

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: July 24, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Economics (Bethea, Bruce, Hudson) *JB*
Division of Accounting and Finance (McClelland, Norris, Sowards, Vogel)
Division of Engineering (P. Buys, Ramos, Smith II) *TB*
Office of the General Counsel (Dose, Augspurger, J. Crawford) *JSC*

RE: Docket No. 20250052-WS – Application for increase in water and wastewater rates in Brevard, Citrus, Duval, Highlands, Marion, and Volusia Counties by CSWR-Florida Utility Operating Company.

AGENDA: 08/05/25 – Regular Agenda – Decision on Suspension of Rates – Participation is at the Discretion of the Commission

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Clark

CRITICAL DATES: (60-Day Suspension Date Waived until 9/4/2025)

SPECIAL INSTRUCTIONS: None

Case Background

CSWR-Florida Utility Operating Company (CSWR or utility) is a Class A utility providing water and wastewater service to 11 systems in the following counties: Brevard, Citrus, Duval, Highlands, Marion, and Volusia. As the result of recent acquisitions and a grandfather certificate, CSWR is now a Florida domestic limited liability company that owns and operates the water and wastewater systems that are the subject of this rate case application. CSWR is a wholly-owned subsidiary of CSWR-Florida Utility Holding Company, LLC.

In 2024, the utility recorded consolidated company operating revenues of \$3,853,102 for water and \$3,332,319 for wastewater. CSWR reported a net operating loss of \$1,436,909 for water and

\$136,494 for wastewater. The utility has approximately 144,303 water customers and 87,571 wastewater customers for its combined systems. The following table reflects the rate proceeding in which rates were last established for each of CSWR's systems.

Last Proceedings Establishing Rates for CSWR Systems

Former Utility Name	Order	Issuance Date
Aquarina Utilities, Inc.	PSC-2020-0158-PAA-WS	May 15, 2020
BFF Corp.	PSC-2002-0487-PAA-SU	April 8, 2002
C.F.A.T. H2O, Inc.	PSC-2011-0366-PAA-WS	August 31, 2011
Neighborhood Utilities, Inc.	PSC-2016-0537-PAA-WU	November 23, 2016
North Peninsula Utilities, Corp.	PSC-2019-0461-PAA-SU	October 25, 2019
Rolling Oaks Utilities, Inc.	Citrus County Approved	February 1, 2022
Sebring Ridge Utilities, Inc.	PSC-1996-0869-FOF-WS	July 2, 1996
Sunshine Utilities, Inc.	PSC-2012-0357-PAA-WU	July 10, 2012
TKCB, Inc.	PSC-2021-0435-PAA-SU	November 22, 2021
Tradewinds Utilities, Inc.	PSC-2011-0385-PAA-WS	September 13, 2011
Tymber Creek Utilities, Inc.	PSC-2011-0345-PAA-WS	August 16, 2011

During the years of 2021-2024, CSWR applied to acquire ten of the systems in this rate proceeding, and all ten transfer dockets were approved by the Commission. On August 26, 2024, CSWR applied for a grandfather certificate for Rolling Oaks Utilities, Inc. as the eleventh system. On July 21, 2025, by Order No. PSC-2025-0280-PAA-WS, the Commission approved the grandfather certificate.¹

On May 30, 2025, CSWR filed an application for approval of interim and final water and wastewater rate increases. By letter dated June 27, 2025, staff advised the utility that its Minimum Filing Requirements (MFRs) had several deficiencies. The deadline to correct those deficiencies is July 28, 2025. To date, the official date of filing has not been established for noticing purposes.

The utility's application for increased final water and wastewater rates is based on the historical 12-month period ended January 31, 2025, with requested capital recovery for facility improvements, since the time of acquisitions. Additionally, the utility requested a single, consolidated rate structure.

CSWR requested interim rates for all of its systems, designed to generate additional revenues of \$2,279,365 for water operations and \$225,973 for wastewater operations.

CSWR requested final rates designed to generate additional revenues of \$3,223,769 for water operations and \$954,881 for wastewater operations.

¹ Order No. PSC-2025-0280-PAA-WS, issued July 21, 2025, in Docket No. 20240130-WS, *In re: Application for grandfather certificate to operate water and wastewater utility in Citrus County, by CSWR-Florida Utility Operating Company, LLC.*

The intervention of the Office of Public Counsel (OPC) was acknowledged by Order No. PSC-2025-0113-PCO-WS, issued April 7, 2025, in this docket.

The original 60-day statutory deadline for the Commission to suspend the utility's requested final rates and address its interim rate request was August 5, 2025. However, by letter dated June 30, 2025, the utility agreed to extend the statutory time frame to September 4, 2025, by which the Commission is required to address the suspension of CSWR's final rates and its interim rate request. This recommendation addresses the suspension of the utility's requested final rates. A subsequent recommendation will be filed to address the requested interim rates on August 22, 2025, for the September 4, 2025 Commission Conference. The Commission has jurisdiction pursuant to Sections 367.081 and 367.082, F.S.

Discussion of Issues

Issue 1: Should the utility's proposed final water and wastewater rates be suspended?

Recommendation: Yes. The utility's proposed final water and wastewater rates should be suspended. (Bethea)

Staff Analysis: Section 367.081(6), F.S., provides that the rates proposed by the utility shall become effective within sixty days after filing unless the Commission votes to withhold consent of implementation of the requested rates. The order reflecting such a vote shall state a reason or statement of good cause for the withholding of consent.

Staff has reviewed the filing and has considered the proposed rates, the revenues thereby generated, and the information filed in support of the rate application. Staff believes that it is reasonable and necessary to require further amplification and explanation regarding this data, and to require production of additional and/or corroborative data. This further examination will include a review by staff accountants and engineers. Staff believes discovery requests will be necessary. Therefore, staff recommends suspension of the utility's proposed rate increase to allow staff and any intervenors sufficient time to adequately and thoroughly examine the appropriateness of the utility's request for final rate relief. Staff believes these reasons constitute good cause under Section 367.081(6), F.S.

Date: July 24, 2025

Issue 2: Should this docket be closed?

Recommendation: The docket should remain open pending the Commission's final action on the Utility's requested rate increase. (Dose)

Staff Analysis: The docket should remain open pending the Commission's final action on the Utility's requested rate increase.