

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for transfer of Certificate
No. 288-W in Pasco County from Orangeland
Water Supply to Orange Land Utilities, LLC.

DOCKET NO. 160144-WU
ORDER NO. PSC-17-0092-PAA-WU
ISSUED: March 13, 2017

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman
ART GRAHAM
RONALD A. BRISÉ
JIMMY PATRONIS
DONALD J. POLMANN

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING MISCELLANEOUS SERVICE CHARGES, INITIAL CUSTOMER
DEPOSITS, CONVENIENCE CHARGE, NON-SUFFICIENT FUNDS CHARGE, METER
TAMPERING CHARGE, AND LATE CHARGE, ESTABLISHING NET BOOK VALUE,
AND DECLINING TO MAKE AN ACQUISITION ADJUSTMENT,
AND
FINAL ORDER APPROVING TRANSFER OF WATER ~~AND WASTEWATER~~
CERTIFICATE NO. 288-W

CS 3-14-17

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission (Commission) that the action discussed herein, except for the transfer of Certificate, is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

BACKGROUND

On June 6, 2016, Orange Land Utilities, LLC (OLU, Applicant, or Buyer) filed an application for the transfer of Certificate No. 288-W from Orangeland Water Supply (Orangeland, Utility, or Seller) in Pasco County. The service area is located in the Southwest Florida Water Management District which has enacted year-round water conservation measures. According to the Utility's 2015 Annual Report, it serves approximately 74 water customers with operating revenue of \$16,716, which designates it as a Class C utility. Wastewater treatment is provided by septic tanks.

Orangeland has been under Commission jurisdiction since July 11, 1972, when Pasco County transferred jurisdiction to this Commission. On April 28, 1977, the Utility was granted

Certificate No. 288-W to operate a water utility.¹ There have been no certification actions since that time. The rates and charges for utility service were approved by this Commission in 2008.²

This order addresses the transfer of the water system, the net book value of the water system at the time of transfer, the need for an acquisition adjustment, and additional requested charges. On October 13, 2016, OLU waived the 60-day statutory timeframe for this Commission's decision on the proposed service charges as set forth in Section 367.091(6), Florida Statutes (F.S.).³ This Commission has jurisdiction pursuant to Sections 367.071 and 367.091, F.S.

CERTIFICATE TRANSFER

On June 6, 2016, Orange Land Utilities, LLC, filed an application for the transfer of Certificate No. 288-W from Orangeland Water Supply in Pasco County. The application is in compliance with Section 367.071, F.S., and Commission rules concerning applications for transfer of certificates. The sale occurred on May 1, 2016, contingent upon this Commission's approval, pursuant to Section 367.071(1), F.S.

Noticing, Territory, and Land Ownership

On July 6, 2016, Commission staff notified OLU that its application was not in compliance with the noticing provisions set forth in Section 367.071, F.S., and Rule 25-30.030, F.A.C. The Utility filed a corrected notice on September 9, 2016. No objections to the transfer were filed, and the time for doing so has expired. The application also contains a description of the water service territory which is appended to this order as Attachment A. The application contains a copy of a quit claim deed that was executed on May 6, 2016, as evidence that the Applicant owns the land upon which the water treatment facilities are located pursuant to Rule 25-30.037(2)(q), F.A.C.

Purchase Agreement and Financing

Pursuant to Rule 25-30.037(2)(i), and (j), F.A.C., the application contains a statement regarding financing and a copy of the purchase agreement, which includes the purchase price, terms of payment, and a list of the assets purchased. There are no customer deposits, guaranteed revenue contracts, developer agreements, customer advances, leases, or debt of Orangeland that must be disposed of with regard to the transfer. According to the purchase agreement, the total purchase price for the assets is \$8,500. According to the Buyer, the sale took place on May 1, 2016, subject to Commission approval, pursuant to Section 367.071(1), F.S.

¹Order No. 7790, issued April 28, 1977, in Docket No. 760763-W, In re: Application of Orangeland Water Supply for a certificate to operate a water utility in Pasco County, Florida, pursuant to Section 367.171, Florida Statutes.

²Order PSC-08-0640-AS-WU, issued October 3, 2008, in Docket No. 070601-WU, In re: Application for staff-assisted rate case in Pasco County by Orangeland Water Supply.

³See Document No. 08195-16.

Facility Description and Compliance

The water treatment system consists of two wells, a steel hydropneumatic ground storage tank with a storage capacity of 1,000 gallons, and a liquid chlorination system used for disinfection. The last Florida Department of Environmental Protection (DEP) sanitary survey was conducted on May 27, 2014, and there were three deficiencies, which have been corrected. On July 15, 2015, DEP deemed the Utility to be in compliance; therefore, the system appears to be in compliance with DEP rules.

Technical and Financial Ability

Pursuant to Rule 25-30.037(2)(1), F.A.C., the application contains statements describing the technical and financial ability of the Applicant to provide service to the proposed service area. As referenced in the transfer application, the Buyer was appointed to the Citrus County Water and Wastewater Authority, the local regulatory body for Citrus County, where he served for seven years. The Buyer also served as the "Class C" representative for the Governor's Study Committee for Investor Owned Water and Wastewater Utility Systems in 2013. He attends yearly training classes through the Florida Rural Water Association and completed the National Association of Regulatory Utility Commissioners (NARUC) Utility Rate School in 2001. The Buyer owns, is the receiver of, or is the manager of, a total of seven Class C water and wastewater facilities that are regulated by this Commission.

Commission staff reviewed the personal financial statements of the Buyer, as well as the financial statements of Florida Utility Services 1, LLC, an unregulated Company owned by the Buyer. Based on the above, we find that the Buyer has demonstrated the technical and financial ability to provide service to the existing service territory.

Rates and Charges

The Utility's rates and charges were last approved by a settlement in a staff-assisted rate case.⁴ In 2014, the rates were subsequently reduced to reflect the expiration of rate case expense amortized in 2008. The Utility's existing and approved rates and charges are shown on Schedule No. 1. Rule 25-9.044(1), F.A.C., provides that, in the case of a change of ownership or control of a utility, the rates, classifications, and regulations of the former owner must continue unless authorized to change by this Commission. Therefore, the Utility's existing rates and charges shall remain in effect until a change is authorized by this Commission in a subsequent proceeding.

Regulatory Assessment Fees and Annual Reports

The Seller is current with respect to Annual Reports and RAFs through December 31, 2015. The Buyer will be responsible for filing Annual Reports and paying RAFs after May 1, 2016, and all future years.

⁴Order No. PSC-08-0640-AS-WU, issued October 3, 2008, in Docket No. 070601-WU, In re: Application for staff-assisted rate case in Pasco County by Orangeland Water Supply

Conclusion

Based on the foregoing, the transfer of the water system and Certificate No. 288-W is in the public interest and is hereby approved with the effective the date of this Commission's vote, February 7, 2017. This resultant order will serve as the Buyer's certificate and retained by the Buyer.

NETBOOK VALUE (NBV)

Rate base was last established as of June 30, 2007. The purpose of establishing NBV for transfers is to determine whether an acquisition adjustment shall be approved. The NBV does not include normal ratemaking adjustments for used and useful plant or working capital. The NBV has been updated to reflect balances as of May 1, 2016. The NBV, as described below, is shown on Schedule No. 3.

The Seller did not provide its books and records to the Buyer. Commission staff auditors were not able to determine if the records were maintained in accordance with the National Association of Regulatory Utility Commissioners' Uniform System of Accounts (NARUC USOA). Commission staff auditors obtained the beginning balances of the components of NBV as of June 30, 2007 (established in Docket No. 070601-WU), traced asset additions to supporting documentation and ensured retirements were made when a capital item was removed or replaced.

Utility Plant in Service (UPIS)

Commission staff auditors reviewed UPIS additions since the last rate case proceeding and calculated a UPIS balance of \$47,939. However, in the response to the Commission's Staff Audit Report, OLU stated the UPIS amount shall be \$50,816, as of May 1, 2016, to reflect the correct retirement amount for a well pump. After recalculating UPIS, we agreed with OLU's balance. Therefore, the UPIS balance as of May 1, 2016, is \$50,816.

Land

In Order No. PSC-08-0309-PAA-WU, issued May 13, 2008, this Commission established the value of the land to be \$1,000. There have been no additions to land purchased since that order was issued. The land balance, as of May 1, 2016, remains \$1,000.

Accumulated Depreciation

Based on the UPIS adjustment discussed earlier, Commission staff auditors calculated an accumulated depreciation balance of \$47,939. However, in the response to the Commission's Staff Audit Report, OLU states the accumulated depreciation amount shall be \$45,625. After recalculating accumulated depreciation, Commission staff agrees with OLU's balance. As a result, accumulated depreciation shall be \$45,625 as of May 1, 2016.

Contributions-in-Aid-of-Construction (CIAC) and Accumulated Amortization of CIAC

The Commission staff auditors reviewed CIAC additions and calculated a CIAC balance of \$7,350. Commission staff auditors also reviewed accumulated amortization of CIAC since the

last rate case proceeding and have calculated a balance of \$5,936. However, in response to the Commission staff's audit report, OLU stated that the CIAC balance shall be \$7,350 and stated the accumulated amortization of CIAC shall be \$6,117. After recalculating, Commission staff agreed with OLU's accumulated amortization of CIAC balance. Therefore, the CIAC and accumulated amortization of CIAC balances are \$7,350 and \$6,117, respectively, as of May 1, 2016.

Net Book Value

Based on the adjustments described above, the NBV is \$4,958 as of May 1, 2016, which is shown on Schedule No. 2.

Acquisition Adjustment

An acquisition adjustment results when the purchase price differs from the NBV of the assets at the time of the acquisition. The assets were purchased for \$8,500. The appropriate NBV total is \$4,958. Pursuant to Rule 25-30.0371, F.A.C., a positive acquisition adjustment may be appropriate when the purchase price is greater than the NBV, and a negative acquisition adjustment may be appropriate when the purchase price is less than NBV. However, pursuant to Rule 25-30.0371(2), F.A.C., a positive acquisition adjustment shall not be included in rate base unless there is proof of extraordinary circumstances. The Buyer did not request a positive acquisition adjustment. Therefore, no positive acquisition adjustment shall be included in rate base.

Conclusion

The NBV of the water system for transfer purposes is \$4,958 as of May 1, 2016. No acquisition adjustment shall be included in rate base. Within 90 days of the date of the final order, the Buyer shall be required to notify this Commission, in writing, that it has adjusted its books in accordance with this Commission's decision. The adjustments shall be reflected in the 2016 Annual Report when filed.

MISCELLANEOUS SERVICE CHARGES

The Utility did not previously have miscellaneous service charges. Section 367.091, F.S., authorizes this Commission to approve miscellaneous service charges. During the course of this proceeding, the Utility requested \$30 each for initial connection, normal reconnection, and violation reconnection charges. The Utility also requested a \$23 premises visit charge. The Utility provided cost justification in support of its requested charges as required by Section 367.091(6) F.S. The cost justification included a 4.5 percent markup for RAFs that is based on the revenues generated by the proposed charges. This Commission has previously approved regulatory assessment fees for new miscellaneous service charges.⁵ In addition, Commission staff utilized the hourly salaries provided by the Utility for the administrative employee and the

⁵Order No. PSC-99-2378-TRF-WU, issued December 6, 1999, in Docket No. 990763-WU, In re: Tariff filing by Floralino Properties, Inc. requesting approval of premises visit charge for visits requested by customers in Pasco County.

field employee who processes and administers miscellaneous service charges. However, Commission staff adjusted the time allotment for processing these charges and adjusted the amount per mile allowed for transportation consistent with this Commission's practice.⁶ The approved miscellaneous service charges have been rounded up to the nearest tenth.

Initial Connection

The initial connection charge is levied for service initiation at a location where service did not exist previously. An OLU representative makes one trip when performing the service of an initial connection. Based on labor and transportation to and from the service territory, this Commission establishes initial connection charges of \$18.60 for normal hours and \$21.60 for after hours. The calculation of charges is shown below in Table 1.

Table 1
Initial Connection Charge Calculation

Activity	Normal Hours Cost	Activity	After Hours Cost
Labor (Administrative) (\$18.00/hr x 1/4hr)	\$4.50	Labor (Administrative) (\$18.00/hr x 1/4hr)	\$4.50
Labor (Field) (\$17.25/hr x 1/3 hr)	\$5.75	Labor (Field) (\$25.88/hr x 1/3 hr)	\$8.63
Transportation (\$0.535/mile x 14 miles-to/from)	\$7.49	Transportation (\$0.535/mile x 14 miles-to/from)	\$7.49
Mark up for RAF (4.5%)	\$0.80	Mark up for RAF (4.5%)	\$0.93
Total	\$18.54	Total	\$21.55

Source: Utility's cost justification documentation.

Normal Reconnection Charge

A normal reconnection charge is levied for the transfer of service to a new customer account at a previously served location, or reconnection of service subsequent to a customer requested disconnection. A normal reconnection requires two trips, which includes one to turn service on and the other to turn service off.

Based on labor and transportation to and from the service territory, the normal reconnection charges are set at \$29.40 for normal hours and \$33.90 for after hours. The normal reconnect charge calculations are shown below in Table 2.

⁶Order No. PSC-16-0583-PAA-WS, issued December 29, 2016, in Docket No. 150010-WS, In re: Application for staff-assisted rate case in Brevard County by Aquarina Utilities, Inc.

Table 2
Normal Reconnection Charge Calculation

Activity	Normal Hours Cost	Activity	After Hours Cost
Labor (Administrative) (\$18.00/hr x 1/4hr)	\$4.50	Labor (Administrative) (\$18.00/hr x 1/4hr)	\$4.50
Labor (Field) (\$17.25/hr x 1/4 hr x 2)	\$8.63	Labor (Field) (\$25.88/hr x 1/4hr x 2)	\$12.94
Transportation (\$0.535/mile x 14 miles-to/from x 2)	\$14.98	Transportation (\$0.535/mile x 14 miles-to/from x 2)	\$14.98
Mark up for RAF (4.5%)	\$1.26	Mark up for RAF (4.5%)	\$1.46
Total	\$29.37	Total	\$33.88

Source: Utility's cost justification documentation

Violation Reconnection Charge

The violation reconnection charge is levied prior to reconnection of an existing customer after discontinuance of service for cause. The service performed for violation reconnection requires two trips, which includes one trip to turn off service and a subsequent trip to turn on service once the violation has been remedied. Based on labor and transportation to and from the service territory, violation reconnection charges are set at \$29.40 for normal hours and \$33.90 for after hours. The calculation of this charge is shown below in Table 3.

Table 3
Violation Reconnection Charge Calculation

Activity	Normal Hours Cost	Activity	After Hours Cost
Labor (Administrative) (\$18.00/hr x 1/4hr)	\$4.50	Labor (Administrative) (\$18.00/hr x 1/4hr)	\$4.50
Labor (Field) (\$17.25/hr x 1/4 hr x 2)	\$8.63	Labor (Field) (\$25.88/hr x 1/4 hr x 2)	\$12.94
Transportation (\$0.535/mile x 14 miles-to/from) x 2	\$14.98	Transportation (\$0.535/mile x 14 miles-to/from) x 2	\$14.98
Mark up for RAF (4.5%)	\$1.26	Mark up for RAF (4.5%)	\$1.46
Total	\$29.37	Total	\$33.88

Source: Utility's cost justification documentation.

Premises Visit

The premises visit charge is levied when a service representative visits premises at the customer's request for complaint resolution and the problem is found to be the customer's responsibility. In addition, the premises visit can be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill,

and does not discontinue service because the customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill. A premises visit requires one trip.

Based on labor and transportation to and from the service territory, the premises visit charges are set at \$18.60 for normal hours and \$22.50 for after hours. The calculations for the premises visit charges are shown below in Table 4.

Table 4
Premises Visit Charge Calculation

Activity	Normal Hours Cost	Activity	After Hours Cost
Labor (Administrative) (\$18.00/hr x 1/4hr)	\$4.50	Labor (Administrative) (\$18.00/hr x 1/4hr)	\$4.50
Labor (Field) (\$17.25/hr x 1/3 hr)	\$5.75	Labor (Field) (\$25.88/hr x 1/3 hr)	\$8.63
Transportation (\$0.535/mile x 14 miles-to/from)	\$7.49	Transportation (\$0.535/mile x 14 miles-to/from)	\$7.49
Mark up for RAF (4.5%)	\$0.80	Mark up for RAF (4.5%)	\$1.82
Total	\$18.54	Total	\$22.44

Source: Utility's cost justification documentation.

Below, in Table 5, are the Utility's requested and our approved miscellaneous service charges.

Table 5
Miscellaneous Service Charges

	Utility Requested	Commission Approved	
	Normal and After Hours	Normal Hours	After Hours
Initial Connection Charge	\$30.00	\$18.60	\$21.60
Normal Reconnection Charge	\$30.00	\$29.40	\$33.90
Violation Reconnection Charge	\$30.00	\$29.40	\$33.90
Premises Visit Charge (in lieu of Disconnection)	\$23.00	\$18.60	\$22.50

Conclusion

OLU's request to implement miscellaneous service charges is approved, consistent with the charges detailed in this order. The charges will be effective on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. In addition, the approved charges shall not be implemented until Commission staff has approved the proposed customer notice and the notice has been received by the customers. The Utility shall provide proof of the date notice was given within 10 days of the date of the notice.

INITIAL CUSTOMER DEPOSITS

The initial customer deposit for water service is \$42 for the residential 5/8" x 3/4" meter size. The initial customer deposits for all other residential meter sizes and all general service meter sizes shall be two times the average estimated bill for water service. The approved initial customer deposits shall be effective for connections made on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475, F.A.C.

Rule 25-30.311, F.A.C., contains the criteria for collecting, administering, and refunding customer deposits. Customer deposits are designed to minimize the exposure of bad debt expense for a utility and, ultimately, the general body of ratepayers. Historically, this Commission has set initial customer deposits equal to two times the average estimated bill.⁷ Currently, the Utility does not have approved initial customer deposits in place. Based on the average water demand, the appropriate initial customer deposit would be \$42 to reflect an average residential customer bill for two months.

Based on the above, the appropriate water initial customer deposit shall be \$42 for the residential 5/8" x 3/4" meter size. The initial customer deposits for all other residential meter sizes and all general service meter sizes shall be two times the average estimated bill for water service. The approved initial customer deposits shall be effective for connections made on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475, F.A.C.

NON-SUFFICIENT FUNDS CHARGES (NSF)

Section 367.091, F.S., requires rates, charges, and customer service policies to be approved by this Commission. We have authority to establish, increase, or change a rate or charge. OLU shall be authorized to collect NSF charges consistent with Section 68.065, F.S., which allows for the assessment of charges for the collection of worthless checks, drafts, or orders of payment. As currently set forth in Section 68.065(2), F.S., the following NSF charges may be assessed:

- (1) \$25, if the face value does not exceed \$50,
- (2) \$30, if the face value exceeds \$50 but does not exceed \$300,
- (3) \$40, if the face value exceeds \$300,
- (4) or five percent of the face amount of the check, whichever is greater.

⁷Order Nos. PSC-13-0611-PAA-WS, issued November 19, 2013, in Docket No. 130010-WS, In re: Application for increase in water rates in Lee County and wastewater rates in Pasco County by Ni Florida, LLC., and PSC-14-0016-TRF-WU, issued January 6, 2014, in Docket No. 130251-WU, In re: Application for approval of miscellaneous service charges in Pasco County, by Crestridge Utility Corporation.

Approval of NSF charges is consistent with prior Commission decisions.⁸ Furthermore, NSF charges place the cost on the cost-causer, rather than requiring that the costs associated with the return of the NSF checks be spread across the general body of ratepayers. As such, OLU is authorized to collect NSF charges for its water system consistent with Section 68.065, F.S., and the above mentioned requirements. The NSF charges shall be effective on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), F.A.C. Furthermore, the NSF charges shall not be implemented until Commission staff has approved the proposed customer notice. OLU shall provide proof of the date the notice was given within 10 days of the date of the notice.

METER TAMPERING CHARGE

The Utility requested a \$50 charge to recover the cost of changes in piping on equipment necessary as a result of meter tampering. Rule 25-30.320(2)(i), F.A.C., provides that a customer's service may be discontinued without notice in the event of tampering with the meter or other facilities furnished or owned by the Utility. In addition, Rule 25-30.320(2)(j), F.A.C., provides that a customer's service may be discontinued in the event of an unauthorized or fraudulent use of service. The rule allows the Utility to require the customer to reimburse the utility an amount reasonably estimated as the deficiency in revenue resulting from the customer's fraudulent use before restoring service.

Pursuant to Rule 25-30.345, F.A.C., a utility may charge a reasonable fee to defray the cost of restoring service that was discontinued for proper cause as specified in Rule 25-30.320, F.A.C. We have previously approved a meter tampering charge of \$50 for sister utilities of OLU.⁹ OLU provided the appropriate cost justification pursuant to Section 367.091, F.S. This is reasonable and consistent with prior Commission decisions and shall be approved. However, the charge is appropriate only where an investigation reveals evidence of meter tampering.

OLU's request to implement a \$50 meter tampering charge is approved. The charge is effective for services rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. In addition, the approved charge shall not be implemented until Commission staff has approved the proposed customer notice and the notice has been received by the customers. The Utility shall provide proof of the date notice was given within 10 days of the date of the notice.

⁸Order Nos. PSC-14-0198-TRF-SU, issued May 2, 2014, in Docket No. 140030-SU, In re: Request for approval to amend Miscellaneous Service charges to include all NSF charges by Environmental Protection Systems of Pine Island, Inc.; and PSC-13-0646-PAA-WU, issued December 5, 2013, in Docket No. 130025-WU, In re: Application for increase in water rates in Highlands County by Placid Lakes Utilities, Inc.

⁹Order Nos. PSC-14-0058-FOF-WU, issued January 27, 2014, in Docket No. 130250-WU, In re: Application for approval of miscellaneous service charges in Pasco County, by Holiday Gardens Utilities, Inc. and PSC-14-0016-TRF-WU, issued January 6, 2014, in Docket No. 130251-WU, In re: Application for approval of miscellaneous service charges in Pasco County, by Crestridge Utility Corporation.

CONVENIENCE CHARGE

Section 367.091, F.S., authorizes this Commission to establish, increase, or change a rate or charge other than monthly rates or service availability charges. The Utility requested a \$3.43 convenience charge and provided cost justification as required by Section 367.091, F.S. The Utility's cost analysis breakdown for its requested charge is shown below in Table 6.

Table 6
Convenience Charge Cost Justification

<u>Activity</u>	<u>Cost</u>
Labor	\$0.54
Ink and Paper per Transaction	\$0.06
Credit Card Machines	<u>\$2.83</u>
Total	<u>\$3.43</u>

Source: Utility's cost justification documentation.

This Commission recently approved a convenience charge of \$3.00 for customers who opt to pay their bill with debit or credit cards for Charlie Creek Utilities, LLC, a sister utility.¹⁰ The charge was designed to recover the cost of supplies, administrative labor, and equipment. The Utility's requested charge of a \$3.43 convenience charge is reasonable for customers who opt to pay their water bill by debit or credit card. The Utility's requested charge benefits the customers by allowing them to expand their payment options. Furthermore, this fee will insure the Utility's remaining customers do not subsidize those customers who choose to pay using this option.

Based on the above, OLU's request for approval of a convenience charge of \$3.43 for customers who opt to pay their bill by debit or credit card shall be approved. The convenience charge shall be effective on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. In addition, the approved charge shall not be implemented until Commission staff has approved the proposed customer notice and the notice has been received by the customers. The Utility shall provide proof of the date notice was given within 10 days of the date of the notice.

LATE PAYMENT CHARGE

The Utility is requested \$5.25 late payment charge to recover the cost of supplies and labor associated with processing late payment notices was accompanied by its reason for the charge, as well as the cost justification required by Section 367.091, F.S. In its cost justification, OLU's total cost for a late payment charge is \$5.28, but OLU has requested this charge to be rounded down to \$5.25. OLU's requested late payment charge of \$5.25 is appropriate. OLU's labor cost of \$4.75 accounts for the office personnel time to search, determine, and process delinquent accounts. The provided justification by OLU also included costs for supplies and

¹⁰Order No. PSC-16-0043-PAA-WU, issued January 25, 2016, in Docket No. 150186-WU, In re: Application for certificate to operate a water utility in Hardee County by Charlie Creek Utilities, LLC.

postage for printing and sending out late payment notices. OLU's cost basis for the late payment charge is shown below in Table 7.

Table 7
Late Payment Charge Cost Justification

Activity	Cost
Labor	\$4.75
Supplies	0.06
Postage	<u>0.47</u>
Total Cost	<u>\$5.28</u>

Source: Utility's cost justification documentation

Since the 1990s, we have approved late payment charges ranging from \$2.00 to \$7.00.¹¹ The purpose of this charge is to provide an incentive for customers to make timely payments and to place the cost burden of processing delinquent accounts solely upon those who are cost causers.

OLU's request to implement a \$5.25 late payment charge is approved. The Utility shall file a proposed customer notice and tariff to reflect the Commission-approved charge. The approved charge is effective on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charge shall not be implemented until Commission staff has approved the proposed customer notice. The Utility shall provide proof of the date notice was given no less than 10 days after the date of the notice.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the transfer of the water system and Certificate No. 288-W, in Pasco County, from Orangeland Water Supply, to Orange Land Utilities, LLC, is in the public interest and is hereby approved, effective February 7, 2017. The resultant order shall serve as the Buyer's certificate and shall be retained by the Buyer. It is further ordered that

¹¹Order Nos. PSC-01-2101-TRF-WS, issued October 22, 2001, in Docket No. 011122-WS, In re: Tariff filing to establish a late payment charge in Highlands County by Damon Utilities, Inc.; PSC-08-0255-PAA-WS, issued April 24, 2008, in Docket No. 070391-WS, In re: Application for certificates to provide water and wastewater service in Sumter County by Orange Blossom Utilities, Inc.; Order No. PSC-09-0752-PAA-WU, issued November 16, 2009, in Docket No. 090185-WU, In re: Application for grandfather certificate to operate water utility in St. Johns County by Camachee Island Company, Inc. d/b/a Camachee Cove Yacht Harbor Utility.; Order No. PSC-10-0257-TRF-WU, issued April 26, 2010, in Docket No. 090429-WU, In re: Request for approval of imposition of miscellaneous service charges, delinquent payment charge and meter tampering charge in Lake County, by Pine Harbour Water Utilities, LLC.; and Order No. PSC-11-0204-TRF-SU, issued April 25, 2011, in Docket No. 100413-SU, In re: Request for approval of tariff amendment to include a late fee of \$14.00 in Polk County by West Lakeland Wastewater.; Order No. PSC-14-0105-TRF-WS, issued February 20, 2014, in Docket No. 130288-WS, In re: Request for approval of late payment charge in Brevard County by Aquarina Utilities, Inc.

ORDERED that the existing rates and charges shall remain in effect until a change is authorized by this Commission in a subsequent proceeding. It is further

ORDERED that the tariffs reflecting the transfer shall be effective for services rendered or connections made on or after the stamped approval date on the tariffs pursuant to Rule 25-30.475, F.A.C. It is further

ORDERED that the Seller is responsible for all Regulatory Assessment Fees (RAFs) payable through the date of closing. The Buyer is responsible for filing the 2016 Annual Report and all future Annual Reports, and RAFs subsequent to the date of closing (May 1, 2016). It is further

ORDERED that the net book value of the water system for transfer purposes is \$4,958 as of May 1, 2016. It is further

ORDERED that no acquisition adjustment shall be included in rate base. It is further

ORDERED that within 90 days of the date of the final order, Orange Land Utilities, LLC shall notify this Commission in writing that it has adjusted its books in accordance with this Commission's decision. The adjustments will be reflected in the 2016 Annual Report when filed. It is further

ORDERED that Orange Land Utilities, LLC's request to collect miscellaneous service charges, as reflected in Table 5, is hereby granted. It is further

ORDERED that the appropriate initial customer deposits for water and wastewater shall be \$42.00 for the residential 5/8" x 3/4" meter size. That the deposit for all other residential meter sizes and all general service meter sizes shall be two times the average estimated bill. The approved initial customer deposits shall be effective for connections made on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475, F.A.C. It is further

ORDERED that the Utility shall revise its tariffs to reflect the non-sufficient funds charges currently set forth in Section 68.065, F.S. It is further

ORDERED that a convenience charge of \$3.43 for customers who opt to pay their bill by debit or credit card is approved. It is further

ORDERED that Orange Land Utilities, LLC's request to implement a \$5.25 late payment charge is approved. It is further

ORDERED that all approved charges in this order shall 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. It is further

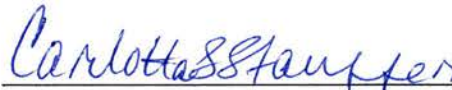
ORDERED that all approved charges shall not be implemented until Commission staff has approved the proposed customer notices and notices have been received by the customers. It is further.

ORDERED that the Utility shall provide proof of the date notices were given no less than 10 days after the date of the notice. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED this docket shall remain open pending Commission staff's verification that the revised tariff sheets and customer notice have been filed by Orange Land Utilities, LLC, and approved by Commission staff. If a protest is filed within 21 days of the issuance date of the Order, the tariff sheets shall remain in effect with the charges held subject to refund pending resolution of the protest. If no timely protest is filed, a consummating order shall be issued and, once Commission staff verifies that the notice of the charge has been given to customers, the docket will be administratively closed.

By ORDER of the Florida Public Service Commission this 13th day of March, 2017.



CARLOTTA S. STAUFFER

Commission Clerk

Florida Public Service Commission

2540 Shumard Oak Boulevard

Tallahassee, Florida 32399

(850) 413-6770

www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

As identified in the body of this order, our action herein, except for approving the certificate transfer, is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on April 3, 2017. If such a petition is filed, mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing. In the absence of such a petition, this order shall become effective and final upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

Any party adversely affected by the Commission's final action in this matter may request: (1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Office of Commission Clerk and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

**Orange Land Utilities, LLC
Pasco County**

DESCRIPTION OF TERRITORY SERVED

SECTION 35, TOWNSHIP 25 SOUTH, RANGE 16 EAST, PASCO COUNTY, FLORIDA

THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 LESS AND EXCEPT THE NORTH 375 FEET AND THE EAST 50 FEET OF THE SOUTH 945 FEET AND THE SOUTH 30 FEET OF THE WEST 1270 FEET

FLORIDA PUBLIC SERVICE COMMISSION

**Authorizes
Orange Land Utilities, LLC
Pursuant to
Certificate Number 288-W**

To provide water service in Pasco County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rule, regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
Order No. 7790	10/26/1976	760763-W	Original Certificate
PSC-17-0092-PAA-WU	03/13/2017	160169-WU	Transfer of Certificate

**Orange Land Utilities, LLC
Monthly Water Rates**

Residential and General Service

Base Facility Charge by Meter Size

5/8" x 3/4"	\$14.70
3/4"	\$22.05
1"	\$36.75
1 1/2"	\$73.51
2"	\$117.62
3"	\$235.23
4"	\$367.55
6"	\$735.09

Charge per 1,000 gallons

0-5,000 gallons	\$2.12
Over 5,000 gallons	\$3.13

Initial Customer Deposits

	<u>Residential Service</u>	<u>General Service</u>
5/8" x 3/4"	\$42	2x the average estimated bill
All other meter sizes	2x the average estimated bill	2x the average estimated bill

Miscellaneous Service Charges

	<u>Normal Hours</u>	<u>After Hours</u>
Initial Connection Charge	\$18.60	\$21.60
Normal Reconnection Charge	\$29.40	\$33.90
Violation Reconnection Charge	\$29.40	\$33.90
Premises Visit Charge (in lieu of disconnection)	\$18.60	\$22.50
Late Payment Charge		\$5.25
NSF Check Charge	Pursuant to Statute 68.065, F.S.	
Convenience Charge		\$3.43
Meter Tampering Charge		\$50.00

Service Availability Charges**Customer Connection (Tap-in) Charge**

5/8 x 3/4"	\$100.00
1"	\$160.00

**Orangeland Water Supply
Water System
Schedule of Net Book Value as of May 1, 2016**

Description	Balance Per Utility	Adjustments	Commission Approved
Utility Plant in Service	\$0	\$50,816	\$50,816
Land & Land Rights	0	1,000	1,000
Accumulated Depreciation	0	(45,625)	(45,625)
CIAC	0	(7,350)	(7,350)
Amortization of CIAC	<u>0</u>	<u>6,117</u>	<u>6,117</u>
Total	<u>\$0</u>	<u>\$4,958</u>	<u>\$4,958</u>

**Explanation of Commission Approved
Adjustments to Net Book Value as of May 1, 2016**

Explanation	Amount
A. Utility Plant in Service To reflect appropriate amount of utility plant in service.	<u>\$50,816</u>
B. Land & Land Rights To reflect appropriate amount of Land & Land Rights.	<u>\$1,000</u>
C. Accumulated Depreciation To reflect appropriate amount of accumulated depreciation.	<u>(\$45,625)</u>
D. Contributions-in-Aid-of-Construction (CIAC) To reflect appropriate CIAC.	<u>(\$7,350)</u>
E. Accumulated Amortization of CIAC To reflect appropriate amount of accumulated amortization of CIAC.	<u>\$6,117</u>
Total Adjustments to Net Book Value as of May 1, 2016.	<u>\$4,958</u>