

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for transfer of water and wastewater systems of Regency Utilities, Inc., and transfer of Certificate Nos. 641-W and 551-S to Duval Waterworks, Inc., in Duval County.

DOCKET NO. 20190195-WS  
ORDER NO. PSC-2020-0267-PAA-WS  
ISSUED: July 27, 2020

The following Commissioners participated in the disposition of this matter:

GARY F. CLARK, Chairman  
ART GRAHAM  
JULIE I. BROWN  
DONALD J. POLMANN  
ANDREW GILES FAY

NOTICE OF PROPOSED AGENCY ACTION  
ORDER ESTABLISHING NET BOOK VALUE FOR TRANSFER PURPOSES AND  
APPROVING A NEGATIVE ACQUISITION ADJUSTMENT, LATE PAYMENT CHARGE,  
AND NON-SUFFICIENT FUNDS CHARGES AND  
ORDER TRANSFERRING CERTIFICATE NOS. 641-W AND 551-S TO DUVAL  
WATERWORKS

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein, except for approving the transfer of the 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 October 28, 2019, Duval Waterworks, Inc. (DWI or Buyer) filed an application with the this Commission for transfer of Certificate Nos. 641-W and 551-S from Regency Utilities, Inc. (Regency or Seller) in Duval County and a request for late payment and non-sufficient funds (NSF) charges. Regency is a Class C utility which operates the on-site water delivery, wastewater collection, and fire protection systems providing service to Regency Square Mall (Mall) in Jacksonville, Florida. Water and wastewater treatment is provided by JEA. Regency serves approximately 71 water and 56 wastewater general service customers, all of which are tenants of the Mall. In its 2019 Annual Report, Regency reported annual gross revenues of \$172,281 and a net operating loss of (\$37,372).

We granted Regency water and wastewater certificates to serve the Mall in 1975.<sup>1</sup> The certificates were amended twice to extend Regency's service territory to the area surrounding the Mall.<sup>2</sup> On April 10, 2001, Regency and JEA closed on a transaction whereby Regency transferred its water and wastewater treatment facilities to JEA. Regency transferred all of its service territory to JEA in the transaction except for the Mall, which JEA declined to serve directly. By Order No. PSC-02-0060-FOF-WS, we approved the transfer.<sup>3</sup> Because Regency would thereafter be reselling water and wastewater services as an exempt reseller, pursuant to Section 367.022(8), Florida Statutes (F.S.), our Order also canceled Regency's certificates.

On February 26, 2008, Regency filed an application for water and wastewater certificates and authorization to charge rates in excess of the purchase price. In its petition, Regency stated that it could no longer support its operations while billing customers at the same rates for water and wastewater services it pays to purchase the services from JEA. We approved the certification on September 22, 2008, and Regency was issued Certificate Nos. 641-W and 551-S.<sup>4</sup>

On September 6, 2019, Regency and DWI executed an Asset Purchase Agreement whereby DWI purchased the water and wastewater assets of Regency. The closing of this transaction occurred on September 30, 2019.

This Order addresses the transfer of the water and wastewater system and DWI's request to increase the late payment charge and establish NSF charges. We have jurisdiction pursuant to Sections 367.071, and 367.091 F.S.

## Decision

### I. Transfer of Certificate Nos. 641-W and 551-S

On October 28, 2019, DWI filed an application for the transfer of Certificate Nos. 641-W and 551-S from Regency to DWI in Duval County. The application complied with Section 367.071, F.S., and our rules concerning applications for transfer of certificates. The sale to DWI occurred on September 30, 2019, contingent upon our approval, pursuant to Section 367.071(1), F.S.

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<sup>1</sup> Order No. 6448, issued January 9, 1975, in Docket Nos. 1974425-W and 1974426-S, In re: Application of Regency Utilities, Inc., for certificates to operate a water and sewer utility in Duval County, Fla.

<sup>2</sup> Order No. 8045, issued November 16, 1977, in Docket Nos. 19770504-WS, In re: Application of Regency Utilities, Inc., for amendment of Water Certificate No. 197-W and Sewer Certificate No. 143-S in Duval County, Florida. Section 367.061, Florida Statutes; and Order No. 9518, issued September 3, 1980, in Docket No. 19800151-WS, In re: Application of Regency Utilities, Inc., for amendment of Water Certificate No. 197-W and Sewer Certificate No. 143-S in Duval County, Florida.

<sup>3</sup> Order No. PSC-02-0060-FOF-WS, issued January 8, 2002, in Docket Nos. 20010986-WS, In re: Notice of sale of assets of Regency Utilities, Inc. in Duval County to Jacksonville Electric Authority, and request for cancellation of Certificate Nos. 197-W and 143-S.

<sup>4</sup> Order No. PSC-08-0061-PAA-WS, issued September 22, 2008, in Docket Nos. 20080113-WS, In re: Application for certificates to provide water and wastewater service in Duval County by Regency Utilities Inc.

A. Noticing, Territory, and Land Ownership

DWI provided notice of its 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 contains a description of the service territory and is appended to this Order as Attachment A. As a reseller, Regency does not own any treatment facilities for which it needs access. However, DWI did provide a copy, pursuant to Rule 25-30.037(2)(s), F.A.C., of the ground lease agreement which was transferred to DWI on September 26, 2019, as evidence that DWI has rights to long-term use of the land upon which the fire protection pumping system and storage tank are located.

B. Purchase Agreement and Financing

Pursuant to Rule 25-30.037(2)(i), and (j), F.A.C., DWI's 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. The Seller refunded all customer deposits as a credit to the customers' final bill from the Seller before the sale.<sup>5</sup> There are no developer agreements or customer advances that must be disposed of with regard to this transfer. According to the purchase agreement, the total purchase price of Regency's assets is \$60,000. According to the Buyer, the sale took place on September 30, 2019, subject to our approval, pursuant to Section 367.071(1), F.S.

C. Facility Description and Compliance

Regency is a consecutive system that purchases bulk water and wastewater service from JEA and provides water, wastewater, and fire protection services to the Mall. JEA delivers treated water to a master meter, which is then channeled into the distribution system for use by customers in the Mall. Wastewater from Regency's collection systems are delivered to JEA's lift station for treatment. Regency operates and maintains the water distribution and wastewater collection systems. Regency does not hold any permits from the Florida Department of Environmental Protection, or the Florida Department of Health, as Regency does not have a water or wastewater treatment plant.

D. Technical and Financial Ability

Pursuant to Rule 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. DWI's application states that its President, Gary Deremer, has over 30 years of Florida-related water and wastewater industry experience with previous private utility ownership of five utility systems. Also, Mr. Deremer is a major shareholder in 17 water and wastewater Commission-regulated utilities and has three other certificates of transfer pending before us. Further, the application indicates that Mr. Deremer has secured the services of U.S. Water Services Corporation (U.S. Water) to provide contract operating service, as well as, billing and

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<sup>5</sup> Document No. 01390-2020, filed March 13, 2020, Final Audit Report.

collection services. We have reviewed the personal financial statements of DWI's primary shareholder, Mr. Deremer.<sup>6</sup> Based on the above, the Buyer has demonstrated the technical and financial ability to provide service to the existing service territory.

E. Rates and Charges

Regency's rates were last approved in a Commission staff-assisted rate case.<sup>7</sup> The rates were subsequently amended by five price indexes and a four-year rate reduction, as required by Section 367.0816, F.S., in 2012. Regency's existing miscellaneous service charges were approved in Docket No. 20080113-WS<sup>8</sup> and are shown on Schedule Nos. 1-A and 1-B, appended to this Order. DWI has requested to revise its existing late payment charge and to add NSF charges, which are discussed below. 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, Regency's existing rates and charges shall remain in effect, except for the late payment charge and NSF charges as specified below, until a change is authorized by this Commission.

F. Regulatory Assessment Fees (RAFs) and Annual Report

We verified that Regency is current with respect to annual reports and RAFs through December 31, 2019. DWI will be responsible for filing annual reports and paying RAFs for 2020 and all future years.

G. Conclusion

Based on the foregoing, we find that the transfer of the water and wastewater systems and Certificate Nos. 641-W and 551-S is in the public interest and shall be approved effective the date of our vote in this proceeding. This Order shall serve as the Buyer's certificate and shall be retained by the Buyer. The existing rates shall remain in effect until we authorize a change 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. DWI shall be responsible for filing annual reports and paying RAFs for 2020 and all future years.

II. Appropriate Net Book Value

Rate base for the utility was last established as of August 24, 2012. The purpose of establishing net book value (NBV) for transfers is to determine whether an acquisition adjustment should be approved. The NBV does not include normal ratemaking adjustments for

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<sup>6</sup> Document No. 02841-2020 (Confidential), filed May 29, 2020, in Docket No. 20190195-WS.

<sup>7</sup> Order No. PSC-12-0436-PAA-WS, issued August 24, 2012, in Docket No. 20110282-WS, In re: Application for staff-assisted rate case in Duval County by Regency Utilities, Inc.

<sup>8</sup> Order No. PSC-08-0611-PAA-WS, issued September 22, 2008, in Docket No. 20080113-WS, In re: Application for certificate to operate water utility in Duval County by Regency Utilities, Inc.

non-used and useful plant and working capital. The NBV has been updated to reflect balances as of September 30, 2019.

A. Utility Plant in Service (UPIS)

In its application for transfer, the Buyer reflected a UPIS balance of \$1,168,266 for water and \$62,315 for wastewater. We have reviewed UPIS additions and have increased UPIS by \$14,470 for water to reflect plant additions. There have been no additions to the wastewater system. Therefore, we find that Regency's UPIS balance, as of September 30, 2019, shall be \$1,182,736 for water and \$62,315 for wastewater.

B. Land

By Order No. PSC-2012-0436-PAA-WS, we established the value of DWI's land to be \$0 for both water and wastewater, as DWI is a reseller and does not own any land. DWI has not purchased any land subsequent to the issuance of that Order. Therefore, we find a land balance of \$0 for both water and wastewater for DWI is appropriate here.

C. Accumulated Depreciation

Regency's general ledger reflected an accumulated depreciation balance of \$1,168,266 for water and \$42,298 for wastewater as of September 30, 2019. We have calculated the appropriate accumulated depreciation balances, pursuant to Rule 25-30.140, F.A.C., to be \$1,057,620 for water and \$41,738 for wastewater. As a result, DWI's accumulated depreciation shall be decreased by \$110,646 for water and \$560 for wastewater.

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

As of September 30, 2019, Regency's general ledger reflected a fully amortized CIAC balance of \$21,980 for water and \$30,260 for wastewater. We reviewed the CIAC balances and have no adjustments. Therefore, we find a CIAC balance of \$21,980 for water and \$30,260 for wastewater, and accumulated amortization CIAC balance of \$21,908 for water and \$30,260 for wastewater, as of September 30, 2019 to be appropriate for DWI.

E. Net Book Value

Regency's general ledger reflected an NBV of \$0 for water and \$20,017 for wastewater. Based on the adjustments discussed above, we find an NBV of \$125,116 for the water system and \$20,577 for the wastewater system to be appropriate. Our approved NBV and adjustments, as described above are shown on Schedule Nos. 2-A, 2-B, and 2-C, which are appended to this Order.

## F. Conclusion

Based on the above, we find the NBV of DWI for transfer purposes is \$125,116 for water and \$20,577 for wastewater, as of September 30, 2019. Within 90 days of the date of the final order, the Buyer must notify us in writing that it has adjusted its books in accordance with our decision. The adjustments shall be reflected in the DWI's 2020 Annual Report.

## III. Acquisition Adjustment

An acquisition adjustment results when the purchase price differs from the NBV of the assets at the time of acquisition. Pursuant to Rule 25-30.0371, F.A.C., a positive acquisition adjustment results when the purchase price is greater than the NBV and a negative acquisition adjustment results when the purchase price is less than the NBV. Rule 25-30.0371(2) F.A.C., further states that a positive acquisition adjustment shall not be included in rate base absent proof of extraordinary circumstances. Positive acquisition adjustments, if approved, increase rate base. With respect to negative acquisition adjustments, Rule 25-30.0371(3), F.A.C., states that a negative acquisition adjustment is not to be included in rate base if the purchase price is greater than 80 percent of the NBV. If the purchase price is equal to or less than 80 percent of the NBV, a negative acquisition adjustment shall be included in rate base equal to 80 percent of the NBV, less the purchase price. Negative acquisition adjustments reduce rate base. Pursuant to Rule 25-30.0371(4)(b)2, F.A.C., if the purchase price is equal to or less than 50 percent of the NBV, then 50 percent of the negative acquisition adjustment is amortized over a seven-year period and 50 percent amortized over the remaining life of the assets, beginning with the date of the issuance of our Order approving the transfer of assets. Regency estimates the remaining life of the assets to be 3 years for the water system and 26 years for the wastewater system.

The calculation of DWI's acquisition adjustment is shown in Table 1. Regency indicated that it allotted the purchase price of \$60,000 based on the relative ratio of water and wastewater to Regency's overall NBV.

**Table 1**

<b>Calculation of Negative Acquisition Adjustment</b>		
	<u>Water</u>	<u>Wastewater</u>
NBV as of September 30, 2019	\$125,116	\$20,577
80% of NBV	100,093	16,462
Purchase Price	<u>51,526</u>	<u>8,474</u>
Negative Acquisition Adjustment	<u>\$48,567</u>	<u>\$7,987</u>

Pursuant to Rule 25-30.0371, F.A.C., we recognize a negative acquisition adjustment of \$48,567 for the water system, and \$7,987 for the wastewater system, for ratemaking purposes as of September 30, 2019. Beginning with the date of the issuance of this Order, 50 percent of the negative acquisition adjustment, which is \$24,283 for the water system and \$3,994 for the

wastewater system, shall be amortized over a seven-year period. The remaining 50 percent shall be amortized over the remaining life of the assets, which is 3 years for the water system and 26 years for the wastewater system.

#### IV. Revision to Late Payment Charge

DWI is requesting a \$6.50 late payment charge to recover the cost of labor, supplies, postage, and RAFs associated with processing late payment notices. DWI's current late payment charge is \$5.00. DWI is requesting \$6.50 for its late payment charge, which is consistent with our recent practice, and the charge is consistent with that charged by other utilities managed by U.S. Water.<sup>9</sup> The purpose of this charge is not only to provide an incentive for customers to make timely payment, thereby reducing the number of delinquent accounts, but also to place the cost burden of processing delinquent accounts solely upon those who are cost causers. Section 367.091, F.S., authorizes us to establish, increase, or change a rate or charge, other than monthly rates or service availability charges.

DWI calculated the actual costs for its late payment charges to be \$8.07. DWI indicated that it will take approximately 15 minutes per account to research, compile, and produce late notices. The delinquent customer accounts will be processed by an administrative contract employee, which results in labor cost of \$7.00 ( $\$28.00 \times 0.25\text{hr}$ ). This is consistent with our prior decisions where we have allowed 10-15 minutes per account per month for administrative labor associated with processing delinquent customer accounts.<sup>10</sup> However, \$8.07 would be the highest late payment charge amongst all other water and wastewater utilities we regulate.<sup>11</sup> Therefore, DWI is requesting a charge of \$6.50, consistent with recent decisions. DWI's calculation for its actual costs associated with a late payment charge is shown in Table 2.

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<sup>9</sup> Order No. PSC-2018-0334-PAA-WU, issued June 28, 2018, in Docket No. 20170155-WU, In re: Application for grandfather water certificate in Leon County and application for pass through increase of regulatory assessment fees, by Seminole Waterworks, Inc.

<sup>10</sup> Order Nos. PSC-2020-0086-PAA-WU, issued March 24, 2020, in Docket No. 20190114-WU, In re: Application for staff-assisted rate case in Alachua County, and request for interim rate increase by Gator Waterworks, Inc.; PSC-16-0041-TRF-WU, issued January 25, 2016, in Docket No. 20150215-WU, In re: Request for approval of tariff amendment to include miscellaneous service charges for the Earlene and Ray Keen Subdivisions, the Ellison Park Subdivision and the Lake Region Paradise Island Subdivision in Polk County, by Keen Sales, Rentals and Utilities, Inc. and PSC-15-0569-PAA-WS, issued December 16, 2015, in Docket No. 20140239-WS, In re: Application for staff-assisted rate case in Polk County by Orchid Springs Development Corporation.

<sup>11</sup> Order Nos. PSC-14-0105-TRF-WS, issued February 20, 2014, in Docket No. 20130288-WS, In re: Request for approval of late payment charge in Brevard County by Aquarina Utilities, Inc.; PSC-15-0535-PAA-WU, issued November 19, 2015, in Docket No. 20140217-WU, In re: Application for staff-assisted rate case in Sumter County by Cedar Acres, Inc.; and PSC-15-0569-PAA-WS, issued December 16, 2015, in Docket No. 20140239-WS, In re: Application for staff-assisted rate case in Polk County by Orchid Springs Development Corporation.

**Table 2**  
**Late Payment Charge Cost Justification**

Activity	Cost
Labor	\$7.00
Supplies	\$0.22
Postage	<u>\$0.49</u>
Markup for RAFs	<u>\$0.36</u>
Total Cost	<u>\$8.07</u>

Source: Utility's cost justification documentation

Based on the above, we approve DWI's request to implement a \$6.50 late payment charge. DWI shall file a proposed customer notice to reflect this approved charge. The approved charge shall be effective on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), F.A.C. In addition, Commission staff must approve the customer notice, and customers must receive such notice, before DWI may implement the approved charge. DWI shall provide proof of the date it gave notice, no less than 10 days after the date of such notice.

#### V. Non-Sufficient Funds Charges

Section 367.091, F.S., requires that rates, charges, and customer service policies be approved by us. We authorize DWI 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; or
- (4) 5 percent of the face amount of the check, whichever is greater.

Approval of NSF charges is consistent with our prior decisions.<sup>12</sup> Furthermore, NSF charges place the cost on the cost-causer, rather than requiring that the costs associated with the

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<sup>12</sup> Order Nos. PSC-2020-0086-PAA-WU, issued March 24, 2020, in Docket No. 20190114-WU, In re: Application for staff-assisted rate case in Alachua County, and request for interim rate increase by Gator Waterworks, Inc.; PSC-2018-0334-PAA-WU, issued June 28, 2018, in Docket No. 20170155-WU, In re: Application for grandfather water certificate in Leon County and application for pass through increase of regulatory fees, by Seminole Waterworks, Inc.; PSC-14-0198-TRF-SU, issued May 2, 2014, in Docket No. 20140030-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. 20130025-WU, In re: Application for increase in water rates in Highlands County by Placid Lakes Utilities, Inc.



return of the NSF checks be spread across the general body of the ratepayers. As such, we authorize DWI to collect NSF charges. DWI shall file revised tariff sheets and a proposed customer notice to reflect the NSF charges we have approved. The approved charges are effective for service rendered on or after the stamped approval date on the tariff sheets, provided customers have received notice pursuant to Rule 25-30.475, F.A.C. DWI shall provide proof of such noticing within 10 days of rendering its approved notice.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the transfer of Regency Utilities, Inc.'s water and wastewater systems, and Certificate Nos. 641-W and 551-S, to Duval Waterworks, Inc., is in the public interest and approved effective July 7, 2020, the date of our vote in this proceeding. This Order shall serve as DWI's certificate and shall be retained by DWI. The existing rates shall remain in effect until we authorize a change 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, Florida Administrative Code. DWI is responsible for filing annual reports and paying Regulatory Assessment Fees for 2020 and all future years. It is further

ORDERED that, for transfer purposes, the net book value is \$125,116 for the water system and \$20,577 for the wastewater system, as of September 30, 2019. Within 90 days of the date of the final order, DWI must notify us in writing that it has adjusted its books in accordance with our decision. The adjustments shall be reflected in DWI's 2020 Annual Report when filed. It is further

ORDERED that, pursuant to Rule 25-30.0371, F.A.C., we recognize a negative acquisition adjustment of \$48,567 for the water system and \$7,987 for the wastewater system, for ratemaking purposes. Beginning with the date of the issuance of this Order, 50 percent of the negative acquisition adjustment, which is \$24,283 for the water system and \$3,994 for the wastewater system, shall be amortized over a seven-year period and the remaining 50 percent shall be amortized over the remaining life of the assets. It is further

ORDERED that we approve DWI's request to revise its existing late payment charge to \$6.50. DWI shall file a proposed customer notice to reflect the charge we have approved. 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, Commission staff must approve the customer notice, and customers must receive such notice, before DWI may implement the approved charge. DWI shall provide proof of the date it gave notice, no less than 10 days after the date of such notice. It is further

ORDERED that we authorize DWI to collect NSF charges. DWI shall file revised tariff sheets and a proposed customer notice to reflect the NSF charges we have approved. The approved charges shall be effective for service rendered on or after the stamped approval date on the tariff sheets provided customers have received notice pursuant to Rule 25-30.475, F.A.C. DWI shall provide proof of noticing within 10 days of rendering its approved 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 if no protest to the proposed agency action is filed by a substantially affected person within 21 days of the date of the issuance of this Order, a consummating order shall be issued and the docket shall be closed administratively upon Commission staff's verification that the revised tariff sheets have been filed, the Buyer has notified us in writing that it has adjusted its books in accordance with the our decision, and proof that DWI has appropriately noticed pursuant to Rule 25-30.4345, F.A.C.

By ORDER of the Florida Public Service Commission this 27th day of July, 2020.



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ADAM J. TEITZMAN  
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.

KMS

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 actions herein, except for our approval of the transfer of Certificate Nos. 641-W and 551-S, are 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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on August 17, 2020. 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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, 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 and/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.

**Duval Waterworks, Inc.**  
**Water and Wastewater Service Territory**  
**Duval County**

**Township 2 South, Range 27 East**  
**Sections 13 and 24**

A part of Sections 13 and 24, Township 2 South, Range 27 East, Duval County, Florida, more particularly described as follows: Commence at the Northeasterly corner of said Section 24; thence South 89°41'10" West, along the Northerly line of said Section 24, 1150.02 feet to the Westerly right of way line of Monument Road (as established for a width of 100 feet) and the POINT OF BEGINNING; thence South 00°18'50" East, along said Westerly right of way line, 431.02 feet to its intersection with the Northerly right of way line of the Arlington Expressway; thence South 83°17'50" West, along said Northerly right of way line, 690.41 feet to the point of a curve to the right, said curve being concave Northerly and having a radius of 5679.65 feet; thence continue along said Northerly right of way line along and around said curve an arc distance of 1574.52 feet; thence continue along said right of way line North 00°18'50" West, 33.45 feet to a curve concave Northeasterly and having a radius of 5646.65 feet; thence continue along said Northerly right of way line along and around said curve an arc distance of 556.44 feet to the point of a compound curve to the right, said curve being concave Northeasterly and having a radius of 4366.66 feet; thence continue along said Northerly right of way of line along and around said curve an arc distance of 879.22 feet; thence North 64°05'10" West, 98.48 feet; thence North 10°28'24" East, 136.95 feet to its intersection with a curve concave Southeasterly and having a radius of 1527.02 feet; thence Northeasterly along and around said curve an arc distance of 773.14 feet; thence North 45°24'31" East, 263.23 feet to its intersection with the Southerly right of way line of Regency Square Boulevard; thence North 89°45'21" East, along said Southerly right of way line, 1737.82 feet; thence South 01°31'15" East, 325.58 feet; Thence North 89°41'10" East, 1383.45 feet to its intersection with the aforementioned Westerly right of way line of Monument Road; thence South 00°10'50" East, along said Westerly right of way, 690 feet to the POINT OF BEGINNING.

**FLORIDA PUBLIC SERVICE COMMISSION**

**Authorizes**

**Duval Waterworks, Inc.**

**pursuant to**

**Certificate Number 641-W**

to provide water service in Duval 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>
PSC-08-0612-PAA-WS	9/22/08	20080113-WS	Original Certificate
*	*	20190195-WS	Transfer of Certificate

\* Order Number and date to be provided at time of issuance.

**FLORIDA PUBLIC SERVICE COMMISSION**

**Authorizes**

**Duval Waterworks, Inc.**

**pursuant to**

**Certificate Number 551-S**

to provide wastewater service in Duval 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>
PSC-08-0612-PAA-WS	9/22/08	20080113-WS	Original Certificate
*	*	20190195-WS	Transfer of Certificate

\* Order Number and date to be provided at time of issuance.

**Duval Waterworks, Inc.  
Monthly Water Rates**

**General Service**

Base Facility Charge by Meter Size

5/8" x 3/4"	\$31.41
3/4"	\$47.12
1"	\$78.53
1 1/2"	\$157.05
2"	\$251.28
3"	\$502.56
4"	\$785.25
6"	\$1,570.50

Charge Per 1,000 gallons \$3.08

**Private Fire Protection Service**

Base Facility Charge by Meter Size

5/8" x 3/4"	\$2.62
3/4"	\$3.93
1"	\$6.54
1 1/2"	\$13.09
2"	\$20.94
3"	\$41.88
4"	\$65.44
6"	\$130.88

**Initial Customer Deposits**

**General Service**

5/8" x 3/4" \$263.00

**Miscellaneous Service Charges**

	<u>Normal Hours</u>	<u>After Hours</u>
Initial Connection Charge	\$30.00	\$40.00
Normal Reconnection Charge	\$30.00	\$40.00
Violation Reconnection Charge	\$30.00	\$40.00
Premises Visit Charge (in lieu of disconnection)	\$30.00	\$40.00

**Duval Waterworks, Inc.  
Monthly Wastewater Rates**

**General Service**

Base Facility Charge by Meter Size

5/8" x 3/4"	\$26.54
3/4"	\$39.81
1"	\$66.35
1 1/2"	\$132.70
2"	\$212.32
3"	\$424.64
4"	\$663.50
Charge Per 1,000 gallons	\$7.04

**Initial Customer Deposits**

**General Service**

5/8" x 3/4"	\$158.00
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**Miscellaneous Service Charges**

	<u>Normal Hours</u>	<u>After Hours</u>
Initial Connection Charge	\$30.00	\$40.00
Normal Reconnection Charge	\$30.00	\$40.00
Violation Reconnection Charge	\$30.00	\$40.00
Premises Visit Charge (in lieu of disconnection)	\$30.00	\$40.00



**Duval Waterworks, Inc.**  
**Schedule of Net Book Value as of September 30, 2019**

**Water System**

<u>Description</u>	<u>Balance Per Utility</u>	<u>Adjustments</u>	<u>Commission Approved</u>
Utility Plant in Service	\$1,168,266	\$14,470	\$1,182,736
Land & Land Rights	-	-	-
Accumulated Depreciation	(1,168,266)	110,646	(1,057,620)
CIAC	(21,980)	-	(21,980)
Amortization of CIAC	<u>21,980</u>	-	<u>21,980</u>
Total	<u>\$0</u>	<u>\$125,116</u>	<u>\$125,116</u>

**Wastewater System**

<u>Description</u>	<u>Balance Per Utility</u>	<u>Adjustments</u>	<u>Commission Approved</u>
Utility Plant in Service	\$62,315	\$-	\$62,315
Land & Land Rights	-	-	-
Accumulated Depreciation	(42,298)	560	(41,738)
CIAC	(30,260)	-	(30,260)
Amortization of CIAC	<u>30,260</u>	-	<u>30,260</u>
Total	<u>\$20,017</u>	<u>\$560</u>	<u>\$20,577</u>

**Explanation of Commission Approved  
Adjustments to Net Book Value as of September 30, 2019**

<b>Explanation</b>	<b>Amount</b>	
	<b>Water</b>	<b>Wastewater</b>
Utility Plant in Service		
To reflect appropriate amount of utility plant in service	<u>\$14,470</u>	<u>\$-</u>
Accumulated Depreciation		
To reflect appropriate amount of accumulated depreciation	<u>\$110,646</u>	<u>\$560</u>
Total Adjustments to Net Book Value as of September 30, 2019	<u>\$125,616</u>	<u>\$20,577</u>

**Duval Waterworks, Inc.**  
**Schedule of Commission Approved Account Balances as of September 30, 2019**

**Water System**

<u>Account</u>			<u>Accumulated</u>
<u>No.</u>	<u>Description</u>	<u>UPIS</u>	<u>Depreciation</u>
301	Organization	\$25,000	(\$7,031)
304	Structures & Improvements	286,285	(263,144)
307	Wells & Springs	195,402	(174,523)
309	Supply Mains	17,670	(11,162)
310	Power Generation Equipment	59,807	(59,807)
311	Pumping Equipment	192,697	(185,396)
320	Water Treatment Equipment	15,818	(15,818)
330	Distribution Reservoirs	153,890	(115,814)
331	Transmission & Distribution Mains	25,372	(19,990)
333	Services	148,540	(142,682)
334	Meters & Meter Install	51,095	(51,095)
335	Hydrants	10,787	(10,786)
340	Office Furniture & Equipment	<u>373</u>	<u>(373)</u>
	Total	<u>\$1,182,736</u>	<u>(\$1,057,620)</u>

**Wastewater System**

<u>Account</u>			<u>Accumulated</u>
<u>No.</u>	<u>Description</u>	<u>UPIS</u>	<u>Depreciation</u>
351	Organization	\$25,000	(\$7,031)
361	Collection - Sewers Gravity	30,260	(30,260)
363	Meters	6,682	(4,074)
390	Office Furniture & Equipment	<u>373</u>	<u>(373)</u>
	Total	<u>\$62,315</u>	<u>(\$41,738)</u>