

CITRUS WATERWORKS, INC.

November 1, 2024

Office of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 20240111-WU - Application for grandfather certificate to operate water utility in Citrus County, by Citrus Waterworks, Inc. – Response to Staff’s First Data Request

Dear Commission Clerk,

Citrus Waterworks, Inc. hereby submits its second response to Staff’s First Data Request dated October 25, 2024.

1. In the Utility’s application, it indicates that there are 158 residential connections. As indicated in Exhibit A, there are 170 meters connected for service; however, there are 236 lots within the service area with some residents utilizing private wells.

a. Excluding the residents with private wells, how many customer connections can the Utility serve?

Response: At the time of filing the application there were 170 meters. Due to turn offs, ect., there were 163 meters being read in October 2024, with a number of vacant lots. The utility billed 157 customers in September 2024. It is unknown as to how many private wells may exist. The utility was informed by some property owners that they had private wells, as they were trying to determine whether to hook into the water system. The number of lots was obtained by counting the properties on the service map.

b. The Utility’s application indicates that it serves residential customers only. However, as shown in Exhibit A, the Utility serves one 5/8”x 3/4” general service customer. Please clarify if the Utility serves a general service customer.

Response: There is one general service customer. The statement that the utility only serves residential customers was incorrect.

2. In the tariff provided with the application, the Utility reflects an initial connection charge for its service availability charge.

a. Please explain what tasks are undertaken in terms of establishing service.

Response: The initial connection charge was in existence when the utility was purchased from the previous owner. A new service consists of tapping the water main on the street. This could be a short sided service (on same side of the street)

or a long service which would require a road bore to the opposite side of the street. There would be a saddle installed on the main for the service connection. The installation of a curb stop (turn off valve) on the service line, a meter installation with the appropriate couplings, and a meter box.

- b. Please separate the cost of the meter from the charge.

Response: See table below:

Short Tap	(no road bore)		
	Quantity	Cost	Total
2" x 3/4" brass saddle	1	\$ 27.79	\$ 27.79
3/4" brass crop cts	1	\$ 47.17	\$ 47.17
3/4" brass curb stop cts	1	\$ 99.47	\$ 99.47
3/4" brass meter tail	1	\$ 13.32	\$ 13.32
3/4" x 5/8" meter	1	\$ 112.00	\$ 112.00
3/4" blue poly service line	1	\$ 55.00	\$ 55.00
3/4" meter box / lid	1	\$ 36.88	\$ 36.88
Labor 2 techs / 4 hrs each	8	\$ 92.58	\$ 740.64
			\$ 1,132.27

Long Tap	(with road bore)		
	Quantity	Cost	Total
2" x 3/4" brass saddle	1	\$ 27.79	\$ 27.79
3/4" brass crop cts	1	\$ 47.17	\$ 47.17
3/4" brass curb stop cts	1	\$ 99.47	\$ 99.47
3/4" brass meter tail	1	\$ 13.32	\$ 13.32
3/4" x 5/8" meter	1	\$ 112.00	\$ 112.00
3/4" blue poly service line	1	\$ 55.00	\$ 55.00
3/4" meter box / lid	1	\$ 36.88	\$ 36.88
2" PVC case under road	3	\$ 26.81	\$ 80.43
Labor 2 techs / 8 hrs each	16	\$ 92.58	\$ 1,481.28
Equipment (per day)	1	\$ 421.09	\$ 421.09
			\$ 2,374.43

- 3. The Utility's application indicates that its current rates were established by the Citrus County Water and Wastewater Authority's Final Order No. 24-02. However, staff's review of Order 24-02 does not show the Utility's current rates and charges. Please provide proof of the Utility's current rates and charges.

Response: The Amended Order approved by the Citrus County Water Authority did not contain actual approved rates. The amended Order that was approved by the Authority

approved a 24.5% increase to the existing rates at the time. Prior to that, the Authority approved a 2023 Index for Citrus by Order No. 23-06 (attached). The 24.5% increase was applied to these rates.

Explanation: During the processing of the SARC a report was issued on January 11, 2024 by Raftelis Financial Consultants. This original report recommended an increase of 20.40%. Citrus Waterworks responded to this report on January 23, 2024 indicating the report failed to include general liability insurance costs, as well as, the appropriate property taxes. Raftelis subsequently agreed with these adjustments (Attached), with this revision, the recommended increase went from the original 20.4% to a revised recommended increase of 24.5%; however, the response did not revise the recommended rates. The Authority approved the revised percentage increase recommended. See attached calculation for the resulting rates in effect.

4. Please provide the Utility's average consumption.

Response: Average Residential consumption is 4,000 gallons per month; General Service average is 3,000 gallons per month.

5. Please provide a recent customer bill pursuant to Rule 25-30.335, Florida Administrative Code (F.A.C.)

Response: See attached.

If you have any further questions or concerns, please do not hesitate to contact me at either trendell@uswatercorp.net or (727) 848-8292.

Sincerely,



Troy Rendell
Vice President
Investor Owned Utilities
// for Citrus Waterworks, Inc.

Citrus Waterworks, Inc.
Water Monthly Service Rates
Test Year Ended 8/31/2023

Schedule No. 4-A

Rates With Index	Final Rates	Approvedd Increase 1.245
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Residential Service (RS)

Base Facility Charge by Meter Size:

5/8" x 3/4"	\$13.49	\$16.80
3/4"	\$20.18	\$25.12
1"	\$33.69	\$41.94
2"	\$67.33	\$83.83
3"	\$107.74	\$134.14

Gallonage Charge

per 1,000 gallons	\$2.50	\$3.11
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General Service (GS), Multi Family Service (MS)

Base Facility Charge by Meter Size:

5/8" x 3/4"	\$13.49	\$16.80
3/4"	\$20.18	\$25.12
1"	\$33.69	\$41.94
2"	\$67.33	\$83.83
3"	\$107.74	\$134.14

Gallonage Charge, per 1,000 Gallons	\$2.50	\$3.11
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Typical Residential Bills 5/8" x 3/4" Meter

3,000 Gallons	\$20.99	\$26.13
5,000 Gallons	\$25.99	\$32.36
10,000 Gallons	\$38.49	\$47.92

FINAL ORDER NO. 24-02 (Amended)
CITRUS COUNTY WATER AND WASTEWATER AUTHORITY

A FINAL ORDER OF THE CITRUS COUNTY WATER AND WASTEWATER AUTHORITY, PURSUANT TO CITRUS COUNTY CODE OF ORDINANCE, SECTION 102.255 (b), PROVIDING FOR THE FIXING OF RATES THAT ARE JUST, REASONABLE, COMPENSATORY, AND NOT UNFAIRLY DISCRIMINATORY; APPROVING SUCH CHANGES FOR CITRUS WATER WORKS, INC.; PROVIDING FOR CUSTOMER NOTICE; AND SETTING AN EFFECTIVE DATE.

WHEREAS, Citrus County Code 102-253, establish the Citrus County Water and Wastewater Authority (AUTHORITY) and provides for specific powers and duties including that of issuing final orders in the matter of rates; and

WHEREAS Citrus County Code 102-255 (b) provides for Staff Assisted Rate Case; and

WHEREAS on September 29, 2024, Citrus Water Works, Inc. (Utility) notified the Office of Utility Regulation of its intent to submit application for Staff Assisted Rate Case for Citrus Water Works, Inc.; and

WHEREAS, on January 11, 2024, Raftelis provided a report on the Staff Assisted Rate Case which was subsequently adjusted to reflect changes in the potential recovery in certain operating expenses and taxes other than income taxes and the Water and Wastewater Authority Board provided direction at the January 29, 2024, meeting on certain matters; and

WHEREAS Staff recommends approval of the amended final order including the adjustments to the January 11, 2024 SARC analysis as being fair and reasonable and that the rates should be modified to account for the increased property tax expenses and should be further modified for the increase in cost for the general liability insurance payments and that the Utility should pursue the reimbursement for the property loss to provide a reduction in rate base due to the receipt of contributed capital to offset the capital costs. If both adjustments were recognized in the rate analysis, the identified rate adjustment would increase from 20.4% to approximately 24.5% and result in an additional increase from what is presented in the SARC analysis by \$0.98 per month for the typical residential bill (average bill will further increase from \$29.18 to \$30.16 per month) and when compared to the average monthly bill at the existing rates of \$24.24, the overall average monthly bill would increase by be \$5.92 to \$30.16.

WHEREAS Staff recommends that the Utility be further allowed to file for an adjustment to the rates for water service no earlier than ninety (90) days after the adoption of this order and the adoption of an order by the Authority to approve

the 2024 price index factor on or before May 15, 2024 (2024 Price Index) in order to incorporate the application of the 2024 Price Index in the Utility water rates since the Staff recommended rates for service were based on the historic Test Year ended December 31, 2023 which is prior to the adoption date of the 2024 Price Index by the Authority, and

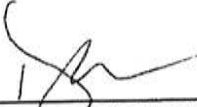
NOW, THEREFORE, BE IT ORDERED by the AUTHORITY, in public meeting assembled, that:

1. The above resultant adjustments, attached hereto, are approved for services rendered on or after **February 1, 2024**.
2. Utility shall notify each of its customers of the increase in each customer's next rate billing that is issued more than **fifteen (15) days** after the AUTHORITY'S approval. Within **thirty (30) days after** implementation of the adjusted rates, the Utility shall file with the AUTHORITY copies of the notices to customers.
3. This Final Order shall become effective immediately upon adoption by the AUTHORITY and shall remain in effect until the AUTHORITY authorizes a change.

This Order adopted this **29th day of January 2024**, after motion, second, and majority vote favoring same.

**APPROVED AS TO FORM FOR THE
RELIANCE OF CITRUS COUNTY ONLY:**

**CITRUS COUNTY WATER AND
WASTEWATER AUTHORITY**



**DENISE A. DYMOND LYN
ASSISTANT COUNTY ATTORNEY**



**BOB RUTEMILLER
CHAIRMAN**

**FINAL ORDER NO. 24-02
CITRUS COUNTY WATER AND WASTEWATER AUTHORITY**

A FINAL ORDER OF THE CITRUS COUNTY WATER AND WASTEWATER AUTHORITY, PURSUANT TO CITRUS COUNTY CODE OF ORDINANCE, SECTION 102.255 (b), PROVIDING FOR THE FIXING OF RATES THAT ARE JUST, REASONABLE, COMPENSATORY, AND NOT UNFAIRLY DISCRIMINATORY; APPROVING SUCH CHANGES FOR CITRUS WATER WORKS, INC.; PROVIDING FOR CUSTOMER NOTICE; AND SETTING AN EFFECTIVE DATE.

WHEREAS, Citrus County Code 102-253, establish the Citrus County Water and Wastewater Authority (AUTHORITY) and provides for specific powers and duties including that of issuing final orders in the matter of rates; and

WHEREAS Citrus County Code 102-255 (b) provides for Staff Assisted Rate Case; and

WHEREAS on September 29, 2024, Citrus Water Works, Inc. (Utility) notified the Office of Utility Regulation of its intent to submit application for Staff Assisted Rate Case for Citrus Water Works, Inc.; and

WHEREAS, on January 11, 2024, Raffelis provided a report on the Staff Assisted Rate Case and the Water and Wastewater Authority Board provided direction at the January 29, 2024, meeting on certain matters; and

WHEREAS Staff recommends approval of the Utility's application which raises the total annual revenue by \$9,160.00 for Citrus Water Works, Inc., based on the estimated costs to provide service for the Test Year ended December 31, 2023, for an increase of 20.40% for water; and

WHEREAS Staff recommends that the Utility be further allowed to file for an adjustment to the rates for water service no earlier than ninety (90) days after the adoption of this order and the adoption of an order by the Authority to approve the 2024 price index factor on or before May 15, 2024 (2024 Price Index) in order to incorporate the application of the 2024 Price Index in the Utility water rates since the Staff recommended rates for service were based on the historic Test Year ended December 31, 2023 which is prior to the adoption date of the 2024 Price Index by the Authority, and

NOW, THEREFORE, BE IT ORDERED by the AUTHORITY, in public meeting assembled, that:

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3. This Final Order shall become effective immediately upon adoption by the AUTHORITY and shall remain in effect until the AUTHORITY authorizes a change.

This Order adopted this **29th day of January 2024**, after motion, second, and majority vote favoring same.

**APPROVED AS TO FORM FOR THE
RELIANCE OF CITRUS COUNTY ONLY:**

**CITRUS COUNTY WATER AND
WASTEWATER AUTHORITY**

**DENISE A. DYMOND LYN
ASSISTANT COUNTY ATTORNEY**

**BOB RUTEMILLER
CHAIRMAN**

NOT VALID

See

Final Order No. 24-02 (Amended)



ADDITIONAL INFORMATION
(1) Citrus Water Works, Inc. Response to
Raftelis Rate Evaluation

D.3.

AGENDA MEMORANDUM

FROM:	Steve Howard, County Administrator
SUBJECT:	Citrus Water Works, Inc. – Staff Assisted Rate Case (SARC)
AGENDA DATE:	January 29, 2024

BRIEF OVERVIEW:

see attachment

STRATEGIC PLANNING ELEMENT:

BUDGET IMPACT/FUNDING SOURCE:

Account No.	Account Title	Current Budget	YTD Expenditure	Encumbrances	Available Balance
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CITRUS WATERWORKS, INC.

January 23, 2024

Cecilia Boehm
Office of Utility Regulation
Citrus County Board of County Commissioners
3600 W. Sovereign Path, Suite 267
Lecanto, FL 34461

RE: Application for Staff Assisted Rate Case (SARC) by Citrus Waterworks, Inc. – Response to Raftelis Rate Evaluation

Dear Ms. Boehm:

Citrus Waterworks, Inc. (Citrus) hereby submits its response to the Raftelis Rate Evaluation dated January 11, 2024. Citrus addresses several errors in the evaluation, as well as provides additional comments.

1. Rate Base – in the evaluation, there were several adjustments of (\$400) made to plant accounts. Citrus assumes that Raftelis made these in reading the U.S. Water Services Corporation (USWSC) operations contract. However, this is an error. The USWSC contract includes any repair and/or replacement for items during the year under the \$400 threshold. These items are not invoiced to the utility. Any R&R over that amount is invoiced under the provisions of the contract. The amounts recorded by Citrus in its general ledger are actual invoices received from USWSC for capital work. There are no deductions. This is the same methodology used for all of the affiliated investor owned utilities (IOU) throughout the state. This has been recognized and approved by the Florida Public Service Commission (FPSC) numerous times in other rate cases and SARCs. If Raftelis believes these amounts should be "expensed," then there should be corresponding adjustments made to the test year O&M. However, this would be detrimental to the customers as those are recovered dollar for dollar instead of depreciated.
2. General Liability Expense – this is by far the largest adjustment made. Attached is the actual invoice amount paid this year by Citrus for General Liability Insurance. Raftelis made the erroneous assumption that general liability insurance is covered in the USWSC contract. However, USWSC does not own any percentage of Citrus. Citrus is a stand alone Florida corporation with its own shareholders. The General Liability insurance is to protect Citrus Waterworks and its shareholders. The liability insurance for USWSC is for that corporation and its shareholders. It cannot be used by Citrus for any liability. The numerous affiliated IOUs all have their own general liability insurance. The FPSC has approved GL insurance numerous times for affiliated IOUs in various rate cases and SARCs. It is a generally accepted practice for a corporation to have general liability insurance in their name to protect the corporation, shareholders, and its customers. The amount of GL paid in 2023 was \$1,524.48 for the period 11/15/23 – 11/15/24.
3. Property Insurance – although this is a small amount, the Raftelis report only allowed property taxes of \$156. However, Citrus provided all three (3) tax bills. These are attached to the Agenda item. The are for:

2651491 -	\$144.74
1192749 -	\$119.37
1206219 -	\$51.35
Total	\$343.04

Citrus has already paid these 3 invoices to the County. Citrus is obligated to pay these amounts, and the County will not allow the utility not to pay all three amounts. It is unclear how the evaluation did not include these actual invoices previously provided and how they can be attached to the agenda item but not allowed.

4939 Cross Bayou Boulevard ~ New Port Richey, FL 34652
Tel: (866) 753-8292 Fax: (727) 848-7701

5312 West Atlanta Ln., Dunnellon, FL

4. Rate of Return on Equity – the evaluation states, "The leverage formula referenced in Order No. PSC-2023-0189-PAA-WS issued by the FPSC on June 28, 2023 was used in the determination of the Company's return on common shareholder equity." The evaluation continues by stating: In developing the weighted cost of capital, the Company reported no debt allocable to the System and the cost of capital was considered as essentially being 100% common shareholder equity."

Order No. PSC-2023-0189-PAA-WS, clearly states: "The updated leverage formula is: $ROE = 7.00\% + (1.468 + \text{Equity Ratio})$ The resulting range of returns is 8.46 percent at 100 percent equity to 10.67 percent at 40 percent equity." (emphasis added) – Page 3

There were several other adjustments made by "Staff" on Table 4 to plant accounts with no explanation provided. It is difficult for Citrus to comment on these adjustments without any explanation. These adjustments totaled (\$11,033), however there were offsetting adjustments made to Accumulated Depreciation of (\$10,055), so the resulting net adjustment was immaterial.

Citrus requests that these items be taken into consideration by the Authority and the necessary adjustments be made in its final order.

Respectfully submitted,



Troy Rendell
Vice President
Investor Owned Utilities
// for Citrus Waterworks, Inc.



ADDITIONAL INFORMATION
**(2) Raffelis response to Citrus Water Works,
Inc. Letter**

D.3.

AGENDA MEMORANDUM

FROM:	Steve Howard, County Administrator
SUBJECT:	Citrus Water Works, Inc. – Staff Assisted Rate Case (SARC)
AGENDA DATE:	January 29, 2024

BRIEF OVERVIEW:

see attachment

STRATEGIC PLANNING ELEMENT:

BUDGET IMPACT/FUNDING SOURCE:

Account No.	Account Title	Current Budget	YTD Expenditure	Encumbrances	Available Balance
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Cecilia Boehm
Office of Utility Regulation
Citrus County Water and Wastewater Authority
3600 W. Sovereign Path, Suite 267
Lecanto, FL 34461

Subject: Staff Assisted Rate Case by Citrus Waterworks, Inc.

Dear Ms. Boehm

We appreciate all the assistance provided by the owners of Citrus Waterworks, Inc. (Company) in support of the preparation of the Staff Assisted Rate Case report for the Citrus Waterworks water utility system (Utility) dated January 11, 204 (SARC) by Raftelis Financial Consultants, Inc. (Raftelis) on behalf of the Citrus County Water and Wastewater Authority (Authority). We have received the SARC response to our analysis made by the and offer the following response to their comments.

1. The first issue deals with making cost adjustments to certain water utility plant additions identified by the Company that were classified as a repair, maintenance, and replacement expenditure of several water line breaks in the utility service area. Specifically, for all the individual expenditures, an adjustment was made to reduce the cost of each individual expenditure recognized to be recovered in rates of \$400 per occurrence. This reduced the estimated rate base of the utility by \$2,368.08 for the Test Year ended December 31, 2023 (Test Year). The Company claims that this is incorrect and should be reversed.

Generally, we would agree that the invoiced cost would be reflected in the determination of a utility's rate base. In fact, all the other plant additions reported by the utility were reflected in the SARC. The reason of the adjustment was based on our understanding of the terms and conditions of the Agreement for Services between U.S. Water Services Corporation (US Water) and the Company (which is an associated company of US Water) (Agreement) as described below:

- According to Section 2.24 of the Agreement, US Water shall perform repairs that total less than \$400 per incident with the excess cost being the responsibility of the Company. The contract is dated December 28, 2020, and we are uncertain if the cost threshold value is increased for inflation consistent with the payment for services. If it was adjusted, the estimated cost threshold could be \$453 when applying the FPSC Price Index Factor for 2021 through 2023. When reviewing the invoices, 62.5% of the amounts were in amounts equal to or less than \$585 and were deemed to be repairs to the System (several of the invoices also referenced the expenditure as a repair). There was some question that these expenditures should be considered as major (capitalized) expenditures, but we maintained the general financial reporting for the Company.

When we reviewed Section 3.9 of the Agreement, it specifically states that the "Owner (i.e., the Company) shall be responsible for major repairs above \$400 per event and/or capital item." This explicitly implies that the cost of any major repair up to \$400 (not adjusted for inflation) is the responsibility of US Water. We assumed that i) the cost for professional services paid to US Water would include an allowance for the cost for

services or ii) simply would not be allocable in cost to be recovered from the Owner since it is referenced in the agreement (which is what was recognized in the SARC analysis).

2. The second issue raised by the Company dealt with insurance expenses and the removal of this expense in the determination of the proposed rates. Generally, we would agree that the cost for insurance incurred by a utility would be a recognized expense in the determination of rates. It is our understanding that general liability insurance policies typically cover the company for claims involving bodily injuries and property damage that may result from the operations of the utility. We did not recognize any insurance expenses in the SARC analysis because: i) Company responses to the Authority's interrogatories stated that although the Company did have liability insurance it did not carry property insurance which is customary and therefore could not file a claim to reimburse all or part of the capital expenditures associated with the replacement of the Hydro-pneumatic tank at the water plant which was included in the rate base in full and is being borne by the customers of the Utility; ii) this expense was not incurred (reported) by the Company in every Annual Report (Water Operation and Maintenance Expense schedule, Account 655 on page W-3) filed by the Company with the Authority since the purchase of the utility; and iii) when applying the annual inflation index to the total Company-reported operating expenses as referenced on Table 10 of the SARC analysis since the acquisition, the total 2023 Test Year operation and maintenance expenses recognized in the analysis was extremely close to the indexing of the expenses (less regulatory commission expenses) from Company reported 2021 levels.

Regarding the issue that the Company does not maintain property insurance for the Utility the Company indicated that the damage to the tank was a result of a tree falling on the facility from a neighboring property. The Company also indicated that they are trying to locate the owner of the adjacent property which was assumed to be an attempt to get some compensation for the damages which would result in a contribution-in-aid-of-construction and a reduction in rate base and a corresponding rate reduction. It was our general opinion that stabilizing the rates to the customer is fair and that once all the facts are known regarding the tank replacement, then an adjustment can be incorporated (assumed to be in a year). All of these factors were considered in not recognizing the expense in the rate calculation.

As part of the Company's subsequent response to the SARC analysis, the Company did provide a copy of the most recent invoice for the payment of the General Liability Insurance which was paid during the 2023 Test Year based on information contained in additional financial information provided by the Company (i.e., 2023 General Ledger financial report). The Company's SARC application recognized an insurance expense of \$2,502 which appears to provide coverage for over one year. The most recent invoice paid in the 2023 Test Year was \$1,524.48. If the Authority were to accept this amount as a recoverable cost, the identified rate adjustment (stand-alone basis) would increase from 20.4% to 24.0% and result in an additional increase from what is presented in the SARC analysis by \$0.88 per month for the typical residential bill (average bill will further increase from \$29.18 to \$30.06 per month).

3. The third issue deals with the amount of property tax expense for the 2023 Test Year. The Company provided copies of the property tax bills in responses to interrogatories. In the SARC analysis, the amounts shown inadvertently reflected the tax liability for the 2023 Test Year that were paid in 2022 (capturing the 4.0% early payment discount). As we were

preparing the analysis, a comparison to prior period payments presented in the prior staff assisted rate case analysis was performed and the amounts were comparable. The SARC analysis captured all the property tax bills but one invoice was a zero bill. When reviewing the property tax bills for 2024 that were paid during the 2023 Test Year, the account that was a zero read bill now as a charge which resulted in an increase in the expense. A summary of the bills is shown below:

Comparison of Property Tax Bill Payments

Utility	2023 Paid in 2022	2024 Paid in 2023
Account No. 2651491 - Citrus Waterworks (Ellsworth Sub) -Tangible Personal Property	\$--	\$144.74
Account No. 2248262 - Citrus Waterworks (Blackwaters Hts) - Real Estate	20.52	27.58
Account No. 1206219 - Citrus Waterworks (Blackwaters Hts) - Real Estate	37.28	51.35
Account No. 1192749 - Citrus Waterworks (Ellsworth Point) - Real Estate	98.08	119.37
Total Payments Recognized in SARC Analysis	\$155.88	\$343.04

It is recommended that the property tax payments be adjusted to reflect the 2023 paid amounts as shown above which will increase the revenue requirements funding from rates. If the Authority were to accept this amount as a recoverable cost, the identified rate adjustment would increase (on a stand-alone basis) from 20.4% to 20.8% and result in an additional increase from what is presented in the SARC analysis by \$0.11 per month for the typical residential bill (average bill will further increase from \$29.18 to \$29.29 per month).

4. The fourth issue deals with the rate of return reflected in the calculation. The Company states that the rate of return should be based on the leverage formula as adopted by the Florida Public Service Commission which is relied upon by the Authority. The most recent formula was adopted by the Florida Public Service Commission on June 28, 2023 pursuant to Order No. PSC-2023-1089-PAA-WS. The Company states that the rate of return should be based on a 100% equity ratio and the associated cost of capital for the Common Shareholder Equity component should equate to 8.468%. We do not disagree that the calculation of Common Shareholder Equity at a 100% ratio should be 8.468% - that is the cost of capital rate reflected in the SARC analysis. The Company does not consider in its complaint to the Authority that the cost of customer deposits available to the Company should also be recognized in the determination of the weighted cost of capital which is what is reflected in the SARC analysis (reference Table 14 of the report). Additionally, the calculation reflected in the SARC analysis is also consistent with the assumptions recognized by the Company in the filing of the SARC Application dated September 29, 2023 to the Authority (reference Schedule No. 2 of the submitted rate analysis). Accordingly, we do not recommend any adjustment be made by the Authority for this issue raised by the Company.

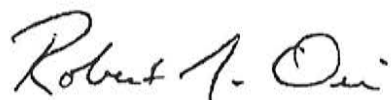
In summary, we believe that the SARC analysis is fair and reasonable and that the rates as contained in the report i) should be modified to account for the increased property tax expenses mentioned above and ii) should be further modified if the increase in cost for the property insurance payments continue and are not offset by a reduction in rate base due to the receipt of contributed capital to offset the capital costs. If both adjustments were recognized in the rate analysis, the identified rate adjustment would increase from 20.4% to

approximately 24.5% and result in an additional increase from what is presented in the SARC analysis by \$0.98 per month for the typical residential bill (average bill will further increase from \$29.18 to \$30.16 per month) and when compared to the average monthly bill at the existing rates of \$24.24, the overall average monthly bill would increase by be \$5.92 to \$30.16.

We appreciate the fine cooperation and assistance provided by the Company and the Authority in the continued review of the Company's water utility rates pursuant of the SARC analysis. If the Authority has any questions or comments regarding our findings and recommendations, please do not hesitate to contact us.

Respectfully submitted,

RAFTELIS FINANCIAL CONSULTANTS, INC.

A handwritten signature in black ink that reads "Robert J. Ori". The signature is written in a cursive style with a large initial "R" and "O".

Robert J. Ori
Executive Vice President

RJO/dlc

COPY

**FINAL ORDER NO. 23-06
CITRUS COUNTY WATER AND WASTEWATER AUTHORITY**

A FINAL ORDER OF THE CITRUS COUNTY WATER AND WASTEWATER AUTHORITY, PURSUANT TO CITRUS COUNTY CODE 102-256(i), PROVIDING FOR THE ADOPTION OF THE 2023 PRICE INDEX FACTOR EQUIVALENT TO THE PRICE INDEX SET ANNUALLY BY THE FLORIDA PUBLIC SERVICE COMMISSION FOR UTILIZATION IN PRICE INDEX RATE APPLICATIONS FOR NON-EXEMPT, INVESTOR-OWNED WATER AND WASTEWATER UTILITIES PROVIDING SERVICE IN CITRUS COUNTY, SETTING THE EARLIEST APPLICATION DATE FOR UTILITIES TO FILE FOR SUCH AN INDEX ADJUSTMENT, PROVIDING FOR THE FILING OF ADDITIONAL REQUIRED INFORMATION, AND SETTING AN EFFECTIVE DATE.

WHEREAS, Citrus County Code of Ordinance, Section 102-253, establish the Citrus County Water and Wastewater Authority (AUTHORITY) and provides for specific powers and duties including that of issuing final orders in the matter of rates; and

WHEREAS, Citrus County Code of Ordinance, Section 102-256 (i) and (j) provides for price index and pass through adjustments; and

WHEREAS, the supplemental rules, Resolution No. 99-142, Section 5.2 provides for the procedure for satisfying the filing requirements of a pass-through adjustments and Section 5.3 provides for the procedure for satisfying the filing requirements of a price index adjustments; and

WHEREAS, on May 8, 2023, this AUTHORITY adopted Final Order No. 23-01 establishing the 2023 Price Index of 7.07% for franchised water and wastewater utilities operating in the unincorporated areas of Citrus County; and

WHEREAS, on August 12, 2023, Citrus Waterworks, Inc. (Utility) notified the Office of Utility Regulation of its intent to submit application for 2023 price index and pass through adjustments for Citrus Waterworks, Inc. Water; and

WHEREAS, on August 12, 2023, Utility met the minimum filing requirements; and

WHEREAS, Staff recommends approval of the Utility's applications which raises the Total Annual Revenues of \$2,389.00 an increase of 5.62% for Water;


COPY

NOW, THEREFORE, BE IT ORDERED by the AUTHORITY, in public meeting assembled, that:

1. The above resultant rate adjustments attached hereto as Citrus Waterworks, Inc., Price Index and Pass-Through Application Packet are approved for services rendered on or after September 19, 2023.
2. Utility shall notify each of its customers of the increase in each customer's next rate billing that is issued more than **fifteen (15)** days after the AUTHORITY'S approval. Within thirty (30) days after implementation of the adjusted rates, the Utility shall file with the AUTHORITY copies of the notices to customers.
3. This Final Order shall become effective immediately upon adoption by the AUTHORITY and shall remain in effect until the AUTHORITY authorizes a change.

This Order adopted this **19th day of September 2023**, after motion, second, and majority vote favoring same.

APPROVED AS TO FORM FOR THE
RELIANCE OF CITRUS COUNTY ONLY



DENISE A. DYMOND LYN
COUNTY ATTORNEY

CITRUS COUNTY WATER AND
WASTEWATE AUTHORITY



BOB RUTEMILLER
CHAIRMAN

COPY

CITRUS WATERWORKS, INC.
WATER TARIFF

FIRST REVISED SHEET NO. 13.0
CANCELS ORIGINAL SHEET NO. 13.0

RESIDENTIAL SERVICE

RATE SCHEDULE (RS)

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - For water service for all purposes in private residences and individually metered apartment units.
- LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD - Monthly
- RATE -

<u>Meter Sizes</u>	<u>Base Facility Charge</u>
5/8" x 3/4"	\$ 13.49
3/4"	\$ 20.18
1"	\$ 33.69
Charge per 1,000 gallons	\$ 2.50

- MINIMUM CHARGE - Base Facility Charge
- TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.
- EFFECTIVE DATE - October 4, 2023
- TYPE OF FILING - 2023 Index



GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

COPY

GENERAL SERVICE

RATE SCHEDULE (GS)

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - For water service to all Customers for which no other schedule applies.
- LIMITATIONS - Subject to all of the Rules and Regulations of this tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD - Monthly
- RATE -

<u>Meter Sizes</u>	<u>Base Facility Charge</u>
5/8" x 3/4"	\$ 13.49
3/4"	\$ 20.18
1"	\$ 33.69
2"	\$ 67.33
3"	\$107.74
Charge per 1,000 gallons	\$ 2.50

- MINIMUM CHARGE - Base Facility Charge
- TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.
- EFFECTIVE DATE - October 4, 2023
- TYPE OF FILING - 2023 Index



GARY DEREMER
ISSUING OFFICER

PRESIDENT
TITLE

COPY

NOTICE TO CUSTOMERS OF CITRUS WATERWORKS, INC.

Pursuant to Section 367.081 (4) (a), Florida Statutes, water and wastewater utilities are permitted to adjust the rates and charges to its customers without those customers bearing the additional expense of a public hearing. These adjustments in rates would depend on increases or decreases in non-controllable expenses subject to inflationary pressures, such as chemicals, and other general operation and maintenance costs.

Citrus Waterworks, Inc. has filed its Notice of Intention with the Citrus County Water and Wastewater Authority to increase its water rates in Citrus County pursuant to this Statute.

The 2023 Price Index applications are subject to review by the Commission Staff for accuracy and completeness. The 2023 Price Index rate increase is 5.62% for water services.

These rates should be reflected on your bill for service rendered on and after October 4, 2023.

If you should have any questions, you may call the utility at 888-228-2134. Please be sure to have your account number handy for quick reference.

CITRUS WATERWORKS

USW Utility Billing Center

P.O. Box 151245
Cape Coral, FL 33915

If you have any questions please contact our customer service number: 1-888-228-2134

Account Number
Bill Date 09/20/2024
Due Date 10/10/2024
Total Amount Due \$41.68

For Service To:

Usage Data	Billing Period	Days	Meter Readings	Usage	Units
	08/10/2024	30	553 Actual	553	TGAL
	09/09/2024		561 Actual	561	
	Total Days: 30			Total Usage: 8	TGAL

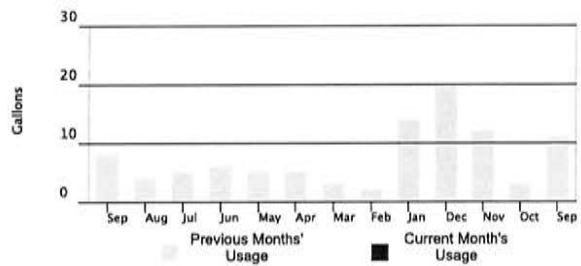
\$ Billing Detail

Amount Owed From Last Bill \$29.24
Adjustments \$0.00
Total Payments Received \$29.24
Prior Balance \$0.00

New Charges
Base Charge..... \$16.80
Water 8 @ 3.110000..... \$24.88
Total Water 8 TGAL Charges \$41.68
Total Current Charges \$41.68

Total Amount Due 10/10/2024..... \$41.68

Water Use History



Message Center

- Pay your bill online. Visit www.mywaterservice.com to pay by credit card. A \$2.95 service fee will apply.
- Pay by phone, call 1-844-500-7358.

Please detach along perforation and return this portion with your payment. Keep top portion for your records.

054826135 0004168

Make Checks Payable To:
CITRUS WATERWORKS
Billing & Payment Processing Center
P.O. Box 151245
Cape Coral, FL 33915-1245

Check this box for address correction or message. Please print on reverse side.
Acct#: [REDACTED]

Amount Due by 10/10/2024	\$41.68
Amount Enclosed: \$	

[REDACTED]
Dunnellon FL 34433



CITRUS WATERWORKS
C/O US WATER
P.O. BOX 151245
CAPE CORAL, FL 33915-1245