

State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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

DATE: January 8, 2026

TO: Marissa Ramos, Chief of Reliability and Resource Planning, Division of Engineering

FROM: Division of Engineering (Lewis, King, Smith II) *CL LS*
Division of Accounting and Finance (Cohn, Higgins, G. Kelley, Lenberg) *DA*
Division of Economics (Bruce, Chambliss) *SGH*
Office of the General Counsel (Sapoznikoff, Sparks) *SPS*

RE: Docket No. 20250094-WS – Application for staff-assisted rate case in Polk County by GCP Plantation Landings, LLC.

-STAFF REPORT-

This Staff Report is preliminary in nature. The Commission staff's final recommendation will not be filed until after the customer meeting scheduled for January 27, 2026.

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Case Background

GCP Plantation Landings, LLC (GCP or Utility) is a Class C water and wastewater utility operating in Polk County. The Utility serves 388 residential and one general service customer. GCP's service territory is located in the Southwest Florida Water Management District (SWFWMD). The Utility reported, in its 2024 Annual Report, net operating losses of \$17,380 for water and \$29,511 for wastewater.

Certificates Nos. 606-W and 522-S were transferred to GCP in Docket No. 20120219-WS.¹ In 2023, GCP filed an application for a staff-assisted rate case (SARC); however, that application was withdrawn.² On July 21, 2025, GCP filed an application for a SARC and the official filing date of this SARC was established as September 4, 2025. The 12-month period ending December 31, 2024, was selected as the test year. GCP's request for a SARC is due to capital improvements and an increase in operating expenses since its last rate increase. The Utility's last SARC was in 2008.³

This Staff Report is a preliminary analysis of the Utility's books and records prepared by Commission staff to give customers and the Utility an advanced look at what staff may be proposing. The final recommendation to the Commission is currently scheduled to be filed on March 19, 2026, for consideration at the April 7, 2026 Commission Conference. The preliminary recommendation will be revised as necessary using any new or updated information received. The Commission has jurisdiction pursuant to Sections 367.011, 367.081, 367.0812, 367.0814, 367.091, and 367.121, Florida Statutes (F.S.).

¹ Order No. PSC-13-0121-PAA-WS, issued March 11, 2013, in Docket No. 20120219-WS, *In re: Application for approval of transfer of Plantation Landings, Ltd. water and wastewater system and Certificate Nos. 606-W and 522-S in Polk County to GCP Plantation Landings, LLC.*

² Document No. 04603-2024, filed June 5, 2024, in Docket No. 20230118-WU.

³ Order No. PSC-08-0548-PAA-WS, issued August 19, 2008, in Docket No. 20070416-WS, *In re: Application for staff-assisted rate case in Polk County by Plantation Landings, Ltd.*

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Discussion of Issues

Issue 1: Is the quality of service provided by GCP Plantation Landings, LLC satisfactory?

Preliminary Recommendation: Staff's recommendation regarding quality of service will not be finalized until after the customer meeting scheduled for January 27, 2026. (Lewis)

Staff Analysis: Pursuant to Section 367.081(2)(a)(I), F.S., and Rule 25-30.433(1), Florida Administrative Code (F.A.C.), in water and wastewater rate cases, the Commission shall determine the overall quality of service provided by the utility. This determination is made from an evaluation of the quality of the utility's product (water) and the utility's attempt to address customer satisfaction (water and wastewater). The Rule further states that the most recent chemical analyses for the water system, outstanding citations, violations, and consent orders on file with the Department of Environmental Protection (DEP) and the county health department, and any DEP and county health department officials' testimony concerning quality of service shall be considered. In addition, any customer testimony, comments, or complaints received by the Commission are also reviewed. The operating condition of the water and wastewater systems are addressed in Issues 2.

Quality of the Utility's Product

In evaluation of GCP's product quality, staff reviewed the Utility's compliance with the DEP's primary and secondary drinking water standards. Primary standards protect public health while secondary standards regulate contaminants that may impact the taste, odor, and color of drinking water. Staff reviewed the DEP's Safe Drinking Water Program chemical analysis of samples taken on September 25, 2024, and the Utility was determined to be in compliance with DEP standards. In addition, staff reviewed the most current Disinfection Byproducts testing conducted on July 15, 2025, at the GCP water treatment plant (WTP) and the results were in compliance with DEP standards.

The Utility's Attempt to Address Customer Satisfaction

Staff reviewed the complaints filed in the Commission's Consumer Activity Tracking System (CATS), received by the Utility, and filed with the DEP for the test year and four years prior. There were no complaints recorded in CATS, with the DEP, or the Utility.

Conclusion

Staff's recommendation regarding quality of service will not be finalized until after the customer meeting scheduled for January 27, 2026.

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Issue 2: Are the infrastructure and operating conditions of GCP Plantation Landings, LLC's water and wastewater system in compliance with DEP regulations?

Preliminary Recommendation: Staff's recommendation regarding DEP compliance will not be finalized until after the customer meeting scheduled for January 27, 2026. (Lewis)

Staff Analysis: Rule 25-30.225(2), F.A.C., requires each water and wastewater utility to maintain and operate its plant and facilities by employing qualified operators in accordance with the rules of the DEP. Rule 25-30.433(2), F.A.C., requires consideration of whether the infrastructure and operating conditions of the plant and facilities are in compliance with Rule 25-30.225, F.A.C. In making this determination, the Commission must consider testimony of the DEP and county health department officials, sanitary surveys for water and compliance evaluations for wastewater systems, citations, violations, and consent orders issued to the utility, customer testimony, comments, complaints, utility testimony, and responses to the aforementioned items.

Water and Wastewater Operating Conditions

GCP's water system has two wells that each have a pumping capacity of 350 gallons per minute (gpm). The system is served by a hydropneumatic tank with a capacity of 15,000 gallons. There are 13 fire hydrants throughout the service territory. Groundwater from the wells is treated through hypochlorination. Staff reviewed GCP's most recent Sanitary Survey Reports conducted by the DEP on September 15, 2021, which indicated no deficiencies.

GCP's wastewater system consists of a 0.080 million gallons per day (MGD) Three-Month Rolling Average Daily Flow (3MADF) design capacity, Type III, extended aeration domestic wastewater treatment plant, with disposal to a two-cell Rapid Infiltration Basin (RIB). Staff reviewed the Utility's compliance evaluation inspections conducted by the DEP to determine GCP's overall wastewater facility compliance. A Compliance Evaluation Inspection on April 2, 2024, determined the facility to be in compliance with the DEP's rules and regulations.

Conclusion

Staff's recommendation regarding DEP compliance will not be finalized until after the customer meeting scheduled for January 27, 2026.

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Issue 3: What are the used and useful (U&U) percentages of GCP Plantation Landings, LLC's WTP, wastewater treatment plant (WWTP), water distribution, and wastewater collection systems?

Preliminary Recommendation: GCP's WTP, WWTP, water distribution, and wastewater collection systems should all be considered 100 percent U&U. Staff recommends there is 17.3 percent excessive unaccounted for water (EUW); however, this recommendation is preliminary, and no adjustment to purchase power and chemicals should be made for EUW at this time. Additionally, no adjustment is recommended for excessive infiltration and inflow (I&I). These are preliminary determinations and are subject to change. (Lewis)

Staff Analysis: As stated in Issue 2, GCP's WTP consists of two wells, each with a pumping capacity of 350 gpm, and a 15,000 gallon hydropneumatic tank. There is no water storage tank. The Utility's water distribution system is comprised of 6,960 linear feet of 6-inch; 5,110 linear feet of 4-inch; and 2,120 linear feet of 2-inch PVC (polyvinyl chloride) pipe. There are 13 fire hydrants throughout the service territory.

GCP's WWTP is permitted by the DEP as a 0.080 MGD, 3MADF design capacity, Type III, extended aeration domestic wastewater treatment plant, with disposal to a two-cell RIB. There are 50 manholes throughout the service territory. The Utility's wastewater collection system is comprised of approximately 12,660 feet of 8-inch, and 2,980 feet of 4-inch PVC collecting mains.

Used and Useful Percentages

Rules 25-30.432 and 25-30.4325, F.A.C., address the method by which the U&U percentages of a wastewater and water system is determined, respectively. GCP's U&U percentages were last determined in Docket No. 20070416.⁴ In that docket, the Commission determined the Utility's WTP, WWTP, water distribution, and wastewater collection systems to be 100 percent U&U. GCP has not increased the capacity of its facilities and the service territory is built out. As such, for purposes of the Staff Report, and consistent with the Commission's previous decision, staff recommends that the Utility's WTP, WWTP, water distribution, and wastewater collections systems be considered 100 percent U&U.

Excessive Unaccounted for Water

Rule 25-30.4325, F.A.C., additionally provides factors to be considered in determining whether adjustments to operating expenses are necessary for EUW. EUW is defined as "unaccounted for water in excess of 10 percent of the amount produced."⁵ Unaccounted for water is all water produced that is not sold, metered, or accounted for in the records of the utility. In determining whether adjustments to plant and operating expenses are necessary in accordance with Rule 25-30.4325(10), F.A.C., staff considers several factors. These include the causes of EUW, any corrective action taken, or the economic feasibility of a proposed solution. EUW is calculated by subtracting both the gallons sold to customers and the gallons used for other services, such as flushing, from the total gallons pumped and purchased for the test year, and dividing by the sum

⁴ Order No. PSC-08-0548-PAA-WS, issued August 19, 2008, in Docket No. 200707146-WS, *In re: Application for staff-assisted rate case in Polk County by Plantation Landings, Ltd.*

⁵ Rule 25-30.4325(1)(e), F. A. C.

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of gallons pumped and purchased. The amount in excess of 10 percent, if any, is the EUW percentage.

A review of the Utility's 2024 monthly operating reports (MORs) on file with the DEP indicates that GCP produced 26,300,000 gallons of water during the test year. In response to a staff data request, the Utility indicated that it purchases no water and did not record any water for flushing or other uses for each month during the test year.⁶ An examination of the Utility's billing records indicates 19,115,488 gallons of treated water were sold to customers. The calculation $([26,300,000 + 0 - 19,115,488 - 0] / [26,300,000 + 0])$ results in 27.3 percent unaccounted for water. The Commission allows a 10 percent margin; therefore, there is 17.3 percent EUW. However, staff's recommendation for EUW is preliminary, and therefore, no adjustment to purchased power and chemicals is recommended at this time.

Infiltration and Inflow (I&I)

Rule 25-30.432, F.A.C., provides that in determining the amount of U&U plant, the Commission will consider I&I. Excessive I&I is a calculation that is based on a comparison of allowable wastewater treated to the actual amount of wastewater treated. Allowable treated wastewater was calculated as 16,109,084 gallons, and the actual amount of wastewater treated was 9,872,000 gallons. The actual amount does not exceed the allowable amount, therefore there is no excessive I&I and no adjustment to operating expenses is necessary.

Conclusion

GCP's WTP, WWTP, water distribution, and wastewater collection systems should all be considered 100 percent U&U. Staff recommends that there is 17.3 percent EUW, however, this recommendation is preliminary, and no adjustment for purchase power and chemicals should be made at this time. Additionally, no adjustment is recommended for excessive I&I. These are preliminary determinations and are subject to change.

⁶ Document No. 15198-2025, filed November 21, 2025, in Docket No. 20250094-WS.

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Issue 4: What are the appropriate average test year water rate base and wastewater rate base amounts for GCP Plantation Landings, LLC?

Preliminary Recommendation: The appropriate average test year rate bases for GCP are \$320,483 for water and \$216,990 for wastewater. (Lenberg)

Staff Analysis: The appropriate components of the Utility's rate base include utility plant in service (UPIS), land and land rights, accumulated depreciation, capital recovery, accumulated capital recovery, and working capital. Staff selected the test year ended December 31, 2024, for the instant rate case. A summary of each component and the recommended adjustments are discussed below.

Utility Plant in Service

The Utility recorded UPIS balances of \$656,570 for water and \$732,231 for wastewater. Audit staff reconciled these balances to the last Commission order and adjusted UPIS to reflect proper account classifications and historical adjustments that had not been recorded. Because the Utility did not maintain complete ledgers or invoices for several years, staff reconstructed UPIS using Commission Order No. PSC-13-0121-PAA-WS, the Utility's annual reports, and the invoices that were available.⁷

Audit staff corrected misclassified additions, applied previously ordered adjustments, and removed items that had been improperly booked or recorded in the wrong period. These adjustments increased water UPIS by \$17,975 and decreased wastewater UPIS by \$21,261. Staff decreased water UPIS by \$62,568 and wastewater UPIS by \$22,183 to reflect the appropriate retirements of assets. Staff further increased water UPIS by \$22,430 and decreased wastewater UPIS by \$7,783 to reflect averaging adjustments. Staff's adjustments result in a net decrease of \$22,163 to water UPIS and a net decrease of \$51,227 to wastewater UPIS. Therefore, staff recommends total UPIS balances of \$634,407 for water and \$681,004 for wastewater.

Capped Retirement

In general, it is Commission practice to use the 75 percent of plant addition methodology to estimate the retirement amount of assets being replaced when the original cost is unknown. In this case, the Utility did not record retirements for certain accounts in prior years. In accounting for these retirements, staff observed that application of the 75 percent retirement methodology would result in an overall negative plant balances for certain accounts. Therefore, staff has capped the retirement amounts at the prior year plant balance for respective accounts. This methodology has been utilized in Docket No. 20160101-WS and was approved by Order No. PSC-2017-0101-FOF.⁸ In that order, the Commission found that: "the amount of retirement to plant in service and accumulated depreciation reflected in the adjusted test year shall be calculated based on either the 75 percent methodology . . . or on the actual balance in the

⁷ Order No. PSC-13-0121-PAA-WS, issued March 11, 2013, in Docket No. 20120219-WS, *In re: Application for approval of transfer of Plantation Landings, Ltd. water and wastewater system and Certificate Nos. 606-W and 522-S in Polk County to GCP Plantation Landings LLC.*

⁸ Order No. PSC-2017-0361-FOF-WS, issued September 25, 2017, in Docket No. 20160101-WS, *In re: Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties by Utilities, Inc. of Florida.*

impacted plant in service account . . . if that balance would be negative as a result of the 75 percent methodology.”⁹

Due to the capped retirement, several accounts have remaining undepreciated plant balances. Staff believes that these remaining balances should be recovered as amortization expense over a five-year period. Although Rule 25-30.433(10), F.A.C., prescribes the methodology for determining the appropriate amortization period for forced abandonment or the prudent retirement of plant assets prior to the end of their depreciable life, staff recommends an amortization period of five years. Staff notes an alternate amortization period is allowed for by the aforementioned rule. Staff identified three accounts that have remaining undepreciated plant balances, as reflect in Table 4-2 and Table 4-3 below.

Table 4-2
Water Capital Amortization

Account	Plant Balance	Accumulated Depreciation	Undepreciated Plant Balance	Amortization Expense
320	\$7,507	\$4,787	\$2,720	\$544
334	<u>38,597</u>	<u>13,077</u>	<u>25,520</u>	<u>5,104</u>
Total	<u>\$46,104</u>	<u>\$17,864</u>	<u>\$28,240</u>	<u>\$5,648</u>

Source: Staff calculations.

Table 4-3
Wastewater Capital Amortization

Account	Plant Balance	Accumulated Depreciation	Undepreciated Plant Balance	Amortization Expense
382	<u>\$5,903</u>	<u>\$629</u>	<u>\$5,274</u>	<u>\$1,055</u>
Total	<u>\$5,903</u>	<u>\$629</u>	<u>\$5,274</u>	<u>\$1,055</u>

Source: Staff calculations.

As described above, staff recommends capital recovery of \$28,240 for water and \$5,274 for wastewater over a five-year amortization period. The corresponding annual amortization expense is \$5,648 for water and \$1,055 for wastewater.

Used and Useful

As discussed in Issue 2, the Utility’s system is considered 100 percent U&U. Therefore, no U&U adjustment is necessary.

Land and Land Rights

The Utility recorded land and land rights balances of \$14,970 for water and \$78,192 for wastewater. Audit staff determined that these balances were not recorded at original cost. The Utility stated that no land has been purchased or sold since the last Commission order.

Audit staff decreased water land by \$13,806 and wastewater land by \$60,514 to reflect the original cost values established in Commission Order No. PSC-13-0121-PAA-WS.¹⁰ Therefore, staff recommends land and land rights balances of \$1,164 for water and \$17,678 for wastewater.

⁹ *Id.*

¹⁰ *Id.*

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Accumulated Depreciation

The Utility recorded accumulated depreciation of \$431,482 for water and \$491,702 for wastewater. Staff decreased this amount by \$33,538 for water and increased this amount by \$28,893 for wastewater to reflect corrections to UPIS and the application of the correct depreciation rates per Rule 25-30.140, F.A.C. Staff decreased this amount by \$62,568 for water and by \$22,183 for wastewater to reflect the appropriate retirements of assets. Staff decreased this amount by \$14,615 for water to correct over-depreciation associated with Account 331 – Transmission and Distribution Lines. Additionally, staff increased this amount by \$25,941 for water and decreased this amount by \$1,231 for wastewater to reflect averaging adjustments. Staff's adjustments to accumulated depreciation result in a net decrease of \$84,780 for water and a net increase of \$5,480 for wastewater. Therefore, staff recommends accumulated depreciation balances of \$346,702 for water and \$497,182 for wastewater.

Working Capital Allowance

Working capital is defined as the short-term investor-supplied funds that are necessary to meet operating expenses. Consistent with Rule 25-30.433(3), F.A.C., and Commission practice, staff used the one-eighth operation and maintenance (O&M) expense (less rate case expense) formula for calculating the working capital allowance.¹¹ As such, staff removed the rate case expense of \$431 for water and \$433 for wastewater. This resulted in an adjusted O&M expense balance of \$49,589 for water and \$85,940 for wastewater. Applying this formula, staff recommends a working capital allowance of \$6,199 for water and \$10,742 for wastewater.

Rate Base Summary

Based on the foregoing, staff recommends that the appropriate average test year rate bases are \$320,483 for water and \$216,990 for wastewater. Rate base is shown on Schedule No. 1-A for water and Schedule No. 1-B for wastewater. The related adjustments are shown on Schedule No. 1-C.

¹¹ Order No. PSC-2025-0359-PAA-WU, issued September 24, 2025, in Docket No. 20240168-WU, *In re: Application for staff-assisted rate case in Highlands County, by Country Walk Utilities, Inc.*

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Issue 5: What is the appropriate return on equity and overall rate of return for GCP Plantation Landings, LLC?

Preliminary Recommendation: The appropriate return on equity (ROE) is 8.51 percent with a range of 7.51 percent to 9.51 percent. The appropriate overall rate of return is 8.51 percent. (Lenberg)

Staff Analysis: The Utility's capital structure consists of common equity. The Utility's capital structure has been reconciled to staff's recommended rate base. The ROE is 8.51 percent based on the Commission-approved leverage formula currently in effect.¹² Staff recommends an ROE of 8.51 percent with a range of 7.51 percent to 9.51 percent, and an overall rate of return of 8.51 percent. The ROE and overall rate of return are shown on Schedule No. 2.

¹² Order No. PSC-2025-0213-PAA-WS, issued June 18, 2025, in Docket No. 20250006-WS, *In re: Water and wastewater industry annual reestablishment cf authorized range cf return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(j), F.S.*

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Issue 6: What are the appropriate test year revenues for GCP Plantation Landings, LLC's water and wastewater system?

Preliminary Recommendation: The appropriate test year operating revenues for GCP are \$68,949 for the water system and \$103,275 for the wastewater system. (Chambliss)

Staff Analysis: GCP recorded test year revenues of \$65,900 for water and \$100,535 for wastewater. The Utility did not record any miscellaneous revenues during the test year. Staff's review of the audit indicated that the Utility's billing register consisted of several inaccuracies for both the water and wastewater systems during the test year.

During the test year, for water, the Utility billed an incorrect base facility charge (BFC) of \$5.74 rather than the Commission-approved BFC of \$5.72 for the 5/8" x 3/4", which resulted in an overcharge of two cents per month. The Utility also improperly billed a 6-inch general service customer as a 5/8-inch residential customer. Staff also discovered that there was one month of billing data missing for the general service customer. Finally, for water, staff discovered that two months of bills that were not recorded for some of the residential customers. For wastewater, there were four residential customers that were billed incorrect BFCs as well as duplicate bills for several customers.

Staff removed the duplicate bills and adjusted the billing data to reflect the appropriate billing determinants for water and wastewater. Subsequent to the test year, the Utility had a price index increase effective June 13, 2025, which increased the BFC for the 5/8" X 3/4" meter size from \$5.72 to \$5.83. To determine the appropriate service revenues, staff applied the adjusted number of billing determinants to the Utility's current Commission-approved rates. As a result, staff determined that service revenues for water should be \$68,949, which is an increase of \$3,049 (\$68,949 - \$65,900), and \$103,275 for wastewater, which is an increase of \$2,740 (\$103,275 - \$100,535).

Based on the above, staff recommends the appropriate test year operating revenues for GCP's water system are \$68,949, and \$103,275 for the wastewater system.

Issue 7: What is the appropriate amount of operating expenses for GCP Plantation Landings, LLC?

Preliminary Recommendation: The appropriate amount of operating expenses are \$84,643 for water and \$125,904 for wastewater. (Lenberg)

Staff Analysis: The Utility recorded operating expense of \$83,558 for water and \$130,311 for wastewater. The test year O&M expenses have been reviewed by staff, including invoices and other supporting documentation. Staff has made several adjustments to the Utility's operating expenses as described below.

Operation and Maintenance Expenses

Salaries and Wages – Employees (601/701)

The Utility did not record salaries and wages – employees expense for water or wastewater. Audit staff increased this amount by \$5,218 for both water and wastewater to reflect the appropriate salaries and wages expense, which included payroll taxes. Staff decreased this amount by \$343 for both water and wastewater to reclassify payroll taxes to Taxes Other Than Income. Therefore, staff recommends a salaries and wages - employees expense of \$4,875 for water and \$4,875 for wastewater.

Fuel for Power Production (616/716)

The Utility did not record fuel for power production expense for water or wastewater. Audit staff increased each amount by \$256 to reclassify the Utility's generator fuel expense that had been incorrectly recorded in Account 650/750 – Transportation Expense. Therefore, staff recommends a fuel for power production expense of \$256 for water and \$256 for wastewater.

Chemicals (618/718)

The Utility recorded chemicals expense of \$12,443 for water and \$27,330 for wastewater. Audit staff decreased the water amount by \$311 to remove an out-of-period expense. Audit staff increased the wastewater amount by \$499 to reclassify chemicals expense that had been incorrectly recorded in Account 720 – Materials and Supplies. Therefore, staff recommends chemicals expense of \$12,132 for water and \$27,829 for wastewater.

Materials and Supplies (620/720)

The Utility recorded materials and supplies expense of \$240 for water and \$1,799 for wastewater. Staff made no adjustments to the water amount. Staff decreased the wastewater amount by \$499 to reclassify chemicals expense that had been incorrectly recorded in Account 720 – Materials and Supplies. Therefore, staff recommends materials and supplies expense of \$240 for water and \$1,300 for wastewater.

Contractual Services – Billing (630/730)

The Utility recorded contractual services – billing expense of \$3,298 for water and \$3,298 for wastewater. Audit staff increased each amount by \$204 to reflect actual invoices provided by the Utility. Therefore, staff recommends contractual services – billing expense of \$3,502 for water and \$3,502 for wastewater.

Contractual Services – Professional (631/731)

The Utility recorded contractual services – professional expense of \$29,725 for water and \$45,740 for wastewater. Audit staff decreased the water amount by \$7,263 to remove three out-of-period invoices and to reclassify expenses that were incorrectly recorded in Accounts 635 – Contractual Services – Testing and 636 – Contractual Services – Other. Staff also decreased the water amount by \$2,922 to reflect the amortization of non-recurring U.S. Environmental Protection Agency-related regulatory costs over five years pursuant to Rule 25-30.433(9), F.A.C.

Audit staff decreased the wastewater amount by \$13,157 to remove unrecoverable legal costs and overstated groundskeeping expenses. Staff further reduced wastewater contractual services – professional expense by \$11,700 to reclassify groundskeeping costs that had been incorrectly recorded in Account 731 – Contractual Services – Professional.

Staff's adjustments result in a net decrease of \$10,185 for water and \$24,857 for wastewater. Therefore, staff recommends contractual services – professional expense of \$19,540 for water and \$20,883 for wastewater.

Contractual Services – Accounting (632/732)

The Utility did not record contractual services – accounting expense. The Utility requested recovery of a pro forma accounting consulting expense to ensure compliance with the NARUC Uniform System of Accounts. This pro forma expense is a non-recurring cost estimated to be \$5,000. Pursuant to Rule 25-30.433(9), F.A.C., staff amortized this amount over five years, resulting in an increase to the test year expense of \$500 for both water and wastewater. Therefore, staff recommends contractual service – accounting expense of \$500 for water and wastewater.

Contractual Services – Testing (635)

The Utility recorded contractual services – testing expense of \$2,983 for water. Audit staff decreased this amount by \$484 to remove items that were incorrectly recorded in this account and to properly allocate general Utility service expenses. Therefore, staff recommends contractual services – testing expense of \$2,499.

Contractual Services – Other (636/736)

The Utility recorded contractual services – other expense of \$7,150 for water and \$7,103 for wastewater. Audit staff decreased the water amount by \$7,150 to reclassify expenses that had been incorrectly recorded in this account and to remove out-of-period invoices. Audit staff decreased the wastewater amount by \$5,068 to reclassify expenses that had been incorrectly recorded in this account. Staff increased the water and wastewater amount by \$5,850 to reclassify and properly allocate groundskeeping expenses that had been incorrectly recorded in Account 731– Contractual Services – Professional. Staff's adjustments result in a net decrease of

\$1,300 for water and a net increase of \$782 for wastewater. Therefore, staff recommends contractual services – other expense of \$5,850 for water and \$7,885 for wastewater.

Transportation Expense (650/750)

The Utility recorded transportation expense of \$256 for water and \$256 for wastewater. Audit staff reduced each amount by \$256 to reclassify expenses that had been incorrectly recorded in this account. Therefore, staff recommends eliminating transportation expense for both water and wastewater.

Rate Case Expense (665/765)

The Utility did not record any rate case expense for water or wastewater. The Utility is required by Rule 25-22.0407, F.A.C., to mail notices of the rate case overview, interim rates, final rates, and four-year rate reduction. Staff calculated noticing costs to be \$1,368. Staff calculated a distance of 276 miles from the Utility to Tallahassee. Based on the 2025 Internal Revenue Service (IRS) business mileage rate of \$0.70, staff calculated round-trip travel and lodging expense to the Commission Conference of \$586.¹³ Additionally, the Utility paid a filing fee of \$1,500.

Staff recommends a total current rate case expense, consisting of noticing costs, travel, lodging expenses, consulting fees, and filing fee of \$1,723 for water and \$1,731 for wastewater, which amortized over four years is \$431 for water and \$433 for wastewater. Therefore, staff recommends a total regulatory commission expense of \$431 for water and \$433 for wastewater.

Bad Debt (670/770)

The Utility did not record any bad debt for water or wastewater. In its three most recent Annual Reports (2022, 2023, 2024), the Utility reported bad debt expenses of \$0 in all three years. In response to staff's third data request, the Utility confirmed that this reporting is accurate and reflects its accounting records.¹⁴ The Utility has not recorded bad debt expense in the test year or in recent historical periods, thus, staff recommends a bad debt expense of zero for both water and wastewater.

Miscellaneous Expenses (675/775)

The Utility recorded miscellaneous expenses of \$135 for water and \$0 for wastewater. Audit staff increased both the water and wastewater amount by \$60 to reclassify expenses that had been incorrectly recorded in Account 636 – Contractual Services – Other. Therefore, staff recommends miscellaneous expenses of \$195 for water and \$60 for wastewater.

Operation and Maintenance Expense Summary

The Utility recorded test year O&M expense of \$56,230 for water and \$104,376 for wastewater. Based on the above adjustments, staff recommends that O&M expenses be decreased by \$6,210 and \$18,004 for water and wastewater, respectively. This results in a total O&M expense of \$50,020 for water and \$86,372 for wastewater. Staff's recommended adjustments to O&M are shown on Schedule No. 3-D and Schedule No. 3-E respectively.

¹³ <https://www.irs.gov/tax-professionals/standard-mileage-rates>

¹⁴ Document No. 15367-2025, filed December 8, 2025, in Docket No. 20250094-WS.

Depreciation Expense

The Utility recorded depreciation expense of \$24,362 for water and \$21,411 for wastewater. Staff increased this amount by \$937 for water and increased this amount by \$7,876 for wastewater to reflect corrections to UPIS and the application of the appropriate depreciation rates pursuant to Rule 25-30.140, F.A.C. Additionally, staff decreased this amount by \$2,211 for water and increased this amount by \$40 for wastewater to reflect the appropriate retirements to UPIS and accumulated depreciation. Staff further decreased wastewater depreciation expense by \$10 to reflect net salvage associated with Account 391 – Transportation Equipment. These adjustments result in a net decrease of \$1,274 for water and a net increase of \$7,906 for wastewater. Therefore, staff recommends depreciation expense of \$23,088 for water and \$29,317 for wastewater.

Capital Amortization

As discussed in Issue 4, staff recommends a capital recovery schedule of \$28,240 for water and \$5,274 for wastewater over a five-year amortization period. The corresponding annual amortization expense is \$2,824 for water and \$527 for wastewater.

Taxes Other Than Income (TOTI)

The Utility recorded TOTI of \$2,966 for water and \$4,524 for wastewater. Audit staff increased this amount by \$562 for water and \$2,383 for wastewater to reflect 2024 property tax assessments and audit adjusted revenue RAFs. Staff also increased both water and wastewater TOTI by \$343 to reclassify payroll tax expense that had been incorrectly recorded in Accounts 631/731 – Salaries and Wages – Employees.

Based on revenues discussed in Issue 6, TOTI should be increased by \$84 for water and \$60 to reflect a RAF rate of 4.5 percent applied to staff-adjusted revenues. As such, staff recommends the appropriate amount of RAFs are \$3,103 for water and \$4,647 for wastewater.

As discussed in Issue 9, staff recommends revenues be increased by \$42,958 for water and \$41,088 for wastewater in order to reflect the change in revenue required to cover expenses and allow an opportunity to earn the recommended operating margin. As a result, TOTI should be increased by \$1,933 for water and \$1,849 for wastewater to reflect RAFs of 4.5 percent of the change in revenues. Staff's adjustments result in a net increase of \$2,922 for water and \$4,636 for wastewater. Therefore, staff recommends TOTI of \$5,887 for water and \$9,160 for wastewater.

Operating Expense Summary

The Utility recorded operating expenses of \$83,558 for water and \$130,311 for wastewater. Staff's net adjustments result in an increase of \$1,086 for water and a decrease of \$4,407 for wastewater. The application of staff's recommended adjustments to the Utility's recommended operating expense results in a total operating expense of \$84,643 for water and \$125,904 for wastewater. Operating expenses are shown on Schedule Nos. 3-A and 3-B, and the related adjustments are shown on Schedule No. 3-C.

Issue 8: Does GCP Plantation Landings, LLC meet the criteria for application of the operating ratio methodology?

Preliminary Recommendation: No, GCP does not meet the requirement for application of the operating ratio methodology for calculating the revenue requirement. (Lenberg)

Staff Analysis: Rule 25-30.4575(2), F.A.C., indicates that in rate cases processed under Rule 25-30.455, F.A.C., the Commission will use the operating ratio methodology to establish the Utility's revenue requirement when its rate base is not greater than 125 percent of O&M expenses, less regulatory commission expense and purchased wastewater treatment expense (where applicable), and the use of the operating ratio methodology does not change the Utility's qualification for a SARC.

With respect to GCP, staff has recommended a rate base of \$320,483 for water and \$216,990 for wastewater. After removal of rate case expense, staff has calculated an adjusted O&M expense of \$49,589 for water and \$85,940 for wastewater. Based on staff's preliminary recommended amounts, the Utility's water rate base is 646.28 percent of its adjusted O&M expense and wastewater rate base is 252.49 percent of its adjusted O&M expense. Based on this, the Utility does not qualify for application of the operating ratio methodology.

Issue 9: What is the appropriate revenue requirement for GCP Plantation Landings, LLC?

Preliminary Recommendation: The appropriate revenue requirement is \$111,907 for water and \$144,363 for wastewater, resulting in an annual increase of \$42,958 (62.30 percent) for water and \$41,088 (39.79 percent) for wastewater. (Lenberg)

Staff Analysis: GCP should be allowed an annual increase of \$42,958 (62.30 percent) for water and \$41,088 (39.79 percent) for wastewater. This should allow the Utility the opportunity to recover expenses and earn an 8.51 percent rate of return for water and wastewater. The calculations of revenue requirement are shown on Table 9-1 and Table 9-2.¹⁵

Table 9-1
Water Revenue Requirement

Water Rate Base	\$320,483
Rate of Return	× 8.51%
Return on Rate Base	<u>\$27,264</u>
Water O&M Expense	50,020
Depreciation Expense	23,088
Amortization Expense	5,648
Taxes Other Than Income	<u>5,887</u>
Revenue Requirement	<u>\$111,907</u>
Less Test Year Revenues	\$68,949
Annual Increase	\$42,958
Percent Increase	62.30%

Source: Staff calculations.

Table 9-2
Wastewater Revenue Requirement

Wastewater Rate Base	\$216,990
Rate of Return	× 8.51%
Return on Rate Base	<u>\$18,459</u>
Water O&M Expense	86,372
Depreciation Expense	29,317
Amortization Expense	1,055
Taxes Other Than Income	<u>9,160</u>
Revenue Requirement	<u>\$144,363</u>
Less Test Year Revenues	\$103,275
Annual Increase	\$41,088
Percent Increase	39.79%

Source: Staff calculations.

¹⁵ Staff notes the calculations presented in Tables 9-1 and 9-2 may not sum due to rounding.

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Issue 10: What are the appropriate water and wastewater rate structures and rates for GCP Plantation Landings, LLC?

Preliminary Recommendation: The recommended rate structures and monthly water and wastewater rates are shown on Schedule Nos. 4-A and 4-B. The Utility's proposals to include a repression adjustment for wastewater should be denied. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The Utility should provide proof of the date notice was given by affidavit within 10 days of the date of the notice. (Chambliss)

Staff Analysis:

Water Rates

GCP provides water service to 388 residential customers and one general service customer. A review of the billing data indicated that 12 percent of the residential customer bills during the test year had zero gallons, which reflects a non-seasonal customer base. The average residential water demand was 3,700 gallons per month during the test year. Currently, the rate structure for the residential and general services classes consists of a BFC and a uniform gallonage charge.

Staff performed an analysis of the Utility's billing in order to evaluate the appropriate rate structure for the residential water customers. The goal of the evaluation was to select the rate design parameters that: (1) produce the recommended revenue requirement; (2) equitably distribute cost recovery among the Utility's customers; (3) establish the appropriate discretionary usage threshold for restricting repression; and (4) implement, where appropriate, water conserving rate structures consistent with Commission practice.

Due to the Utility's non-seasonal customer base, staff recommends that 35 percent of the water revenues be generated from the BFC, which will provide sufficient revenues to design gallonage charges that will send the appropriate pricing signals to customers using above the non-discretionary level. The average number of people per household is 2.60;¹⁶ therefore, based on the number of people per household, 50 gallons per day, per person, and the number of days per month, the discretionary usage threshold should be 4,000 gallons per month. Staff's review of the billing data indicates that discretionary usage above 4,000 gallons represents approximately 26 percent of the bills, which accounts for approximately 43 percent of water demand. This indicates that there are some customers with high discretionary usage above 4,000 gallons.

Staff recommends a three-tier inclining block rate structure, which includes separate gallonage charges for non-discretionary and discretionary usage for residential water rates. Due to the high usage above 4,000 gallons per month, staff believes that it is appropriate in this case to recommend rate factors of 1.50 in the second tier and 1.75 in the third tier because it will target

¹⁶ <https://data.census.gov/table?q=Haines+city,+Florida+dp02>

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those customers with higher levels of consumption. General service customers should continue to be billed a BFC and uniform gallonage charge.

Based on staff's recommended revenue increase of 62.3 percent, which excludes miscellaneous revenues, the residential consumption can be expected to decline by 1,886,000 gallons, resulting in an anticipated average residential demand of 3,296 gallons per month. Staff recommends a 9.8 percent reduction in test year residential gallons for ratesetting purposes. As a result, the corresponding reduction for chemicals expense is \$1,197 and \$56 for RAFs to reflect the anticipated repression, which results in a post repression revenue requirement of \$110,654.

Wastewater Rates

The Utility provides wastewater service to approximately 388 residential customers and one general service customer. Currently, the Utility's residential rate structure consists of a uniform BFC for all meter sizes and a gallonage charge with a 6,000 gallon cap. The general service rate structure consists of a BFC charge per meter size and a gallonage charge that is 1.2 times higher than the residential gallonage charge.

Staff performed an analysis of the Utility's billing data in order to evaluate various BFC cost recovery percentages and gallonage caps for the residential wastewater customers. The goal of the evaluation was to select the rate design parameters that: 1) produce the recommended revenue requirement; 2) equitably distribute cost recovery among the Utility's customers; and 3) implement a gallonage cap, where appropriate, that considers approximately the amount of water that may return to the wastewater system.

Consistent with Commission practice, staff allocated 50 percent of the wastewater revenue to the BFC due to the capital intensive nature of wastewater plants. Currently, the Utility's residential wastewater gallonage cap is set at 6,000 gallons. The wastewater gallonage cap recognizes that not all water used by the residential customers is returned to the wastewater system. However, it is Commission practice to set the wastewater cap at approximately 80 percent of residential water sold, which typically results in gallonage caps of 6,000, 8,000, or 10,000. Based on staff's review of the billing analysis, 68 percent of the gallons are captured at the 6,000 gallon consumption level, which should be changed because the wastewater gallonage cap is not consistent with Commission practice. According to the billing data, approximately 81 percent of the gallons are captured at 11,000 gallons. However, as mentioned above, it is not Commission practice to set a wastewater gallonage cap above 10,000 gallons. Therefore, staff recommends a continuation of the existing rate structure for both the residential and general service classes. However, the residential wastewater cap should be set at 10,000 gallons, which represents approximately 79 percent of the gallons.

Furthermore, in its application, the Utility requested a repression adjustment for wastewater. Wastewater rates are calculated on customers' water demand. If those customers' water demand is expected to decline due to repression, then the wastewater rates should be adjusted accordingly. Staff used the gallons between the wastewater gallonage cap (10,000) and non-discretionary threshold (4,000) and applied the repression percentage reduction for water gallons. This result is in a 3.10 percent reduction to the wastewater gallons, which is de minimis in this

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case. Therefore, staff does not believe a repression adjustment for wastewater is appropriate in this case.

Based on the above, staff's recommended rate structures and monthly water and wastewater rates are shown on Schedule Nos. 4-A and 4-B. The Utility's proposals to include a repression adjustment for wastewater should be denied. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The Utility should provide proof of the date notice was given by affidavit within 10 days of the date of the notice.

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Issue 11: What is the appropriate amount by which rates should be reduced four years after the published effective date to reflect the removal of the amortized rate case expense?

Preliminary Recommendation: The rates should be reduced as shown on Schedule No. 4, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. Pursuant to Section 367.081(8), F.S., the decrease in rates should become effective immediately following the expiration of the rate case expense recovery period. GCP should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and rationale, no later than one month prior to the effective date of the new rates. If the Utility files revised tariffs reflecting this reduction in conjunction with a price index or pass-through rate adjustment, separate data should be filed for the price index and or pass-through increase and the reduction in the rates due to the amortized rate case expense. (Lenberg, Chambliss)

Staff Analysis: Section 367.081(8), F.S., requires that the rates be reduced by the amount of the rate case expense previously included in rates immediately following the expiration of the recovery period. The reduction will reflect the removal of revenue associated with the amortization of rate case expense and the gross-up for RAFs. The total reduction is \$451 for water and \$453 for wastewater.

Staff recommends that the rates be reduced as shown on Schedule No. 4, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. Pursuant to Section 367.081(8), F.S., the decrease in rates should become effective immediately following the expiration of the rate case expense recovery period. GCP should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and rationale no later than one month prior to the effective date of the new rates. If the Utility files revised tariffs reflecting this reduction in conjunction with a price index, or pass-through rate adjustment, separate data should be filed for the price index and/or pass-through increase and the reduction in the rates due to the amortized rate case expense.

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Issue 12: Should the recommended rates be approved for GCP Plantation Landings, LLC on temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility?

Preliminary Recommendation: Yes. Pursuant to Section 367.0814(7), F.S., the recommended rates should be approved for the Utility on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility. GCP should file revised tariff sheets and a proposed customer notice reflecting the Commission-approved rates. The approved rates should be effective for services rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates should not be implemented until staff has approved the proposed notice, and the notice has been received by the customers. Further, prior to implementing any temporary rates, the Utility should provide appropriate financial security.

If the recommended rates are approved on a temporary basis, the rates collected by the Utility should be subject to the refund provisions discussed below in the staff analysis. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility should file reports with the Commission's Office of Commission Clerk no later than the 20th of each month, indicating both the current monthly and total amount subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund. (Lenberg)

Staff Analysis: This recommendation proposes an increase in rates. A timely protest might delay a rate increase, resulting in an unrecoverable loss of revenue to the Utility. Therefore, pursuant to Section 367.0814(7), F.S., in the event of a protest filed by a party other than the Utility, staff recommends that the proposed rates be approved on a temporary basis. GCP should file revised tariff sheets and a proposed customer notice reflecting the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates should not be implemented until staff has approved the proposed notice, and it has been received by the customers. The additional revenue produced by staff's recommended rates and collected by the Utility should be subject to the refund provisions discussed below.

GCP should be authorized to initiate the temporary rates upon staff's approval of an appropriate security for the potential refund and cost of the proposed customer notice. Security should be in the form of either a bond or letter of credit, in the amount of \$29,379 for water and \$28,101 for wastewater. Alternatively, the Utility may establish an escrow agreement with an independent financial institution.

If the Utility chooses a bond for securing the potential refund, the bond should contain wording to the effect that it will be terminated only under the following conditions:

1. The Commission approves the rate increase; or,
2. If the Commission denies the increase, the Utility shall refund the amount collected that is attributable to the increase.

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If the Utility chooses a letter of credit for securing the potential refund, the letter of credit should contain the following conditions:

1. The letter of credit is irrevocable for the period it is in effect.
2. The letter of credit will be in effect until a final Commission order is rendered, either approving or denying the rate increase.

If security is provided through an escrow agreement, the following conditions should be part of the agreement:

1. The Commission Clerk, or his or her designee, must be a signatory to the escrow agreement.
2. No monies in the escrow account may be withdrawn by the Utility without the prior written authorization of the Commission Clerk, or his or her designee.
3. The escrow account shall be an interest bearing account.
4. If a refund to the customers is required, all interest earned by the escrow account shall be distributed to the customers.
5. If a refund to the customers is not required, the interest earned by the escrow account shall revert to the Utility.
6. All information on the escrow account shall be available from the holder of the escrow account to a Commission representative at all times.
7. The amount of revenue subject to refund shall be deposited in the escrow account within seven days of receipt.
8. This escrow account is established by the direction of the Florida Public Service Commission for the purpose(s) set forth in its order requiring such account. Pursuant to *Cosentino v. Elson*, 263 So. 2d 253 (Fla. 3d DCA 1972), escrow accounts are not subject to garnishments.
9. The account must specify by whom and on whose behalf such monies were paid.

In no instance should the maintenance and administrative costs associated with the refund be borne by the customers. These costs are the responsibility of, and should be borne by, the Utility. Irrespective of the form of security chosen by the Utility, an account of all monies received as a result of the rate increase should be maintained by the Utility. If a refund is ultimately required, it should be paid with interest calculated pursuant to Rule 25-30.360(4), F.A.C.

The Utility should maintain a record of the amount of the bond, and the amount of revenues that are subject to refund. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility should file reports with the Commission Clerk's office no later than the 20th of every month indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund.

GCP PLANTATION LANDINGS, LLC TEST YEAR ENDED DECEMBER 31, 2024 SCHEDULE OF WATER RATE BASE		SCHEDULE NO. 1-A DOCKET NO. 20250094-WS	
DESCRIPTION	BALANCE PER UTILITY	STAFF ADJ.	BALANCE PER STAFF
1. UTILITY PLANT IN SERVICE	\$656,570	(\$22,163)	\$634,407
2. LAND & LAND RIGHTS	14,970	(13,806)	1,164
3. ACCUMULATED DEPRECIATION	(431,482)	84,780	(346,702)
4. CAPITAL RECOVERY	0	28,240	28,240
5. ACCUMULATED CAPITAL RECOVERY	0	(2,824)	(2,824)
6. WORKING CAPITAL ALLOWANCE	<u>0</u>	<u>6,199</u>	<u>6,199</u>
WATER RATE BASE	<u>\$240,058</u>	<u>\$80,425</u>	<u>\$320,483</u>

GCP PLANTATION LANDINGS, LLC TEST YEAR ENDED DECEMBER 31, 2024 SCHEDULE OF WASTEWATER RATE BASE		SCHEDULE NO. 1-B DOCKET NO. 20250094-WS	
DESCRIPTION	BALANCE PER UTILITY	STAFF ADJ.	BALANCE PER STAFF
1. UTILITY PLANT IN SERVICE	\$732,231	(\$51,227)	\$681,004
2. LAND & LAND RIGHTS	78,192	(60,514)	17,678
3. ACCUMULATED DEPRECIATION	(491,702)	(5,480)	(497,182)
4. CAPITAL RECOVERY	0	5,274	5,274
5. ACCUMULATED CAPITAL RECOVERY	0	(527)	(527)
6. WORKING CAPITAL ALLOWANCE	<u>0</u>	<u>10,742</u>	<u>10,742</u>
WATER RATE BASE	<u>\$318,721</u>	<u>(\$101,731)</u>	<u>\$216,990</u>

GCP PLANTATION LANDINGS, LLC TEST YEAR ENDED DECEMBER 31, 2024 ADJUSTMENTS TO RATE BASE		SCHEDULE NO. 1-C DOCKET NO. 20250094-WS	
		WATER	WASTEWATER
UTILITY PLANT IN SERVICE			
1.	To reflect auditing adjustments.	\$17,975	(\$21,261)
2.	To reflect staff adjustments.	(62,568)	(22,183)
3.	To reflect averaging adjustments.	<u>22,430</u>	<u>(7,783)</u>
	Total	<u>(\$22,163)</u>	<u>(\$51,227)</u>
LAND & LAND RIGHTS			
4.	To reflect auditing adjustments.	<u>(\$13,806)</u>	<u>(\$60,514)</u>
ACCUM. DEPRECIATION			
5.	To reflect audit adjustments.	\$33,538	(\$28,893)
6.	To reflect retirement adjustments to AD.	62,568	22,183
7.	To reflect over-depreciation in account 331.	(14,615)	0
8.	To reflect averaging adjustments.	<u>(25,941)</u>	<u>1,231</u>
	Total	<u>\$84,780</u>	<u>(\$5,480)</u>
CAPITAL RECOVERY			
9.	To reflect a staff adjustment.	<u>\$28,240</u>	<u>\$5,274</u>
ACCUM. AMORT. OF CAPITAL RECOVERY			
10.	To reflect a staff adjustment.	<u>(\$2,824)</u>	<u>(\$527)</u>
WORKING CAPITAL ALLOWANCE			
11.	To reflect 1/8 of test year O&M expenses (less RCE).	<u>\$6,199</u>	<u>\$10,742</u>

GCP PLANTATION LANDINGS, LLC TEST YEAR ENDED DECEMBER 31, 2024 SCHEDULE OF CAPITAL STRUCTURE					SCHEDULE NO. 2 DOCKET NO. 20250094-WS	
CAPITAL COMPONENT	PER UTILITY	PRO RATA ADJ.	BALANCE PER STAFF	PERCENT OF TOTAL	COST	WEIGHTED COST
1. COMMON EQUITY	<u>\$558,779</u>	<u>(\$21,306)</u>	<u>\$537,473</u>	<u>100.00%</u>	<u>8.51%</u>	<u>8.51%</u>
TOTAL CAPITAL	<u>\$558,779</u>	<u>(\$21,306)</u>	<u>\$537,473</u>	<u>100.00%</u>		<u>8.51%</u>
<u>RANGE OF REASONABLENESS</u>					<u>LOW</u>	<u>HIGH</u>
RETURN ON EQUITY					7.51%	9.51%
OVERALL RATE OF RETURN					7.51%	9.51%

GCP PLANTATION LANDINGS, LLC TEST YEAR ENDED DECEMBER 31, 2024 SCHEDULE OF WATER OPERATING INCOME			SCHEDULE NO. 3-A DOCKET NO. 20250094-WS		
	TEST YEAR PER UTILITY	STAFF ADJUST- MENTS	STAFF ADJUSTED TEST YEAR	ADJ. FOR INCREASE	REVENUE REQUIREMENT
1. TOTAL OPERATING REVENUES	\$65,900	\$3,049	\$68,949	\$42,958 62.30%	\$111,907
OPERATING EXPENSES:					
2. OPERATION & MAINTENANCE	\$56,230	(\$6,210)	\$50,020	\$0	\$50,020
3. DEPRECIATION	24,362	(1,274)	23,088	0	23,088
4. AMORTIZATION	0	5,648	5,648	0	5,648
5. TAXES OTHER THAN INCOME	<u>2,966</u>	<u>988</u>	<u>3,954</u>	<u>1,933</u>	<u>5,887</u>
TOTAL OPERATING EXPENSES	<u>\$83,558</u>	<u>(\$848)</u>	<u>\$82,710</u>	<u>\$1,933</u>	<u>\$84,643</u>
6. OPERATING INCOME/(LOSS)	(\$17,658)		(\$13,761)		\$27,264
7. WATER RATE BASE	\$240,058	\$80,425	\$320,483		\$320,483
8. RATE OF RETURN					8.51%

GCP PLANTATION LANDINGS, LLC TEST YEAR ENDED DECEMBER 31, 2024 SCHEDULE OF WASTEWATER OPERATING INCOME			SCHEDULE NO. 3-B DOCKET NO. 20250094-WS		
	TEST YEAR PER UTILITY	STAFF ADJUST- MENTS	STAFF ADJUSTED TEST YEAR	ADJ. FOR INCREASE	REVENUE REQUIREMENT
1. TOTAL OPERATING REVENUES	\$100,535	\$2,740	\$103,275	\$41,088 39.79%	\$144,363
OPERATING EXPENSES:					
2. OPERATION & MAINTENANCE	\$104,376	(\$18,004)	\$86,372	\$0	\$86,372
3. DEPRECIATION	21,411	7,906	29,317	0	29,317
4. AMORTIZATION	0	1,055	1,055	0	1,055
5. TAXES OTHER THAN INCOME	<u>4,524</u>	<u>2,787</u>	<u>7,311</u>	<u>1,849</u>	<u>9,160</u>
TOTAL OPERATING EXPENSES	<u>\$130,311</u>	<u>(\$6,256)</u>	<u>\$124,055</u>	<u>\$1,849</u>	<u>\$125,904</u>
6. OPERATING INCOME/(LOSS)	(\$29,776)		(\$20,780)		\$18,459
7. WASTEWATER RATE BASE	\$318,721	(\$101,731)	\$216,990		\$216,990
8. RATE OF RETURN					8.51%

GCP PLANTATION LANDINGS, LLC TEST YEAR ENDED DECEMBER 31, 2024 ADJUSTMENTS TO OPERATING INCOME		SCHEDULE NO. 3-C DOCKET NO. 20250094-WS	
		<u>WATER</u>	<u>WASTEWATER</u>
OPERATING REVENUES			
To reflect auditing adjustments to Service Revenues.		\$1,192	\$1,403
To reflect the appropriate test year Service Revenues.		<u>1,857</u>	<u>1,337</u>
Total		<u>\$3,049</u>	<u>\$2,740</u>
OPERATION AND MAINTENANCE EXPENSE			
1.	Salaries and Wages - Employees (601 / 701)		
	a. To reflect auditing adjustments.	\$5,218	\$5,218
	b. To reclassify payroll taxes.	<u>(343)</u>	<u>(343)</u>
	Subtotal	<u>\$4,875</u>	<u>\$4,875</u>
2.	Fuel for Power Production (616 / 716)		
	To reflect auditing adjustments.	<u>\$256</u>	<u>\$256</u>
3.	Chemicals Expense (618 / 718)		
	To reflect auditing adjustments.	<u>(\$311)</u>	<u>\$499</u>
4.	Materials and Supplies (620 / 720)		
	To reflect an auditing adjustment.	<u>\$0</u>	<u>(\$499)</u>
5.	Contractual Services - Billing (630 / 730)		
	To reflect auditing adjustments.	<u>\$204</u>	<u>\$204</u>
6.	Contractual Services - Professional (631 / 731)		
	a. To reflect auditing adjustments.	(\$7,263)	(\$13,157)
	b. To amortize a non-recurring EPA cost.	(2,922)	0
	c. To reclassify groundskeeping expense.	<u>0</u>	<u>(11,700)</u>
	Subtotal	<u>(\$10,185)</u>	<u>(\$24,857)</u>
7.	Contractual Services - Accounting (632 / 732)		
	To Reflect O&M pro forma amortized over 5 years.	<u>\$500</u>	<u>\$500</u>
8.	Contractual Services - Testing (635 / 735)		
	To reflect an auditing adjustment.	<u>(\$484)</u>	<u>\$0</u>
9.	Contractual Services - Other (636 / 736)		
	a. To reflect auditing adjustments.	(\$7,150)	(\$5,068)
	b. To reclassify and appropriately allocate groundskeeping expenses.	<u>5,850</u>	<u>5,850</u>
	Subtotal	<u>(\$1,300)</u>	<u>\$782</u>

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10. Transportation Expense (650 / 750)		
To reflect auditing adjustments.	<u>(\$256)</u>	<u>(\$256)</u>
11. Rate Case Expense (665 / 765)		
To reflect 1/4 rate case expense.	<u>\$431</u>	<u>\$433</u>
12. Miscellaneous Expense (675 / 775)		
To reflect auditing adjustments.	<u>\$60</u>	<u>\$60</u>
TOTAL OPERATION AND MAINTENANCE ADJ.	<u>(\$6,210)</u>	<u>(\$18,004)</u>
DEPRECIATION EXPENSE		
To reflect auditing adjustments.	\$937	\$7,876
To reflect retirement adjustments to UPIS and AD.	(2,211)	40
To reflect salvage value for plant Account 391 – Transportation Eq.	<u>0</u>	<u>(10)</u>
Subtotal	<u>(\$1,274)</u>	<u>\$7,906</u>
AMORTIZATION EXPENSE (NET)		
To reflect capital recovery expense.	<u>\$5,648</u>	<u>\$1,055</u>
TAXES OTHER THAN INCOME		
To reflect auditing adjustments.	\$562	\$2,383
To reflect appropriate test year RAFs.	84	60
To reclassify payroll taxes.	343	343
To reflect appropriate RAFs on revenue requirement increases.	<u>1,933</u>	<u>1,849</u>
Subtotal	<u>\$2,922</u>	<u>\$4,636</u>
TOTAL OPERATING EXPENSE	<u>\$1,086</u>	<u>(\$4,407)</u>

Date: January 8, 2026

GCP PLANTATION LANDINGS, LLC TEST YEAR ENDED DECEMBER 31, 2024 ANALYSIS OF WATER O&M EXPENSE		SCHEDULE NO. 3-D DOCKET NO. 20250094-WS		
ACCT.	DESCRIPTION	TOTAL PER UTILITY	STAFF ADJUST- MENT	TOTAL PER STAFF
601	Salaries and Wages - Employees	\$0	\$4,875	\$4,875
616	Fuel for Power Production	0	256	256
618	Chemicals	12,443	(311)	12,132
620	Materials and Supplies	240	0	240
630	Contractual Services - Billing	3,298	204	3,502
631	Contractual Services - Professional	29,725	(10,185)	19,540
632	Contractual Services - Accounting	0	500	500
635	Contractual Services - Testing	2,983	(484)	2,499
636	Contractual Services - Other	7,150	(1,300)	5,850
650	Transportation Expense	256	(256)	0
665	Rate Case Expense	0	431	431
670	Bad Debt Expense	0	0	0
675	Miscellaneous Expenses	<u>135</u>	<u>60</u>	<u>195</u>
	Total O&M Expense	<u>\$56,230</u>	<u>(\$6,210)</u>	<u>\$50,020</u>
	Working Capital is 1/8 of O&M Less			\$6,199

Date: January 8, 2026

GCP PLANTATION LANDINGS, LLC			SCHEDULE NO. 3-E	
TEST YEAR ENDED DECEMBER 31, 2024			DOCKET NO. 20250094-WS	
ANALYSIS OF WASTEWATER O&M EXPENSE				
ACCT.	DESCRIPTION	TOTAL PER UTILITY	STAFF ADJUST- MENT	TOTAL PER STAFF
701	Salaries and Wages - Employees	\$0	\$4,875	\$4,875
711	Sludge Removal Expense	18,850	0	18,850
716	Fuel for Power Production	0	256	256
718	Chemicals	27,330	499	27,829
720	Materials and Supplies	1,799	(499)	1,300
730	Contractual Services - Billing	3,298	204	3,502
731	Contractual Services - Professional	45,740	(24,857)	20,883
732	Contractual Services - Accounting	0	500	500
736	Contractual Services - Other	7,103	782	7,885
750	Transportation Expense	256	(256)	0
765	Rate Case Expense	0	433	433
770	Bad Debt Expense	0	0	0
775	Miscellaneous Expenses	<u>0</u>	<u>60</u>	<u>60</u>
	Total O&M Expense	<u>\$104,376</u>	<u>(\$18,004)</u>	<u>\$86,372</u>
	Working Capital is 1/8 of O&M Less			\$10,742

GCP PLANTATION LANDINGS, LLC TEST YEAR ENDED DECEMBER 31, 2024 MONTHLY WATER RATES		SCHEDULE NO. 4-A DOCKET NO. 20250094-WS	
	UTILITY'S EXISTING RATES	STAFF RECOMMENDED RATES	4 YEAR RATE REDUCTION
RESIDENTIAL AND GENERAL SERVICE			
Base Facility Charge by Meter Size			
5/8"X 3/4"	\$5.83	\$7.35	\$0.03
3/4"	\$8.75	\$11.03	\$0.04
1"	\$14.58	\$18.38	\$0.07
1-1/2"	\$29.15	\$36.75	\$0.14
2"	\$46.64	\$58.80	\$0.23
3"	\$93.28	\$117.60	\$0.46
4"	\$145.75	\$183.75	\$0.72
6"	\$291.50	\$367.50	\$1.43
Charge per 1,000 gallons	\$2.00	N/A	
Charge per 1,000 gallons - Residential Service			
0 - 4,000 gallons	N/A	\$3.45	\$0.01
4,001 - 10,000 gallons	N/A	\$5.18	\$0.02
Over 10,000 gallons	N/A	\$6.04	\$0.02
Charge per 1,000 gallons - General Service	N/A	\$4.17	\$0.02
TYPICAL RESIDENTIAL 5/8" X 3/4" METER BILL COMPARISON			
4,000 Gallons	\$13.83	\$21.15	
6,000 Gallons	\$17.83	\$31.51	
10,000 Gallons	\$34.58	\$52.23	

GCP PLANTATION LANDINGS, LLC TEST YEAR ENDED DECEMBER 31, 2024 MONTHLY WASTEWATER RATES		SCHEDULE NO. 4-B DOCKET NO. 20250094-WS	
	UTILITY'S EXISTING RATES	STAFF RECOMMENDED RATES	4 YEAR RATE REDUCTION
RESIDENTIAL			
Base Facility Charge - All Meter Sizes	\$11.10	\$13.70	\$0.04
Charge Per 1,000 gallons			
6,000 gallon cap*	\$3.21	N/A	\$0.01
10,000 gallon cap**	N/A	\$4.53	
GENERAL SERVICE			
Base Facility Charge by Meter Size			
5/8" x 3/4"	\$11.10	\$13.70	\$0.04
3/4"	\$16.65	\$20.55	\$0.06
1"	\$27.75	\$34.25	\$0.10
1-1/2"	\$55.50	\$68.50	\$0.21
2"	\$88.80	\$109.60	\$0.33
3"	\$177.60	\$219.20	\$0.66
4"	\$277.50	\$342.50	\$1.03
6"	\$555.00	\$685.00	\$2.05
Charge Per 1,000 gallons	\$3.84	\$5.43	
TYPICAL RESIDENTIAL 5/8" X 3/4" METER BILL COMPARISON			
2,000 Gallons	\$17.52	\$22.76	
6,000 Gallons	\$30.36	\$40.88	
10,000 Gallons	N/A	\$59.00	

*Utility's existing rates

**Staff's recommended rates