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November 10, 2025

VIA: ELECTRONIC FILING

Mr. Adam J. Teitzman
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: FPSC Docket No. 2025 ____ Application for Limited Proceeding

Dear Mr. Teitzman:

Sunshine Water Services Company is filing the Prepared Direct Testimony and Exhibit of Dante DeStefano and Exhibit DMD-1 regarding Application by Sunshine Water Services Company for Limited Proceeding.

Thank you for your assistance in connection with this matter.

Sincerely,

A handwritten signature in blue ink, appearing to read 'V. Ponder'.

Virginia L Ponder

VLP/dh
Attachments

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true copy of the foregoing Testimony and Exhibits, filed on behalf of Sunshine Services Water Company, has been furnished by electronic mail on this 10th day of November 2025 to the following:

Office of the General Counsel
Florida Public Service Commission
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ATTORNEY

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application by Sunshine Water Services)
Company for Limited Proceeding)
_____ /

Docket No.

DIRECT TESTIMONY

OF

DANTE M. DeSTEFANO

on behalf of

Sunshine Water Services Company

1 **BACKGROUND**

2 **Q. Please state your, name, profession, and business address.**

3 A. My name is Dante M. DeStefano, and I am Director of Regulatory Affairs for Nexus
4 Water Group, Inc. ("NWG"), a holding company that indirectly owns Sunshine Water
5 Services Company ("SWS" or "Company"). My business address is 500 W. Monroe
6 Street, Suite 3600, Chicago, Illinois 60661-3779.

7
8 **Q. State briefly your educational background and experience.**

9 A. I have been employed by NWG since October 2018. I graduated from Rutgers
10 University with a Major in Accounting and am a Certified Public Accountant in the
11 State of New Jersey. Prior to joining NWG, I was employed by American Water for 10
12 years - first as a Senior Accountant in the Accounting Department for two years, then
13 in the Rates and Regulatory Department for eight years. During my last eight years
14 with American Water, my duties consisted of preparing and assisting in regulatory
15 filings and related activities for the Eastern Division. My responsibilities included
16 preparing work papers and exhibits, providing testimony in support of rate applications
17 and other regulatory filings, and addressing rate and tariff related matters. I also
18 assisted with preparation of multi-year budgets and other budget modeling
19 responsibilities.

20
21 **Q. Have you previously testified before any public utility commissions?**

22 A. Yes. I have provided testimony before regulatory Commissions in Florida, New Jersey,
23 New York, North Carolina, Kentucky, Tennessee, and South Carolina.

24
25 **Q. What is the purpose of your direct testimony?**

1 A. The purpose of my direct testimony is to present the revenue requirement calculations
2 and resulting impacts to wastewater rates for SWS related to the Application for limited
3 proceeding addressing the Company's Mid-County Wastewater Treatment Plant
4 Project ("Mid-County WWTP Project" or the "Project").
5

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

7 A. Yes, I am sponsoring Exhibit DMD-1, which is comprised of the following Schedules:

- 8 • Schedule 1 is the current and proposed wastewater tariff rates.
- 9 • Schedule 2 is the calculation of the percentage rate increase over annualized
10 revenues.
- 11 • Schedule 3 is the revenue requirement calculation for the Mid-County WWTP
12 Project.
- 13 • Schedule 4 is the rate of return for the 12-month period ending December 31,
14 2024, adjusted for consistency with the Company's most recent rate case order,
15 and adjusted for the result of this Application.
- 16 • Schedule 5 is the statement of operations for the 12-month period ending
17 December 31, 2024, adjusted for consistency with the Company's most recent
18 rate case order, and adjusted for the result of this Application.
- 19 • Schedule 6 is the schedule of utility plant increases by NARUC account.
- 20 • Schedule 7 is the schedule of utility plant, deferred charges, and Contributions
21 in Aid of Construction ("CIAC") retirements by NARUC account.
- 22 • Schedule 8 is the adjustments to utility plant and related accounts for the recent
23 rate case final order, utilized on Schedules 4 and 5.
- 24 • Schedule 9 is the schedule of accumulated depreciation ("A/D") and
25 depreciation expense by NARUC account.

- 1 • Schedule 10 is the increases in Taxes Other Than Income.
- 2 • Schedule 11 is the schedule of capital structure and weighted cost of capital
- 3 consistent with the Company's most recent rate case order.
- 4 • Schedule 12 is the annualized wastewater revenues at current approved tariff
- 5 rates, based on the 12-month period ending December 31, 2024.
- 6 • Schedule 13 is the estimated changes in Operations and Maintenance ("O&M")
- 7 Expenses emanating from the project's completion.

8

9 **Q. Was Exhibit DMD-1 and the Schedules comprising this exhibit prepared by you**
10 **or under your supervision and control?**

11 A. Yes, they were.

12

13 **MID-COUNTY WWTP PROJECT**

14 **Q. Please describe the scope of the Company's Application.**

15 A. The Application for limited proceeding requests recovery of the Company's Mid-
16 County WWTP Project by requesting changes to the Company's wastewater rates. No
17 other component of the Company's operations or service are addressed in the
18 Application.

19

20 **Q. Has the Company calculated the changes in rate base and related expenses?**

21 A. Yes. Schedule 4, supported by Schedules 6 through 9, presents the calculation of
22 changes in utility plant, accumulated depreciation ("A/D"), and contributions in aid of
23 construction ("CIAC"). Schedule 5 similarly reflects the calculation of changes to
24 operating income. The Company identified \$1,957,957 of net utility plant, \$151,006
25 of net Deferred Charges, and (\$1,792,926) of net CIAC for the existing assets that is to

1 be retired. As the Company uses group depreciation and group asset accounting, these
2 utility plant and CIAC retirements will have no rate base impact. The retirements,
3 however, will decrease depreciable plant and amortizable CIAC amounts. The
4 Company calculated the net change in depreciable plant for the applicable NARUC
5 accounts and calculated the net change in depreciation expense using the authorized
6 depreciation rates for these accounts. The Company also calculated the net change in
7 property taxes based on the change in taxable utility plant value.
8

9 **Q. Has the Company calculated the applicable cost of capital for this project?**

10 A. Yes. Schedules 4 and 5 reflect the cost of capital for the most recent concluded 12-
11 month period, ending December 31, 2024 (“Concluded Period”). The Schedules make
12 adjustments to the Concluded Period reflecting the components included in its most
13 recent rate case final order and then incorporates the impacts of the Project and its
14 recovery in this proceeding to compute a rate of return of 7.42%. The authorized rate
15 of return, consistent with the Company’s most recent final order and reflecting the
16 Concluded Period, is shown in Schedule 11.
17

18 **Q. Has the Company incurred any costs related to this proceeding? If so, how does**
19 **it propose those costs be addressed?**

20 A. Yes. The Company incurred and will incur additional costs related to this proceeding,
21 primarily legal and noticing costs. The Company proposes to defer these costs to be
22 considered for recovery in its next base rate case filing. The Company estimates these
23 filing and processing costs to be \$88,826, as summarized in the table below.
24
25

	<u>Firm</u>	<u>Person</u>	<u>Hourly Rate</u>	<u>Hours</u>	<u>Total</u>	<u>Description</u>
1	Public Service Commission				\$ 2,250	Filing Fee
	Ausley McMullen	Virginia Ponder	\$ 325	60	\$ 19,500	Legal Fees
2	Ausley McMullen	Jeffrey Wahlen	\$ 420	15	\$ 6,300	Legal Fees
	Ausley McMullen	Paralegal	\$ 150	30	\$ 4,500	Legal Fees
3	Sunshine Water Services				\$ 50,876	Customer/Publication/Municipal Notices
	Sunshine Water Services				\$ 1,000	Travel, Airfare
	Sunshine Water Services				\$ 2,000	Travel, Hotel/Accommodation
4	Sunshine Water Services				\$ 400	Travel, Meals
	<u>Sunshine Water Services</u>				<u>\$ 2,000</u>	<u>Fed Ex, Copies & Other Miscellaneous</u>
5	Estimate Through Final Order				<u>\$ 88,826</u>	

6

7 **Q. What is the resulting revenue requirement increase requested in this proceeding?**

8 A. The Company has calculated the revenue requirement for the Mid-County WWTP
9 Project as \$4,548,775, incorporating the above-described changes in rate base and
10 related expenses, applicable cost of capital, and effective regulatory assessment fees
11 and income taxes. Please see Schedule 3 for details.

12

13 **Q. Has the Company calculated the current annualized revenues?**

14 A. Yes. Schedule 12 presents the annualized wastewater revenues for the 12-month period
15 ending December 31, 2024, applying the currently approved wastewater tariff rates per
16 Commission Order No. PSC-2025-0196-FOF-WS in Docket No. 20240068-WS. To
17 the extent there are any changes in approved wastewater tariff rates during the
18 processing of this proceeding - such as through Index or Pass-Through filings - the
19 Company states that the annualized revenues may require update to reflect current
20 approved rates.

21

22 **Q. How has the Company calculated the change in wastewater tariff rates resulting**
23 **from the Mid-County WWTP Project?**

24 A. The Company applied an across the board 13.31% increase to wastewater rates based
25 on the calculated revenue requirement for the project and the annualized revenues at

1 current rates. Please see Schedules 1 and 2 for more details.

2

3 **Q. Has the Company reviewed the effect on its projected rate of return due to**
4 **implementation of the Mid-County WWTP Project?**

5 A. Yes. The Company provides Schedule 4 showing that the rate of return for the 12-
6 month period ending December 31, 2024 - as adjusted for rate case considerations and
7 the Limited Proceeding request - does not exceed the authorized rate of return. The
8 relevant adjustments for consistency with the last rate proceeding include: (1)
9 annualized revenues as shown in Schedules 10 and 12; (2) rate base and related cost
10 changes for the Mid-County WWTP Project; and (3) rate base changes for pro-forma
11 projects, as approved in the last rate case, which were anticipated to close beyond
12 December 31, 2024, as well as approved audit adjustments to utility plant and CIAC
13 accounts, as shown on Schedule 8. The projected rate of return without Project
14 recovery in this proceeding is calculated as 5.79%, which is lower than the authorized
15 level of 7.70%.

16

17 **Q. Does this conclude your direct testimony?**

18 A. Yes. However, I reserve the right to update or amend this testimony should additional
19 information become available in the future.

20

21

22

23

24

25

SUNSHINE WATER SERVICES COMPANY
EXHIBIT DMD-1
WITNESS: DANTE M. DeSTEFANO
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Exhibit DMD-1
Schedule No. 1

SUNSHINE WATER SERVICES COMPANY
WASTEWATER LIMITED PROCEEDING
SCHEDULE OF PRESENT AND PROPOSED RATES

Wastewater

<u>Line No.</u>	<u>Account Description and Service Type</u>	<u>Present Rates</u>	<u>Proposed Increase</u>	<u>Proposed Rates</u>
1	General, Residential and Multi-Family Service BFC			
2	5/8" x 3/4"	\$40.59	\$5.40	\$45.99
3	3/4"	\$60.89	\$8.10	\$68.99
4	1"	\$101.48	\$13.51	\$114.99
5	1 1/2"	\$202.95	\$27.01	\$229.96
6	2"	\$324.72	\$43.22	\$367.94
7	3"	\$649.44	\$86.44	\$735.88
8	4"	\$1,014.75	\$135.06	\$1,149.81
9	6"	\$2,029.50	\$270.11	\$2,299.61
10	8"	\$3,247.20	\$432.18	\$3,679.38
11	10"	\$5,885.55	\$783.33	\$6,668.88
12	General and Multi-Family Service Gallonage Charge per 1,000 Gallons	\$7.79	\$1.04	\$8.83
13	Residential Charge per 1,000 gallons			
14	8,000 gallons cap	\$6.48	\$0.86	\$7.34
15	General, Residential and Multi-Family Service BFC - Bi Monthly (Mid County and Tierra Verde)			
16	5/8" x 3/4"	\$81.38	\$10.83	\$92.21
17	3/4"	\$122.07	\$16.25	\$138.32
18	1"	\$203.45	\$27.08	\$230.53
19	1 1/2"	\$406.90	\$54.16	\$461.06
20	2"	\$651.04	\$86.65	\$737.69
21	3"	\$1,302.08	\$173.30	\$1,475.38
22	4"	\$2,034.50	\$270.78	\$2,305.28
23	6"	\$4,069.00	\$541.56	\$4,610.56
24	8"	\$6,510.40	\$866.49	\$7,376.89
25	10"	\$11,800.10	\$1,570.52	\$13,370.62
26	Residential Flat Rate BFC - Bi Monthly (Mid County and Tierra Verde)	\$81.22	\$10.81	\$92.03
27	General and Multi-Family Service Gallonage Charge per 1,000 Gallons (Mid County and Tierra Verde)	\$7.79	\$1.04	\$8.83
28	Residential Charge per 1,000 gallons (Mid County and Tierra Verde)			
29	16,000 gallons cap	\$6.48	\$0.86	\$7.34
30	General, Residential and Multi-Family Service Flat Rate	\$73.19	\$9.74	\$82.93
31	General, Residential and Multi-Family Service Flat Rate - Bi Monthly (Mid County and Tierra Verde)	\$146.07	\$19.44	\$165.51
32	General Service Flat Rate - Cross Creek	\$66,236.95	\$8,815.72	\$75,052.67
33	Bulk Service - DeAnn Estates	\$2,354.22	\$313.33	\$2,667.55
34	Gallonage Charge per 1,000 Gallons - DeAnn Estates	\$6.48	\$0.86	\$7.34
35	Residential Reuse BFC	\$11.84	\$1.58	\$13.42
36	Gallonage Charge per 1,000 Gallons - Reuse	\$2.23	\$0.30	\$2.53

SUNSHINE WATER SERVICES COMPANY
WASTEWATER LIMITED PROCEEDING
CALCULATION OF PERCENTAGE RATE INCREASE AND INCREASE TO THE GALLONAGE CHARGES

Exhibit DMD-1
Schedule No. 2

Wastewater			
<u>Line No.</u>			<u>Reference</u>
1	Calculation of Increase Percentage	(a)	
2	Total Proposed Increase	\$4,548,775	Schedule 3
3	Annualized Revenue	\$34,177,247	Schedule 12
4	Percentage Increase in Rates	<u>13.31%</u>	column (a) line (2) / column (a) line (3)

SUNSHINE WATER SERVICES COMPANY
EXHIBIT DMD-1
WITNESS: DANTE M. DeSTEFANO
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SUNSHINE WATER SERVICES COMPANY
WASTEWATER LIMITED PROCEEDING
SCHEDULE OF RATE BASE INCREASE COMPONENTS, RATE OF RETURN, AND REVENUE REQUIREMENT

Exhibit DMD-1
Schedule No. 3

Wastewater

<u>Line No.</u>	<u>Increase in Rate Base and Rate of Return</u>	<u>Cost</u>	<u>Reference</u>
1	Utility Plant in Service (UPIS)	\$27,975,848	Schedule 4
2	Retirements	(1,957,957)	Schedule 4
3	Accumulated Depreciation	603,589	Schedule 4
4	Contributions in Aid of Construction (CIAC)	1,792,926	Schedule 4
5	Accumulated Amortization of CIAC	(1,792,926)	Schedule 4
6	Cash Working Capital	-	Schedule 4
7	Total Increase in Rate Base	<u>\$26,621,480</u>	lines (1) through (6)
8	Weighted Cost of Capital	7.90%	Schedule 11
9	Return Required	<u>\$2,102,787</u>	line (7) * line (8)
10	Increase in Depreciation Expenses Due to UPIS Increase	\$1,354,368	Schedule 5
11	Decrease in Depreciation Expense Due to Retirements	100,978	Schedule 5
12	Increase in CIAC Amortization	59,290	Schedule 5
13	Decrease in Operating and Amortization Expense	(117,667)	Schedule 5
14	Increase in Taxes Other Than Income Taxes	320,188	Schedule 10
15	Total Increase in Operating Expenses	<u>\$1,717,157</u>	
16	Total Taxable Income	\$2,102,787	line (9)
17	Multiply by State Income Tax (5.5%)	115,653	
18	Total Federal Taxable Income	\$1,987,134	line (16) - line (17)
19	Multiply by Federal Income Tax (21%)	\$417,298	
20	Total Revenue Increase Before RAF	<u>\$4,352,895</u>	line (9) + line (15) + line (17) + line (19)
21	Multiply by RAF (4.5%)	\$195,880	
22	Total Revenue Increase Requested	<u><u>\$4,548,775</u></u>	line (20) + line (21)

SUNSHINE WATER SERVICES COMPANY
EXHIBIT DMD-1
WITNESS: DANTE M. DeSTEFANO
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SUNSHINE WATER SERVICES COMPANY
WASTEWATER LIMITED PROCEEDING
RATE BASE AND RATE OF RETURN AFTER LIMITED PROCEEDING RATE INCREASE

Exhibit DMD-1
Schedule No. 4

Wastewater		(a)	(b)	(c)	(d)	Reference
Line No.	Description	Annual Report 12/31/24 Balance	Adjustments to 2024 Balance (1)	Limited Proceeding Considerations	Balance with Adjustments (columns a + b + c)	
1	Utility Plant in Service	189,268,161	14,900,142	\$27,975,848	\$232,144,151	(A), (F)
2	Land	-	(27,486)	-	(27,486)	(F)
3	Retirements	-	(1,556,142)	(1,957,957)	(1,957,957)	(B), (F)
4	Subtotal: Utility Plant in Service	\$189,268,161	\$13,316,514	\$26,017,891	\$230,158,708	
5	Non-used and Useful Plant	(\$928,928)	\$928,928	\$0	\$0	(F)
6	Accumulated Depreciation	(\$80,436,455)	1,094,759	603,589	(78,738,108)	(C), (F)
7	Contributions in Aid of Construction (CIAC)	(42,497,005)	(9,345)	1,792,926	(40,713,424)	(D), (F)
8	Advances for Construction	-	-	-	-	
9	Accumulated Amortization of CIAC	31,352,500	234	(1,792,926)	29,559,808	(E), (F)
10	Working Capital Allowance	878,860	-	-	878,860	
11	Rate Base	\$97,637,133	\$15,331,090	\$26,621,480	\$141,145,844	lines (4) through (11)
12	Operating Income	\$4,257,638	\$3,910,601	\$2,304,743	\$10,472,982	Schedule 5
13	Rate of Return	4.36%			7.42% line (12) / line (11)	
14	Rate of Return Without Limited Proceeding				5.79% line (12), col (a) + (b) / line (11)	

Notes:

(1) Adjustments to 2024 Balance reflect the difference between 2024 Annual Report balances and Final Order No. PSC-2025-0196-FOF-WS, Schedule No. 1-B

14	Adjustments:					
15	(A) Utility Plant in Service					
16	Increase in Plant in Service for Mid-County WWTP			\$27,975,848		Schedule 6
17						
18	Total			\$27,975,848		
19	(B) Retirements					
20	Retired Plant in Service for Mid-County WWTP			(1,957,957)		Schedule 7
21						
22	Total			(\$1,957,957)		
23	(C) Accumulated Depreciation					
24	Annual Accumulated Depreciation for Mid-County WWTP			(1,354,368)		Schedule 9
25	Change in Accumulated Depreciation for Retirements for Mid-County WWTP			1,957,957		Schedule 7
26	Total			603,589		
27	(D) CIAC					
28	Retired CIAC for Mid-County WWTP			\$ 1,792,926		Schedule 7
29	Total			\$1,792,926		
30	(E) Accumulated Amortization of CIAC					
31	Retired CIAC for Mid-County WWTP			(1,792,926)		Schedule 7
32	Total			(\$1,792,926)		
33	(F) Adjustments to reflect balances/activity included in Rate Case Order No. PSC-2025-0196-FOF-WS					
34	Plant In Service, post-2024			14,900,142		Schedule 8
35	Retirements, post-2024			(1,556,142)		Schedule 8
36	Land, Audit Finding #7			(27,486)		Schedule 8
37	Non-used and Useful Plant, recalculated			928,928		Schedule 8
38	Accumulated Depreciation, for Plant In-Service additions, less Retirements			1,094,759		Schedule 8
39	Contributions in Aid of Construction (CIAC), Audit Finding #4			(9,345)		Schedule 8
40	Accumulated Amortization of CIAC, Audit Finding #4			234		Schedule 8
41	Total			15,331,090		

SUNSHINE WATER SERVICES COMPANY
EXHIBIT DMD-1
WITNESS: DANTE M. DeSTEFANO
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SUNSHINE WATER SERVICES COMPANY
WASTEWATER LIMITED PROCEEDING
STATEMENT OF OPERATIONS AFTER LIMITED PROCEEDING RATE INCREASE

Exhibit DMD-1
Schedule No. 5

Wastewater

Line No.	Description	(a)	(b)	(c)	(d)	Reference
		Annual Report 12/31/24 Balance	Adjustments to 2024 Balance	Limited Proceeding Considerations	Balance with Adjustments (columns a + b + c)	
1	Operating Revenue (from Consumption)	\$29,066,868	5,110,379	\$4,548,775	\$38,726,023	(A)
2	Operating Revenue (from Miscellaneous Charges and Accruals)	-	-	-	-	
3	Operating Expenses:					
4	Operation and Maintenance	\$15,820,112	\$0	(\$117,667)	\$15,702,445	(D)
5	Depreciation	7,097,477	461,383	1,253,390	8,812,250	(B), (G)
6	Amortization	(1,161,540)	-	59,290	(1,102,250)	(C)
7	Taxes Other Than Income	2,512,991	431,472	516,069	3,460,532	(E), (G)
8	Income Taxes	540,190	306,922	532,951	1,380,064	(F), (G)
9	Operating Income	<u>\$4,257,638</u>	<u>\$3,910,601</u>	<u>\$2,304,743</u>	<u>\$10,472,982</u>	lines (3) through (8)
10	Adjustments:					
11	(A) Operating Revenue (from Consumption)				\$4,548,775	Schedule 3
12	Limited Proceeding Revenue Increase				5,110,379	Schedule 10
13	Increase in Annualized Revenue				<u>\$9,659,155</u>	
14	Total					
15	(B) Depreciation Expense					
16	Increase in Depreciation Expense for New Plant				\$1,354,368	Schedule 9
17	Decrease in Depreciation Expense for Retired Plant				<u>(100,978)</u>	Schedule 7
18	Total				<u>\$1,253,390</u>	
19	(C) Amortization Expense					
20	Decrease in CIAC Amortization Expense for Retired Plant				<u>\$59,290</u>	Schedule 7
21	Total				<u>\$59,290</u>	
22	(D) Operation and Maintenance Expense					
23	Decrease in O&M Expense				(\$99,929)	Schedule 13
24	Decrease in Deferred Maintenance Amortization Expense				<u>(\$17,738)</u>	Schedule 7
25	Total				<u>(\$117,667)</u>	
26	(E) Taxes Other Than Income					
27	Increase in Property Taxes				\$320,188	Schedule 10
28	Increase in Regulatory Assessment Fees for Limited Proceeding Increase				<u>195,880</u>	Schedule 3
29	Total				<u>\$516,069</u>	
30	(F) Income Taxes					
31	Increase in State Income Taxes				\$115,653	Schedule 3
32	Increase in Federal Income Taxes				<u>417,298</u>	Schedule 3
33	Total				<u>\$532,951</u>	
34	(G) Adjustments to reflect balances/activity included in Rate Case Order No. PSC-2025-0196-FOF-WS					
35	Operation and Maintenance				\$0	Schedule 8
36	Depreciation				461,383	Schedule 8
37	Amortization				-	Schedule 8
38	Taxes Other Than Income - Property Taxes				201,505	Schedule 8
39	Taxes Other Than Income - RAF on Annualized Revenues				<u>229,967</u>	Schedule 10
40	Income Taxes				<u>306,922</u>	Schedule 8
41	Total				<u>\$1,199,778</u>	

SUNSHINE WATER SERVICES COMPANY
WASTEWATER LIMITED PROCEEDING
SCHEDULE OF PLANT INCREASES - PRIMARY ACCOUNT AND COMPONENTS

Exhibit DMD-1
Schedule No. 6

Line No.	NARUC A/C	Description	(a) Construction/ Engineering Costs	(b) Captime	(c) AFUDC	(d) Completion Date	(e) Total Construction Costs
1	354.4	Mid-County - WWTP MBR Construction Improvements - Engineering	\$1,654,533	\$34,633	\$236,749	4/30/2026	\$1,925,915
2	355.4	Mid-County - WWTP MBR Construction Improvements - Electrical and Instrumentation	7,098,260	143,582	1,015,698	4/30/2026	8,257,540
3	380.4	Mid-County - WWTP MBR Construction Improvements - MBR Treatment	9,437,904	190,908	1,350,480	4/30/2026	10,979,292
4	354.4	Mid-County - WWTP MBR Construction Improvements - Plant Improvements	3,801,142	76,889	543,910	4/30/2026	4,421,940
5	380.4	Mid-County - WWTP MBR Construction Improvements - Dewatering Improvements	1,215,161	24,580	173,879	4/30/2026	1,413,620
6	380.4	Mid-County - WWTP MBR Construction Improvements - Disinfection Improvements	840,304	16,997	120,240	4/30/2026	977,542
7		Total	\$24,047,304	\$487,588	\$3,440,956		\$27,975,848

SUNSHINE WATER SERVICES COMPANY
EXHIBIT DMD-1
WITNESS: DANTE M. DeSTEFANO
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SUNSHINE WATER SERVICES COMPANY
EXHIBIT DMD-1
WITNESS: DANTE M. DeSTEFANO
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SUNSHINE WATER SERVICES COMPANY
WASTEWATER LIMITED PROCEEDING
SCHEDULE OF RETIREMENTS BY PRIMARY PLANT ACCOUNT

Exhibit DMD-1
Schedule No. 7

Wastewater

<u>Line No.</u>	<u>NARUC A/C</u>	<u>Description</u>	(a) <u>Retirement</u>	(b) <u>Depreciation Rate</u>	(c) <u>Depreciation Expense</u>
1	271	CIAC - Structure/Improvement Generator Plant	(\$1,276,214)	3.13%	(\$39,882)
2	271	CIAC - Res Cap Fee	(302,646)	2.50%	(7,566)
3	271	CIAC - Plant Mod Fee	(1,646)	2.50%	(41)
4	271	CIAC - Treatment/Disp Equipment Lagoon	(13,813)	5.56%	(767)
5	271	CIAC - Treatment/Disp Equipment Treatment Plant	(198,606)	5.56%	(11,034)
6					
7		Total CIAC	<u>(\$1,792,926)</u>		<u>(\$59,290)</u>
8	354.4	Struct and Improv Treatment Plant	\$246,869	3.13%	\$7,715
9	354.5	Struct and Improv Reclaim WTP	1,508	3.13%	47
10	354.6	Struct and Improv Reclaim Wtr Dist	839	3.13%	26
11	355.4	Power Gen Equip Treat Plt	9,256	5.00%	463
12	371.3	Pumping Equip Pump Plt	418,335	5.56%	23,241
13	380.4	Treat/Disp Equip Lagoon	1,045,917	5.56%	58,107
14	380.5	Treat/Disp Equip Rclm Wtr	4,723	5.56%	262
15	381.4	Plant Sewers Treatment Plt	167,073	2.86%	4,774
16	389.4	Other Plant Treatment	63,437	10.00%	6,344
17					
18		Total Utility Plant	<u>\$1,957,957</u>		<u>\$100,978</u>
19	186.2	Deferred Charges	124,629	10.00%	12,463
20	186.2	Deferred Charges	<u>26,376</u>	20.00%	<u>5,275</u>
21		Total Deferred Charges	<u>\$151,006</u>		<u>\$17,738</u>

**SUNSHINE WATER SERVICES COMPANY
WASTEWATER LIMITED PROCEEDING
ADJUSTMENTS TO 2024 BALANCES PER RECENT RATE CASE (SCHEDULE NOS. 4 AND 5)**

Exhibit DMD-1
Schedule No. 8

Wastewater

Post-2024 In-Service Pro-Forma Projects, per PSC Staff Workpapers

Line No.	NARUC A/C	Description	(a) Depreciation Rate	(b) In-Service Addition	(c) Retirement	(d) Net Addition	(e) A/D / Depreciation Exp.	(f) Property Taxes
1	354.4	Structures & Improvements	3.13%	\$1,020,618	(\$121,410)	\$899,208	\$31,945	\$12,902
2	360.2	Collection Sewers - Force	3.33%	10,767,397	(1,148,854)	9,618,543	358,554	146,201
3	361.2	Collection Sewers - Gravity	2.22%	2,831,760	(285,878)	2,545,882	62,865	38,237
4	381.4	Plant Sewers	2.86%	280,367	0	280,367	8,018	4,166
5		Total - for Schedule Nos. 4 and 5		\$14,900,142	(\$1,556,142)	\$13,344,000	\$461,383	\$201,505

	Description	Amount	Reference
6	Rate Base Adjustment	\$15,331,090	Schedule No. 4
7	Taxable Return	1,210,978	Line (6) x Rate of Return (Schedule No. 11)
8	SIT Adjustment	66,604	Line (7) x 5.5%
9	FIT Adjustment	240,319	(Line (7) -Line (8)) x 21%
10	409 Total Income Tax Adjustment	\$306,922	for Schedule No. 5

Authorized Adjustments / Determinations

Line No.	Description	Adjustment/Amount	Reference
11	353 Land	(\$27,486)	Audit Finding #7, Staff Schedule No. 1-C
12	121 Nonused and Useful Plant	(140,657)	Staff Schedule No. 1-B
13	271 CIAC	(9,345)	Audit Finding #4, Staff Schedule No. 1-C
14	272 Accum. Amort. of CIAC	234	Audit Finding #4, Staff Schedule No. 1-C
	Total - for Schedule No. 4	(\$177,254)	

**SUNSHINE WATER SERVICES COMPANY
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SUNSHINE WATER SERVICES COMPANY
WASTEWATER LIMITED PROCEEDING
SCHEDULE OF ACCUMULATED DEPRECIATION/AMORTIZATION
SCHEDULE OF DEPRECIATION/AMORTIZATION EXPENSE

Exhibit DMD-1
Schedule No. 9

Wastewater

<u>Line No.</u>	<u>NARUC A/C</u>	<u>Description</u>	(a) <u>Completed/Estimated</u> <u>Completion Date</u>	(b) <u>UPIS</u>	(c) <u>Depreciation Rate</u>	(d) <u>Annual Expense</u>	(e) <u>Accumulated</u> <u>Depreciation</u>
1	354.4	Structures & Improvements	4/30/2026	\$1,925,915	3.13%	\$60,281	(\$60,281)
2	355.4	Power Generation Equipment	4/30/2026	8,257,540	5.00%	412,877	(412,877)
3	380.4	Treatment & Disposal Equipment	4/30/2026	10,979,292	5.56%	609,961	(609,961)
4	354.4	Structures & Improvements	4/30/2026	4,421,940	3.13%	138,407	(138,407)
5	380.4	Treatment & Disposal Equipment	4/30/2026	1,413,620	5.56%	78,534	(78,534)
6	380.4	Treatment & Disposal Equipment	4/30/2026	977,542	5.56%	54,308	(54,308)
7		Total		<u>\$27,975,848</u>		<u>\$1,354,368</u>	<u>(\$1,354,368)</u>

SUNSHINE WATER SERVICES COMPANY
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Exhibit DMD-1
Schedule No. 10

SUNSHINE WATER SERVICES COMPANY
WASTEWATER LIMITED PROCEEDING
SCHEDULE OF INCREASES IN TAXES OTHER THAN INCOME

Wastewater

		(a)	
		Net Increase	
<u>Line No.</u>	<u>NARUC A/C</u>	<u>Description</u>	
1	408.10	Regulatory Assessment Fee (RAF)	\$34,177,247 Schedule 12
2		Annualized Revenue for the 12 Months Ended 12/31/2024	29,066,868 Per AR
3		Historic Revenue at 12/31/24	\$5,110,379 line 2 - line 3
4		Net Increase in Annualized Revenue	4.5% Per PSC
5		RAF	\$229,967 line 4 * line 5
6		Increase in RAF (Fee is 4.5%)	
7	402.11	Property Taxes	\$24,047,304 Schedule 6
8		Increased Utility Plant in Service (UPIS)	(1,957,957) Schedule 7
9		Retirements	603,589 Schedule 4
10		Accumulated Depreciation	\$22,692,936 line 8 through line 10
11		Net Taxable Increase	0.0141096 Per County
12		Pinellas County Millage Rate	\$320,188 line 11 * line 12
13		Net Increase in Property Taxes	\$550,155
14		Total Increase to Taxes Other Than Income	

**SUNSHINE WATER SERVICES COMPANY
WASTEWATER LIMITED PROCEEDING
SCHEDULE OF CAPITAL STRUCTURE AND WEIGHTED COST OF CAPITAL**

Exhibit DMD-1
Schedule No. 11

<u>Line No.</u>	<u>Description</u>	(a) <u>12/31/2024</u>	(b) <u>Reconciling</u> <u>Adjustments</u>	(c) <u>Capital Structure (3)</u>	(d) <u>% of Total</u>	(e) <u>Cost Rate</u>	(f) <u>Weighted Cost</u>
1	(1) Long-Term Debt - Fixed	\$208,958,188	-\$178,785,735	\$30,172,453	21.38%	5.23%	1.12%
2	(1) Long-Term Debt - Variable	\$136,768,793	-\$117,020,105	\$19,748,688	13.99%	6.47%	0.91%
3	(1) Short-Term Debt	\$149,639,274	-\$128,032,157	\$21,607,117	15.31%	6.73%	1.03%
4	(2) Customer Deposits	\$337,537	-\$288,798	\$48,739	0.03%	2.00%	0.00%
5	(1) Common Equity	\$471,246,055	-\$403,200,626	\$68,045,429	48.21%	10.05%	4.85%
6	(2) Deferred Tax Liabilities	\$5,863,252	-\$5,016,630	\$846,622	0.60%	0.00%	0.00%
7	(2) Tax Credits - Zero Cost	\$59,215	-\$50,665	\$8,550	0.01%	0.00%	0.00%
8	(2) Excess Deferred Tax Liability	\$4,627,919	-\$3,959,672	\$668,247	0.47%	0.00%	0.00%
9	Capitalization	<u>\$977,500,233</u>	<u>(\$536,300,077)</u>	<u>\$141,145,844</u>	<u>100.00%</u>		<u>7.90%</u>

Notes:

- (1) The Common Equity, Long-Term Debt, and Short-Term Debt amounts used in Schedule B are derived from the Common Equity, Long-Term Debt, and Short-Term Debt of Nexus Regulated Utilities, LLC for the 12 months ended 12/31/24.
- (2) The Customer Deposits, Tax Credits, and Deferred Income Taxes amounts used in Schedule B are derived specifically from the Customer Deposits, Tax Credits, and Deferred Income Taxes of Sunshine Water Services Company for the 12 months ended 12/31/24.
- (3) Amounts reflect pro-ration of capital structure components consistent with most recent Sunshine Water Services Company Final Rate Order, No. PSC-2025-0196-FOF-WS.

**SUNSHINE WATER SERVICES COMPANY
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SUNSHINE WATER SERVICES COMPANY
WASTEWATER LIMITED PROCEEDING
SCHEDULE OF ANNUALIZED REVENUE

Exhibit DMD-1
Schedule No. 12

Wastewater

<u>Line No.</u>	<u>Wastewater Account Description and Service Type</u>	<u>(a) No. of Bills/Gallons</u>	<u>(b) Current Rates</u>	<u>(c) Annualized Revenues</u>
1	General, Residential and Multi-Family Service BFC			
2	5/8" x 3/4"	285,357	\$40.59	\$11,582,641
3	3/4"	23	\$60.89	\$1,400
4	1"	1,455	\$101.48	\$147,653
5	1 1/2"	1,723	\$202.95	\$349,683
6	2"	1,875	\$324.72	\$608,850
7	3"	380	\$649.44	\$246,787
8	4"	218	\$1,014.75	\$221,216
9	6"	38	\$2,029.50	\$77,121
10	8"	47	\$3,247.20	\$152,618
11	10"	62	\$5,885.55	\$364,904
12	General and Multi-Family Service Gallonage Charge per 1,000 Gallons	368,950	\$7.79	\$2,874,121
13	Residential Charge per 1,000 gallons			
14	8,000 gallons cap	1,329,804	\$6.48	\$8,617,130
15	General, Residential and Multi-Family Service BFC - Bi Monthly (Mid County and Tierra Verde)			
16	5/8" x 3/4"	372	\$81.38	\$30,273
17	3/4"	-	\$122.07	\$0
18	1"	531	\$203.45	\$108,032
19	1 1/2"	380	\$406.90	\$154,622
20	2"	409	\$651.04	\$266,275
21	3"	-	\$1,302.08	\$0
22	4"	12	\$2,034.50	\$24,414
23	6"	49	\$4,069.00	\$199,381
24	8"	13	\$6,510.40	\$84,635
25	10"	-	\$11,800.10	\$0
26	Residential Flat Rate BFC - Bi Monthly (Mid County and Tierra Verde)	12,414	\$81.22	\$1,008,265
27	General and Multi-Family Service Gallonage Charge per 1,000 Gallons (Mid County and Tierra Verde)	239,914	\$7.79	\$1,868,930
28	Residential Charge per 1,000 gallons (Mid County and Tierra Verde)			
29	16,000 gallons cap	104,949	\$6.48	\$680,070
30	General, Residential and Multi-Family Service Flat Rate	32,761	\$73.19	\$2,397,778
31	General, Residential and Multi-Family Service Flat Rate - Bi Monthly (Mid County and Tierra Verde)	5,807	\$146.07	\$848,228
32	General Service Flat Rate - Cross Creek	12	\$66,236.95	\$794,843
33	Bulk Service - DeAnn Estates	11	\$2,354.22	\$25,896
34	Gallonage Charge per 1,000 Gallons - DeAnn Estates	1,496	\$6.48	\$9,694
35	Residential Reuse BFC	10,859	\$11.84	\$128,571
36	Gallonage Charge per 1,000 Gallons - Reuse	135,971	\$2.23	\$303,215
37	Total Annualized Revenue			<u>\$ 34,177,247</u>

SUNSHINE WATER SERVICES COMPANY
WASTEWATER LIMITED PROCEEDING
SCHEDULE OF CHANGES IN O&M EXPENSES

Exhibit DMD-1
Schedule No. 13

O&M Expense

<u>Line No.</u>	<u>Description</u>	<u>NARUC A/C</u>	<u>Annual Change</u>
1	Sludge Hauling - Screw Press	711	\$ (136,326)
2	Chemicals - Micro C	718	\$ 36,397
3	Total		<u>\$ (99,929)</u>