



February 2, 2024

Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

RE: Response to Proposed Amendment of Rule 25-30.0371, Florida Administrative Code, Acquisition Adjustments

Dear Office of Commission Clerk,

The Florida Public Service Commission (PSC) has requested responses to questions regarding the Proposed Amendment of Rule 25-30.0371, Florida Administrative Code (F.A.C.), Acquisition Adjustments. Below are the responses of Sunshine Water Services Company (SWS) to the data request.

- 1.) With reference to amended Subsection (3)(b)l. through 13., F.A.C., regarding the information to be included in the petition for a positive acquisition adjustment for nonviable utility, please explain and state the estimated cost to your utility to prepare the data and information listed for each requirement of Subsection (3)(b), F.A.C.

Response: SWS notes that the incremental cost impact incurred by an acquiring utility will be dependent on the following factors: the facts of a particular acquisition, the scope and depth of data needed to support a particular request, and the volume of acquisition activity for a given period. SWS estimates incremental costs may occur related to the following requirement of (3)(b):

10 – SWS may require an analysis by a licensed engineer to assess the status of the system, including review of outstanding or recent violations, to facilitate development of a capital investment or maintenance improvement plan. Review of and inclusion of such analysis in the application and support for the information through the proceeding would require additional external legal counsel costs. Legal costs may vary based on the aforementioned factors of the acquisition(s) as well as if the case is litigated or settled.

- 2.) With reference to amended Subsection (4)(b)l. through 12., F.A.C., regarding the information to be included in the petition for a positive acquisition adjustment for viable utility, please explain and state the estimated cost to your utility to prepare the data and information listed for each requirement of Subsection (4)(b), F.A.C.

Response: SWS notes that the incremental cost impact incurred by an acquiring utility will be dependent on the following factors: the facts of a particular acquisition, the scope and depth of data needed to support a particular request, and the volume of acquisition activity for a given period. SWS estimates incremental costs related to the following requirements of (4)(b):

8 through 12 – SWS may require an analysis by a licensed engineer to assess the status of the system, including to review outstanding or recent violations, to facilitate development of a capital investment or maintenance improvement plan. Such an analysis may include assessment of resulting efficiencies. The analysis' results would be included as applicable to the CPVRR. Review and inclusion of such analysis in the application and support for the information through the proceeding would require additional external legal counsel costs. Legal costs may vary based on the aforementioned factors of the acquisition(s) as well as if the case is litigated or settled.

- 3.) Referring to the proposed new Subsection (8), F.A.C., Notice, please provide the anticipated costs to your utility to prepare and provide the notice. Please note that lines 7 through 9 of Subsection (8), F.A.C., allow for the notice required

Sunshine Water Services

by this rule to be combined with the notice of Application for Authority to Transfer issued pursuant to Rule 25-30.030, F.A.C. Therefore, any incremental costs could be impacted depending on whether your utility combines the notices required by Rules 25-30.030 and 25- 30.0371, F.A.C, or does separate mailings. Please provide the incremental costs for both scenarios.

Response: SWS provides below the estimated cost to notice its customers, with and without consolidation with a Rule 25-30.030 F.A.C. notice. Please note that SWS estimates the notices per Subsection (8) to be 2 pages each.

Notice with consolidation: \$ 9,000

Notice without consolidation: \$ 31,000

- 4.) Considering the above stated definition of a “Small Business”, please state if your water and/or water and wastewater utility is a small business.

Response: No.

- 5.) If yes, please state if the proposed rule would have an adverse, minimal, or no financial impact on your utility.

Response: Not applicable.

- 6.) Would the proposed rule directly or indirectly result in incremental regulatory costs to your utility in excess of \$200,000 in the aggregate in Florida within 1 year after implementation of the rule?

Response: Not applicable.

- 7.) Would the proposed rule revisions have an adverse incremental impact on economic growth, private-sector job creation or employment, and private-sector investment in excess of \$1 million in the aggregate within 5 years after implementation of the rule?

Response: SWS does not anticipate the proposed rule revisions will have an adverse incremental impact on economic growth, private-sector job creation or employment, and private-sector investment in excess of \$1 million in the aggregate within 5 years after implementation.

- 8.) Would the proposed rule revisions have an adverse incremental impact on business competitiveness, productivity, and innovation in excess of \$1 million in the aggregate within 5 years after implementation of the rule?

Response: SWS does not anticipate the proposed rule revisions will have an adverse incremental impact on business competitiveness, productivity, and innovation.

- 9.) Would the proposed rule revisions result in incremental regulatory costs, including any transactional costs (Transactional costs” include filing fees, the cost of obtaining a license, the cost of equipment required to be installed or used, procedures required to be employed in complying with the rule, additional operating costs incurred, the cost of monitoring or reporting, and any other costs necessary to comply with the rule) to your utility, in excess of \$1 million in the aggregate within 5 years after the implementation of the rule? If yes, please explain.

Response: SWS does not anticipate incremental regulatory or transaction costs in excess of \$1 million in the aggregate within 5 years after implementation of the rule.

- 10.) Considering the above stated definition of a “Small City” or “Small County”, please state if your utility serves a small city or several small cities, or a small county/counties? Would the small city/cities/county/counties served by your utility have financial impacts or no impacts due to the proposed rule revisions?

Response: Yes, SWS serves certain Small Cities as defined in the data request. SWS does not anticipate the proposed rule will have impacts to the Small Cities served by SWS due to the proposed revisions. By its nature, the proposed rule would more likely expand the SWS service territory, and therefore is more likely to have an impact on a new Small City or Small County.

11.) Please provide any additional information, including any tasks not identified above, which would result in incremental costs to you utility, due to the proposed revisions to the rule, which the Commission may determine useful. [120.541(2)(f), F.S.]

Response: No additional information is known at this time.

If you require additional information, please feel free to contact me via email at dante.destefano@corixgroup.com or (704) 572-8668.

Sincerely,

Dante DeStefano

Dante DeStefano
Director, Regulatory Affairs

Enclosures