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March 19, 2026

VIA Electronic Filing to the Office of Commission Clerk

L. Connor Willis, Engineering Specialist  
Florida Public Service Commission  
Office of Commission Clerk  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

**RE: Docket No. 20260019-WS - In re: Application for transfer of facilities of Forest Utilities, Inc. and Wastewater Certificate No. 300-S to CSWR-Florida Utility Operating Company, LLC, in Lee County.**

Dear Mr. Willis:

On behalf of CSWR-Florida Utility Operating Company, LLC (“CSWR-Florida”), the following are the company’s responses to the March 6, 2026 deficiency letter:

1. Filing Fee. Rule 25-30.037(2)(a), Florida Administrative Code (F.A.C.), requires that the applicant provide a filing fee pursuant to Rule 25-30.020(2)(c), F.A.C. Based on Rule 25-30.020(2)(c), F.A.C., and the wastewater plant capacity permitted with the Department of Environmental Protection for Forest Utilities, Inc.’s wastewater system, staff has determined that the filing fee is \$2,250. The Buyer previously paid \$1,500 by check on February 6, 2026. Please provide the remaining \$750 for the filing fee.

**Response:** There was a discrepancy in the capacity numbers. CSWR-Florida will make payment to the Commission Clerk for the additional \$750.00.

2. Notice of Application. Rule 25-30.030(4)(c), F.A.C., requires that public notices include the common name of developments served by the utility. The common names of the developments are lacking on the provided notice and should be clearly stated, if there are any. Please submit a revised notice with this information for staff’s review.

**Response:** Please see the attached revised Exhibit O draft customer notice.

3. Proof of Noticing. Rule 25-30.037(b), F.A.C., requires proof of noticing pursuant to Rule 25-30.030(6), F.A.C., which states that all applications requiring noticing shall be deemed deficient until affidavits of noticing required by Sections 367.045(1)(e) and (2)(f), Florida Statutes, along with a copy of the notice are filed with the Office of Commission Clerk. After staff has reviewed and approved the notice of application, and the notices have been distributed in accordance with Rule 25-30.030(5), F.A.C., please provide the affidavits of noticing.

**Response:** The attached revised application Exhibit O is a proposed draft notice, which has not yet been approved by staff. When the form of the notice is approved by staff and an entities list provided, CSWR-Florida will distribute and publish the notices and then provide affidavits of noticing as required.

4. Economies of Scale. Rule 25-30.037(v), F.A.C., requires buyers that own other water or wastewater utilities that are regulated by the Commission provide a schedule reflecting any economies of scale that are to be achieved within the next three years and the effect on rates for existing customers served by both the utility being purchased and the buyer's other utilities. While an extensive justification of the Buyer's economy of scale was provided, no anticipated three year plan and its effects on the ratepayers was provided. Please provide a summary of what, if any, economies of scale are anticipated to be achieved within the next three years and the effect on rates for existing customers served by both the Buyer and Seller.

**Response:** CSWR-Florida intends to file a petition to request that the Commission establish a rate base value for the Forest Utilities wastewater system using the alternative procedure provided by Section 367.0811, Florida Statutes. Attached is the current 5-year projection of the rate impact on customers of the Forest Utilities wastewater system, which includes cost efficiencies expected to result from the acquisition transaction and the use of an alternative valuation instead of the cost method to establish rate base value. These impacts are based on the system continuing to have standalone non-consolidated rates.

Thank you for the opportunity to provide additional information in support of the application.

Sincerely,

*/s/ Thomas A. Crabb*

Thomas A. Crabb  
Attorney for Applicant CSWR-Florida

# **Item 2**

**(revised Exhibit O draft customer notice)**

**NOTICE OF APPLICATION FOR AUTHORITY TO TRANSFER WASTEWATER  
CERTIFICATE OF AUTHORIZATION TO ANOTHER REGULATED UTILITY**

**DOCKET NO. \_\_\_\_\_**

**APPLICATION FOR TRANSFER OF FACILITIES OF FOREST UTILITIES, INC. AND  
WASTEWATER CERTIFICATE NO. 300-S TO CSWR-FLORIDA UTILITY  
OPERATING COMPANY, LLC, IN LEE COUNTY**

**DATE OF CUSTOMER NOTICE - \_\_\_/\_\_\_/\_\_\_\_\_**

Notice is hereby given that CSWR-Florida Utility Operating Company, LLC (“Central States Water Resources”), has filed an Application for Approval of Transfer of the Wastewater System of Forest Utilities, Inc. in Lee County, Florida, pursuant to Section 367.071, Florida Statutes, and Rule 25-30.037, Florida Administrative Code.

Central States Water Resources is not requesting a change to rates, classifications, charges, or rules and regulations; therefore, your current rates will not be affected by this transfer. The Forest Utilities, Inc. wastewater system provides service to residential neighborhoods (The Forest, Biscayne, Devonwood, Waterway, Terraverde, Island Park Village, Laurel Oaks, Coves of Estero) and condominiums (Golfside, Island Park Village, Newport Glen, Island Park Woods, Timberlakes, Royal Woods, Heron Villas, Sparrowood, Timberwood, Waters Edge, Fairway Woods, Jonathan Bay, Quail Cove, Dove Hollow, Doves Nest, Partridge Court, Partridge Place, Terraverde, Jamaica Bay), in the following described service territory in Lee County, Florida:

The following is a simplified legal description of the Utility’s service territory. For the full legal description, please contact Central States Water Resources at the contact information below.

**LEGAL DESCRIPTION**

Portions of various Sections in Township 45 South, Range 24 East and Township 46 South, Range 24 East

Common Street Names Affected by Transfer: Terraverde Ct, S. Tamiami Trail, Old Wedgewood Ct, Hampton View Ct, Forest Oaks Dr, Old US 41, Timberlakes Dr, Heron Coach Way, Island Park Rd, Partridge Club Rd, Bear Cub Ct, Panther Paw Ct, Bobcat Ct, Bobcat Dr, Forest Blvd, Pheasant Ct, Fox Den, Villas Square, Terraverde Cir, Coral Cay Lane, Ravens Roost Blvd, Hawks Nest, Key Vizcaya Ct, Terraverde Blvd, Eagle Trace, Coastal Ridge Dr, Gulf Preserve Dr, Birchwood Ln, Overhill Dr, Heron Ln, Park Village Blvd, Youngquist Rd, Deer Run, Forest Villas Cir, Montego Bay Loop, Waterway Bay Dr, Spotted Fawn Ct, Club Blvd, Key Biscayne Blvd, Emerald Bay Ct, Estero Bay Dr, Bay Ridge Way, Rolland Ct, Seawind Dr, Stony Run Ct, Lake Devonwood Dr, Cottontail Ct, Falcon Crest Ct

For more information concerning this notice, please contact the Utility at the address below:

Central States Water Resources, 1630 Des Peres Rd., Suite 140, St. Louis, MO 63131  
Office: (314) 736-4672; Toll Free: (855) 476-1942; Fax: (314) 736-4743  
Email address: [regulatory@cswrgroup.com](mailto:regulatory@cswrgroup.com)

Any objection to the application must be filed with the Office of Commission Clerk, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, no later than thirty (30) days after the last date that the notice was mailed or published, whichever is later.

# Item 4

WATER AND/OR WASTERWATER CUMULATIVE PRESENT VALUE OF THE REVENUE REQUIREMENTS  
FOR ALTERNATE RATE BASE WORKSHEET

Discount Rate / WACC	4.70%								
Start Date	1/1/2025								
Acquisition Date	2/28/2026								
		<b>Acquired Utility</b>							
	<b>Escalation Rate</b>	<b>Beginning Cost</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Nominal Total</b>	<b>5-year CPVRR</b>
Discount Rate			0.94816	0.90560	0.86495	0.82612	0.78904		
<b>Revenue Requirements</b>									
Operations and Maintenance <sup>1</sup>	2.50%	\$1,499,146	\$1,536,625	\$1,575,040	\$1,614,416	\$1,654,777	\$1,696,146	\$8,077,004	\$6,985,085
Depreciation and Amortization <sup>2</sup>	0.00%	\$38,860	\$38,860	\$38,860	\$38,860	\$38,860	\$38,860	\$194,300	\$168,414
Taxes Other Than Income	0.00%	\$108,878	\$108,878	\$108,878	\$108,878	\$108,878	\$108,878	\$544,390	\$471,863
Interest Expense <sup>3</sup>	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Return on Equity <sup>4</sup>	0.00%	\$614,390	\$614,390	\$614,390	\$614,390	\$614,390	\$614,390	\$3,071,950	\$2,662,687
Income Tax <sup>5</sup>	0.00%	\$0	(\$153,434)	(\$144,415)	(\$134,820)	(\$124,619)	(\$113,780)	(\$671,067)	(\$585,602)
System Impact <sup>6</sup>	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Revenue Requirements</b>		\$2,261,274	\$2,145,319	\$2,192,753	\$2,241,725	\$2,292,286	\$2,344,494	\$11,216,577	\$9,702,449
(Revenue from Customers) <sup>8</sup>		\$1,622,470	\$1,693,372	\$1,767,372	\$1,844,606	\$1,925,216	\$2,009,348	\$9,239,914	\$7,977,529
<b>Net Customer (Savings)/Cost<sup>9</sup></b>		\$638,804	\$451,947	\$425,381	\$397,118	\$367,070	\$335,146	\$1,976,663	\$1,724,920

Cost Adjustments - Acquired Utility					
Year 1	Year 2	Year 3	Year 4	Year 5	
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0

Discount Rate / WACC	8.25%								
Start Date	1/1/2025								
Acquisition Date	2/28/2026								
		<b>Acquiring Utility</b>							
	<b>Escalation Rate</b>	<b>Beginning Cost</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Nominal Total</b>	<b>5-year CPVRR</b>
Discount Rate			0.91222	0.84270	0.77848	0.71915	0.66434		
<b>Revenue Requirements</b>									
Operations and Maintenance <sup>1</sup>	2.50%	807,264.00	\$827,446	\$848,132	\$869,335	\$891,068	\$913,345	\$4,349,326	\$3,393,874
Depreciation and Amortization <sup>2</sup>	0.00%	204,742.00	\$221,604	\$238,465	\$255,327	\$272,188	\$272,188	\$1,259,771	\$978,441
Taxes Other Than Income	0.00%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Expense <sup>3</sup>	0.00%	\$0	\$0	\$0	\$0	\$197,225	\$170,933	\$368,159	\$255,392
Return on Equity <sup>4</sup>	0.00%	\$122,463.51	\$122,464	\$122,464	\$122,464	\$122,464	\$122,464	\$612,318	\$479,676
Income Tax <sup>5</sup>	0.00%	\$90,552	\$62,398	\$187,684	\$261,003	\$224,307	\$255,353	\$990,744	\$749,217
System Impact <sup>6</sup>	0.00%	\$130,791	\$153,272	\$175,754	\$198,236	\$220,717	\$220,717	\$968,696	\$747,607
Acquisition Cost <sup>7</sup>	0.00%	\$122,464	\$122,464	\$122,464	\$122,464	\$122,464	\$122,464	\$612,318	\$479,676
<b>Total Revenue Requirements</b>		\$1,478,275	\$1,509,646	\$1,694,962	\$1,828,827	\$2,050,433	\$2,077,463	\$9,161,331	\$7,083,882
(Revenue from Customers) <sup>8</sup>		\$1,622,537	\$1,693,442	2,247,796.00	2,597,624.00	\$2,711,140	\$2,829,617	\$12,079,619	\$9,290,740
<b>Net Customer (Savings)/Cost<sup>9</sup></b>		(\$144,262)	(\$183,795)	(\$552,834)	(\$768,797)	(\$660,707)	(\$752,154)	(\$2,918,288)	(\$2,206,858)

Cost Adjustments - Acquiring Utility					
Year 1	Year 2	Year 3	Year 4	Year 5	
\$0	\$0	\$0	\$0	\$0	\$0
16,862	\$16,861	\$16,861	\$16,861	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0
\$0	\$0	\$0	\$197,225	(\$26,292)	\$0
\$0	\$0	\$0	\$0	\$0	\$0
22,482	\$22,482	\$22,482	\$22,482	\$0	\$0
\$0	\$0	\$0	\$0	\$0	\$0

<b>Combined Net Customer (Savings)/Cost</b>	\$494,542	\$268,152	(\$127,453)	(\$371,679)	(\$293,637)	(\$417,008)	(\$941,625)	(\$481,938)
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<sup>1</sup>Represents estimated Operations and Maintenance Expense for operating the system.

<sup>2</sup>Depreciation and Amortization Expense associated with the assets and system capital expenditures.

<sup>3</sup>Interest expense assumes weighted cost of debt and debt-to-investor capital ratio excluding any interest expense (if applicable) related to the acquisition.

<sup>4</sup>Return on equity assumes cost of equity and equity-to-investor capital ratio excluding any return (if applicable) related to the acquisition.

<sup>5</sup>Income tax assumes blended state and federal tax rate.

<sup>6</sup>Fixed costs and capital needed to serve the system.

<sup>7</sup>Capital costs related to the acquisition.

<sup>8</sup>Revenue from customers at forecasted rates.

<sup>9</sup>Revenue requirements netted against revenue from customers.

<b>Projected 5-Yr Rate Impact</b>	<b>Base Charge</b>	<b>Usage Charge</b>	<b>Number of Bills</b>	<b>Usage</b>	<b>Revenues</b>
Residential (Y0)	\$ 33.91	\$ -	11,928.00	-	\$ 404,478.48
General (Y0)	\$ 18.29	\$ 5.04	23,340.00	141,195,634.00	\$ 1,138,514.60
Residential (Y5)	\$ 54.28	\$ -	11,928.00	-	\$647,451.84
General (Y5)	\$ 54.28	\$ 6.48	23,340.00	141,195,634.00	\$2,182,165.15