

WATER & WASTEWATER INDUSTRY QUARTERLY REPORT

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Keeping You Informed About Florida

March 2018

Confirmation of Florida Public Service Commissioners

By: Susan Clark



On Friday, March 9, 2018, the Florida Senate confirmed the reappointment of Mr. Art Graham as a Florida Public Service Commission (FPSC) Commissioner and the appointments of Mr. Gary F. Clark and Mr. Andrew Giles Fay as FPSC Commissioners.

Commissioners Graham and Fay were appointed for four-year terms ending January 2022. Commissioner Clark is serving an unexpired term ending January 2019.

Generic Docket to Investigate and Adjust Rates for 2018 Tax Savings (Docket No. 20180013-PU)

On February 26, 2018, the Florida Public Service Commission (FPSC), at the request of the Office of Public Counsel (OPC) issued an order (Order No. PSC-2018-0104-PCO-PU) initiating a generic investigation on the potential significant revenue requirement impacts of the Tax Cuts and Jobs Act of 2017 (Tax Act). The FPSC asserted jurisdiction over any revenue requirement reduction caused by the Tax Act for regulated investor-owned utilities, including certain water and wastewater utilities.

The assertion of jurisdiction was as of February 6, 2018, the date of the FPSC's vote.

The water and wastewater utilities affected by the order are:

East Central Florida Services, Inc.
Forest Utilities, Inc.
Gold Coast Utility Corporation
Indiantown Company, Inc.
Marion Utilities, Inc.
NHC Utilities, Inc.
Ni Florida, LLC
North Beach Utilities, Inc.
Peoples Water Service Company of Florida, Inc.
Pine Island Cove Homeowners Association, Inc.
Placid Lakes Utilities, Inc.
Pluris Wedgefield, Inc.
St. James Island Utility Company
Utilities, Inc. of Florida
Wildwood Water Company

Florida Public Service Commission Rulemaking

By: Susan Clark

Amendment of Rule 25-30.433, Rate Case Proceedings

On March 5, 2018, the Florida Public Service Commission (FPSC) issued a Notice of Rulemaking to amend Rule 25-30.433, *Rate Case Proceedings*, Florida Administrative Code (F.A.C.), relating to water and wastewater utility rate case requirements, FPSC evaluation of quality of service and FPSC consideration of whether infrastructure and operational conditions of the plant and facilities are in compliance with Rule 25-30.225, *Plant and Facilities*, F.A.C.

Regarding the quality of service evaluation, the items identified for consideration are:

- The most recent chemical analyses for each water system as described in Rule 25-30.440(3), F.A.C.;
- Any Department of Environmental Protection (DEP) and county health department citations, violations and provisions of consent orders that relate to quality of service;
- Any DEP and county health department officials' testimony concerning quality of service;
- Any testimony, complaints and comments of the utility's customers and others with knowledge of the utility's quality of service; and
- Any utility testimony and responses to the information provided in regard to the preceding considerations.

In evaluating whether the Utility is providing safe, efficient and sufficient service, the PSC is to consider "whether the infrastructure and operational conditions of the plant and facilities are in compliance with Rule 25-30.225, F.A.C.," and in making this determination the FPSC is to consider:

- Any testimony of DEP and county health department officials;
- Inspections, including sanitary surveys for water systems and compliance evaluation inspections for wastewater systems, citations, violations and consent orders issued to the utility;
- Any testimony, complaints and comments of the utility's customers and others with knowledge of the infrastructure and operational conditions of the utility's plant and facilities; and
- Any utility testimony and responses to the information provided in regard to the preceding considerations.

The rule is further amended to specify the items that can be used to document "the right of access and continued use of the land upon which the utility treatment facilities are located." Those documents are: a recorded warranty deed; recorded quit claim deed accompanied by title insurance; recorded lease such as a 99-year lease; or recorded easement."

Florida Public Service Commission Rulemaking (continued)

Amendment of Rules 25-30.130, Record of Complaints and, 25-30.355, Complaints

On February 7, 2018, the FPSC issued a Notice of Staff Rule Development Workshop for Rules 25-30.130, *Record of Complaints*, and 25-30.355, *Complaints*, Florida Administrative Code (F.A.C.). On February 12, 2018, the FPSC Staff issued a memorandum stating the purpose of the workshop was “for the staff to receive comments from interested persons concerning the draft rules” - particularly “whether the draft rules will increase regulatory costs or have an impact on small business.” The memorandum further requested that if the draft rule would result in “a company making business process changes,” an estimate of the costs to make those changes be provided” (Docket No. 20170222-WS).

Amendment of Rules 25-30.455, Staff Assistance in Rate Cases, 25-30.456, Staff Assistance in Alternative Rate Setting and 25-30.457, Limited Alternative Rate Increase

On January 31, 2018, the FPSC issued a Notice of Development of Rulemaking for Rules 25-30.455, *Staff Assistance in Rate Cases*, 25-30.456, *Staff Assistance in Alternative Rate Setting* and 25-30.457, *Limited Alternative Rate Increase*, Florida Administrative Code (F.A.C.). The stated purpose of the rule development was to update the price index and gross annual revenues threshold level used in staff assisted rate cases for water and wastewater utilities pursuant to Section 367.0814(1), F.S., which requires index updates every five years.” The notice was published in the February 1, 2018, edition of the Florida Administrative Register (Docket No. 20180041-WU).

Summaries of PSC Orders Filed since January 2018

PSC-2017-0383A-PAA-SU—Date Filed: 02/09/2018

Order amends Order No. PSC-2017-0383-PAA-SU to insert the word “no” before the word “excessive” in Section 2.C. *Summary* on page 5 of the order; so the second sentence in that section reads: “There is no excessive infiltration and inflow, therefore there shall be no adjustment to operating expenses for chemicals and purchase power.” (Docket No. 20160165-SU).

PSC-2017-0485A-FOF-WS—Date Filed: 01/09/2018

Amendatory Order adds the names of the Commissioners who participated in the disposition of Order No. PSC-2017-0485-FOF-WS (granting an extension of time to Aquarina Utilities, Inc. to complete pro forma projects) (Docket No. 20150010-WS).

PSC-2018-0005-PCO-WS—Date Filed: 01/02/2018

Order establishes Docket No. 20180005-WS for the annual reestablishment of price index of major categories of operating costs incurred by water and wastewater companies pursuant to Section 367.081(4)(a), F.S. (Docket No. 20180005-WS).

PSC-2018-0006-PCO-WS—Date Filed 01/02/2018

Order establishes Docket No. 20180006-WS for the annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S. (Docket No. 20180006-WS).

Summaries of PSC Orders Filed since January 2018 (continued)

PSC-2018-0024-CO-EI—Date Filed: 01/08/2018

Consummating Order makes effective and final Order No. PSC-2017-0480-PAA-WS establishing the 2018 price index for water and wastewater utilities (Docket No. 20180005-EI).

PSC-2018-0025-FOF-WU—Date Filed: 01/08/2018

Final Order requires implementation of a rate reduction by Peoples Water Service Company of Florida, Inc. for water service in Escambia County to reflect the expiration of the four-year cost recovery of rate case expense (Docket No. 20170237-WU).

PSC-2018-0039-PCO-SU; PSC-2018-0039A-PCO-SU—Date Filed: 01/12/2018; 01/31/2018

Order by the Prehearing Office (Polmann) establishes procedures regarding filing procedures, notice and public information, testimony and exhibits, discovery, and prehearing, hearing and post hearing procedures for KW Resort Utilities Corporation's application for a rate increase for water service in Monroe County. Order No. PSC-2018-0039A-PCO-SU changes the discovery deadline from 4/23/18 to 4/24/18 (Docket No. 20170141-SU).

PSC-2018-0042-CO-WU—Date Filed: 01/17/2018

Consummating Order makes effective and final Order PSC-2017-0481-PAA-WU approving a 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 (Docket No. 20170247-WU).

PSC-2018-0071-PAA-WU—Date Filed: 02/02/2018

Proposed Agency Action Order approves a rate increase to Little Gasparilla Water Utilities, Inc. for water service on Little Gasparilla Island for recovery of costs associated with Commission-approved Phase II pro forma projects. The rate increase was 18.67 percent. (Commissioner Clark dissented without opinion). (Docket No. 20130265-WU).

PSC-2018-0072-CO-WS—Date Filed: 02/05/2018

Consummating order makes effective and final Order PSC-2017-0491-TRF-WS approving miscellaneous service charges (initial connection, normal reconnection, violation reconnection and premise visit charge) for Lakeside Waterworks, Inc. for water and wastewater service in Lake County (Docket No. 20170244-WS).

PSC-2018-0075-PAA-WU—Date Filed: 02/12/2018

Proposed Agency Action Order grants the petition of Seminole Waterworks (Seminole or the Utility), a water utility in Leon County, for a Grandfather Certificate and the waiver of Rule 25-30.120, *Regulatory Assessment Fees; Water and Wastewater Utilities*, Florida Administrative Code, regarding the requirement of payment of Regulatory Assessment Fees (RAF) for any year in which the Utility is subject to Commission jurisdiction. Seminole became the subject to Commission jurisdiction on June 20, 2017, when the Leon County Commission passed a resolution transferring jurisdiction of privately-owned water and wastewater systems in the County to the Commission (Docket No. 20170155-WU).

PSC-2018-0083-PCO-WU—Date Filed: 02/16/2018

Order by Prehearing Officer (Polmann) grants Harbor Hills Development and Harbor Hills Homeowners Association's petition to intervene in Harbor Waterworks, Inc.'s petition for declaratory statement on "whether Commission-approved service availability charges are applicable to irrigation connections for new homes in a residential development served by Harbor Waterworks (Docket No. 20170259-WU).

PSC-2018-0101-FOF-WS—Date Filed: 02/26/2018

Order acknowledges the transfer of Four Points Utility Corporation (Four Points), which provides water and wastewater service in Polk County, to Michael Smallridge, the Successor Receiver for Four Points appointed by the Polk County Circuit Court (Docket Nos. 20110254-WS, 2017270-WS).

Summaries of PSC Orders Filed since January 2018 (continued)

PSC-2018-0102-PCO-SU—Date Filed: 02/26/2018

Order approves interim rates for KW Resort Utilities Corporation for wastewater service in Monroe County and suspends final rates (Docket No. 20170141-SU).

PSC-2018-0109-TRF-WS—Date Filed: 02/27/2018

Order approves miscellaneous service charges for Deer Creek RV Golf and County Club, Inc. (Deer Creek) for water and wastewater service in Polk County. The charges approved were for initial connection; normal reconnection; violation reconnection; premises visit; late payment; meter tampering; non-sufficient funds based on section 68.065(2), F.S.; and for an initial deposit (Docket No. 20170255-WS).

PSC-2018-0117-PCO-SU—Date Filed: 03/05/2018

Order by Prehearing Officer (Polmann) establishes procedures regarding filing procedures, notice and public information, testimony and exhibits, discovery, and prehearing, hearing, and post hearing procedures, for Utilities, Inc. of Florida's (UIF) application to transfer the wastewater collection, treatment and disposal facilities of Barrington Estates Property Holdings Homeowners' Association, Inc. (an utility exempt from FPSC jurisdiction), in Lake County to UIF (Docket No. 20170174-SU).

PSC-2018-0118-PCO-SU—Date Filed: 03/05/2018

Order by Prehearing Officer (Polmann) granting KW Resort Utilities Corporation's (KWRU) motion to revise minimum filing requirements (MFR) schedules and granting KWRU and Office of Public Counsel's (OPC) joint motion to approve a procedural stipulation to provide KWRU with an additional six days to respond to OPC's third set of discovery and to move the filing date for intervenor testimony from March 8, 2018 to March 14, 2018 (Docket No. 20170141-SU).

PSC-2018-0123-FOF-WU—Date Filed: 03/06/2018

Order acknowledges the transfer of the water facilities of LWV Utilities, Inc. in Pasco County to the City of New Port Richey (Docket No. 20170042-WU).

PSC-2018-0124-CO-WU—Date Filed: 03/06/2018

Consummating Order makes effective and final Order No. PSC-2018-0071-PAA-WU approving a water rate increase to Little Gasparilla Utilities, Inc. for recovery of costs associated with the Commission-approved Phase II pro forma projects (Docket No. 20130265-WU).

PSC-2018-0128-DS-WU—Date Filed: 03/08/2018

Order grants the declaratory statement requested by Harbor Waterworks, Inc. that the utility's established service availability charges apply to irrigation connections (Docket No. 20170259-WU).

PSC-2018-0139-FOF-WU—Date Filed: 03/13/2018

Order acknowledges the transfer of the water facilities of Palm Beach County of Lake Osborn Waterworks to the City of Lake Worth (Docket No. 20170214-WU).

PSC-2018-0162-TRF-WS—Date Filed: 03/26/2018

Order approves the petition of Utilities, Inc. of Florida (UIF) for a "gross-up tariff" to allow UIF to increase the amounts collected for contributions-in-aid-of-construction (CIAC) to recover the tax on CIAC from the contributor. The gross up is necessary because pursuant to the recently enacted Federal Tax Cuts and Jobs Act (Tax Cut Act) CIAC is no longer tax exempt. The gross-up amounts are subject to refund pending the resolution of Docket No. 20180013-PU which is the FPSC's generic docket to investigate and adjust rates to address tax savings resulting Tax Cut Act. The gross-up tariff applies to UIF's water and wastewater systems in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk and Seminole Counties (Docket No. 20180025-WS).

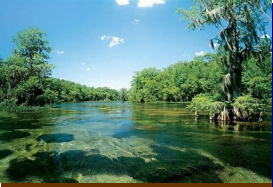
PSC-2018-0166-PCO-WU—Date Filed: 03/27/2018

Order by Prehearing Officer (Polmann) holding in abeyance the Notice of Intent to Initiate Certificate Revocation Proceedings against Kincaid Hills Water Company (Kincaid) until such time as the Commission makes its ruling on the application for transfer of the water system of Kincaid to Gator Waterworks, Inc. (Docket No. 20170200-WU).

PSC-2018-0171-CO-WS—Date Filed: 03/30/2018

Order makes effective and final Order No. PSC-2018-0109-TRF-WS approving miscellaneous service charges for Deer Creek RV Golf and Country Club, Inc. for water and wastewater service in Polk County (Docket No. 20170255-WS).

FPSC W/W Dockets OPENED (since January 2018)



20180005-WS—Date Opened: 1/02/2018
Annual reestablishment of price increase or decrease index of major categories of operating costs incurred by water and wastewater utilities pursuant to Section 367.081(4)(a), F.S.



20180006-WS—Date Opened: 1/02/2018
Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.



20180014-WS—Date Opened: 1/12/2018
Pending Approval Investigation of allowance for funds prudently invested (AFPI) in Lake County, by Utilities, Inc. of Florida.



20180021-WU—Date Opened: 1/22/2018
Application for staff-assisted rate case in Highlands County by Country Walk Utilities, Inc.

20180022-WU—Date Opened: 1/22/2018
Application for staff-assisted rate case in Lake County by Pine Harbour Waterworks, Inc.



20180025-WS—Date Opened: 1/30/2018
Application for approval of tariff for the gross-up of CIAC in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties, by Utilities, Inc. of Florida.

20180029-WS—Date Opened: 2/02/2018
Proposed amendment of Rule 25-30.433, F.A.C., Rate Case Proceedings.



20180036-WS—Date Opened: 2/13/2018
Petition for partial variance from or waiver of a requirement of Rule 25-30.120, F.A.C., pursuant to Section 120.542, F.S., by Deer Creek RV Golf & Country Club, Inc.

20180041-WU—Date Opened: 2/20/2018
Proposed Amendment of Rule 25-30.455, F.A.C., Staff Assistance in Rate Cases, Rule 25-30.456, F.A.C., Staff Assistance in Alternative Rate Setting, and Rule 25-30.457, F.A.C., Limited Alternative Rate Increase.

20180042-WS—Date Opened: 2/20/2018
Application for approval of tariff for the gross-up of CIAC in Martin County, by Indiantown Company, Inc.



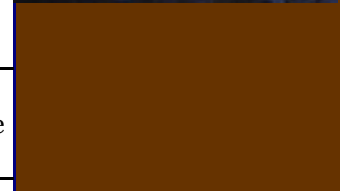
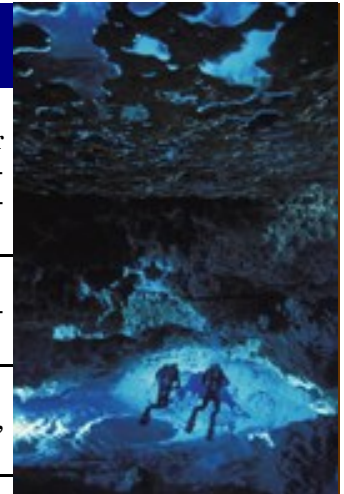
20180059-WS—Date Opened: 2/28/2018
Application for approval of tariff for the gross-up of CIAC in Escambia County, by Peoples Water Service Company of Florida, Inc.

20180063-WS—Date Opened: 3/07/2018
Application for staff-assistance for alternative rate setting for increase in wastewater rates, in Polk County, by Orchid Springs Development Corp.

20180066-WU—Date Opened: 3/12/2018
Application for transfer of facilities of Kincaid Hills Water Company and water Certificate No. 555-W to Gator Waterworks, Inc.

FPSC W/W Dockets CLOSED (since January 2018)

<p>20110254-WS—Date Opened: 8/17/2011—Date Closed: 2/26/2018 Initiation of show cause proceedings against Four Points Utility Corporation in Polk County for violation of Commission rules and regulations as outlined in the Florida Public Service Commission's management audit for Four Points Utility Corporation and Bimini Bay Utilities Corporation issued June 2011.</p>
<p>20130178-SU—Date Opened: 6/27/2013—Date Closed: 3/14/2018 Application for staff-assisted rate case in Polk County by Crooked Lake Park Sewerage Company.</p>
<p>20130265-WU—Date Opened: 11/04/2013—Date Closed: 3/12/2018 Application for staff-assisted rate case in Charlotte County by Little Gasparilla Water Utility, Inc.</p>
<p>20160065-WU—Date Opened: 3/23/2016—Date Closed: 2/13/2018 Application for increase in water rates in Charlotte County by Bocilla Utilities, Inc.</p>
<p>20160075-WU—Date Opened: 4/05/2016—Date Closed: 1/16/2018 Joint application for authority to transfer assets and Certificate No. 623-W in Orange and Lake Counties from Oak Springs, LLC to Oak Springs MHC, LLC</p>
<p>20160193-WU—Date Opened: 8/25/2016—Date Closed: 1/30/2018 Application for approval of transfer of certain water facilities and Certificate No. 619-W from McLeod Gardens Water Company to McLeod Gardens Utilities, LLC, in Polk County.</p>
<p>20170005-WS—Date Opened: 1/03/2017—Date Closed: 1/02/2018 Annual reestablishment of price increase or decrease index of major categories of operating costs incurred by water and wastewater utilities pursuant to Section 367.081(4)(a), F.S.</p>
<p>20170006-WS—Date Opened: 1/03/2017—Date Closed: 1/02/2018 Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.</p>
<p>20170018-SU—Date Opened: 1/19/2017—Date Closed: 1/30/2018 Application to transfer wastewater system and Certificate No. 137-S in Brevard County from Colony Park Development Utilities, LLC to Merritt Island Utility Company, Inc.</p>
<p>20170042-WU—Date Opened: 2/27/2017—Date Closed: 3/06/2018 Application for transfer of water facilities to City of New Port Richey, and cancellation of Certificate No. 152-W, by LWV Utilities, Inc.</p>
<p>20170214-WU—Date Opened: 10/03/2017—Date Closed: 3/13/2018 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.</p>
<p>20170218-WS—Date Opened: 10/10/2017—Date Closed: 1/09/2018 Application for staff-assisted rate case in Polk County by Grenelefe Resort Utility, Inc.</p>
<p>20170237-WU—Date Opened: 11/09/2017—Date Closed: 1/08/2018 Application of Section 367.0816, Florida Statutes, recovery of rate case expense, to Peoples Water Service Company of Florida, Inc. in Escambia County</p>
<p>20170244-WS—Date Opened: 11/14/2017—Date Closed: 2/07/2018 Request for approval of amendment to tariff for miscellaneous service charges in Lake County by Lakeside Waterworks, Inc.</p>
<p>20170259-WU—Date Opened: 12/12/2017—Date Closed: 3/08/2018 Petition for declaratory statement regarding the applicability of approved water service availability charges in Lake County, by Harbor Waterworks, Inc.</p>
<p>20170270-WS—Date Opened: 12/27/2017—2/26/2018 Application for acknowledgment of transfer of receivership to Polk County, and cancellation of Certificate Nos. 634-W and 544-S, by Four Points Utility Corporation.</p>



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Upcoming Events—Mark Your Calendars

Date	Event Name	Event	Location
04/03/18	Informal Meeting	Docket No. 20170174-SU—Application for transfer of assets of exempt utility, amendment of Certificate No. 465-S, and petition for partial variance of Rule 25-30.030(5)(b), F.A.C.by Utilities, Inc. of Florida.	Rm 105
4/30/18 6:00 pm	Customer Meeting	Docket No. 20170230-WU—Application for staff-assisted rate case in Pasco County by Orange Land Utilities, LLC	New Port Richey
5/1/18 9:30 am	Prehearing	Docket No. 20170141-SU— Application for increase in wastewater rates in Monroe County by K W Resort Utilities Corp.	Rm 148
5/15-17/18 6:00 pm/ 9:30 am	Service Hearings	Docket No. 20170141-SU—Application for increase in wastewater rates in Monroe County by K W Resort Utilities Corp.	Key West
6/10-13/18	SEARUC	2018 Southeastern Association of Regulatory Utility Commissioners	Charleston Place, Charleston, SC

Trivia By Pam Keillor

To brush your teeth you use 7.5 liters (2 gallons) of water.



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