

WATER & WASTEWATER INDUSTRY QUARTERLY REPORT

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ATTORNEYS & COUNSELORS at LAW

CHAPTER 2015-129, LAWS OF FLORIDA

By: Susan Clark

On June 10, 2015, Governor Scott signed into law Committee Substitute for House Bill 7109 (CS/HB) affecting the Florida Public Service Commission (FPSC) the Public Service Commission Nominating Council (Nominating Council) and the financing of cost relating to nuclear generating asset retirements and abandonments. The law, Chapter 2015-129, Laws of Florida, prohibits FPSC Commissioners from serving more than three consecutive terms, and requires meetings, workshops, hearings and other proceedings attended by two or more FPSC Commissioners to be streamed live on the internet and a recorded copy of such meetings workshops, hearings and proceedings be made available on the FPSC's website. FPSC Commissioners are required to annually complete four hours of ethics training covering Section 8 of Article II of the State Constitution, the Code of Ethics for Public Officers and Employees and the laws relating to public records and public meetings.

The law also addresses prohibited ex parte communications which will now include communications regarding a proceeding under sections 120.569 and 120.57, Florida Statutes, "that is pending before the Commission or that he or she knows or reasonably expects will be filed with the Commission within 180 days after the date of any such communication." The Legislature found it is in the public interest for Commissioners to be educated and informed on regulatory policies and developments "through active participation in meetings that are scheduled by organizations that sponsor such educational or informational sessions, programs, conferences, and similar events that are duly noticed and open to the public." However, the prohibitions regarding ex parte communications remain in effect at such meetings and Commissioners are to refrain from commenting on or discussing any currently pending proceeding or one that will be filed within 180 days after the meeting. Further, Commissioners are to use "reasonable care to ensure that the content of the educational or other session in which the Commissioner participates is not designed to address or create a forum to influence the Commissioner or any proceeding" to which the ex parte prohibition applies. The governor may remove from office a Commissioner who has willfully and knowingly violated the prohibition on ex parte communications and must remove a Commissioner from office for a willful and knowing violation after a previous finding by Ethics Commission of a willful and knowing violation in a separate matter.

New provisions affecting the electric and gas industry were also added. Finally, the law amends provisions regarding the Nominating Council requiring that persons who are employed to influence the actions of the Nominating Council register as lobbyists pursuant to, and comply with, the provisions of Section 11.045, Florida Statutes.



Summaries of PSC Orders filed since April 2015

By Susan F. Clark

PSC-15-0153-CO-WU—Date Filed: 4/17/2015

Consummating Order makes effective and final PSC-15-0140-PAA-WU approving the transfer of W.B.B. Utilities, Inc.'s water system in Lake County to Lake Idlewild Utility Company.

PSC-15-0154-CO-SU—Date Filed: 4/20/2015

Consummating Order makes effective and final PSC-15-0142-PAA-SU approving a rate increase for wastewater service in Polk County by Crooked Lake Park Sewage Company.

PSC-15-0173-WS—Date Filed: 5/5/2015

Proposed Agency Action Order approves a settlement proposal for possible overearnings by Southlake Utilities, Inc. in Lake County. Southlake proposed a rate reduction for both water and wastewater as well as refund for water and wastewater over a 6-month period in 2015. The overearnings are attributed to significant customer growth.

PSC-15-0178-TRF-WS through PSC-12-0190-TRF-WS—Date Filed: 5/6/2015

Orders approve a miscellaneous service charge for all 13 regulated utilities of U.S. Water Services (U.S. Water) to cover cost incurred by utilities for customers who opt to pay their water or wastewater bill by credit or debit card on line or by way of the telephone. A charge of \$2.60 was approved for: HC Waterworks in Highlands County; for Harbor Waterworks, Inc. in Lake County; LP Waterworks in Highland County; Sunny Hills Utility Company in Washington County; Jumper Creek Utility Company in Sumter County; Lake Idlewild Utility in Lake County; Lakeland Waterworks, Inc. in Lake County; Lake Osborne Waterworks, Inc. in Palm Beach County; Brendenwood Waterworks, Inc. in Lake County; Country Walk Utilities in Highland County; Brevard Waterworks, Inc. in Brevard County; Woods Utility Company in Sumter County; and Raintree Waterworks in Lake County.

PSC-15-0191-PCO-WU—Date Filed: 5/8/2015

Order extends the amount of time that Water Management Services, Inc., which provides water service on St. George Island in Frankling County, had to complete financing and construction requirements of pro forma plant projects. The time was extended from December 22, 2014, to December 31, 2015.

PSC-15-0207-FOF-WS—Date Filed: 5/26/15

Order approves Pluris Wedgefield, Inc.'s application to amend Certificate No. 404-W and 341-S to include in its water and wastewater service territory in Orange County a newly constructed school in Orange County. This amendment adds fewer than 100 equivalent residential connections.

PSC-15-0208-PAA-WS—Date Filed: 5/26/15

Proposed Agency Action Order (PAA) Order approves an increase in water rates and wastewater rates for Labrador Utilities, Inc. in Pasco County. The overall quality of service for wastewater was deemed satisfactory, but the quality of service for water services was deemed marginal due to insufficient efforts to engage its customers to discuss and resolve continuing dissatisfaction with the quality of water. The water treatment plant was found to be 79.94% used and useful (U&U) and the water distribution and wastewater collection systems were found to be 100% U&U. A working capital allowance was allowed using the one-eighth of the operation and maintenance expenses formula. The return on equity for wastewater was set at 10.43 % and 10.18% for service of water based on the Commission's leverage formula. Various adjustments were made to test year expenses. The rate increase for water service was 16.65% and the rate increase for wastewater service was set at 32.81%. The rate structure approved for residential water service was a base facilities charge (BFC), designed to recover 50% of the revenue requirement due to the seasonal nature of the customer base and a uniform gallon charge for all customers. The rate structure approved for residential and general wastewater customers was a BFC designed to cover 50% of the revenue requirement and a gallonage charge. The gallonage cap was reduced to 6,000 gallons.

Summaries of PSC Orders filed since April 2015 (continued)

PSC-15-209-PCO-WS—Date Filed: 5/27/15

Order suspends proposed tariff of Marion Utilities, Inc. for increasing miscellaneous service charges and initial customer deposit, adding a meter tampering charge, and adding a convenience charge for the processing of credit and debit card payments, for water and wastewater services in Marion County.

PSC-15-0210-FOF-WS—Date Filed: 5/27/15

Order approves the transfer of majority operational control of GCP Fairfield Village, LLC in Marion County to Sun Communities Operating Limited Partnership. The existing rates and charges remain in effect until a change is authorized by the Commission in a subsequent proceeding.

PSC-15-0210A-FOF-WS—Date Filed: 6/19/15

Order amends the table for GCP Fairfield Village, LLC Monthly Water Rates found in Schedule No. 1 which reflects incorrect rates.

PSC-15-0211-FOF-WS—Date Filed: 5/27/15

Order approves the transfer of majority operational control of Sunlake Estates Utilities, LLC in Lake County to Sun Communities Operating Limited Partnership. The existing rates and charges remain in effect until a change is authorized by the Commission in a subsequent proceeding.

Consummating Order No. **PSC-15-0215-CO-WU** and Order Nos. **PSC-15-0218-CO-WS** through **PSC-15-0229-CO-WS** filed on 6/1/15 make effective and final Order Nos. PSC-15-0178-TRF-WS through PSC-15-0190-TRF-WS approving a miscellaneous service charge for all 13 regulated utilities of U.S. Water Services located in Highland, Lake, Sumter, Washington, Palm Beach and Brevard Counties.

PSC-15-0216-CO-WS—Date Filed: 6/1/15

Consummating Order makes effective and final PSC-15-0173-PAA-WS approving settlement proposal for possible overearnings by Southlake Utilities, Inc. in Lake County.

PSC-15-0233-PAA-WS—Date Filed: 6/3/15

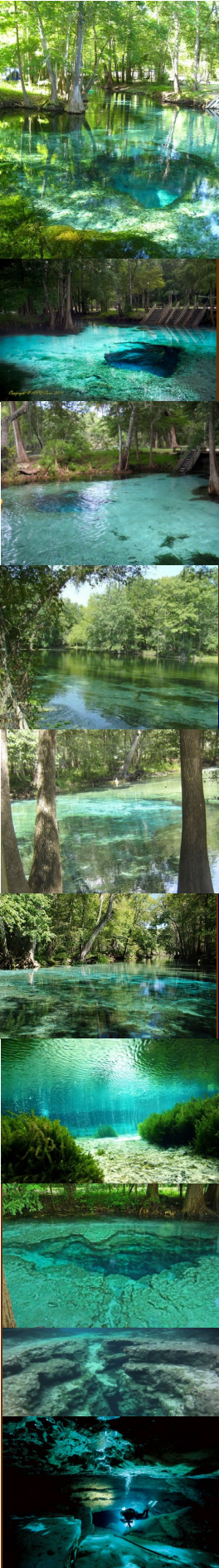
Proposed Agency Action Order (PAA) Order approves an increase in water rates and wastewater rates for Sanlando Utilities Corporation in Seminole County. The overall quality of service for water and wastewater services was deemed satisfactory. The water treatment plant and the water distribution and wastewater collection systems were found to be 100% used and useful (U&U). A working capital allowance was allowed using the balance sheet method used by Class A utilities. The return on equity for wastewater and water services were set at 10.53 % based on the Commission's current leverage formula. Various adjustments were made to test year expenses. The rate increase for water service was 9.90% and the rate increase for wastewater service was set at 5.32%. Part of the wastewater revenue requirement was shifted to the water system. The rate structure approved for residential water service was a base facilities charge (BFC), designed to recover 21.45% of the revenue requirement and a uniform gallon charge for general service water customers with a three-tiered gallonage charge for residential customers. The rate structure approved for residential and general wastewater customers was a BFC designed to cover 50% of the revenue requirement and a uniform gallonage charge. A 10,000 wastewater gallonage cap was set for residential customers and 1.2 times that for general service. An across-the-board increase of 5.32% for reuse wastewater customers was approved.

PSC-15-0233A-PAA-WS- Date Filed: 7/9/15

Order amends PSC-15-0233-PAA-WS by removing the ninth ordering paragraph on page 44 regarding reports on billing which was inadvertently included but does not apply in the case.

PSC-15-0234-FOF-SU- Date Filed: 6/9/15

Order acknowledges the transfer of Francis I Utility, LLC wastewater assets to the City of Sebring in Highlands County.



Summaries of PSC Orders filed since April 2015 (continued)

PSC-15-0241-CFO-WU and PSC-15-0242-CFO-WU—Date Filed: 6/9/15
 Prehearing Officer’s (Brisé) orders grant and deny in part Michael Smallridge’s request for confidential classification of certain information. Confidential classification is granted to certain personal information of Mr. Smallridge (Social Security Number and tax returns). These requests relate to two applications for a transfer of certificates to provide water service in Pasco County by Holiday Gardens Utilities and Crestridge Utilities.

PSC-15-0248-FOF-SU- Date Filed: 6/15/15
 Order acknowledges the transfer of Utilities Corporation of Florida, Inc.’s wastewater facilities in Highland County to the Spring Lake Improvement District.

PSC-15-0249-CO-WS- Date Filed: 6/22/15
 Consummating order makes effective and final PSC-15-0208-PAA-WS establishing rates for water and wastewater service provided by Labrador Utilities, Inc. in Pasco County.



FPSC W/W Dockets OPENED (since April 2015)

150102-SU—Date Opened: 4/1/2015
 Application for increase in wastewater rates in Charlotte County by Utilities, Inc. of Sandalhaven.

150107-SU—Date Opened: 4/1/2015
 Application for transfer of wastewater assets of Francis I Utility, L.L.C. to City of Sebring, and cancellation of Certificate No. 473-S, in Highlands County.

150113-WS—Date Opened: 4/2/2015
 Application for transfer of majority organizational control of Orange Blossom Utilities, Inc., holder of Certificate Nos. 639-W and 548-S in Sumter County, from Nancy Steinmetz Roach to Jonathan S. Dean.

150115-WS—Date Opened: 4/3/2015
 Joint application for approval of transfer of majority organizational control of Ni Florida, LLC, holder of Certificate Nos. 388-W in Lee County and 104-S in Pasco County, to Ni Pacolet Milliken Utilities, LLC.

150137-SU—Date Opened: 4/29/2015
 Petition for approval to defer legal expenses associated with the resolution of land use issues for utility treatment facilities that are located in Polk County by West Lakeland Wastewater, Inc..

150149-WS—Date Opened: 5/26/2015
 Application for staff-assisted rate case in Glades and Highlands Counties by Silver Lake Utilities, Inc.

FPSC W/W Dockets CLOSED (since April 2015)

110020-WS—Date Opened: 1/7/2011—Date Closed: 4/7/2015

Application for certificates to provide water and wastewater service in Marion County by OB Utility Systems, L.L.C.

110021-WS—Date Opened: 1/7/2011—Date Closed: 4/7/2015

Application for certificates to provide water and wastewater service in Lake County by COL Utility Systems, L.L.C.

110022-WU—Date Opened: 1/7/2011—Date Closed: 4/7/2015

Application for certificate to operate water utility in Pasco County by HV Utility Systems, L.L.C.

110023-WS—Date Opened: 1/7/2011—Date Closed: 4/7/2015

Application for certificates to provide water and wastewater service in Lake County by MFL Utility Systems, L.L.C.

130212-WS—Date Opened: 8/6/2013—Date Closed: 5/28/2015

Application for increase in water/wastewater rates in Polk County by Cypress Lakes Utilities, Inc.

140145-SU—Date Opened: 7/31/2014—Date Closed: 6/15/2015 Application by South Highlands Investment Corporation to transfer the wastewater assets of Utility Corporation of Florida, Inc. to the Spring Lake Improvement District, and cancellation of Certificate No. 550-S, in Highlands County.

140170-WU—Date Opened: 9/4/2014—Date Closed: 5/4/2015

Application for approval of transfer of Certificate No. 531-W from W.B.B. Utilities, Inc. to Lake Idlewild Utility Company in Lake County.

140194-WU—Date Opened: 10/3/2014—Date Closed: 5/4/2015

Application for amendment of Certificate No. 405-W to add territory in Marion County by Tradewinds Utilities, Inc.

140240-WS—Date Opened: 12/12/2014—Date Closed: 5/26/2015

Application for amendment of Certificate Nos. 404-W and 341-S to extend water and wastewater service areas to include certain additional land in Orange County by Pluris Wedgefield, Inc.

150018-WS—Date Opened: 1/6/2015—Date Closed: 5/27/2015

Joint application of GCP REIT II and Sun Communities Operating Limited Partnership for authority for transfer of majority organizational control of GCP Fairfield Village, LLC.

150020-WS—Date Opened: 1/6/2015—Date Closed: 5/27/2015

Joint application of GCP REIT II and Sun Communities Operating Limited Partnership for authority for transfer of majority organizational control of Sunlake Estates Utilities, L.L.C.

150055-WS—Date Opened: 2/17/2015—Date Closed: 6/23/2015

Request for approval of amendment to tariff for miscellaneous service charges in Sumter County by Jumper Creek Utility Company.

150056-WU—Date Opened: 2/17/2015—Date Closed: 6/23/2015

Request for approval of amendment to tariff for miscellaneous service charges in Palm Beach County by Lake Osborne Waterworks, Inc.

150057-WS—Date Opened: 2/17/2015—Date Closed: 6/23/2015

Request for approval of amendment to tariff for miscellaneous service charges in Highlands County by HC Waterworks, Inc.



FPSC W/W Dockets CLOSED (since April 2015) (continued)

150058-WU—Date Opened: 2/17/2015—Date Closed: 6/23/2015
Request for approval of amendment to tariff for miscellaneous service charges in Lake County by Lake Idlewild Utility Company.

150059-WU—Date Opened: 2/17/2015—Date Closed: 6/23/2015
Request for approval of amendment to tariff for miscellaneous service charges in Lake County by

150060-WS—Date Opened: 2/17/2015—Date Closed: 6/23/2015
Request for approval of amendment to tariff for miscellaneous service charges in Lake County by Harbor Waterworks, Inc.

150061-WS—Date Opened: 2/17/2015—Date Closed: 6/23/2015
Request for approval of amendment to tariff for miscellaneous service charges in Lake County by Lakeside Waterworks, Inc.

150062-WU—Date Opened: 2/17/2015—Date Closed: 6/23/2015
Request for approval of amendment to tariff for miscellaneous service charges in Lake County by Raintree Waterworks, Inc

150063-WS—Date Opened: 2/17/2015—Date Closed: 6/23/2015
Request for approval of amendment to tariff for miscellaneous service charges in Highlands County by LP Waterworks, Inc.

150064-WS—Date Opened: 2/17/2015—Date Closed: 6/23/2015
Request for approval of amendment to tariff for miscellaneous service charges in Sumter County by The Woods Utility Company.

150065-WU—Date Opened: 2/17/2015—Date Closed: 6/23/2015
Request for approval of amendment to tariff for miscellaneous service charges in Brevard County by Brevard Waterworks, Inc.

150066-WS—Date Opened: 2/17/2015—Date Closed: 6/23/2015
Request for approval of amendment to tariff for miscellaneous service charges in Washington County by Sunny Hills Utility Company.

150067-WU—Date Opened: 2/17/2015—Date Closed: 6/23/2015
Request for approval of amendment to tariff for miscellaneous service charges in Highlands County by Country Walk Utilities, Inc.

150107-SU—Date Opened: 4/1/2015—Date Closed: 6/4/2015
Application for transfer of wastewater assets of Francis I Utility, L.L.C. to City of Sebring, and cancellation of Certificate No. 473-S, in Highlands County.

150107-SU—Date Opened: 4/1/2015—Date Closed: 6/4/2015
Application for transfer of wastewater assets of Francis I Utility, L.L.C. to City of Sebring, and cancellation of Certificate No. 473-S, in Highlands County.

Trivia By Pam Keillor

Human brains are 75% water.

<http://www.lennntech.com/water-trivia-facts.htm>



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The Radey Law Firm believes that service to clients must be efficient and dedicated. Our location in Tallahassee, Florida, provides us the opportunity to be at the heart of the regulatory, legislative, and judicial arenas. The Water & Wastewater Industry Quarterly Report is provided to our clients and friends in a condensed summary format and should not be relied upon as a complete report nor be considered legal

Radey, Tallahassee Police Athletic League Join Forces to Create Community Running Event

Radey and the Tallahassee Police Athletic League teamed up to create a new 5K and one-mile run on May 30 at Tallahassee's Jack McLean Park.

Many Radey employees and their families participated in or volunteered for the event. In addition, the event had the strong support of the local Police Athletic League and Gulf Winds Track Club. With this support, the Police Athletic League was able to surpass its fundraising goal, which will allow it to expand its vision of offering low-cost or free youth athletic programs in the city. We also established the foundation for a good race that we hope will grow in the future. On behalf of the firm, we thank our friends locally who supported this race and look forward to seeing you again next year at Jack McLean Park.

