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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In re: DOCKET NO. 20250137-WS
Application by Sunshine Water Services
Company for a Limited Proceeding to
Reflect the Mid-County Wastewater Treatment
Facility in Base Rates.

VOLUME 1 of 1
PAGES 1 - 47

PROCEEDINGS: HEARING
COMMISSIONERS
PARTICIPATING: CHAIRMAN GABRIELLA PASSIDOMO SMITH
COMMISSIONER GARY F. CLARK
COMMISSIONER MIKE LA ROSA
COMMISSIONER BOBBY PAYNE
COMMISSIONER ANA ORTEGA

DATE: Monday, April 13, 2026
TIME: Commenced: 9:30 a.m.
Concluded: 9:50 a.m.
PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: DEBRA R. KRICK
Court Reporter and
Notary Public in and for
the State of Florida at Large
Court Reporter

PREMIER REPORTING
TALLAHASSEE, FLORIDA
(850) 894-0828

1 APPEARANCES:

2 J. JEFFREY WAHLEN, VIRGINIA PONDER and MATTHEW
3 J. JONES, ESQUIRES, Ausley McMullen Law Firm, 123 S.
4 Calhoun Street, Tallahassee, Florida 32301; appearing on
5 behalf of Sunshine Water Services Company (SWSC).

6 WALT TRIERWEILER, PUBLIC COUNSEL; CHARLES
7 REHWINKEL, DEPUTY PUBLIC COUNSEL; PATRICIA CHRISTENSEN
8 and OCTAVIO PONCE, ESQUIRES, OFFICE OF PUBLIC COUNSEL,
9 c/o The Florida Legislature, 111 West Madison Street,
10 Room 812, Tallahassee, FL 32399-1400, appearing on
11 behalf of the Citizens of the State of Florida.

12 SAAD FAROOQI and ZACHARY BLOOM, ESQUIRES, FPSC
13 General Counsel's Office, 2540 Shumard Oak Boulevard,
14 Tallahassee, FL 32399-0850, appearing on behalf of the
15 Florida Public Service Commission.

16 ADRIA HARPER, GENERAL COUNSEL; MARY ANNE
17 HELTON, DEPUTY GENERAL COUNSEL, Florida Public Service
18 Commission, 2540 Shumard Oak Boulevard, Tallahassee,
19 Florida 32399-0850, Advisor to the Florida Public
20 Service Commission.

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I N D E X

WITNESS:	PAGE
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EXHIBITS

NUMBER:		ID	ADMITTED
1	Comprehensive Exhibit List	9	10
2-21	As identified in the CEL	9	10

1 P R O C E E D I N G S

2 CHAIRMAN SMITH: Okay. Good morning,
3 everyone. Today is April 13th, 2026. It is 9:30
4 a.m., and I will now convene this hearing.

5 Staff, will you please read the notice?

6 MR. FAROOQI: Good morning, Chairman. By
7 notice dated March 24th, 2026, this time and place
8 has been set for hearing in Docket No. 20250137-SU.
9 The purpose of the hearing is to receive testimony
10 and exhibits, and to take final action on the
11 application for limited proceeding rate increase by
12 Sunshine Water Services.

13 CHAIRMAN SMITH: Thank you, Mr. Farooqi.

14 Now we will take appearances of counsel
15 beginning with Sunshine.

16 MR. WAHLEN: Good morning. I am Jeff Wahlen
17 appearing with Matt Jones and Virginia Ponder with
18 the Ausley law firm on behalf of Sunshine Water.

19 MR. REHWINKEL: Good morning, Commissioners.
20 Charles Rehwinkel with the Office of Public
21 Counsel. Also here with me today will be Walt
22 Trierweiler, the Public Counsel. And I would also
23 like to enter an appearance for Octavio Ponce and
24 Patricia Christensen. Thank you.

25 MR. FAROOQI: Saad Farooqi and Zachary Bloom

1 on behalf of Commission staff.

2 MS. HELTON: And Mary Anne Helton is here as
3 your Advisor, along with your General Counsel,
4 Adria Harper.

5 CHAIRMAN SMITH: Thank you.

6 Staff, are there any preliminary matters that
7 need to be addressed?

8 MR. FAROOQI: No, Chairman. Commissioners, we
9 are here today for Sunshine and OPC to present
10 evidence in support of a 2026 Stipulation and
11 Settlement Agreement, which was signed by all the
12 parties in this docket. Staff is unaware of any
13 outstanding preliminary matters.

14 CHAIRMAN SMITH: Does any party have any
15 preliminary matters that they would like to
16 address?

17 MR. WAHLEN: No, ma'am.

18 MR. REHWINKEL: No.

19 CHAIRMAN SMITH: Seeing none, thank you.

20 All right. We are going to move to opening
21 statements by the parties. Any party may, of
22 course, waive their opening statements. Otherwise,
23 we will kind of keep them to five minutes.

24 Mr. Wahlen, you are up first.

25 MR. WAHLEN: Good morning, Commissioners.

1 Today, Sunshine Water Services Company seeks
2 approval of its 2026 Stipulation and Settlement
3 Agreement, which approves cost recovery for its
4 Mid-County Wastewater Treatment Facility in
5 Pinellas County.

6 The agreement is a unanimous agreement between
7 Sunshine and the Office of Public Counsel. Both
8 parties have expressly agreed that the agreement is
9 in the public interest and results in fair, just
10 and reasonable rates. The parties have agreed to
11 support approval of the agreement by the Commission
12 in that they will not appeal a final order
13 approving it.

14 The major elements of the settlement are
15 listed and explained in the company's motion to
16 approve filed on March 26th, 2026. The motion
17 explains the evidence supporting the agreement and
18 why the agreement and its major components are in
19 the public interest.

20 Sunshine appreciates the opportunity to be
21 here this morning and would like to thank your
22 staff for the professional and diligent way they
23 reviewed the settlement and developed the framework
24 for this hearing.

25 We would also like to thank the Office of

1 Public Counsel for its professionalism throughout
2 this proceeding, and their tough but thoughtful and
3 constructive approach to settlement discussions.

4 I will conclude my remarks by thanking each of
5 you for your attention, and by asking each of you
6 to vote to approve our 2026 agreement. Thank you.

7 CHAIRMAN SMITH: Thank you, Mr. Wahlen.
8 Mr. Rehwinkel.

9 MR. REHWINKEL: Yes. Thank you.

10 The Public Counsel wholeheartedly supports
11 this unanimous agreement. I commend to each of you
12 the motion that contains a very robust explanation
13 in support for why this agreement meets all the
14 tests for approval. It's in the public interest.
15 It results in rates that are fair, just and
16 reasonable. And it resolves all of the issues in
17 the case.

18 So apart from thanking your staff and the
19 company for making this happen and reaching a
20 result that is fair, just and reasonable and in the
21 public interest, I thank you for your consideration
22 today, and commend this agreement for your
23 approval. Thank you.

24 CHAIRMAN SMITH: Thank you.

25 All right. We are going to turn to the record

1 now. Staff.

2 MR. FAROOQI: Thank you.

3 Staff has prepared a Comprehensive Exhibit
4 List, which includes the prefiled exhibits attached
5 to each witnesses' prefiled testimony and exhibits
6 identified by staff and the parties. The list has
7 been provided to the parties, Commissioners and the
8 court reporter.

9 Staff requests that the list, itself, be
10 marked as Exhibit No. 1 at this time, with all
11 subsequent exhibits mark as indicated on the list.

12 CHAIRMAN SMITH: Okay. So we will mark the
13 list as Exhibit 1. The other exhibits will be
14 marked 2 through 21.

15 (Whereupon, Exhibit Nos. 1-21 were was marked
16 for identification.)

17 MR. FAROOQI: It is staff's understanding that
18 the parties do not object and agree to stipulate to
19 the admission of the CEL, Exhibit No. 1, and staff
20 requests that this exhibit be admitted at this
21 time.

22 CHAIRMAN SMITH: Any objections?

23 MR. WAHLEN: No objection.

24 CHAIRMAN SMITH: Thank you.

25 Seeing no objections, Exhibit 1 is admitted.

1 (Whereupon, Exhibit No. 1 was received into
2 evidence.)

3 MR. FAROOQI: It is staff's understanding that
4 the parties do not object and agree to stipulate to
5 the admission of the remaining exhibits as well,
6 Nos. 2 through 21. These exhibits include the
7 prefiled exhibits attached to each witnesses'
8 prefiled testimony and exhibits identified by
9 staff. Staff requests that these exhibits be
10 admitted at this time.

11 MR. WAHLEN: No objection.

12 MR. REHWINKEL: Agreed.

13 CHAIRMAN SMITH: Seeing no objections, Exhibit
14 2 through 21 are admitted.

15 (Whereupon, Exhibit Nos. 2-21 were was
16 received into evidence.)

17 CHAIRMAN SMITH: Let's address witness
18 testimony.

19 MR. FAROOQI: It is also staff's understanding
20 that the parties do not object and agree to
21 stipulate to the admission and prefiled direct and
22 rebuttal testimony of all witnesses in this docket.
23 Staff requests that the following witness
24 testimonies being entered into the record in the
25 following order as though read: On behalf of

1 Sunshine Water Services, Sean Twomey and Dante
2 DeStefano. On behalf of Commission Staff John F.
3 Plescow. And on behalf of Sunshine Water Services,
4 Sean Twomey on rebuttal.

5 Those are all the witnesses with prefiled
6 testimony, Chairman.

7 CHAIRMAN SMITH: Objections?

8 MR. WAHLEN: No.

9 MR. REHWINKEL: No objection.

10 CHAIRMAN SMITH: All right. Seeing none, the
11 prefiled testimony is admitted and moved into the
12 record as though read.

13 (Whereupon, prefiled direct testimony of Sean
14 Twomey was inserted.)

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application by Sunshine Water Services)	Docket No.
Company for Limited Proceeding)	
_____	/	

DIRECT TESTIMONY

OF

SEÁN TWOMEY

on behalf of

Sunshine Water Services Company

1

BACKGROUND2 **Q. Please state your name, address, occupation, and employer.**3 A. My name is Seán Twomey. My present position is Senior Vice President, Nexus Water Group
4 Inc., and I am President of Sunshine Water Services Company (“SWS” or the “Company”).
5 My business address is 200 Weathersfield Ave., Altamonte Springs, Florida, 32714.
6

6

7 **Q. State briefly your educational background and experience.**8 A. Please see Exhibit ST-1 attached hereto.
9

9

10 **Q. Have you previously appeared and presented testimony before any regulatory bodies?**11 A. Yes, I have presented testimony in multiple dockets before the Nevada Public Utilities
12 Commission, and before the Florida Public Service Commission (“Commission”) in Docket
13 No. 20240068-WS.
14

14

15 **Q. What is the purpose of your direct testimony?**16 A. The purpose of my testimony is to describe the Mid-County Wastewater Treatment Plant
17 (“WWTP”) project (the “Mid-County WWTP Project” or the “Project”) and its associated
18 costs.
19

19

20 **Q. Did you prepare any exhibits in support of your prepared direct testimony?**21 A. Yes. I am sponsoring the following exhibits that were prepared under my direction and
22 supervision. The contents of my exhibits were derived from the business records of the
23 Company and are true and correct to the best of my information and belief.

24

Exhibit ST-1. Resume of Seán Twomey

25

Exhibit ST-2. Mid-County WWTP Project

THE MID-COUNTY WWTP PROJECT

1
2 **Q. Please describe the current wastewater treatment plant for the Mid-County system.**

3 A. The Mid-County WWTP is located at 2299 Spanish Vistas Drive, Dunedin, Florida. The
4 facility treats wastewater from a service area consisting of primarily commercial, single and
5 multi-family residential properties along U.S. Highway 19 from State Road 580 to the
6 intersection of County Road 39 and County Road 95. The Mid-County WWTP is currently
7 permitted for 0.900 million gallons per day (“MGD”) annual average daily flow (“AADF”).
8 The facility is permitted to discharge 0.900 MGD AADF into Curlew Creek (Water Body ID
9 1538A), a Class III freshwater body. Prior to any work at the facility, the Mid-County WWTP
10 was an advanced wastewater treatment facility with high level disinfection.
11

12 **Q. Please describe the history of the Mid-County WWTP facility.**

13 A. The facility has been the subject of compliance issues over the past several years. The Florida
14 Department of Environmental Protection (“DEP”) completed an inspection of the Mid-County
15 WWTP in March 2018. A review of the discharge monitoring reports indicated permit limits
16 were exceeded, and the aging facility was no longer able to meet its permit requirements. The
17 Company, then operating under the name Utilities Inc. of Florida, entered into a consent order
18 with DEP in November of 2018. DEP closed the consent order on July 30, 2019, via an In-
19 Kind Completion and Case Closure.

20 The Company engaged Kimley-Horn and Associates, Inc. (“KH”) in November 2019 to
21 complete an Engineering Analysis (the “2019 Engineering Analysis”) to determine the next
22 steps for the Mid-County facility improvement. KH examined equipment and installation
23 alternatives for the master lift station, headworks, biological treatment process, disinfection,
24 and sludge handling along with membrane biological reactors (“MBR”) system alternatives.
25 KH evaluated each alternative based on capital cost, operation and maintenance requirements,

1 constructability, reliability, and compatibility with an MBR system.

2 The 2019 Engineering Analysis recommended upgrading the facility’s primary method of
3 treatment from a conventional extended aeration system to a MBR system. Additionally, KH
4 noted the master lift station required replacement independent of downstream improvements
5 and recommended the Company design and construct a new master lift station as soon as
6 possible. Accordingly, SWS designed and installed a new master lift station in March 2021.
7 SWS also decided to design and install a new Headworks (screen) and Grit Removal system
8 for three reasons. First, the old static screen only provided coarse screening, the screen often
9 caused reduced capacity due to screen “blinding.” Second, the old screen required a lot of
10 maintenance. Finally, the screen was not rated for the new capacity of the master lift station.
11 SWS completed this work in June 2022.

12 In July 2021, SWS entered into a consent order with DEP (the “2021 Consent Order”)
13 regarding unauthorized discharges of 1,143,600 gallons of partially treated wastewater that
14 bypassed the denitrification filters on September 11, 2020, November 12, 2020, and July 6,
15 2021. DEP acknowledged that the Company completed the requirements and closed out the
16 consent order on June 15, 2022.

17 Based on the outcome of the 2019 Engineering Analysis, the Company decided to move
18 forward with the recommended plant upgrades to continue to provide safe and reliable service
19 to our customers and remain compliant with our DEP permit. SWS contracted with KH on
20 January 22, 2021, to provide design, permitting, bidding, and construction phase services for
21 the Mid-County WWTP Improvements.

22 Also in early 2021, the Company prepared to reapply for the Mid-County WWTP permit
23 which was set to expire in August 2021. The application required a Capacity Analysis Report
24 and an Operations and Maintenance Performance Report. In response to a DEP data request,
25 the Company also submitted a Preliminary Design Report (“PDR”) that recommended the

1 WWTP utilize a 5-stage MBR process designed for advanced nutrient removal with the ability
2 to meet effluent discharge parameters within the existing plant footprint. The recommended
3 improvements were intended to increase the plant's hydraulic capacity, maintain permitted
4 effluent limits, address existing process and operational inefficiencies, and provide increased
5 overall plant reliability within the existing plant footprint. DEP issued the current permit in
6 July 2022.

7 SWS entered into a consent order in July 2024 (OGC File No.: 24-1932) regarding
8 unauthorized discharges of 3,200 gallons of raw wastewater in the Mid County Collection
9 System. The Company completed the requirements and DEP closed out the consent order in
10 April 2025.

11 SWS has dealt with compliance issues at the facility for many years and upon review of the
12 2019 Engineering Analysis determined it was best to move forward with a complete plant
13 upgrade and refurbishment to remain compliant with the 2022 DEP-approved permit.

14
15 **Q. Does the Company have any open Administrative Orders or Consent Orders for the**
16 **Mid-County wastewater system at the time of this filing?**

17 **A.** No.

18
19 **Q. Has the Commission addressed any Quality-of-Service issues at the Mid County Facility**
20 **in previous rate case orders?**

21 **A.** Yes, the Commission noted Quality of Service issues at the facility in Order No. PSC-2007-
22 0134-PAA, issued on February 16, 2007, and Order No. PSC-2017-0361-FOF-WS, issued on
23 September 25, 2017, and made a downward adjustment to the Company's return on equity on
24 the entire rate base included in each rate case.

25

1 Q. **Does the upgrade to the Mid-County WWTP address concerns raised by the**
2 **Commission?**

3 A. Yes, with the right operations and leadership in place, the capital improvements made from
4 2021 through 2025 will enable the company to remain compliant with the facilities permit.

5

6 Q. **Please describe the scope and major cost components of the Mid-County WWTP**
7 **Project.**

8 A. The scope of the project was to replace an extended aeration WWTP with new and more
9 robust Membrane BioReactor (MBR) process while using the existing footprint and tankage
10 due to the site constraints. The MBR process requires less footprint and enabled the project
11 team to complete this conversion without having to take the existing plant offline. The MBR
12 cassettes, auxiliary equipment, and installation make up the majority of the project costs. The
13 Company also had a Dewatering Package installed as part of the project which will reduce
14 operational costs now and into the future. A detailed breakdown of the Project can be found
15 in Exhibit ST-02.

16

17 Q. **Did the Company solicit bids for the Mid-County WWTP Project?**

18 A. Yes, the Company solicited six companies to bid on the Mid-County WWTP Project under
19 KH's oversight. Only two companies responded. SWS selected Vogel Bros. Building Co.
20 ("Vogel Bros.") as the preferred vendor based on price.

21

22 Q. **When did the Mid-County WWTP Project start?**

23 A. Engineering work began on the Mid-County WWTP Project in January 2021. The Company
24 paused the project for approximately nine months as it assessed the progress of Senate Bill 64
25 which was enacted into law and became effective on June 29, 2021. Senate Bill 64 created a

1 timeline and plan to eliminate nonbeneficial surface water discharge and thus impacted any
2 construction the Company was currently contemplating on the Mid-County WWTP.

3 KH provided oversight for the construction phases and work initiated at the site on March 20,
4 2023. In the summer of 2025, the new MBR equipment started treating 100 percent of the
5 flows. Vogel Bros. completed a comprehensive upgrade and rehabilitation of the wastewater
6 treatment facility, including converting the South Treatment Train into an MBR facility,
7 refurbishing concrete tanks, and installing equipment for the MBR process. Additional
8 upgrades completed by Vogel Bros. include new solids dewatering equipment and electrical
9 enhancements with a SCADA system for improved process control.

10
11 **Q. What is the current status and estimated in-service date of the Mid-County WWTP**
12 **Project?**

13 A. In March 2025, the new MBR equipment started treating effluent and in August 2025, the 4
14 MBR process trains were treating 100 percent of the flows and the new dewatering equipment
15 was online. Vogel Bros. is currently rehabilitating the chlorine and dichlorination chambers,
16 constructing a new storage building (expected to be completed January 2026), and completing
17 site work involving yard piping, utilities, concrete work, and grading. The Project is expected
18 to be placed in-service in April 2026.

19
20 **Q. When will the Company retire the previous WWTP for the Mid-County system?**

21 A. The Company will retire the previous facility on its books when the upgraded facility is
22 permanently online and providing service to customers. This is estimated to be the same date
23 as the in-service date.

24
25 **Q. Does the Company expect any changes in O&M expenses related to the implementation**

1 **of the Project?**

2 A. Yes. The Company expects the implementation of the Project to create a net expense savings.
3 The MBR setup will require an increase in Micron-C chemical purchases; however, this cost
4 will be offset by an improved dewatering process to handle sludge output from the facility.
5 While the treatment process itself is being modified, the overall permitted capacity and
6 estimated flow rates are unchanged.

7

8 **Q. Please describe the benefits of implementing the Project?**

9 A. Implementation of this Project improves the ability of SWS to provide safe, reliable, and
10 environmentally sound wastewater treatment services to its customers and the local
11 community in accordance with applicable rules and permit requirements. Without the
12 Project's implementation, the Company would have been at greater risk of environmental
13 violations due to the state of the current facility.

14

15 **Q. What is the resulting change in wastewater rates for the Mid-County WWTP Project?**

16 A. As shown on Company Witness DeStefano's Exhibit DMD-1, the project results in a revenue
17 requirement increase of \$4,548,775, or a 13.31% increase over existing annualized wastewater
18 revenues. Mr. DeStefano's Exhibit DMD-1, Schedule 1 reflects the changes in current
19 wastewater tariff rates.

20

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

22 A. Yes, it does. I reserve the right to update, supplement, or amend my testimony should relevant
23 information come available in the future.

24

25

1 (Whereupon, prefiled direct testimony of Dante
2 DeStefano was inserted.)

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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

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BACKGROUND

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

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

Q. State briefly your educational background and experience.

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

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

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

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

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>				\$ 2,000	Fed Ex, Copies & Other Miscellaneous
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.

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1 (Whereupon, prefiled direct testimony of John
2 F. Plescow was inserted.)

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1 **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**
2 **COMMISSION STAFF DIRECT TESTIMONY OF JOHN F. PLESCOW**

3 **DOCKET NO. 20250137-SU**

4 **MARCH 5, 2026**

5 **Q. Please state your name and address.**

6 A. My name is John F. Plescow. My address is 2540 Shumard Oak Boulevard;
7 Tallahassee, Florida 32399-0850.

8 **Q. By whom are you employed and in what capacity?**

9 A. I am employed by the Florida Public Service Commission (FPSC or Commission) as a
10 Regulatory Program Administrator in the Office of Consumer Assistance.

11 **Q. Please give a brief description of your educational background and professional
12 experience.**

13 A. I graduated in 1984 with a Bachelor of Science degree and in 1988 with a Master of
14 Science degree from Florida State University. I have worked for the Commission for
15 more than 36 years, and I have experience in consumer complaints and consumer
16 outreach. I work in the Office of Consumer Assistance where I manage consumer
17 complaints and inquiries.

18 **Q. What is the function of the Office of Consumer Assistance?**

19 A. The Office of Consumer Assistance's function is to resolve disputes between regulated
20 companies and their customers as quickly, effectively, and inexpensively as possible.

21 **Q. Do all consumers that have a dispute with their regulated company contact the
22 Office of Consumer Assistance?**

23 A. No. Consumers may initially file their complaint with the regulated company and reach
24 a resolution without the Office's intervention. In fact, consumers are encouraged to
25 allow the regulated company the opportunity to resolve the dispute prior to any

1 Commission involvement.

2 **Q. What is the purpose of your testimony?**

3 A. The purpose of my testimony is to discuss/outline the number of consumer complaints
4 logged with the Commission against Sunshine Water Services Company under Rule
5 25-22.032, Florida Administrative Code (F.A.C.), Consumer Complaints, from July 1,
6 2024 to December 31, 2025. My testimony will also provide information on the type
7 of complaints logged and those complaints that appear to be rule violations.

8 **Q. What do your records indicate concerning the number of complaints filed for
9 Sunshine Water Services Company?**

10 A. From July 1, 2024 to December 31, 2025 the Commission logged 80 complaints
11 against Sunshine Water Services Company.

12 **Q. What have been the most common types of complaints logged against Sunshine
13 Water Services Company during the period of July 1, 2024 to December 31, 2025?**

14 A. During the specified time period, approximately Forty-four (44%) percent of the
15 complaints logged with the Commission concerned billing issues, while approximately
16 Fifty-six (56%) percent of the complaints involved quality of service issues.

17 **Q. Do you have any exhibits attached to your testimony?**

18 A. Yes. I am sponsoring JFP-1 and JFP-2, which are listings of consumer complaints
19 logged with the Commission against Sunshine Water Services Company under Rule
20 25-22.032, F.A.C. The complaints listed were received between July 1, 2024 and
21 December 31, 2025, and were captured in the Commission's Consumer Activity
22 Tracking System (CATS). Exhibit JFP-1 lists quality of service complaints and Exhibit
23 JFP-2 lists billing complaints. Both exhibits group the complaints by system.

24 **Q. What is a Close Type?**

25 A. A Close Type is an internal categorization code. It is assigned to each complaint once

1 staff completes its investigation, and a proposed resolution is provided to the
2 consumer.

3 **Q. Do you have any additional exhibits?**

4 A. Yes. Exhibit JFP-3 is a listing of complaints by Close Type.

5 **Q. How many of the complaints summarized on your exhibit has staff determined
6 may be a violation of Commission rules for Sunshine Water Services Company?**

7 A. Staff determined that, of the 80 complaints logged against Sunshine Water Services
8 Company during the period of July 1, 2024 to December 31, 2025, there were 18
9 service quality complaints and seven (7) billing complaints that appear to demonstrate
10 a violation of Commission Rules.

11 **Q. Does that conclude your testimony?**

12 A. Yes.

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1 (Whereupon, prefiled rebuttal testimony of
2 Sean Twomey was inserted.)

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for limited proceeding)
rate increase by Sunshine Water Services)
Company d/b/a Sunshine Water Services)
_____ /

Docket No. 20250137-SU

REBUTTAL TESTIMONY

OF

SEÁN TWOMEY

on behalf of

Sunshine Water Services Company

BACKGROUND

1
2 **Q. Please state your name, address, occupation, and employer.**

3 A. My name is Seán Twomey. My present position is Senior Vice President, Nexus Water Group
4 Inc., and I am President of Sunshine Water Services Company (“SWS” or the “Company”).
5 My business address is 200 Weathersfield Ave., Altamonte Springs, Florida, 32714.
6

7 **Q. Are you the same Seán Twomey who provided direct testimony in this matter?**

8 A. Yes.
9

10 **Q. What is the purpose of your rebuttal testimony?**

11 A. The purpose of my rebuttal testimony is to respond to the Florida Public Service Commission
12 (“Commission”) Staff’s direct testimony of John F. Plescow regarding SWS customer
13 complaints.
14

15 **Q. Did you prepare any exhibits in support of your prepared rebuttal testimony?**

16 A. No.
17

COMMISSION STAFF TESTIMONY

18
19 **Q. Have you reviewed the testimony of witness Plescow?**

20 A. Yes I have. Witness Plescow testifies that 80 consumer complaints were logged with the
21 Commission against the Company over the 18-month period of July 1, 2024 to December 31,
22 2025. Additionally, he identifies 25 of the 80 complaints as appearing to demonstrate a
23 violation of Commission Rules.
24

25 **Q. Does the Company have responses regarding the complaints identified as apparent Rule**

1 **violations?**

2 **A.** Yes.

3 **Case Numbers 1464357W, 1464359W, 1464360W, 1464362W, 1464372W, 1464383W,**
4 **1464384W, 1464386W, 1464388W, 1464389W, 1464395W, 1464396W, 1464397W,**
5 **1464413W, 1464447W, 1464776W, and 1450112W**

6 The seventeen above-identified complaints are a result of a Company employee mistakenly
7 believing that extensions could be sought under Rule 25-22.032. The Company notes that
8 Commission records for each of 17 complaints indicate SWS communicated timely to the
9 Commission to seek an extension and was working to gather information and had
10 communicated with the complaining customers. The Company has since trained its staff and
11 has appropriate procedures in place to ensure timely and complete written responses are
12 submitted to Commission staff.

13 Additionally, 16 of these occurred on February 10, 2025, or February 17, 2025, and were the
14 result of a *single* incident related to the reuse system in Longwood.

15
16 **Case Number 1453857W**

17 While the Company did untimely respond to the above-reference case, this complainant was
18 determined not to be a water customer of SWS. Thus, they were directed to resolve the meter
19 reading issue with their proper service provider.

20
21 **Case Numbers 1452358W, 1469370W, 1482919W, 1463525, 1483997W and 1473691W**

22 Six of the 25 complaints that witness Plescow indicates are apparent rule violations relate to
23 the installation of new Advanced Metering Infrastructure (“AMI”) meters. In Order No. PSC-
24 2025-0196-FOF-WS, issued on June 6, 2025, Docket No. 20240068-WS (Application for
25 Rate Increase by Sunshine Water Services Company), the Commission approved the

1 replacement of old water meters with AMI meters. The Company's statewide meter
2 replacement program began in 2024 and finished at the end of 2025. The Company utilized
3 a contractor to assist in the removal of old meters and the installation of new AMI meters for
4 all of its water customers. As a result of this extensive process, certain customers experienced
5 issues in the transition from old-to-new meters.

6
7 **Case Number 1463716**

8 The Company gathered extensive information for this complaint to assist the customer and
9 the Commission's review of the complex factual circumstances presented in this complaint.
10 The Company implemented the Commission's required billing adjustments and account
11 close-out.

12
13 **Q. Does this conclude your rebuttal testimony?**

14 **A.** Yes, it does. I reserve the right to update, supplement, or amend my testimony should relevant
15 information come available in the future.

1 truth, was examined and testified as follows:

2 CHAIRMAN SMITH: Thank you.

3 EXAMINATION

4 BY MR. WAHLEN:

5 Q Good morning, Commissioners. We are pleased
6 to have Mr. Sean Twomey here with us this morning. He
7 is the President of Sunshine Water. He has a brief
8 statement and then he will be glad to answer any
9 questions you may have.

10 A Good morning, Chairperson and Commissioners.

11 So today we are just presenting the Mid-County
12 Wastewater Treatment Plant. It's a 900,000-gallon per
13 day wastewater treatment plant. Quite complex in that
14 we had to build a new plant on the same site of the
15 existing extended duration plant. So it took quite a
16 bit of time. However, we got that done successfully and
17 now have substantially completed or final completion of
18 a membrane wastewater treatment plant.

19 Historically, we have had some noncompliance
20 issues at this facility, and we believe this will
21 address those issues. We have had successful testing
22 completed, specifically toxicity tests that we had
23 periodically failed previously, and we now have got some
24 really good results in the first quarter of the year.

25 We believe that -- not believe. This plant

1 will produce some savings, operational savings. We have
2 a dewatering facility on-site right now, so our hauling
3 costs for sludge have been reduced. We do have some
4 slight increase in chemicals for the micro seed needed
5 to treat this plant, but nonetheless, we believe that
6 overall this will be a better facility, and discharge to
7 the freshwater body will improve the environment.

8 Also, this plant enables us to meet Senate
9 Bill 64 deadline of 2032, where we need to discharge --
10 the deep well injection needs to be installed. And
11 without this treatment facility and upgrades, we have
12 been unable to do that. So this enables us to stay on
13 track for that also.

14 And that's it. I just want to thank everybody
15 here today. Appreciate it.

16 CHAIRMAN SMITH: Thank you, Mr. Twomey.

17 Mr. Rehwinkel, do you have any questions?

18 MR. REHWINKEL: No questions. Thank you.

19 CHAIRMAN SMITH: Thank you.

20 Questions from staff?

21 MR. FAROOQI: No questions.

22 CHAIRMAN SMITH: Commissioners, any questions?

23 Oh, yeah, Commissioner Clark.

24 COMMISSIONER CLARK: Just one question.

25 I was looking through the filing as compared

1 to the settlement agreement, and you had a
2 substantial reduction -- a substantial proportion
3 of the reduction is due to the rate expense that
4 will be deferred. You have another rate case that
5 is pending before us now that, I guess, we are
6 hearing later, is that correct? We have another --

7 MR. WAHLEN: We don't have a rate case pending
8 right now. We have a fair market value proceeding,
9 but that will not automatically result in a rate
10 increase. There will be a rate case in the future
11 sometime, but we haven't scheduled one or filed
12 anything yet.

13 COMMISSIONER CLARK: So the fair market
14 proceeding would not include anything from this
15 rate -- from this --

16 MR. WAHLEN: Correct.

17 COMMISSIONER CLARK: -- settlement agreement?
18 Okay. Thank you.

19 CHAIRMAN SMITH: Any further questions?

20 Okay. Seeing none, Mr. Wahlen, any redirect?

21 MR. WAHLEN: No, ma'am.

22 CHAIRMAN SMITH: Okay. Then Mr. Twomey, you
23 are excused.

24 THE WITNESS: Thank you.

25 CHAIRMAN SMITH: Remain seating in your same

1 place.

2 (Witness excused.)

3 CHAIRMAN SMITH: Okay. That brings us to the
4 end of the evidentiary portion of the hearing. The
5 record shall now be closed.

6 Staff.

7 MR. FAROOQI: It is staff's understanding that
8 the parties are willing to waive post-hearing
9 briefs.

10 CHAIRMAN SMITH: Is -- are the parties --

11 MR. REHWINKEL: That is true.

12 MR. WAHLEN: Absolutely.

13 CHAIRMAN SMITH: Okay. Thank you.

14 Seeing that no party wishes to file
15 post-hearing brief, Commissioners, it appears that
16 we are in the posture to make a decision on this
17 matter.

18 Staff, given our current posture, are you
19 prepared to provide an oral recommendation?

20 MR. FAROOQI: Yes, Commissioner. Staff is
21 prepared to provide an oral recommendation with
22 respect to the proposed 2026 Stipulation and
23 Settlement Agreement based upon the evidence that
24 has been presented today.

25 MR. SEAWARDS: Good morning, Commissioners.

1 Justin Seawards with Commission staff.

2 On March 26th, 2026, Sunshine Water Services
3 filed a stipulation and settlement agreement with
4 the Office of Public Counsel in Docket No.
5 20250137-SU. The 2026 agreement is a unanimous
6 agreement concerning cost recovery of Sunshine's
7 Mid-County Wastewater Treatment Facility, and both
8 parties expressly agreed it is in the public
9 interest. Having reviewed the record evidence,
10 staff recommends that consistent with the FAIR
11 decision, there is support in the record for each
12 of the major elements.

13 The major elements identified in the 2026
14 agreement address the prudence of the Mid-County
15 Wastewater Treatment Facility project, the
16 subsequent change to rate base, the revenue
17 increase, the annual revenue requirement to recover
18 the associated costs and the revised tariffs.

19 The elements also address the agreement to
20 defer rate case expense to a future rate
21 proceeding, and to forego further litigation in
22 this docket.

23 The 2026 agreement concludes that the
24 Mid-County Wastewater Treatment Facility project is
25 prudent and in the public interest. The project is

1 expected to improve the compliance issues with the
2 Florida Department of Environmental Protection, as
3 well as overall plant reliability.

4 Based on the record evidence, the total
5 invoice engineering and construction costs for the
6 project is approximately 24.08 million, which is
7 approximately 28,000 more than the total estimated
8 engineering and construction costs included in
9 Sunshine's original filing. The project also
10 estimates -- estimated the result in O&M savings of
11 approximately \$100,000.

12 Adding the Mid-County Wastewater Treatment
13 Facility project to Sunshine's rate base is in the
14 public interest because in doing so supports the
15 utility's ability to timely earn a fair return -- a
16 fair rate of return on investment and facilitates
17 place in the public service. The 2026 agreement
18 reduces the total requested annual revenue
19 requirement increase for the Mid-County Wastewater
20 Treatment Facility from approximately 4.95 million
21 to 4.3 million, resulting in mitigating the rate
22 impacts for customers.

23 Further, the tariff rates were prepared using
24 the rate design methods and principles approved by
25 the Commission in Sunshine's most recent rate base

1 case. The rates calculated in the 2026 agreement
2 result in a 12.58 percent increase across the board
3 to the utility's existing rates. The 2026
4 agreement requests that the rates be effective no
5 later than June 1st, 2026.

6 The deferral of rate case expense associated
7 with this limited proceeding is in the public
8 interest because it makes the current approved
9 annual revenue increase lower than it might be
10 otherwise, and preserves the rate case expense
11 issues for a future proceeding.

12 By providing resolution of all outstanding
13 issues, the 2026 agreement promotes certainty,
14 predictability and regulatory efficiency, and is
15 supported by the public policy in Florida to
16 encourage resolution of disputes by agreements of
17 the parties.

18 In conclusion, the 2026 settlement is a result
19 of a collaboration between Sunshine and OPC,
20 reflecting compromises of their respective
21 positions and appropriately balances the need for
22 Sunshine to have the revenues necessary to provide
23 safe and reliable service with the requirement that
24 the service be provided at just and reasonable
25 rates for the customers. For the reasons stated,

1 staff recommends that the 2026 agreement be
2 approved.

3 Thank you.

4 CHAIRMAN SMITH: Thank you, Mr. Seawards.

5 Commissioners, are there any questions
6 regarding the oral recommendation?

7 Seeing none, then, do we have a motion?

8 COMMISSIONER CLARK: Madam Chair, I had an
9 entire statement to read as part of my motion, but
10 I believe Mr. Seawards covered every aspect of it,
11 so with that in mind, I will move staff
12 recommendation on the item.

13 COMMISSIONER LA ROSA: Second.

14 CHAIRMAN SMITH: Thank you.

15 Hearing a motion and a second, all those in
16 favor please say aye.

17 (Chorus of ayes.)

18 CHAIRMAN SMITH: Any opposed?

19 (No response.)

20 CHAIRMAN SMITH: All right. Seeing none, the
21 settlement agreement is approved.

22 Staff, are there any further matters?

23 MR. FAROOQI: Commissioners, given your vote
24 today, an order memorializing your decision will be
25 issued at a later date. Staff is not aware of any

1 further matters.

2 CHAIRMAN SMITH: Any additional matters from
3 the parties?

4 MR. WAHLEN: Just another thank you very much.

5 MR. REHWINKEL: Thank you.

6 CHAIRMAN SMITH: Thank you.

7 All right. Seeing no additional matters, then
8 this hearing is adjourned. Thank you all.

9 MR. WAHLEN: Thank you.

10 (Proceedings concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 27th day of April, 2026.



DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #HH575054
EXPIRES AUGUST 13, 2028