

WATER & WASTEWATER INDUSTRY QUARTERLY REPORT

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Keeping You Informed About Florida

December 2017

Applications Solicited for Florida Public Service Commission By Susan Clark

On December 22, 2017, the Florida Public Service Commission Nominating Council posted a letter on their website soliciting applications for the Florida Public Service Commission (FPSC).

A vacancy was created by the resignation of FPSC Appointee David “Ritch” Workman on December 4, 2017. Mr. Workman was scheduled to be sworn in as a FPSC Commission in January 2018.

Applications for the position are due by 5:00 p.m. January 12, 2018.

Summaries of PSC Orders Filed since October 2017

PSC-2017-0361A-FOF-WS—Date Filed: 10/4/2017

Order corrects the refund amount to customers of Utilities, Inc. of Florida’s Labrador wastewater system in Pasco County from \$114,329 to \$83,236 (Docket No. 20160101-WS).

PSC-2017-0383-PAA-SU—Date Filed: 10/4/2017

Proposed Agency Action Order approves a rate increase for ESAD Enterprises, Inc. d/b/a Beaches Sewer Systems, Inc. (Utility) for service in Gulf County in a staff-assisted rate case (SARC). The quality of service was found to be satisfactory; however, the order noted several components appeared to be in need of repair (pro forma adjustments were approved for the projects) and the Utility was working toward full compliance with the Department of Environmental Protection (DEP). The wastewater treatment plant was found to be 64.3 percent used and useful (U&U) and the wastewater collection system was found to be 90.5 percent U&U. Adjustments were made to rate base and operating expenses. Pro forma adjustments to plant and expenses were also approved; however, a final decision on the revenue requirement and rates for Phase II items will be made after the Utility has completed those items. The return on equity (ROE) was set at 11.16 percent based on the Commission-approved leverage formula, but the Operating Ratio Methodology was used for setting the Utility’s rates due to factors proving the need for a “higher margin of revenue over expenses than the traditional return on rate base would allow.” The existing rate structure of a flat rate for both residential and commercial customers was continued because it would not be cost effective to bill based on the metered water usage (there would be an additional cost to get water usage data from the City of Port St. Joe). An across the board increase, exclusive of miscellaneous revenues, of 33.64 percent was approved (\$32.20 to \$43.03 per month). The 33.64 percent increase was also applied to the Utility’s guaranteed revenue charge. Increases in initial connection charges, the normal reconnection charge, and the premise visit charge were approved as well as a Non Sufficient Funds charge consistent with Section 68.065, F.S., and a late payment charge. The violation reconnection charge continues to be based on actual cost (including the delinquency in bill payment). An increase in the main extension charge component of the Service Availability charges was approved (Docket No. 20160165-SU).



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ATTORNEYS & COUNSELORS AT LAW

Summaries of PSC Orders Filed since October 2017 (continued)

PSC-2017-0387-PAA-SU—Date Filed: 10/11/2017

Proposed Agency Action Order grants Utilities, Inc. of Florida's (UIF) request for partial waiver of Rule 25-30.030(5)(b), Florida Administrative Code (F.A.C.) that "requires notice be provided by regular mail or personal service to each customer and owner of property located within the existing service area and the service area to be served, extended, deleted or transferred." The partial waiver allows UIF to provide the required notice to only such customers and property owners "within the Barrington Estates Property Holdings Homeowners' Association, Inc., the territory to be added." The Order requires, as a condition to the waiver, that UIF place a notice of its application "for the transfer of wastewater collection, treatment, and disposal facilities in Lake County" on its website with information on the period within which customers have a right to object to the transfer (Docket No. 20170174-SU).

PSC-2017-0405-CO-SU—Date Filed: 10/23/2017

Consummating Order makes effective and final Order No. PSC-2017-0366-PAA-SU approving the transfer of Colony Park Development Utilities, LLC in Brevard County to Merritt Island Utility Company, Inc. (Docket No. 20170018-SU).

PSC-2017-0406-CO-WU—Date Filed: 10/23/2017

Consummating Order makes effective and final Order No. PSC-2017-0365-PAA-WU approving the transfer of Oak Springs, LLC's water system in Orange and Lake Counties to Oak Springs MHC, LLC (Docket No. 20160075-WU).

PSC-2017-0409-CO-WU—Date Filed: 10/23/2017

Consummating Order makes effective and final Order No. PSC-2017-0367-PAA-WU approving the transfer of McLeod Gardens Water Company's water system in Polk County to McLeod Gardens Utilities, LLC (Docket No. 20160193-WU).

PSC-2017-0417-CO-SU—Date Filed: 10/27/2017

Consummating order makes effective and final Order No. PSC-2017-0383-PAA-SU approving a rate increase for ESAD Enterprises, Inc. d/b/a Beaches Sewer System for wastewater service in Gulf County (Docket No. 20160165-SU).

PSC-2017-0422-CO-SU—Date Filed: 11/06/2017

Consummating Order makes effective and final Order No. PSC-2017-0387-PAA-SU approving Utilities, Inc. of Florida's request for partial waiver of Rule 25-30.030(5)(b), Florida Administrative Code (Docket No. 20170174-SU).

PSC-2017-0428-PAA-WS—Date Filed: 11/07/2017

Proposed Agency Action Order grants a rate increase for water and wastewater service in Lake County by Lakeside Waterworks, Inc. (Lakeside or Utility) in a staff-assisted rate case (SARC). Pursuant to a settlement agreement between the Utility and the Office of Public Counsel (OPC), the overall quality of service provided by Lakeside was found to be satisfactory. The water treatment plant was found to be 81 percent used and useful (U&U), the wastewater treatment plant was found to be 92 percent U&U, and the water storage facility, the water distribution system and the wastewater collection system were each found to be 100% U&U. The return on equity (ROE) was set at 8.85 percent based on the Commission-approved leverage formula. The Utility requested and was granted an end-of-year rate base for its water system due to the significant capital improvements during the test year; and, pursuant to the OPC's request, an end-of-year rate base was also used for the wastewater system (the impact of using an end-of-year rate base for the wastewater system was minimal). Adjustments were made to rate base and operating revenues and expenses. A rate increase of 20.36 percent for water service and 32.23 percent for wastewater service was approved. The rate structure for water service included a base facilities charge (BFC), designed to recover 45 percent of the revenue requirement, and a three-tier inclining block gallonage charge for residential service (0-4,000, 4,001-10,000 and over 10,000 gallons). Residential irrigation customers will continue to be charged only a gallonage charge. A repression adjustment was used in calculating

Summaries of PSC Orders Filed since October 2017 (continued)

rates. The wastewater rate structure included a BFC, designed to recover 50 percent of the revenue requirement, and the continuation of the existing gallonage cap of 6,000 gallons per month. No repression adjustment was used in the calculation of rates for wastewater service. Amounts for initial customer deposits were set; and a non-sufficient funds charges based on section 68.065(2), F.S., was approved (Docket No. 20160195-WS).

PSC-2017-0438-FOF-WU—Date Filed: 11/16/2017

Order closed Docket No. 20170078-WU relating to Wildwood Water Company's (Utility) request for an increase in the convenience charge and an evaluation of miscellaneous service charges for water service in St. Johns County, because the Utility has failed to take further action to pursue the requested increase and evaluation) (Docket No. 20170078-WU).

PSC-2017-0439-PAA-WU—Date Filed: 11/16/2017

Proposed Agency Action Order removes the 50 basis point reduction in Bocilla Utilities, Inc.'s (Utility) return on equity for water service in Charlotte County. The penalty was removed upon the Utility's demonstration that: it met the Department of Environmental Protection's (DEP) secondary water standards; it has posted Utility office hours on customer bills and on its office building; it had notified customers that complaints regarding service could be made to the Florida Public Service Commission; and it was monitoring its voicemail and ensuring customer complaints were tracked (Docket No. 20160065-WU).

PSC-2017-0440-FOF-WS—Date Filed: 11/17/2017

Order grants Deer Creek RV Golf and Country Club, Inc.'s (Deer Creek or Utility) request for a certificate of authority to provide water and wastewater service in Polk County. The Utility maintains water and wastewater lines that serve the Deer Creek community, and water and wastewater treatment services are purchased from Polk County. The existing rates of the Utility were continued (Docket No. 20160248-WS).

PSC-2017-0441-PAA-SU—Date Filed: 11/17/2017

Proposed Agency Action Order approves North Peninsula Utilities Corporation's request for a late payment charge of \$6.77 for wastewater service in Volusia County (Docket No. 20170152-SU).

PSC-2017-0450-FOF-SU—Date Filed: 11/20/2017

Order grants an extension of time through March 2018 to Crooked Lake Park Sewerage Company to complete the remaining Phase II pro forma projects for wastewater service in Polk County (Docket No. 20130178-SU).

PSC-2017-0459-PAA-WS—Date Filed: 11/30/2017

Proposed Agency Action Order approves a rate increase for Four Lakes Golf Club (Four Lakes or Utility) for water and wastewater service in Polk County in a staff assisted rate case (SARC). The quality of service was found to be satisfactory. The Utility's water and wastewater treatment plants and its water distribution and wastewater collection systems were found to be 100 percent used and useful (U&U) but adjustments were made to purchased power and chemical expenses for excessive unaccounted for water (EUW). Adjustments were made to various components making up the Utility's rate base (rate base had not previously been established for this utility) and rate base was found to be zero for the wastewater system. The return on equity (ROE) was set at 9.96 percent based on the Commission-approved leverage formula; however, wastewater rates were set using the Operating Ratio Methodology because use of the ROE "would not provide sufficient revenue to protect against potential variances in revenues and expenses." Adjustments were made to operating revenues and expenses. A revenue increase of 51.30 percent for water service and 58.67 percent for wastewater service was approved. The rate structure for water service includes a base facilities charge (BFC) designed to recover 50 percent of the revenue requirement, and a two-tiered gallonage charge (0-3,000, over 3,000). General service and irrigation customers are billed a BFC and gallonage charge based on meter size. The rate structure for wastewater service also included a 50 percent BFC with an 8,000 gallonage cap for residential service. A repression adjustment was included in the calculation of both the water and the wastewater rates. General service wastewater customers are billed a BFC and gallonage charge based on meter size. Because the Utility's system is entirely built out the service availability charge for both water and wastewater service was discontinued (Docket No. 20160176-WS).

Summaries of PSC Orders Filed since October 2017 (continued)

PSC-2017-0460-PCO-SU—Date Filed: 11/30/2017

Order acknowledges the intervention by the Office of Public Counsel in KW Resort Utilities Corporation's application for a rate increase for wastewater service in Monroe County (Docket No. 20170141-SU).

PSC-2017-0462-CO-WS—Date Filed: 12/06/2017

Consummating Order makes effective and final Order No. PSC-2017-0428-PAA-WS approving a rate increase for Lakeside Waterworks, Inc. for water and wastewater service in Lake County (Docket No. 20160195-WS).

PSC-2017-0466-CO-SU—Date Filed: 12/12/2017

Consummating makes effective and final Order No. PSC-2017-0441-PAA-SU approving a late payment charge for North Peninsula Utilities Corporation for wastewater service in Volusia County (Docket No. 20170152-SU).

PSC-2017-0470-PCO-WU—Date Filed: 12/15/2017

Order directs the Florida Public Service (FPSC) staff to initiate certificate revocation proceedings against Kincaid Hills Water Company (Utility) for numerous violations of Florida Statutes and FPSC rules relating to Regulatory Assessment Fees, Annual Reports and Customer Complaints. The Utility provides water service in Alachua County (Docket No. 20170200-WU).

PSC-2017-0472-PCO-SU—Date Filed: 12/15/2017

Order acknowledges the intervention of Monroe County in the application for a rate increase by KW Resort Utilities Corporation for wastewater service in Monroe County (Docket No. 20170141-SU).

PSC-2017-0473-CO-WU—Date Filed: 12/15/2017

Consummating Order makes effective and final Order No. PSC-2017-0439-PAA-WU, removing the 50 basis point reduction in Bocilla Utilities, Inc.'s return on equity for water service in Charlotte County (Docket No. 20160065-WU).

PSC-2017-0477-PCO-SU—Date Filed: 12/21/2017

Order suspends Utilities Inc. of Florida's (UIF) petition for approval of proposed tariffs relating to establishment of allowance for funds prudently invested (AFPI), wastewater charges for UIF's LUSI, Labrador, Lake Placid, Mid County and UIF Marion systems (Docket No. 20170223-SU).

PSC-2017-0478-PCO-WS—Date Filed: 12/21/2017

Order suspends South Sumter Utility Company, L.L.C.'s request for the initial rates and charges for water and wastewater service in Sumter County (Docket No. 20160220-WS).

PSC-2017-0480-PAA-WS—Date Filed: 12/21/2017

Proposed Agency Action Order establishes the 2018 price index for water and wastewater utilities. The price index for 2018 was set at 1.76 percent (Docket No. 20170005-WS).

PSC-2017-0481-PAA-WU—Date Filed: 12/21/2017

Order approves the Settlement Agreement by the Office of Public Counsel, Black Bear Waterworks, Inc., Brendenwood Waterworks, Inc., Brevard Waterworks, Inc., County Walk Utilities, Inc., Harbor Waterworks, Inc., Lake Idlewild Utility Company, Raintree Waterworks, Inc., and Sunny Hills Utility Company (collectively, the Utilities) resolving possible overearnings by the Utilities. The agreement provides for bill credits to customers of the Utilities and that the Utilities will "hold subject to refund all revenues received during the calendar year 2018 that are above their respective authorized ROE range until final review of the 2018 Annual Reports. In addition, the water rates for Brendenwood Waterworks, Inc. were reduced by 11.38 percent (Docket No. 20170247-WU).

PSC-2017-0485-FOF-WS—Date Filed: 12/22/2017

Order grants an extension of time through March 2018, to Aquarina Utilities, Inc. to complete Phase II pro forma plant items for water and wastewater service in Brevard County (Docket No. 20150010-WS).

FPSC W/W Dockets OPENED (since October 2017)



20170214-WU—Date Opened: 10/3/2017
Application for transfer of water facilities to City of Lake Worth, Palm Beach County, and cancellation of Certificate No. 053-W, by Lake Osborne Waterworks, Inc.



20170218-WS—Date Opened: 10/10/2017
Application for staff-assisted rate case in Polk County by Grenelefe Resort Utility, Inc.

20170219-WS—Date Opened: 10/10/2017
Application for staff-assisted rate case in Polk County by River Ranch Water Management, L.L.C.



20170220-WS—Date Opened: 10/10/2017
Application for approval of transfer of Lake Yale Treatments Associates, Inc. water and wastewater systems and Certificates Nos. 560-W and 488-S in Lake County to Lake Yale Utilities, LLC.

20170222-WS—Date Opened: 10/11/2017
Proposed amendment of Rules 25-30.130, Record of Complaints, and 25-30.355, Complaints, F.A.C.

20170223-SU—Date Opened: 10/16/2017
Application for establishment of wastewater allowance for funds prudently invested (AFPI) charges in Highlands, Lake, Marion, Pasco and Pinellas Counties, by Utilities, Inc. of Florida.

20170228-SU—Date Opened: 10/25/2017
Application for staff-assisted rate case in Polk County by West Lakeland Wastewater, Inc.

20170230-WU—Date Opened: 10/26/2017
Application for staff-assisted rate case in Pasco County by Orange Land Utilities, LLC.



20170237-WU—Date Opened: 11/9/2017
Application of Section 367.0816, Florida Statutes, recovery of rate case expense, to Peoples Water Service Company of Florida, Inc. in Escambia County.

20170244-WS—Date Opened: 11/14/2017
Request for approval of amendment to tariff for miscellaneous service charges in Lake County by Lakeside Waterworks, Inc.



20170246-SU—Date Opened: 11/17/2017
Pending Approval Application for authority to transfer facilities and Certificate No. 515-S in Polk County from West Lakeland



20170247-WU—Date Opened: 11/17/2017
Filed Joint motion requesting Commission approval of settlement agreement by the Office of Public Counsel, Black Bear Waterworks, Inc., Brendenwood Waterworks, Inc., Brevard Waterworks, Inc., Country Walk Utilities, Inc., Harbor Waterworks, Inc., Lake Idlewild Utility Company, Raintree Waterworks, Inc., and Sunny Hills Utility Company.

20170249-WS—Date Opened: 11/20/2017
Application for certificates to provide water and wastewater service in Orange County by RSPI MHC, LLC.

20170253-WU—Date Opened: 11/30/2017
Application for grandfather water certificate in Leon County by Lake Talquin Water Company, Inc.



20170254-WU—Date Opened: 11/30/2017
Application for grandfather certificate in Leon County to provide water service to the Blount's Landing Community by Lake Talquin Water Company, Inc.

20170255-WS—Date Opened: 12/01/2017
Request for approval of amendment to tariff to charge miscellaneous service charges and to collect customer deposits in Polk County, by Deer Creek RV Golf & Country Club, Inc.



20170259-WU—Date Opened: 12/12/2017
Petition for declaratory statement regarding the applicability of approved water service availability charges in Lake County, by Harbor Waterworks, Inc.

20170270-WS—Date Opened: 12/27/2017
Application for transfer of water and wastewater facilities to Polk County, and cancellation of Certificate Nos. 634-W and 544-S, by Four Points Utility Corporation.

FPSC W/W Dockets CLOSED (since October 2017)

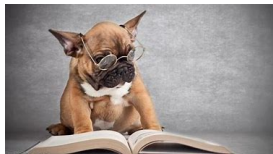
2016222-WS—Date Opened: 10/17/2016—Date Closed: 9/27/2017
Application for staff-assisted rate case in Highlands County by LP Waterworks, Inc.

20160248-WS—Date Opened: 12/23/2016—Date Closed: 11/17/2017
Application for original certificates to provide water and wastewater service in Polk County by Deer Creek RV Golf & County Club, Inc.

20170078-WU—Date Opened: 4/3/2017—Date Closed: 11/16/2017
Request for approval of an increase to convenience fees charged to customers, by Wildwood Water Company.

20170152-SU—Date Opened: 7/14/2017—Date Closed: 12/20/2017
Request for approval of a late payment charge in Volusia County, by North Peninsula Utilities Corporation.

20170228-SU—Date Opened: 10/25/2017—Date Closed: 11/17/2017
Application for staff-assisted rate case in Polk County by West Lakeland Wastewater, Inc.



Upcoming Events - Mark Your Calendars

Date	Event Name	Event	Location
2/11-14/18	NARUC	2018 NARUC Winter Policy Summit	Renaissance Washington Hotel, Washington, D.C.
2/21-22/18	PURC	45th Annual PURC Conference: Securing the Future of Florida's Utility Infrastructure	Hilton UF Conference Center, Gainesville

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Radey Family News

We wish you a wonderful new year filled with abundance, joy, and treasured moments. May 2018 be your best year yet!

Trivia By Pam Keillor

Baths use less water than a typical shower. Soaking in a partially filled tub will use less water than a short shower.

<http://www.stateofflorida.com/facts.aspx>

