
4	Retained Earnings	(2,774,224)	(2,817,056)	(2,891,061)	(2,934,627)	(2,987,882)	(3,194,599)	(2,764,667)
5	Other Equity Capital	-	-	-	-	-	7,871,476	605,498
6	TOTAL EQUITY CAPITAL	<u>(1,619,034)</u>	<u>(1,661,866)</u>	<u>(1,735,871)</u>	<u>(1,779,437)</u>	<u>(1,832,692)</u>	<u>5,832,067</u>	<u>(1,003,979)</u>
7	Bonds	-	-	-	-	-	-	-
8	Reacquired Bonds	-	-	-	-	-	-	-
9	Advances From Associated Companies	250,000	250,000	250,000	250,000	250,000	250,000	250,000
10	Other Long-Term Debt	1,628,796	1,595,482	1,562,064	1,528,377	1,494,751	1,460,861	1,661,528
11	TOTAL LONG-TERM DEBT	<u>1,878,796</u>	<u>1,845,482</u>	<u>1,812,064</u>	<u>1,778,377</u>	<u>1,744,751</u>	<u>1,710,861</u>	<u>1,911,528</u>
12	Accounts Payable	80,153	108,050	96,096	53,232	72,642	253,599	163,094
13	Notes Payable	-	-	-	-	-	-	-
14	Accounts Payable - Assoc. Cos.	4,374,365	4,323,280	4,396,510	4,358,013	4,420,235	(9,658)	3,848,517
15	Customer Deposits	23,275	23,275	23,275	23,275	23,275	21,878	23,168
16	Accrued Taxes	10,103	19,849	29,284	39,585	48,999	59,314	36,798
17	Accrued Interest	8,842	8,842	8,842	8,842	8,842	6,782	8,683
18	Accrued Dividends	-	-	-	-	-	-	-
19	Misc. Current and Accrued Liabilities	3,303,645	3,303,645	3,303,740	3,303,740	3,303,874	3,874	3,049,849
20	TOTAL CURRENT & ACCRUED LIABILITIES	<u>7,800,383</u>	<u>7,786,941</u>	<u>7,857,747</u>	<u>7,786,686</u>	<u>7,877,868</u>	<u>335,789</u>	<u>7,130,109</u>
21	Advances for Construction	-	-	-	-	-	-	-
22	Prepaid Capacity Charges	-	-	-	-	-	-	-
23	Accum. Deferred ITC's	-	-	-	-	-	-	-
24	Operating Reserves	-	-	-	-	-	-	-
25	TOTAL DEFERRED CREDITS & OPER. RESERVES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
26	Contributions in Aid of Construction	7,352,310	7,352,310	7,355,200	7,355,200	7,355,840	7,358,730	7,346,406
27	Less: Accum. Amortization of CIAC	(4,564,948)	(4,584,486)	(4,604,024)	(4,623,592)	(4,643,152)	(4,662,694)	(4,545,402)
	TOTAL NET C.I.A.C	<u>2,787,362</u>	<u>2,767,824</u>	<u>2,751,176</u>	<u>2,731,609</u>	<u>2,712,689</u>	<u>2,696,036</u>	<u>2,801,005</u>
28	Accumulated Deferred Income Taxes	-	-	-	-	-	-	-
29	Other Advances	-	-	-	-	-	-	-
30	Total Equity Capital and Liabilities	<u>\$ 10,847,507</u>	<u>\$ 10,738,382</u>	<u>\$ 10,685,117</u>	<u>\$ 10,517,235</u>	<u>\$ 10,502,615</u>	<u>\$ 10,574,753</u>	<u>\$ 10,838,663</u>
31	<u>Adjustment to reclassify Debt from Parent company to Equity</u>							
32	Accounts Payable - Assoc. Cos.	\$ 4,374,365	\$ 4,323,280	\$ 4,396,510	\$ 4,358,013	\$ 4,420,235	\$ (9,658)	\$ 3,848,517
33	Remove Debt from Parent company	4,243,641	4,249,319	4,249,319	4,250,550	4,250,550	-	3,786,184
34	Accounts Payable - Assoc. Cos.	\$ 130,723	\$ 73,961	\$ 147,191	\$ 107,463	\$ 169,685	\$ (9,658)	\$ 62,333
35	<u>Adjustment to remove Accrued Legal Settlement</u>							
36	Misc. Current and Accrued Liabilities	\$ 3,303,645	\$ 3,303,645	\$ 3,303,740	\$ 3,303,740	\$ 3,303,874	\$ 3,874	\$ 3,049,849
37	Remove Accrued Legal Settlement	3,300,000	3,300,000	3,300,000	3,300,000	3,300,000	-	3,046,154
38	Misc. Current and Accrued Liabilities	\$ 3,645	\$ 3,645	\$ 3,740	\$ 3,740	\$ 3,874	\$ 3,874	\$ 3,695

BALANCE SHEET ACCOUNTS

223. Advances from Associated Companies

A. This account shall include the face value of notes payable to associated companies and the amount of open book accounts representing advances from associated companies. It does not include notes and open accounts, representing indebtedness, subject to current settlement which are includible in account 233 - Accounts Payable to Associated Companies, or account 234 - Notes Payable to Associated Companies.

B. The records supporting the entries to these accounts shall be so kept that the utility can furnish complete information concerning each note and open account.

224. Other Long-Term Debt

A. This account shall include, until maturity, all long-term debt not otherwise provided for. This covers such items as receiver's certificates, real estate mortgages executed or assumed, assessments for public improvements, notes and unsecured certificates of indebtedness not owned by associated companies, receipts outstanding for long-term debt, and other obligations maturing more than one year from date of issuance and assumption.

B. Separate subaccounts shall be maintained for each class of obligation, and records shall be maintained to show separately for each class all details as to date of obligation, date of maturity, interest dates and rates, security for the obligation, etc.

Note:--Miscellaneous long-term debt reacquired shall be accounted for in accordance with the procedure set forth in account 222 - Reacquired Bonds.

Current and Accrued Liabilities

Current and accrued liabilities are those obligations which have either matured or which become due within one year from the date thereof; except, however, bonds, receiver's certificates and similar obligations which shall be classified as long-term debt until date of maturity; accrued taxes, such as income taxes, which shall be classified as accrued liabilities even though payable more than one year from date; compensation awards, which shall be classified as current liabilities regardless of date due; and minor amounts payable in installments which may be classified as current liabilities. If a liability is due more than one year from date of issuance or assumption by the utility, it shall be credited to a long-term debt account appropriate for the transaction, except, however, the current liabilities previously mentioned.

231. Accounts Payable

This account shall include all amounts payable by the utility within one year, which are not provided for in other accounts.

232. Notes Payable

This account shall include the face value of all notes, drafts, acceptances, or other similar evidences of indebtedness, payable on

BALANCE SHEET ACCOUNTS

demand or within a time not exceeding one year from date of issue, to other than associated companies.

233. Accounts Payable to Associated Companies

This account shall include all amounts payable by the utility to associated companies that are not provided for in other accounts.

Note:--Exclude from this account amounts which are includible in account 223 - Advances from Associated Companies.

234. Notes Payable to Associated Companies

This account shall include amounts owing to associated companies on notes, drafts, acceptance, or other similar evidences of indebtedness, payable on demand or within a time not exceeding one year from date of issue or creation.

Note:--Exclude from this account notes which are includible in account 223 - Advances from Associated Companies.

235. Customer Deposits

This account shall include all amounts deposited with the utility by customers as security for the payment of bills.

236. Accrued Taxes

A. This account shall be credited with the amount of taxes accrued during the accounting period with corresponding debits being made to the appropriate accounts for tax charges. Such credits may be based upon estimates, but from time to time during the year as the facts become known, the amount of the periodic credits shall be adjusted so as to include as nearly as can be determined in each year the taxes applicable thereto. Any amount representing a prepayment of taxes applicable to a period subsequent to the date of the balance sheet, shall be shown under account 162 - Prepayments.

B. If accruals for taxes are found to be insufficient or excessive, correction therefor shall be made through current tax accruals. However, if such corrections are so large as to seriously distort current expenses, see Accounting Instruction 8.

C. Accruals for taxes shall be based upon the net amounts payable after credit for any discounts, but shall not include any amounts for interest on tax deficiencies or refunds. Interest received on refunds shall be credited to account 419 - Interest and Dividend Income, and interest paid on deficiencies shall be charged to account 427.5 - Interest Expense - Other.

D. The records supporting the entries to this account shall be kept so as to show for each class of taxes, the amount accrued, the basis for the accrual, the accounts to which charged, and the amount of tax paid.

E. The following subaccounts may be maintained:

- 236.1 Accrued Taxes, Utility Operating Income
- 236.11 Accrued Taxes, Taxes Other Than Income Taxes
- 236.12 Accrued Taxes, Income Taxes
- 236.2 Accrued Taxes, Other Income and Deductions

BALANCE SHEET ACCOUNTS

237. **Accrued Interest**

A. This account shall include the amount of interest accrued but not matured on all liabilities of the utility not including, however, interest which is added to the principal of the debt on which incurred. Supporting records shall be maintained so as to show the amount of interest accrued on each obligation.

B. The following subaccounts may be maintained:

237.1 Accrued Interest on Long-Term Debt

237.2 Accrued Interest on Other Liabilities

238. **Accrued Dividends**

This account shall include the amount of dividends that have been declared but not paid. Dividends shall be credited to this account when they become a liability.

239. **Matured Long-Term Debt**

This account shall include the amount of long-term debt (including any obligation for premiums) matured and unpaid, without specific agreement for extension of the time of payment, and bonds called for redemption but not presented.

240. **Matured Interest**

This account shall include the amount of matured interest on long-term debt or other obligations of the utility at the date of the balance sheet unless such interest is added to the principal of the debt on which incurred.

241. **Tax Collections Payable**

This account shall include the amount of taxes collected by the utility through payroll deductions or otherwise pending transmittal of such taxes to the proper taxing authority.

Note:--Do not include liability for taxes assessed directly against the utility which are accounted for as part of the utility's own tax expense.

242. **Miscellaneous Current and Accrued Liabilities**

This account shall include the amount of all other current and accrued liabilities not provided for elsewhere appropriately designated and supported so as to show the nature of each liability.

Deferred Credits

251. **Unamortized Premium on Debt**

This account shall include the total of the credit balances in the discount, expense and premium accounts, for all classes of long-term debt, including receivers' certificates (See account 181 - Unamortized Debt Discount and Expense).

252. **Advances for Construction**

This account shall include advances by or in behalf of customers for construction which are to be refunded either wholly or in part.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in water and
wastewater rates in Orange County by Pluris
Wedgfield, Inc.

DOCKET NO. 120152-WS
ORDER NO. PSC-13-0187-PAA-WS
ISSUED: May 2, 2013

The following Commissioners participated in the disposition of this matter:

RONALD A. BRISÉ, Chairman
LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS

NOTICE OF PROPOSED AGENCY ACTION
ORDER GRANTING AN INCREASE IN WATER AND WASTEWATER RATES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that except for the statutory four year rate reduction and the requirement for the Utility to adjust its books in accordance with our decisions in this Order which are final agency action, the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

Background

Pluris Wedgfield, Inc. (Wedgfield or Utility) is a Class B utility providing service to approximately 1,598 water and 1,567 wastewater customers in Orange County. For the year ended December 31, 2011, the Utility reported operating revenues of \$985,446 for water and \$731,559 for wastewater. Additionally, the Utility reported an operating income of \$158,969 for water and an operating loss of \$127,780 for wastewater.

The Utility's last rate case was in 2008 for water and 1988 for wastewater.¹ On September 8, 2009, Wedgfield was transferred from Wedgfield Utilities, Inc. to Pluris

¹ See Order Nos. PSC-08-0827-PAA-WS, issued December 22, 2008, in Docket No. 070694-WS, In re: Application for increase in water and wastewater rates in Orange County by Wedgfield Utilities, Inc.; and 20270, issued November 1988, in Docket No. 871208-WS, In re: Application by Econ Utilities Corporation for rate increase in Orange County.

Used and Useful Conclusion

The Utility's WTP and storage shall be considered 100 percent U&U. The Utility's water distribution system shall be considered 85.1 percent U&U. As a result, corresponding adjustments are necessary for the non-U&U water distribution plant. Accordingly, water rate base shall be reduced by \$9,787. Corresponding adjustments shall be made to increase depreciation expense by \$302 and reduce property taxes by \$894. The Utility's WWTP shall be considered 72.1 percent U&U. The Utility's wastewater collection system shall be considered 85.1 percent U&U. Accordingly, wastewater rate base shall be reduced by \$14,186. Corresponding adjustments shall be made to increase depreciation expense by \$163 and reduce property taxes by \$2,465.

Working Capital Allowance

In its MFRs, the Utility reflected a working capital allowance of \$74,339 for water and \$75,482 for wastewater. Rule 25-30.433(2), F.A.C., requires that Class B utilities use the formula method, whereby the working capital allowance is based on one-eighth of operations and maintenance (O&M) expense. The Utility has properly filed its allowance for working capital using the formula method. However, based on the level of O&M expenses and adjustments, we find that a working capital allowance of \$71,950 for water and \$73,102 for wastewater is approved. This represents a reduction of \$2,389 for water and \$2,380 for wastewater.

Test Year Rate Base

In its MFRs, the Utility recorded rate base of \$4,334,962 for water and \$1,086,549 for wastewater. We calculated Wedgefield's water and wastewater rate bases using the Utility's MFRs with adjustments previously described in this Order. Accordingly, we find that the appropriate simple average rate base for the test year ended December 31, 2011, is \$4,440,777 for water and \$886,350 for wastewater. The water and wastewater rate bases are shown on Schedule Nos. 1-A and 1-B, respectively. The adjustments are shown on Schedule No. 1-C.

Cost of Capital

Return on Equity

The Utility requested an ROE of 11.16 percent. Although the Utility correctly utilized the current leverage formula, certain adjustments to the Utility's capital structure are discussed separately. These adjustments resulted in a higher equity ratio for the test year and thus a lower ROE. Based on the current leverage formula and an equity ratio of 42.97 percent, the appropriate ROE is 10.88 percent.⁷ An allowed range of plus or minus 100 basis points is recognized for ratemaking purposes.

⁷ See Order Nos. PSC-12-0339-PAA-WS, issued June 28, 2012, and PSC-12-0372-CO-WS, issued July 20, 2012, in Docket No. 120006-WS, In re: Water and Wastewater Industry Annual Reestablishment of Authorized Range of Return on Common Equity for Water and Wastewater Utilities Pursuant to Section 367.081(4)(f), Florida Statutes.

Weighted Average Cost of Capital

As shown on MFR Schedule D-1, Wedgefield requested an overall cost of capital of 8.33 percent. We find, however, that there are adjustments that shall be made to the Utility's capital structure. First, on Schedule A-19 of its filing, the Utility included "Advances from Associated Companies" in its long-term debt balance. In response to a Commission staff data request, the Utility noted that the advance has a zero percent cost rate. This Commission has previously held that debt from "associated companies" with no interest payments made shall be treated as common equity.⁸ In accordance with Rule 25-30.433(4), F.A.C., we find that \$252,431 of the Utility's long-term debt shall be reclassified as common equity.

Second, on Schedule D-1 of its filing, the Utility did not include "Deferred Income Tax" in its capital structure. However, the Utility recorded a deferred income tax asset of \$3,179 for 2010 and a deferred income tax liability of \$23,221 in 2011. In response to a Commission staff data request, the Utility noted that Wedgefield does not record deferred income taxes because the Utility has historically operated in a net loss position and does not expect to pay these taxes; therefore, any calculated deferred income taxes have been fully reserved. However, in accordance with Rule 25-30.433(3), F.A.C., we calculated the simple average of U&U debit deferred tax offsetting the net U&U credit deferred income tax. Therefore, the inclusion of \$9,444 of deferred income tax credit shall be included in the Utility's capital structure.

Based on the above, we find the capital structure yields an overall cost of capital of 8.36 percent.⁹ Schedule No. 2 contains the approved capital structure.

Net Operating Income

Test Year Revenues

Wedgefield recorded total test year revenues of \$985,446 for water and \$731,559 for wastewater. The water revenues included \$945,414 of service revenues and \$40,032 of miscellaneous revenues. The Utility did not include any miscellaneous revenues for the wastewater system.

Based on our review of the Utility's billing determinants and the rates that were in effect during the test year, we find it is necessary to order adjustments to the test year water service revenues. The Utility incorrectly billed residential irrigation customers \$5.02 per 1,000 gallons which was the general service gallonage charge. The approved rate structure for residential irrigation customers was an inclining block rate structure. We adjusted the water test year revenues by \$452 to correct this error. The Utility has corrected its billing for residential

⁸ See Order Nos. PSC-00-1165-PAA-WS, issued June 27, 2000, in Docket No. 990243-WS, In re: Application for limited proceeding increase and restructuring of water rates by Sun Communities Finance Limited Partnership in Lake County, and overearnings investigation, p. 20; and PSC-02-1449-PAA-WS, issued October 21, 2002, in Docket No. 011451-WS, In re: Investigation of water and wastewater rates for possible overearnings by Plantation Bay Utility Co. in Volusia County, p. 8.

⁹ This represents a 3-basis point increase to the requested overall cost of capital, which equates to an increase of approximately \$1,000 from the total company requested revenue requirement.

Pluris Wedgefield, Inc. Capital Structure-Simple Average Test Year Ended 12/31/11							Schedule No. 2 Docket No. 120152-WS	
Description	Total Capital	Specific Adjustments	Subtotal Adjusted Capital	Prorata Adjustments	Capital Reconciled to Rate Base	Ratio	Cost Rate	Weighted Cost
Per Utility								
1 Long-term Debt	\$4,218,721	\$0	\$4,218,721	(\$942,026)	\$3,276,695	60.44%	6.51%	3.93%
2 Short-term Debt	0	0	0	0	0	0.00%	0.00%	0.00%
3 Preferred Stock	0	0	0	0	0	0.00%	0.00%	0.00%
4 Common Equity	2,736,042	0	2,736,042	(\$610,998)	2,125,044	39.20%	11.16%	4.37%
5 Customer Deposits	19,771	0	19,771	\$0	19,771	0.36%	6.00%	0.02%
6 Deferred Taxes	0	0	0	\$0	0	0.00%	0.00%	0.00%
7 Total Capital	<u>\$6,974,534</u>	<u>\$0</u>	<u>\$6,974,534</u>	<u>(\$1,553,024)</u>	<u>\$5,421,510</u>	<u>100.00%</u>		<u>8.33%</u>
Per Commission								
8 Long-term Debt	\$4,218,721	(\$252,431)	\$3,966,290	(\$944,899)	\$3,021,391	56.72%	6.51%	3.69%
9 Short-term Debt	0	0	0	0	0	0.00%	0.00%	0.00%
10 Preferred Stock	0	0	0	0	0	0.00%	0.00%	0.00%
11 Common Equity	2,736,042	252,431	2,988,473	(711,952)	2,276,521	42.73%	10.88%	4.65%
12 Customer Deposits	19,771	0	19,771	0	19,771	0.37%	6.00%	0.02%
13 Deferred Taxes	0	9,444	9,444	0	9,444	0.18%	0.00%	0.00%
14 Total Capital	<u>\$6,974,534</u>	<u>\$9,444</u>	<u>\$6,983,978</u>	<u>(\$1,656,851)</u>	<u>\$5,327,127</u>	<u>100.00%</u>		<u>8.36%</u>
						LOW	HIGH	
RETURN ON EQUITY						<u>9.88%</u>	<u>11.88%</u>	
OVERALL RATE OF RETURN						<u>7.94%</u>	<u>8.79%</u>	

(3)

Comparative Balance Sheet - Equity Capital & Liabilities

Florida Public Service Commission

Company: Pluris Wedgefield, Inc.
 Docket No.: 120152-WS
 Test Year Ended: December 31, 2011

Schedule: A-19
 Page 1 of 1
 Preparer: Lu Ann Danley

Explanation: Provide a balance sheet for years requested. Provide same for historical base or intermediate years, if not already shown.

Line No.	(1)	(2)	(3)
	<u>EQUITY CAPITAL & LIABILITIES</u>	Test Year Ended 12/31/11	Historic Year Ended 12/31/10
1	Common Stock Issued	\$ 1,000	\$ 1,000
2	Preferred Stock Issued	-	-
3	Additional Paid in Capital	2,844,882	2,844,882
4	Retained Earnings	(388,800)	(186,022)
5	Other Equity Capital	-	-
6	TOTAL EQUITY CAPITAL	<u>2,457,082</u>	<u>2,659,860</u>
7	Bonds	-	-
8	Reacquired Bonds	-	-
9	Advances From Associated Companies	250,000	250,000
10	Other Long-Term Debt	3,843,913	4,090,511
11	TOTAL LONG-TERM DEBT	<u>4,093,913</u>	<u>4,340,511</u>
12	Accounts Payable	200,314	75,044
13	Notes Payable	-	-
14	Accounts Payable - Assoc. Cos.	341,627	258,951
15	Customer Deposits	21,088	18,454
16	Accrued Taxes	157,027	171,612
17	Accrued Interest	21,090	22,317
18	Accrued Dividends	-	-
19	Misc. Current and Accrued Liabilities	-	-
20	TOTAL CURRENT & ACCRUED LIABILITIES	<u>741,146</u>	<u>546,378</u>
21	Advances for Construction	-	-
22	Prepaid Capacity Charges	-	-
23	Accum. Deferred ITC's	-	-
24	Operating Reserves	-	-
25	TOTAL DEFERRED CREDITS & OPER. RESERVES	<u>-</u>	<u>-</u>
26	Contributions in Aid of Construction	5,409,085	5,409,085
27	Less: Accum. Amortization of CIAC	(2,389,889)	(2,217,692)
	TOTAL NET C.I.A.C	<u>3,019,196</u>	<u>3,191,393</u>
28	Accumulated Deferred Income Taxes	-	-
29	Other Advances	-	-
30	Total Equity Capital and Liabilities	<u>\$ 10,311,337</u>	<u>\$ 10,738,142</u>

Pluris Wedgefield, LLC
 Schedule of Water Rate Base
 Test Year Ended 12/31/22

Schedule No. 1-A
 Docket No. 20230083-WS

Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year
1 Plant in Service	\$11,966,333	\$0	\$11,966,333	\$0	\$11,966,333
2 Land and Land Rights	\$1,443	\$0	1,443	0	1,443
3 Non-used and Useful Components	\$0	\$0	0	-37,252	-37,252
4 Accumulated Depreciation	-\$5,893,414	\$0	-5,893,414	0	-5,893,414
5 CIAC	-\$3,001,852	\$0	-3,001,852	0	-3,001,852
6 Amortization of CIAC	\$1,391,204	\$0	1,391,204	0	1,391,204
7 Net Debit Deferred Income Taxes	0	0	0	0	0
8 Advances for Construction	\$0	\$0	0	0	0
9 Working Capital Allowance	-\$3,037,636	\$3,427,052	389,416	-389,416	0
10 Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11 Rate Base	<u>\$1,426,078</u>	<u>\$3,427,052</u>	<u>\$4,853,130</u>	<u>-\$426,668</u>	<u>\$4,426,462</u>

Pluris Wedgefield, LLC
 Schedule of Wastewater Rate Base
 Test Year Ended 12/31/22

Schedule No. 1-B
 Docket No. 20230083-WS

Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year
1 Plant in Service	\$9,152,109	\$0	\$9,152,109	\$0	\$9,152,109
2 Land and Land Rights	\$97,402	\$0	97,402	0	97,402
3 Non-used and Useful Components	\$0	-\$8,648	-8,648	-54,022	-62,670
4 Accumulated Depreciation	-\$7,119,861	\$0	-7,119,861	0	-7,119,861
5 CIAC	-\$4,344,556	\$0	-4,344,556	0	-4,344,556
6 Amortization of CIAC	\$3,154,198	\$0	3,154,198	0	3,154,198
7 CWIP	\$0	\$0	0	0	0
8 Advances for Construction	\$0	\$0	0	0	0
9 Working Capital Allowance	-\$3,018,344	\$3,405,286	386,942	-386,942	0
10 Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
11 Rate Base	<u>-\$2,079,052</u>	<u>\$3,396,638</u>	<u>\$1,317,586</u>	<u>-\$440,964</u>	<u>\$876,622</u>

Pluris Wedgefield, LLC
 Adjustments to Rate Base
 Test Year Ended 12/31/22

Schedule No. 1-C
 Docket No. 20230083-WS

Explanation	Water	Wastewater
<u>Plant In Service</u>		
1	\$0	\$0
2	\$0	\$0
3	\$0	\$0
Total	<u>\$0</u>	<u>\$0</u>
<u>Land</u>		
1	\$0	\$0
2	\$0	\$0
3	\$0	\$0
4	\$0	\$0
5	\$0	\$0
6	<u>\$0</u>	<u>\$0</u>
Total	<u>\$0</u>	<u>\$0</u>
<u>Non-used and Useful</u>		
To reflect net non-used and useful adjustment	<u>(\$37,252)</u>	<u>\$54,022</u>
<u>Accumulated Depreciation</u>		
1	\$0	\$0
2	\$0	\$0
3	\$0	\$0
4	<u>\$0</u>	<u>\$0</u>
Total	<u>\$0</u>	<u>\$0</u>
<u>CIAC</u>		
1	\$0	\$0
2	\$0	\$0
3	<u>\$0</u>	<u>\$0</u>
Total	<u>\$0</u>	<u>\$0</u>
<u>Accumulated Amortization of CIAC</u>		
1	\$0	\$0
2	\$0	\$0
3	\$0	\$0
4	\$0	\$0
5	<u>\$0</u>	<u>\$0</u>
Total	<u>\$0</u>	<u>\$0</u>
<u>Working Capital</u>		
	<u>(\$389,416)</u>	<u>(\$386,942)</u>

Pluris Wedgefield, LLC
 Capital Structure-Simple Average
 Test Year Ended 12/31/22

Schedule No. 2
 Docket No. 20230083-WS

Description	Total Capital	Specific Adjustments	Subtotal Adjusted Capital	Prorata Adjustments	Capital Reconciled to Rate Base	Ratio	Cost Rate	Weighted Cost
Per Utility								
1 Long-term Debt	\$1,911,528	\$0	\$1,911,528	(\$276,895)	\$1,634,633	26.49%	5.70%	1.51%
2 Short-term Debt	0	0	0	0	0	0.00%	0.00%	0.00%
3 Preferred Stock	0	0	0	0	0	0.00%	0.00%	0.00%
4 Common Equity	(1,003,979)	6,281,931	5,277,952	(765,037)	4,512,915	73.13%	9.00%	6.58%
5 Customer Deposits	23,168	0	23,168	0	23,168	0.38%	6.00%	0.02%
6 Deferred Income Taxes	0	0	0	0	0	0.00%	0.00%	0.00%
7 Total Capital	<u>\$930,717</u>	<u>\$6,281,931</u>	<u>\$7,212,648</u>	<u>(\$1,041,932)</u>	<u>\$6,170,716</u>	<u>100.00%</u>		<u>8.11%</u>
Per Staff ERC								
8 Long-term Debt	\$1,911,528	(\$250,000)	\$1,661,528	\$3,618,388	\$5,279,916	99.56%	5.70%	5.68%
9 Short-term Debt	0	0	0	0	0	0.00%	0.00%	0.00%
10 Preferred Stock	0	0	0	0	0	0.00%	0.00%	0.00%
11 Common Equity	(1,003,979)	1,003,979	0	0	0	0.00%	9.88%	0.00%
12 Customer Deposits	23,168	0	23,168	0	23,168	0.44%	2.00%	0.01%
13 Deferred Income Taxes	0	0	0	0	0	0.00%	0.00%	0.00%
14 Total Capital	<u>\$930,717</u>	<u>\$753,979</u>	<u>\$1,684,696</u>	<u>\$3,618,388</u>	<u>\$5,303,084</u>	<u>100.00%</u>		<u>5.68%</u>
		<u>=\$250,000+\$753,979</u>						
						LOW	HIGH	
						9.88%	11.88%	
						5.68%	5.68%	
						RETURN ON EQUITY		
						OVERALL RATE OF RETURN		

Pluris Wedgefield, LLC
Statement of Water Operations
Test Year Ended 12/31/22

Schedule No. 3-A
Docket No. 20230083-WS

Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	\$1,627,619	\$743,196 45.66%	\$2,370,815	-\$740,365	\$1,630,450	\$178,319 10.94%	\$1,808,768
Operating Expenses							
2 Operation & Maintenance	\$1,749,162	-\$418,845	1,330,317	-283,690	1,046,627		1,046,627
3 Depreciation	363,029	0	363,029	-2,504	360,525		360,525
4 Amortization	0	0	0	0	0		0
5 Taxes Other Than Income	141,262	33,554	174,816	-32,817	141,999	8,024	150,023
6 Income Taxes	0	108,578	108,578	-108,578	0	0	0
7 Total Operating Expense	2,253,453	-276,713	1,976,740	-427,589	1,549,151	8,024	1,557,175
8 Operating Income	-\$625,834	\$1,019,909	\$394,075	-\$312,776	\$81,299	\$170,294	\$251,593
9 Rate Base	\$1,426,078		\$4,853,130		\$4,426,462		\$4,426,462
10 Rate of Return	-43.88%		8.12%		1.84%		5.68%

Pluris Wedgefield, LLC
Statement of Wastewater Operations
Test Year Ended 12/31/22

Schedule No. 3-B
Docket No. 20230083-WS

Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Staff Adjust- ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$1,051,949</u>	<u>\$541,637</u> 51.49%	<u>\$1,593,586</u>	<u>-\$536,659</u>	<u>\$1,056,927</u>	<u>\$142,786</u> 13.51%	<u>\$1,199,712</u>
Operating Expenses							
2 Operation & Maintenance	\$924,958	\$237,010	\$1,161,968	-\$283,690	\$878,278		\$878,278
3 Depreciation	129,820	-845	128,975	-3,610	125,365		125,365
4 Amortization	0	0	0	0	0		0
5 Taxes Other Than Income	141,804	24,374	166,178	-26,359	139,819	6,425	146,244
6 Income Taxes	<u>0</u>	<u>29,478</u>	<u>29,478</u>	<u>-29,478</u>	<u>0</u>	<u>0</u>	<u>0</u>
7 Total Operating Expense	<u>1,196,582</u>	<u>290,017</u>	<u>1,486,599</u>	<u>-343,138</u>	<u>1,143,461</u>	<u>6,425</u>	<u>1,149,887</u>
8 Operating Income	<u>-\$144,633</u>	<u>\$251,620</u>	<u>\$106,987</u>	<u>-\$193,522</u>	<u>-\$86,535</u>	<u>\$136,360</u>	<u>\$49,826</u>
9 Rate Base	<u>-\$2,079,052</u>		<u>\$1,317,586</u>		<u>\$876,622</u>		<u>\$876,622</u>
10 Rate of Return	<u>6.96%</u>		<u>8.12%</u>		<u>-9.87%</u>		<u>5.68%</u>

Pluris Wedgefield, LLC
 Adjustment to Operating Income
 Test Year Ended 12/31/22

Schedule 3-C
 Docket No. 20230083-WS

Explanation	Water	Wastewater
<u>Operating Revenues</u>		
1 Remove requested interim revenue increase	(\$743,196)	(\$541,637)
2 See MFR Schedule E-2	\$2,831	\$4,978
3	\$0	\$0
4	<u>\$0</u>	<u>\$0</u>
Total	<u>(\$740,365)</u>	<u>(\$536,659)</u>
<u>Operation and Maintenance Expense</u>		
1 Remove annualized pro forma expense adjustments	(\$237,010)	(\$237,010)
2 Management fees	(\$46,680)	(\$46,680)
3	\$0	\$0
4	\$0	\$0
5	\$0	\$0
6	\$0	\$0
7	\$0	\$0
8	\$0	\$0
9	<u>\$0</u>	<u>\$0</u>
10 Total	<u>(\$283,690)</u>	<u>(\$283,690)</u>
<u>Depreciation Expense - Net</u>		
1	\$0	\$0
2	\$0	\$0
3	\$0	\$0
4	\$0	\$0
5 To remove net depreciation on non-U&U adjustment above.	(\$2,504)	(\$3,610)
6	<u>\$0</u>	<u>\$0</u>
Total	<u>(\$2,504)</u>	<u>(\$3,610)</u>
<u>Amotization-Other Expense</u>		
	\$0	\$0
<u>Taxes Other Than Income</u>		
1 RAFs on revenue adjustments above	(\$33,316)	(\$24,150)
2	\$0	\$0
3 Non-U & U property tax adjustment.	\$499	(\$2,210)
4	<u>\$0</u>	<u>\$0</u>
Total	<u>(\$32,817)</u>	<u>(\$26,359)</u>
<u>Income Taxes</u>		
Remove Income Tax Provision	<u>(\$108,578)</u>	<u>(\$29,478)</u>