

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application to transfer wastewater system and Certificate No. 137-S in Brevard County from Colony Park Development Utilities, LLC to Merritt Island Utility Company, Inc.

DOCKET NO. 20170018-SU  
ORDER NO. PSC-2017-0366-PAA-SU  
ISSUED: September 27, 2017

The following Commissioners participated in the disposition of this matter:

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

NOTICE OF PROPOSED AGENCY ACTION  
ORDER ESTABLISHING NET BOOK VALUE AND ACQUISITION ADJUSTMENT  
AND  
FINAL ORDER APPROVING TRANSFER OF WASTEWATER CERTIFICATE NO. 137-S

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission (Commission) that the action discussed herein regarding net book value and acquisition adjustment 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 January 19, 2017, Merritt Island Utility Company, Inc. (MIU, Applicant, or Buyer) filed an application for the transfer of Certificate No. 137-S from Colony Park Development Utilities, LLC (CPDU or Utility) in Brevard County. According to the Utility's 2015 Annual Report, CPDU is a Class C utility serving approximately 300 wastewater customers, with an operating loss of \$11,671. Water service is provided by the City of Cocoa.

Mobile Home Investors, Inc. was initially granted a certificate to operate a wastewater system in existence in 1974.<sup>1</sup> In 1976, we approved the transfer of the wastewater system and

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<sup>1</sup>Order No. 6365, issued December 2, 1974, in Docket No. 73391-S, In re: Application of MOBILE HOME INVESTORS, INC., for a certificate to operate an existing sewer utility in Brevard County, Florida.

Certificate No. 137-S to Colony Park Utilities, Inc.<sup>2</sup> In 2003<sup>3</sup> and 2007,<sup>4</sup> the Utility was granted transfers of majority organizational control, and in 2014 the wastewater system and Certificate No. 137-S were transferred to CPDU.<sup>5</sup> In each of these transactions, the sale included both the Utility and the Colony Park mobile home park.

In February 2016, a potential buyer of the mobile home park contacted Commission staff regarding the regulatory requirements for the wastewater utility. The potential buyer related that he was not interested in the Utility, but stated that CPDU would not sell the mobile home park without the system. Commission staff advised him of our rules regarding water and wastewater utility transfers. He subsequently purchased the park and the wastewater system, and began seeking a buyer for the wastewater system, which he registered with the Florida Department of State as Colony Waste Services, LLC (CWS or Seller). While looking for a buyer, CWS took over the management of the wastewater system. MIU purchased the wastewater system from CWS on December 22, 2016, contingent upon Commission approval, and filed the application for transfer of the system. The rates and charges for Utility service were approved by this Commission in 2008.<sup>6</sup>

This Order addresses the transfer of the wastewater system, the net book value of the wastewater system at the time of transfer, and the need for an acquisition adjustment. We have jurisdiction pursuant to Sections 367.071 and 367.091, Florida Statutes (F.S.).

### **Decision**

#### **Transfer of Certificate No. 137-S**

On January 19, 2017, MIU filed an application for the transfer of Certificate No. 137-S from CWS to MIU in Brevard County. The filing also contained an application for transfer of Certificate No. 137-S from CPDU to CWS. The transfer of Certificate No. 137-S from CPDU to CWS was not approved at the time that MIU purchased the system; therefore Certificate No. 137-S shall be transferred from CPDU to MIU. The application is in compliance with Section 367.071, F.S., and our rules concerning applications for transfer of certificates. The sale to MIU

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<sup>2</sup>Order No. 7296, issued June 28, 1976, in Docket No. 750664-S, In re: Application of MOBILE HOME INVESTORS, INC., and COLONY PARK UTILITIES, INC. for approval of the transfer of assets and Certificate No. 137-S from the former to the latter. (Section 367.071, Florida Statutes).

<sup>3</sup>Order No. PSC-03-0320-FOF-SU, issued March 6, 2003, in Docket No. 020930-SU, In re: Application for transfer of majority organizational control of Colony Park Utilities, Inc. holder of Certificate No. 137-S in Brevard County, from Robert Warren, Lenore Warren, William Warren, and Carol Kendall to Eileen Rogow, Arthur Rogow, and Philip Young.

<sup>4</sup>Order No. PSC-07-0420-FOF-SU issued May 14, 2007, in Docket No. 060636-SU, In re: Application for transfer of majority organizational control of Colony Park Utilities, Inc., holder of Certificate No. 137-S in Brevard County from Eileen Rogow to Michael Abramowitz.

<sup>5</sup>Order No. PSC-14-0673-PAA-SU, issued December 5, 2014, in Docket No. 120285-SU, In re: Application to transfer wastewater facilities and Certificate No. 137-S in Brevard County from Colony Park Utilities, Inc. to Colony Park Development Utilities, LLC.

<sup>6</sup>Order No. PSC-08-0760-PAA-SU, issued November 17, 2008, in Docket No. 080104-SU, In re: Application for staff-assisted rate case in Brevard County by Colony Park Utilities, Inc.

occurred on December 22, 2016, contingent upon our approval, pursuant to Section 367.071(1), F.S.

#### Noticing, Territory, and Land Ownership

MIU provided notice of the application pursuant to Section 367.071, F.S., and Rule 25-30.030, F.A.C. No objections to the transfer were filed, and the time for doing so has expired. The application also contains a description of the wastewater service territory which is appended to this Order as Attachment A. The application contains a copy of a special warranty deed that was executed on December 22, 2016, as evidence that the Applicant owns the land upon which the wastewater treatment facilities are located pursuant to Rule 25-30.037(2)(s), 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 CWS that must be disposed of with regard to the transfer. According to the purchase agreement, the total purchase price for the assets is \$35,000 with \$5,000 paid prior to closing, and \$30,000 paid at closing. According to the Buyer, the sale took place on December 22, 2016, subject to our approval, pursuant to Section 367.071(1), F.S.

#### Facility Description and Compliance

The wastewater treatment system consists of a 70,000-gallon per day annual average daily flow wastewater system, consisting of aeration, secondary clarification, chlorination and aerobic digestion of solids. The effluent is disposed of in percolation ponds. The collection system consists of four and six inch polyvinylchloride mains with two lift stations. The last Florida Department of Environmental Protection (DEP) compliance evaluation inspection was conducted on February 3, 2016, and there were two deficiencies, which have been corrected. On March 4, 2016, the DEP deemed the Utility to be in compliance; therefore, the system appears to be in compliance with the DEP rules.

#### Technical and Financial Ability

Pursuant to Rules 25-30.037(2)(l) and (m), F.A.C., the application contains statements describing the technical and financial ability of the Buyer to provide service to the proposed service area. The President and Vice President have over 30 and 38 years, respectively, of experience operating or owning water and wastewater utilities, including a number of utilities previously regulated by this Commission. In addition, the directors are part owners of other systems regulated by this Commission, including Harbor Waterworks, Inc.,<sup>7</sup> Lakeside

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<sup>7</sup>Order No. PSC-12-0587-PAA-WU, issued October 29, 2012, in Docket No. 120148-WU, In re: Application for approval of transfer of Harbor Hills Utility, L.P. water system and Certificate No. 522-W in Lake County to Harbor Waterworks, Inc.

Waterworks, Inc.,<sup>8</sup> LP Waterworks, Inc.,<sup>9</sup> Raintree Waterworks, Inc.,<sup>10</sup> Brendenwood Waterworks, Inc.,<sup>11</sup> Country Walk Utilities, Inc.,<sup>12</sup> Lake Idlewild Utility Company,<sup>13</sup> Black Bear Reserve Water Corporation,<sup>14</sup> and several of the systems previously owned by Aqua Utilities Florida, Inc.<sup>15</sup> The application also indicates that both the President and Vice President have controlled service delivery to more than 850 water and wastewater facilities within Florida during their careers. Further, the application indicates that the President has secured the services of U.S. Water Services Corporation to provide contract operating service, as well as billing and collection services. We also reviewed the personal financial statements of the owner, who also serves as the president.<sup>16</sup> Based on the above, we find that the Buyer has demonstrated the technical and financial ability to provide service to the existing service territory.

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<sup>8</sup>Order No. PSC-13-0425-PAA-WS, issued September 18, 2013, in Docket No. 120317-WS, In re: Application for approval to transfer water and wastewater system Certificate Nos. 567-W and 494-S in Lake County from Shangri-La by the Lake Utilities, Inc. to Lakeside Waterworks, Inc.

<sup>9</sup>Order No. PSC-14-0130-PAA-WS, issued March 17, 2014, in Docket No. 130055-WS, In re: Application for approval of transfer of LP Utilities Corporation's water and wastewater systems and Certificate Nos. 620-W and 533-S, to LP Waterworks, Inc., in Highlands County.

<sup>10</sup>Order No. PSC-14-0692-PAA-WU, issued December 15, 2014, in Docket No. 140121-WU, In re: Application for approval of transfer of Certificate No. 539-W from Raintree Harbor Utilities, LLC to Raintree Waterworks, Inc. in Lake County.

<sup>11</sup>Order No. PSC-14-0691-PAA-WU, issued December 15, 2014, in Docket No. 140120-WU, In re: Application for approval of transfer of Certificate No. 339-W from Brendenwood Utilities, LLC. to Brendenwood Waterworks, Inc. in Lake County.

<sup>12</sup>Order No. PSC-14-0495-PAA-WU, issued September 17, 2014, in Docket No. 130294-WU, In re: Application for transfer of water systems and Certificate No. 579-W in Highlands County from Holmes Utilities, Inc. to Country Walk Utilities, Inc.

<sup>13</sup>Order No. PSC-15-0140-PAA-WU, issued March 23, 2015, in Docket No. 140170-WU, In re: Application for approval of transfer of Certificate No. 531-W from W.B.B. Utilities, Inc. to Lake Idlewild Utility Company in Lake County.

<sup>14</sup>Order No. PSC-16-0169-PAA-WU, issued April 28, 2016, in Docket No. 150166-WU, In re: Application for transfer of water system and Certificate No. 654-W in Lake County from Black Bear Reserve Water Corporation to Black Bear Waterworks, Inc.

<sup>15</sup>Order Nos. PSC-14-0300-PAA-WS, issued June 11, 2014, in Docket No. 130171-WS, In re: Application for approval of transfer of certain water and wastewater facilities and Certificate Nos. 507-W and 441-S of Aqua Utilities Florida, Inc. to The Woods Utility Company in Sumter County; PSC-14-0315-PAA-WS, issued June 13, 2014, in Docket No. 130172-WS, In re: Application for approval of transfer of certain water and wastewater facilities and Certificate Nos. 501-W and 435-S of Aqua Utilities Florida, Inc. to Sunny Hills Utility Company in Washington County; PSC-14-0327-PAA-WU, issued June 25, 2014, in Docket No. 130173-WU, In re: Application for approval of transfer of certain water and wastewater facilities and Certificate No. 053-W of Aqua Utilities Florida, Inc.'s to Lake Osborne Waterworks, Inc. in Palm Beach County; PSC-14-0326-PAA-WU, issued June 25, 2014, in Docket No. 130174-WU, In re: Application for approval of transfer of certain water facilities and Certificate No. 002-W of Aqua Utilities Florida, Inc. to Brevard Waterworks, Inc. in Brevard County; PSC-14-0314-PAA-WS, issued June 13, 2014, in Docket No. 130175-WS, In re: Application for approval of transfer of certain water and wastewater facilities and Certificate Nos. 422-W and 359-S of Aqua Utilities Florida, Inc. to HC Waterworks, Inc. in Highlands County; and PSC-14-0299-PAA-WS, issued June 11, 2014, in Docket No. 130176-WS, In re: Application for approval of transfer of certain water and wastewater facilities and Certificate Nos. 507-W and 441-S of Aqua Utilities Florida, Inc. to Jumper Creek Utility Company in Sumter County.

<sup>16</sup> Document No. 01941-17 (Confidential), in Docket No. 20170018-SU.

### Rates and Charges

The Utility's rates and charges were last evaluated in 2003 and 2008.<sup>17</sup> In 2013, the rates were subsequently reduced to reflect the expiration of the amortization of rate case expense approved in 2008. The Utility's existing rates and charges are shown on Schedule No. 1, which is attached to this Order. 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

We verified that the Utility is current on the payment of RAFs through December 31, 2016. The Buyer will be responsible for paying RAFs after December 31, 2016, and all future years. The Buyer has filed the 2016 Annual Report, and should be responsible for filing all future annual reports.

### Conclusion

Based on the foregoing, we find that the transfer of the wastewater system and Certificate No. 137-S is in the public interest and is hereby approved effective the date of this Commission vote, September 7, 2017. This Order shall serve as the Buyer's certificate and shall be retained by the Buyer. The existing rates and charges shall remain in effect until a change is authorized by this Commission in a subsequent proceeding. 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. The Buyer shall be responsible for paying RAFs after December 31, 2016, and all future years. The Buyer shall also be responsible for filing all future annual reports.

### **Net Book Value**

Rate base was last established for this Utility on September 27, 2012.<sup>18</sup> The purpose of establishing net book value (NBV) for transfers is to determine whether to approve an acquisition adjustment. 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 December 22, 2016. Our approved NBV, as described below, is shown on Schedule No. 2. The Seller did not have general ledgers; therefore, Commission audit staff utilized annual reports.

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<sup>17</sup>Order Nos. PSC-08-0760-PAA-SU, issued November 17, 2008, in Docket No. 080104-SU, In re: Application for staff-assisted rate case in Brevard County by Colony Park Utility, Inc. and PSC-03-0320-FOF-SU, issued March 6, 2003, in Docket No. 020930-SU, In re: Application for transfer of majority organizational control of Colony Park Utilities, Inc. holder of Certificate No. 137-S in Brevard County, from Robert Warren, and Carol Kendall to Eileen Rogow, Arthur Rogow, and Philip Young.

<sup>18</sup>Order No. PSC-14-0673-PAA-SU, issued December 5, 2014, in Docket No. 120285-SU, In re: Application to transfer wastewater facilities and Certificate No. 137-S in Brevard County from Colony Park Utilities, Inc. to Colony Park Development Utilities, LLC.

Utility Plant in Service (UPIS)

The 2015 Annual Report reflected a wastewater utility plant in service (UPIS) balance of \$138,494. There have been no new plant additions since the last rate case proceeding. UPIS has been increased by \$28,282 to reflect unrecorded ordered adjustments per the last order. Therefore, the UPIS balance as of December 22, 2016, shall be \$166,776.

Land

The 2015 Annual Report reflected a land balance of \$30,506. In the last order, we established the value of the land to be \$30,479. There have been no additions to land purchased since that order was issued. Therefore, as of December 22, 2016, land balance shall be \$30,479. This represents a reduction of \$27 for land.

Accumulated Depreciation

The 2015 Annual Report reflected an accumulated depreciation balance of \$169,417. Based on the UPIS adjustment discussed earlier, we calculated the appropriate accumulated depreciation balance to be \$153,286. As a result, accumulated depreciation shall be decreased by \$16,131 to reflect an accumulated depreciation balance of \$153,286 as of December 22, 2016.

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

The 2015 Annual Report reflected a CIAC balance of \$0 and an accumulated amortization of CIAC balance of \$0. The CIAC balance shall be \$23,500, and it is fully amortized based on the approved balances in the last order. As such, we increased CIAC and accumulated amortization of CIAC by \$23,500 to reflect the appropriate approved balances. Therefore, the CIAC balance is \$23,500 and an accumulated amortization of CIAC balance is \$23,500 as of December 22, 2016.

Net Book Value

The 2015 Annual Report reflected a negative NBV of \$417. Based on the adjustments described above, the NBV shall be \$43,969. Our approved NBV and the National Association of Regulatory Utility Commissioners, Uniform System of Accounts (NARUC USOA) balance for UPIS and accumulated depreciation as of December 22, 2016, are shown on Schedule No. 2.

Conclusion

Based on the above, the NBV of MIU's wastewater system for transfer purposes is \$43,969 as of December 22, 2016. A negative acquisition adjustment shall be included in rate base, and in the next section below. Within 90 days of the date of the final order, the Buyer shall be required to notify the Commission Clerk in writing, that it has adjusted its books in accordance with this Commission's decision. The adjustments shall be reflected in MIU's 2017 Annual Report when filed.

**Acquisition Adjustment**

An acquisition adjustment results when the purchase price differs from the original cost of the assets (net book value) adjusted to the time of the acquisition. Pursuant to Rule 25-30.0371(3), F.A.C., if the purchase price is equal to or less than 80 percent of net book value, a negative acquisition adjustment shall be included in rate base and will be equal to 80 percent of net book value less the purchase price. Pursuant to Rule 25.30.0371(4)(b)1., F.A.C., if the purchase price is greater than 50 percent of net book value, the negative acquisition adjustment shall be amortized over a seven-year period from the date of issuance of this Order approving the transfer of assets. The calculation of the acquisition adjustment is shown below in Table 1.

**Table 1**  
**Calculation of Negative Acquisition Adjustment**

Net book value as of December 22, 2016	\$43,969
80 percent of net book value	\$35,175
Purchase price	\$35,000
Negative acquisition adjustment	\$175

Therefore, pursuant to Rule 25-30.0371(3), F.A.C., a negative acquisition adjustment of \$175 shall be recognized for ratemaking purposes. Beginning with the date of issuance of the order approving the transfer, the negative acquisition adjustment shall be amortized over a seven-year period, in accordance with Rule 25-30.0371(4)(b)1., F.A.C.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the transfer of the wastewater system and Certificate No. 137-S from Colony Park Development Utilities, LLC to Merritt Island Utility Company, Inc. is in the public interest and is hereby approved effective the date of this Commission's vote, September 7, 2017. It is further

ORDERED that order shall serve as Merritt Island Utility Company, Inc.'s certificate and shall be retained shall be retained by Merritt Island Utility Company, Inc. 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 Merritt Island Utility Company, Inc. shall be responsible for filing all future annual reports and for paying RAFs after December 31, 2016, and all future years. It is further

ORDERED that the net book value for transfer purposes is \$43,969 as of December 22, 2016. A negative acquisition adjustment of \$175 shall be included in rate base. It is further

ORDERED that within 90 days of the date of the final order, Merritt Island Utility Company, Inc. shall notify the Commission Clerk in writing, that it has adjusted its books in accordance with this Commission's decision. 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 that in the event this Order becomes final, this docket shall be closed administratively upon Commission staff's verification that the revised tariff sheets have been filed and Merritt Island Utility Company, Inc. has notified the Commission Clerk in writing that it has adjusted its books and records in accordance with this Commission's decision.

By ORDER of the Florida Public Service Commission this 27th day of September, 2017.



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HONG WANG  
Chief Deputy Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399  
(850) 413-6770  
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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 discussed herein, except for the transfer of Certificate No. 137-S to Merritt Island Utility Company, Inc., 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 October 18, 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.

Merritt Island Utility Company, Inc.  
Brevard County

Description of Wastewater Territory

In Township 23 South, Range 36 East, Brevard County, Florida

Section 15

Commence at the Southeast corner of said Section 15 for a Point of Beginning. Thence run North 0°39'04" West along the East line of said Section 15, 1236.97 feet; thence North 89°35'04" West, 477.46 feet; thence South 00°38'31" West, 25.00 feet; thence South 68°21'32" West, 84.30 feet; thence South 76°38'12" West, 83.63 feet; thence South 89°20'56" West, 234.00 feet; thence South 00°39'04" East, 150.00 feet; thence North 89°20'56" East, 5.00 feet; thence South 00°39'04" West, 489.79 feet; thence South 87°45'45" West, 358.30 feet; thence South 2°14'15" East, 150 feet to a point on the South boundary of St. Charles Avenue; thence Westerly 30 feet, more or less; thence South 2°14'15" East, 400 feet, more or less, to a point on the South boundary of said Section 15, thence North 87°45'45" East along the South boundary of said Section 15, 1250 feet, more or less, to the Point of Beginning.

Section 14

Commence at the Southwest corner of said Section 14; thence run North 0°39'04" West along the West boundary of Section 14, 320 feet, more or less, to the Point of Beginning which is also the Southwest corner of the aforesaid parcel; thence North 0°39'04" West along the West line of said parcel, a distance of 947.98 feet; thence North 87°05'16" East, a distance of 710.58 feet; thence North 0°48'54" West, a distance of 10 feet to the North line of said parcel; thence North 89°11'06" East along the North line of said parcel, a distance of 569.57 feet; thence South 2°00'25" East, a distance of 985.11 feet to a point on the South line of said parcel; thence South 89°13'32" West along the South line of said parcel, a distance of 1302.88 feet to the Point of Beginning.

**FLORIDA PUBLIC SERVICE COMMISSION**

**Authorizes**

**Merritt Island Utility Company, Inc.**

**Pursuant to**

**Certificate Number 137-S**

to provide wastewater service in Brevard County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, 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>
6365	12/02/1974	73391-S	Original Certificate
7296	06/28/1976	750664-S	Transfer
PSC-03-0320-FOF-SU	03/06/2003	020930-SU	Transfer of Majority Organizational Control
PSC-07-0420-FOF-SU	05/14/2007	060636-SU	Transfer of Majority Organizational Control
PSC-14-0673-PAA-SU	12/05/2014	120285-SU	Transfer
PSC-2017-0366-PAA-SU	09/27/2017	20170018-SU	Transfer

**Merritt Island Utility Company, Inc.**

**Monthly Wastewater Rates**

**Residential Service**

Base Facility Charge- All Meter Sizes	\$10.75
Charge per 1,000 gallons 6,000 gallon cap	\$ 2.87

**General Service**

Base Facility Charge by Meter Size	
5/8" x 3/4"	\$ 10.75
3/4"	\$ 16.12
1"	\$ 26.87
1 1/2"	\$ 53.73
2"	\$ 85.97
3"	\$171.93
4"	\$268.64
6"	\$537.28
Charge per 1,000 gallons	\$ 3.44

**Colony Park Mobile Home Park**

Base Facility Charge	\$1,289.47
Charge per 1,000 gallons 720,000 gallon cap	\$ 3.44

**Miscellaneous Service Charges**

Initial Connection Charge	\$15.00
Normal Reconnection Charge	\$15.00
Violation Reconnection Charge	Actual Cost
Premises Visit Charge (in lieu of disconnection)	\$10.00

**Merritt Island  
Wastewater System  
Schedule of Net Book Value as of December 22, 2016**

<b>Description</b>	<b>Balance Per</b>	<b>Adjustments</b>	<b>Approved</b>
	<b>Utility</b>		
Utility Plant in Service	\$138,494	\$28,282	\$166,776
Land & Land Rights	30,506	(27)	30,479
Accumulated Depreciation	(169,417)	16,131	(153,286)
CIAC	0	(23,500)	(23,500)
Amortization of CIAC	<u>0</u>	<u>23,500</u>	<u>23,500</u>
Total	<u>(\$417)</u>	<u>\$44,386</u>	<u>\$43,969</u>

**Explanation of Commission  
Adjustments to Net Book Value as of December 22, 2016  
Wastewater System**

<b>Explanation</b>	<b>Amount</b>
A. Utility Plant in Service To reflect appropriate amount of utility plant in service.	<u>\$28,282</u>
B. Land To reflect appropriate amount of land.	<u>(\$27)</u>
C. Accumulated Depreciation To reflect appropriate amount of accumulated depreciation.	<u>\$16,131</u>
D. Contributions-in-Aid-of-Construction (CIAC) To reflect appropriate CIAC.	<u>(\$23,500)</u>
E. Accumulated Amortization of CIAC To reflect appropriate amount of accumulated amortization of CIAC.	<u>\$23,500</u>
Total Adjustments to Net Book Value as of December 22, 2016.	<u>\$44,386</u>

**Merritt Island  
Wastewater System**

**Schedule of Approved Account Balances as of December 22, 2016**

<b>Account No.</b>	<b>Description</b>	<b>UPIS</b>	<b>Accumulated Depreciation</b>
	Composite Account	\$57,354	(\$57,354)
351	Organization	0	0
354	Structures & Improvements	30,157	(22,399)
360	Collection Sewers - Force	28,128	(24,958)
363	Services to Customers	500	(383)
364	Flow Measuring Devices	3,500	(3,500)
370	Receiving Wells	13,066	(12,567)
371	Pumping Equipment	3,536	(1,861)
380	Treatment and Disposal Equipment	27,546	(27,546)
389	Other Plant and Miscellaneous Equipment	1,789	(1,519)
393	Tools, Shop, and Garage Equipment	<u>1,200</u>	<u>(1,200)</u>
	Total	<u>\$166,776</u>	<u>(\$153,286)</u>