

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for transfer of facilities and Certificate Nos. 259-W and 199-S in Broward County from Royal Utility Company to Royal Waterworks, Inc.

DOCKET NO. 20190170-WS
ORDER NO. PSC-2020-0458-PAA-WS
ISSUED: November 23, 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; DECLINING TO MAKE AN ACQUISITION
ADJUSTMENT; AND APPROVING MISCELLANEOUS SERVICE CHARGES, LATE
PAYMENT CHARGE, NON-SUFFICIENT FUNDS CHARGES, NEW CLASS OF SERVICE
FOR FIRE PROTECTION, AND INITIAL CUSTOMER DEPOSITS
AND
ORDER APPROVING TRANSFER OF CERTIFICATE NOS. 259-W AND 199-S AND
EXISTING RATES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein, except for approving the transfer of certificates and existing rates, 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

Royal Utility Company (RUC or Seller) is a Class B water and wastewater utility providing service to approximately 801 residential and 116 general service customers in Broward County. RUC is located in the South Florida Water Management District (SFWMD). The SFWMD has year-round landscape watering restrictions, with additional water shortage orders issued by the SFWMD as needed. There are currently no water shortage orders in effect. RUC's 2019 Annual Report indicates gross revenues of \$366,158 and \$353,700 for water and wastewater, respectively, and net operating income of \$54,019 for water and \$53,541 for the wastewater system.

We granted original water and wastewater certificates to University Utility Corporation in 1976.¹ We approved a transfer of majority organizational control for University Utility Corporation in 1983.² In 1988, we approved the transfer of the system to RUC.³ The rates for the utility were last set by this Commission in 1983.⁴ On August 29, 2019, Royal Waterworks, Inc. (Royal, Buyer or Utility) filed an application with this Commission for the transfer of Certificate Nos. 259-W and 199-S from RUC to Royal in Broward County.

This Order addresses the transfer of the water and wastewater systems and Certificate Nos. 259-W and 199-S, the appropriate net book value of the water and wastewater systems for transfer purposes, the need for an acquisition adjustment, and Royal's request to add miscellaneous service charges, a late payment charge, non-sufficient funds charges, customer deposits, and a new class of service to its tariff. We have jurisdiction pursuant to Sections 367.071 and 367.081, Florida Statutes (F.S.).

Decision

Approving Transfer of Certificate Nos. 259-W and 199-S

On August 29, 2019, Royal filed an application for the transfer of Certificate Nos. 259-W and 199-S from RUC to Royal in Broward County. The application is in compliance with Section 367.071, F.S., and our rules concerning applications for transfer of certificates. The sale to Royal occurred on July 1, 2019, contingent upon our approval, pursuant to Section 367.071(1), F.S.

Noticing, Territory, and Land Ownership

Royal 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 contains a description of the service territory which is appended to this Order as Attachment A. Royal provided a copy of a warranty deed executed on July 24, 2019, as evidence that Royal has rights to long-term use of the land upon which the treatment facilities are located pursuant to Rule 25-30.037(2)(s), F.A.C.

¹ Order No. 7273, issued June 10, 1976, in Docket Nos. 19750635-W and 19750636-S, *In re: Application of UNIVERSITY UTILITY CORPORATION for certificates to operate a water and sewer utility in Broward County and the objection thereto filed by the Board of County Commissioners of Broward County.*

² Order No. 12384, issued August 18, 1983, in Docket No. 19820275-WS, *In re: Application for approval of transfer of majority control of UNIVERSITY UTILITY CORPORATION from Ambank Properties to Rowan Construction Equipment, Inc.*

³ Order No. 19867, issued August 22, 1988, in Docket No. 19880557-WS, *In re: Application of Royal Utility Company to transfer of Certificates Nos. 259-W and 199-S from University Utility Corporation.*

⁴ Order No. 12170, issued June 24, 1983, in Docket No. 19820237-WS, *In re: Application of UNIVERSITY UTILITY CORPORATION for an increase in its rates to its customers in Broward County, Florida.*

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, developer agreements, or customer advances that must be disposed of with regard to the transfer. According to the purchase agreement, the total purchase price of the assets is \$2,150,000. According to the application, the sale took place on July 1, 2019, subject to our approval, pursuant to Section 367.071(1), F.S.

Facility Description and Compliance

The Utility's water system is composed of three surficial wells with aeration, filtration, softening, and gas chloramination used as the primary form of treatment. Wastewater treatment service is provided by the City of Coral Springs. The last sanitary survey of the water treatment facility was conducted on June 4, 2020, by the Department of Environmental Protection (DEP). There were no deficiencies noted and the water system was determined to be in compliance with DEP's rules and regulations.

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. Royal'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 18 water and wastewater utilities regulated by this Commission. 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, billing, and collection services. We reviewed the personal financial statements of Royal's primary shareholder, which is Mr. Deremer.⁵ Based on our review, we find that the Buyer has demonstrated the technical and financial ability to provide service to the existing service territory.

Rates and Charges

Royal's rates were last approved in its only staff-assisted rate case in 1983.⁶ The rates were subsequently amended by 26 price indexes and pass through rate adjustments. In addition, in 1993, the Utility was granted approval to bill customers with one inch meters at the 5/8 inch meter rate.⁷ The Utility's existing service availability and miscellaneous service charges were approved prior to 1983. Royal has requested to revise its miscellaneous service charges for water

⁵ Document No. 08649-2019 (Confidential), filed September 6, 2019.

⁶ Order No. 12170, issued June 24, 1983, in Docket No. 19820237-WS, *In re: Application of University Utility Corporation for an increase in its rates to its customers in Broward County, Florida*.

⁷ Order No. PSC-93-1171-FOF-WS, issued August 10, 1993, in Docket No. 19930455-WS, *In re: Request for Approval of Tariff Filings for Authority to Continue Existing Billing Policy in Broward County by Royal Utility Company*.

and add miscellaneous service charges for wastewater, add late payment and non-sufficient funds (NSF) charges, implement a new class of service for private fire protection rates, and establish customer deposits, which are discussed below in 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, we find that Royal's existing rates, service availability charges, and billing policy, as reflected in Schedule Nos. 2-A and 2-B, shall remain in effect, until we authorize a change.

Regulatory Assessment Fees and Annual Report

We have verified that the Seller is current with respect to annual reports and RAFs through December 31, 2019. Royal shall be responsible for filing annual reports and paying RAFs for 2020 and all future years.

Conclusion

Based on the foregoing, we find that the transfer of the water and wastewater systems and Certificate Nos. 259-W and 199-S is in the public interest and shall be approved effective the date of our vote. This Order shall serve as the Buyer's certificate and shall be retained by the Buyer. The existing rates, service availability charges, and billing policy 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. The Seller is current with respect to annual reports and RAFs through December 31, 2019. Royal shall be responsible for filing annual reports and paying RAFs for 2020 and all future years.

Establishing Net Book Value (NBV)

Rate base was last established in 1983. The purpose of establishing NBV for transfers is to determine whether an acquisition adjustment should be approved. Royal's request for a positive acquisition adjustment is addressed below. The NBV has been updated to reflect balances as of July 1, 2019. Our approved NBV, as described below, is shown on Schedule No. 1.

Utility Plant in Service (UPIS)

According to the Seller's general ledger, the water and wastewater UPIS balances were \$3,187,937 and \$1,814,757, respectively, as of May 31, 2019. We determined a significant portion of plant recorded between January 1, 1988, and July 1, 2019, could not be verified due to lack of supporting documentation. In order to verify the UPIS recorded in the annual report, we obtained the tax returns of the Seller for the years 2014 through 2018.⁸ We have previously approved this approach to calculate UPIS when original records were not available.⁹

⁸ Document No. 08649-2019

⁹ Order No. PSC-14-0626-PAA-WU, issued October 29, 2014, in Docket No. 20130265-WU, *In re: Application for staff-assisted rate case in Charlotte County by Little Gasparilla Water Utility, Inc.*

In order to calculate the balances for UPIS, we have relied upon the annual reports and the Seller's tax returns, as well as invoices for additions made through July 1, 2019. Therefore, we find that the Utility's UPIS balances for water and wastewater shall be \$3,389,692 and \$1,944,996, respectively, as of July 1, 2019. As a result, UPIS for water and wastewater shall be increased by \$201,755 and \$130,239, respectively.

Land

In Order No. 19867, we established the value of land for water and wastewater to be \$76,123 and \$71,802, respectively. There have been no additional land purchases since that Order was issued. Therefore, we approve land balances for water and wastewater of \$76,123 and \$71,802, as of July 1, 2019.

Accumulated Depreciation

According to the Seller's general ledger, the water and wastewater accumulated depreciation balances were \$2,473,158 and \$1,471,604, respectively, as of May 31, 2019. We calculated the appropriate accumulated depreciation balances, pursuant to Rule 25-30.140, F.A.C., through July 1, 2019. Based on our calculation, we find that the Utility's accumulated depreciation balances for water and wastewater shall be \$2,522,360 and \$1,477,403, respectively, as of July 1, 2019. As a result, accumulated depreciation for water and wastewater shall be increased by \$49,202 and \$5,799, respectively.

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

According to the Seller's general ledger, the water and wastewater CIAC balances were \$571,643 and \$238,921, respectively, as of May 31, 2019. We reviewed the CIAC balances and there have been no additional collections of CIAC through July 1, 2019. Therefore, we approve water and wastewater CIAC balances of \$571,643 and \$238,921, respectively, as of July 1, 2019.

According to the Seller's general ledger, the water and wastewater accumulated amortization of CIAC balances were \$579,047 and \$206,294, respectively. We determined that the water and wastewater balances were fully amortized as of July 1, 2019. Therefore, we find that the Utility's accumulated amortization of CIAC balances for water and wastewater are \$571,643 and \$238,921, respectively, as of July 1, 2019. As a result, accumulated amortization of CIAC shall be reduced by \$7,404 for water, and increased by \$32,627 for wastewater.

Net Book Value

The Utility's general ledger reflected a NBV for water and wastewater of \$798,303 and \$382,328, respectively. Based on the adjustments described above, we approve a NBV for the Utility's water and wastewater systems of \$943,455 and \$539,395, respectively, as of July 1, 2019. Our approved NBV and the balances for UPIS and accumulated depreciation, based on the National Association of Regulatory Utility Commissioners, Uniform System of Accounts, are shown on Schedule No. 1, as of July 1, 2019.

Conclusion

Based on the above, we approve a NBV of Royal's water and wastewater systems for transfer purposes of \$943,455 and \$539,395, respectively, as of July 1, 2019. 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 our decision. The adjustments shall be reflected in the Utility's 2020 Annual Report when filed.

Declining to Make an Acquisition Adjustment

In its filing, the Utility requested a positive acquisition adjustment be included in the calculation of the Utility's rate base. 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. A positive acquisition adjustment, if approved, increases rate base. There have been no positive acquisition adjustments requested since Rule 25-30.0371, F.A.C., was enacted in 2002.

According to the purchase agreement, the Buyer purchased the Utility for \$2,150,000. As discussed above, we approved a total NBV for the water and wastewater systems of \$1,482,850 (\$943,455 + \$539,395). This would result in a positive acquisition adjustment of \$667,150.

Rule 25-30.0371(2), F.A.C., states, in part, the following:

In determining whether extraordinary circumstances have been demonstrated, the Commission shall consider evidence provided to the Commission such as anticipated improvements in quality of service, anticipated improvements in compliance with regulatory mandates, anticipated rate reductions or rate stability over a long-term period, anticipated cost efficiencies, and whether the purchase was made as part of an arms-length transaction.

The Buyer provided information regarding improvements in quality of service, improvements in compliance with regulatory mandates, and anticipated cost efficiencies.

Improvements in Quality of Service

Royal stated in its application that through its contract with U.S. Water, it has significantly improved the quality of service to its water and wastewater customers. This is in part due to U.S. Water's extensive experience in the water and wastewater industry, as well as providing Royal with a dedicated call center for customer service. In response to Commission staff's data requests, Royal provided a list of several improvements it has made to the water treatment plant and wastewater lift station since its acquisition. These improvements include: rehabilitation of the lime softening unit, repair of the backwash filters, replacement of the recirculation system service pump, and replacement of the master lift station pumps.¹⁰ Royal

¹⁰ Document No. 10815-2019

stated these repairs have improved water quality and reduced the number of overflows at the lift station. Royal also stated that it has staged U.S. Water equipment on site to enable it to provide a quicker response time for emergencies than was provided by RUC.

We reviewed the complaints filed with this Commission for the five-year period prior to the acquisition, June 2014 to June 2019, as well as after the acquisition, July 2019 to October 14, 2020. For the time period prior to the acquisition, we recorded a total of 11 complaints pertaining to billing, quality of service, or quality of the water product. We recorded a total of two billing complaints for the time period following the acquisition. Given the minimal number of complaints for the entire period, before and after the acquisition, we are unable to draw any conclusions regarding the anticipated improvements in quality of service since the change in ownership based upon the Commission's customer complaint data.

Improvements in Compliance with Regulatory Mandates

The last sanitary survey conducted by DEP, while the system was owned by RUC, occurred on May 30, 2017. During this inspection six deficiencies were noted and RUC's system was found to be out of compliance with DEP's rules and regulations. Of particular concern were holes in the roof of the clear well tank, corroded plant components, failure to establish a cross-connection control plan, and failure to follow the approved lead and copper sampling plan. Based on our review of DEP documents, it appears RUC had cleared these deficiencies prior to Royal's acquisition.

After Royal's acquisition, on September 16, 2019, Broward County conducted an inspection of the storage tanks on behalf of DEP.¹¹ During the inspection, potential non-compliance was noted and a Compliance Assistance Offer letter was sent to Royal. This was in part due to the diesel fuel tank's fill cap not being properly labeled and excessive rust areas on the tank. Royal promptly labeled and painted the fill cap yellow, as well as cleaned and painted the tank to rectify the situation.

Additionally, Royal stated that Broward County has a requirement that fluoride be added to the public's drinking water.¹² Royal found that the fluoride injection system was not in service, and RUC had not purchased fluoride in the year prior to the sale of the system. Royal's review of RUC's Monthly Operating Reports to DEP revealed, however, that RUC had been recording fluoride residuals. Royal installed the fluoride injection system in October 2019 and is injecting the fluoride as required by Broward County.

DEP conducted a sanitary survey of Royal's water treatment plant on June 4, 2020. The report issued on July 1, 2020, stated that the system was in compliance with DEP's rules and regulations. Also, the complete battery of water quality tests for DEP's primary and secondary water quality standards were performed on samples taken on January 29, 2020. All contaminants were found to be below DEP's maximum contaminant levels for each respective substance.

¹¹ Document No. 11191-2020

¹² Document No. 02094-2020

As discussed above, RUC had satisfied its deficiencies with DEP prior to the sale. Since the acquisition, Royal has maintained the system in compliance with DEP. In addition, RUC's issues with respect to regulatory compliance and quality of service prior to the transfer do not appear to be especially egregious.¹³ For this reason, we find that the Utility has not demonstrated extraordinary circumstances for its requested positive acquisition adjustment. Instead, we find that the improvements in quality of service and compliance with regulatory mandates demonstrates Royal's responsible execution of its obligations as a utility owner.

Anticipated Cost Efficiencies

In its application, the Buyer stated that based on operational changes, it expects a reduction in operation and maintenance expense. In response to our staff's third data request, the Utility calculated a reduction of approximately \$100,000, based on a comparison of 2018 expenses of \$762,373 and annualized 2020 expenses of \$661,610. We note that bad debt expense was not included due to the adverse effects the COVID-19 pandemic has had on this account. Additionally, purchased wastewater expense was not included as it is a pass-through cost and the Utility does not have control over the amount it is charged by the provider or how those charges fluctuate from year to year. The Buyer also stated that customers would receive a benefit through a reduction of cost of capital. More specifically, the Buyer was able to obtain financing through long-term debt at an interest rate of 5.25 percent, whereas the previous owner maintained long-term debt at an interest rate of 8.65 percent.

In response to Commission staff's first data request, the Buyer stated that it believes the NBV is understated. We have addressed the inclusion of plant as supported by the Utility's annual reports and tax returns above. However, Royal also believes certain replacements or repairs in previous years were recorded as operation and maintenance expenses that should have been capitalized, which has led to a further understatement of NBV. In the past, we have disallowed the inclusion of previously expensed items in rate base.¹⁴ As such, we find that these adjustments are not appropriate for consideration of a positive acquisition adjustment.

Rule 25-30.0371(2), F.A.C., states that a positive acquisition adjustment shall not be included in rate base absent a demonstration of extraordinary circumstances. Any entity that believes a full or partial positive acquisition adjustment should be made has the burden to prove the existence of extraordinary circumstances. Prior to this transfer, the Utility may have been in need of the improvements made. However, it was not in such a dire state of operation that if the Buyer did not step in the Utility would have failed to operate properly or provide services to its customers. While we acknowledge that the Buyer has made improvements and accomplished cost savings, we find that the actions performed do not demonstrate extraordinary circumstances. Additionally, as discussed above, we find that many of the improvements undertaken by Royal,

¹³ For comparison, see Order No. PSC-2020-0088-PAA-SU, issued March 25, 2020, in Docket No. 20190116-SU, *In re: Application for staff-assisted rate case in Brevard County, and request for interim rate increase by Merritt Island Utility Company*, Infrastructure and Operational Conditions.

¹⁴ Order No. PSC-99-1917-PAA-WS, issued September 28, 1999, in Docket Nos. 19970536-WS and 19980245-WS, *In re: Application for limited proceeding increase in water and wastewater rates in Pasco County by Aloha Utilities, Inc.*

regarding quality of service and compliance with regulatory mandates, demonstrate responsible utility ownership and shall not be considered extraordinary circumstances.

Conclusion

Pursuant to Rule 25-30.0371, F.A.C., we find that a positive acquisition adjustment shall not be granted as the Utility did not demonstrate extraordinary circumstances.

Approving Miscellaneous Service Charges

Currently, the Utility's existing miscellaneous service charges for water consist of a violation reconnection charge of \$5.00 for normal hours and \$7.50 for after hours. There are no miscellaneous service charges for wastewater. Section 367.091, F.S., authorizes us to change miscellaneous service charges. The Utility's requested miscellaneous service charges were accompanied by its reason for requesting the charges, as well as the cost justification required by Section 367.091(6), F.S. The requested charges are consistent with those recently approved for its sister companies: LP Waterworks, Inc., Country Walk Utilities, Inc., and Gator Waterworks, Inc.¹⁵ The calculations for charges for miscellaneous service charges, shown in the tables below, are rounded up to the nearest tenth. The Utility's current and our approved miscellaneous service charges are shown in Table 5 below.

Initial Connection Charge

The initial connection charge is levied for service initiation at a location where service did not exist previously. A Royal representative makes one trip when performing the service of an initial connection. Based on labor and transportation to and from the service territory, we approve initial connection charges for Royal's water and wastewater systems of \$31.10 for normal hours and \$36.20 for after hours. Our calculations are shown in Table 1.

Table 1
Initial Connection Charge Calculation

Activity	Normal Hours Cost	Activity	After Hours Cost
Labor (Administrative) (\$28/hr x 1/4hr)	\$7.00	Labor (Administrative) (\$28/hr x 1/4hr)	\$7.00
Labor (Field) (\$30.42/hr x 1/3 hr)	\$10.14	Labor (Field) (\$45.63/hr x 1/3 hr)	\$15.21
Transportation (\$0.535/mile x 26 miles-to/from)	\$13.91	Transportation (\$0.535/mile x 26 miles-to/from)	\$13.91
Total	\$31.05	Total	\$36.12

¹⁵ Order Nos. PSC-2018-0553-PAA-WU, issued November 19, 2018, in Docket No. 20180021-WU, *In re: Application for staff-assisted rate case in Highlands County by Country Walk Utilities, Inc.*; PSC-2017-0334-PAA-WS, issued August 23, 2017, in Docket No. 20160222-WS, *In re: Application for staff-assisted rate case in Highlands County by LP Waterworks, Inc.*; and 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.*

Normal Reconnection Charge

A normal reconnection charge is levied for the transfer 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, we approve normal reconnection charges for Royal's water and wastewater systems of \$57.10 for normal hours and \$64.70 for after hours. Our calculations are shown in Table 2.

Table 2
Normal Reconnection Charge Calculation

Activity	Normal Hours Cost	Activity	After Hours Cost
Labor (Administrative) (\$28/hr x 1/4hr x 2)	\$14.00	Labor (Administrative) (\$28/hr x 1/4hr x 2)	\$14.00
Labor (Field) (\$30.42/hr x 1/4 hr x 2)	\$15.21	Labor (Field) (\$45.63/hr x 1/4hr x 2)	\$22.82
Transportation (\$0.535/mile x 26 miles-to/from x 2)	\$27.82	Transportation (\$0.535/mile x 26 miles-to/from x 2)	\$27.82
Total	\$57.03	Total	\$64.64

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, we approve violation reconnection charges for Royal's water system of \$57.10 for normal hours and \$64.70 for after hours. For the wastewater system, we approve actual cost pursuant to Rule 25-30.460, F.A.C. Our calculations are shown in Table 3.

Table 3
Violation Reconnection Charge Calculation

Activity	Normal Hours Cost	Activity	After Hours Cost
Labor (Administrative) (\$28/hr x 1/4hr x 2)	\$14.00	Labor (Administrative) (\$28/hr x 1/4hr x 2)	\$14.00
Labor (Field) (\$30.42/hr x 1/4 hr x 2)	\$15.21	Labor (Field) (\$45.63hr x 1/4 hr x 2)	\$22.82
Transportation (\$0.535/mile x 26 miles-to/from) x 2	\$27.82	Transportation (\$0.535/mile x 26 miles-to/from) x 2	\$27.82
Total	\$57.03	Total	\$64.64

Premises Visit Charge

The premises visit charge is levied when a service representative visits the 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 charge 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, we approve premises visit charges of \$31.10 for normal hours and \$36.20 for after hours. Our calculations are shown in Table 4.

Table 4
Premises Visit Charge Calculation

Activity	Normal Hours Cost	Activity	After Hours Cost
Labor (Administrative) (\$28.00/hr x 1/4hr)	\$7.00	Labor (Administrative) (\$28.00/hr x 1/4hr)	\$7.00
Labor (Field) (\$30.42/hr x 1/3 hr)	\$10.14	Labor (Field) (\$45.63/hr x 1/3 hr)	\$15.21
Transportation (\$0.535/mile x 26 miles-to/from)	\$13.91	Transportation (\$0.535/mile x 26 miles-to/from)	\$13.91
Total	\$31.05	Total	\$36.12

Conclusion

Based on the above, the miscellaneous service charges identified in Table 5 below are appropriate and shall be approved. The charges 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 charges shall not be implemented until our 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.

Table 5
Miscellaneous Service Charges

	Current		Commission Approved	
	Water	Wastewater	Normal Hours	After Hours
Initial Connection Charge	N/A	N/A	\$31.10	\$36.20
Normal Reconnection Charge	N/A	N/A	\$57.10	\$64.70
Violation Reconnection Charge (Water)	\$5.00		\$57.10	\$64.70
Violation Reconnection Charge (Wastewater)		N/A	Actual Cost	
Premises Visit Charge	N/A	N/A	\$31.10	\$36.20

Approving Late Payment Charge

Royal is requesting a \$6.50 late payment charge to recover the cost of labor, supplies, postage, and RAFs associated with processing late payment notices. The Utility currently does not have a late payment charge. Royal is requesting \$6.50 for its late payment charge, which is consistent with recent Commission practice and the charge is consistent with that charged by other utilities managed by U.S. Water.¹⁶ 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.

Royal calculated the actual costs for its late payment charges to be \$8.07. Royal 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 the administrative contract employee, which results in labor cost of \$7.00 (\$28.00 x 0.25 hr). This is consistent with our prior decisions where we have allowed 10-15 minutes per account for the administrative labor associated with processing delinquent customer accounts.¹⁷ However, \$8.07 would be the highest late payment charge approved amongst all other water and wastewater utilities regulated by the Commission.¹⁸ Therefore, Royal is requesting a charge of \$6.50, consistent with recent

¹⁶ 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.*

¹⁷ 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.*

¹⁸ 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*

Commission decisions. Royal's calculation for its actual costs associated with a late payment charge is shown in Table 6.

Table 6
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

Conclusion

Based on the above, Royal's request to implement a late payment charge of \$6.50 shall be approved. Royal shall be required to file a proposed customer notice to reflect the Commission-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, the approved charge shall not be implemented until our staff has approved the proposed customer notice and the notice has been received by customers. Royal shall provide proof of the date notice was given no less than 10 days after the date of the notice.

Authorization to Collect Non-Sufficient Funds (NSF) Charges

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

Conclusion

Approval of NSF charges is consistent with our prior decisions.¹⁹ 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, Royal shall be authorized to collect NSF charges. Royal shall file a tariff sheet and a proposed customer notice to reflect the Commission-approved NSF charges. 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. Royal shall provide proof of noticing within 10 days of rendering its approved notice.

Approving a New Class of Service for Private Fire Protection

Royal is requesting a new class of service for a six inch meter private fire protection rate of \$50.96. Currently, the Utility does not have any private fire protection rates. The Utility is requesting that the private fire protection rate be consistent with Rule 25-30.465, F.A.C., which states that the rate shall be one-twelfth the Utility's current base facility charge (BFC) for each meter size.

At this time, the Utility does not have a BFC for a six inch meter. Royal's proposed rate is one-twelfth of what the BFC charge would be for a six inch meter. Pursuant to Rule 25-30.437(6), F.A.C, the rates are first established with the 5/8 inch x 3/4 inch meter as the foundation. The rates for the other meter sizes are determined by factoring the BFC by the American Water Works Association meter equivalents as provided for in Rule 25-30.055(1)(b), F.A.C. The meter equivalent for a six inch meter is 50. Based on Royal's existing BFC of \$12.23 for the 5/8 inch x 3/4 inch meter and the meter equivalent of 50 for a six inch meter, the BFC for the six-inch meter is \$611.50 (\$12.23 x 50). Pursuant to Rule 25-30,465, F.A.C., the resulting private fire protection rate is \$50.96 (\$611.50/12). Therefore, we find that the Utility's request is reasonable and shall be approved.

Based on the above, Royal's request to establish a new class of service for private fire protection rate of \$50.96 for a six inch meter shall be approved. Royal shall file a proposed tariff and customer notice to reflect the Commission-approved rate. The approved rate shall be effective on or after the stamped approval date on the tariff sheet provided customers have received notice pursuant to Rule 25-30.475(1), F.A.C. Royal shall provide proof of noticing within 10 days of rendering its approved notice.

¹⁹ 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 assessment 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.*

Establishing Initial Customer Deposits

Rule 25-30.311, F.A.C., contains criteria for collecting, administering, and refunding customer deposits. Rule 25-30.311(1), F.A.C., requires that each utility's tariff contain its specific criteria for determining the amount of initial deposits. The Utility requested customer deposits of \$62.26 for water and \$79.08 for wastewater, which was based on two months of average residential monthly bills and the Utility's proposed rates. Customer deposits are designed to minimize the exposure of bad debt expense for the Utility and, ultimately, the general body of ratepayers. In addition, collection of customer deposits is consistent with one of the fundamental principles of rate making—ensuring that the cost of providing service is recovered from the cost-causer.

Rule 25-30.311(7), F.A.C., authorizes utilities to collect new or additional deposits from existing customers not to exceed an amount equal to the average actual charge for water and/or wastewater service for two billing periods for the 12-month period immediately prior to the date of notice. The two billing periods reflect the lag time between the customer's usage and the Utility's collection of the revenues associated with that usage. Our practice has been to set initial customer deposits equal to two months bills based on the average consumption for a 12-month period for each class of customers. The Utility indicated that the average monthly residential usage is 6,000 gallons per customer. Therefore, the average residential monthly bill is approximately \$31.13 for water and \$39.54 for wastewater service, based on the Utility's existing rates.

Based on the above, the appropriate initial customer deposit shall be \$62.26 for water and \$79.08 for wastewater for the residential 5/8 inch x 3/4 inch meter size. The initial customer deposit for all other residential meter sizes and all general service meter sizes shall be two times the average estimated bill. The approved customer deposits shall be effective for connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The Utility shall be required to collect the approved initial customer deposits until authorized to change them by the Commission in a subsequent proceeding.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the transfer of facilities and Certificate Nos. 259-W and 199-S in Broward County from Royal Utility Company to Royal Waterworks, Inc., is in the public interest and approved effective November 3, 2020, the date of our vote in this proceeding. This Order shall serve as Royal Waterworks, Inc.'s certificate and shall be retained by Royal. The existing rates, service availability charges, and billing policy 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. Royal shall be 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 \$943,455 for the water system and \$539,395 for wastewater systems, as of July 1, 2019. Within 90 days of the date of the final

order, Royal must notify us in writing that it has adjusted its books in accordance with our decision. The adjustments shall be reflected in Royal's 2020 Annual Report when filed. It is further

ORDERED that, pursuant to Rule 25-30.0371, F.A.C., a positive acquisition adjustment shall not be granted as Royal Waterworks, Inc. failed to demonstrate extraordinary circumstances. It is further

ORDERED that we approve Royal's request to revise water and add wastewater miscellaneous service charges as discussed herein. Royal shall be required to file a proposed customer notice to reflect the Commission-approved charges. The approved 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. In addition, the approved charges shall not be implemented until Commission staff has approved the customer notice and the notice has been received by customers. Royal shall provide proof of the date notice was given no less than 10 days after the date of the notice. It is further

ORDERED that we approve Royal's request to implement a late payment charge of \$6.50. Royal shall be required to file a proposed customer notice to reflect the Commission-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, customers must receive such notice, before Royal may implement the approved charge. Royal shall provide proof of the date notice was given no less than 10 days after the date of the notice. It is further

ORDERED that we authorize Royal to collect NSF charges. Royal shall file a revised tariff sheet and a proposed customer notice to reflect the Commission-approved NSF charges. 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. Royal shall provide proof of noticing within 10 days of rendering its approved notice. It is further

ORDERED that we authorize Royal's request to establish a new class of service for a private fire protection rate of \$50.96 for a six inch meter. Royal shall file a proposed tariff and customer notice to reflect the Commission-approved rate. The approved rate shall be effective on or after the stamped approval date on the tariff sheet provided customers have received notice pursuant to Rule 25-30.475(1), F.A.C. Royal shall provide proof of noticing within 10 days of rendering its approved notice. It is further

ORDERED that we authorize Royal's request to establish initial customer deposits. The appropriate initial customer deposit shall be \$62.26 for water and \$79.08 for wastewater for the residential 5/8 inch x 3/4 inch meter size. The initial customer deposit for all other residential meter sizes and all general service meter sizes shall be two times the average estimated bill. The approved customer deposits shall be effective for connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. Royal shall be required to collect the approved initial customer deposits until we authorize a change in a subsequent proceeding. 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

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DOCKET NO. 20190170-WS
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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 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 the 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 our decision, and proof that Royal has appropriately noticed pursuant to Rule 25-30.4345, F.A.C.

By ORDER of the Florida Public Service Commission this 23rd day of November, 2020.



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.

BYL

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, except for approving the transfer of certificates and existing rates, 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 December 14, 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, 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.

TERRITORY DESCRIPTION
Royal Waterworks, Inc.
Broward County
Water and Wastewater Service

Township 48 South, Range 41 East
Section 15

The north 1/2 of Section 15, Township 48 South, Range 41 East, situated in Broward County, Florida and containing 320 acres, more or less.

FLORIDA PUBLIC SERVICE COMMISSION
authorizes
Royal Waterworks, Inc.
pursuant to
Certificate Number 259-W

to provide water service in Broward 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>
7273	07/10/76	750635-W	Original Certificate
12170	6/24/83	820237-WS	Rate Increase
12384	08/18/83	820275-WS	Transfer of Majority Control
19867	08/22/88	880557-WS	Transfer
*	*	20190170-WS	Transfer

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

FLORIDA PUBLIC SERVICE COMMISSION
authorizes
Royal Waterworks, Inc.
pursuant to
Certificate Number 199-S

to provide wastewater service in Broward 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>
7273	07/10/76	750636-S	Original Certificate
12170	6/24/83	820237-WS	Rate Increase
12384	08/18/83	820275-WS	Transfer of Majority Control
19867	08/22/88	880557-WS	Transfer
*	*	20190170-WS	Transfer

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

**Royal Waterworks, Inc.
 Schedule of Net Book Value as of July 1, 2019**

Water System

<u>Description</u>	<u>Balance Per Utility</u>	<u>Adjustments</u>	<u>Commission Approved</u>
Utility Plant In Service	\$3,187,937	\$201,755	\$3,389,692
Land & Land Rights	76,123	0	76,123
Accumulated Depreciation	(2,437,158)	(49,202)	(2,522,360)
CIAC	(571,643)	0	(571,643)
Amortization of CIAC	<u>579,047</u>	<u>(7,404)</u>	<u>571,643</u>
Total	<u>\$798,306</u>	<u>\$145,149</u>	<u>\$943,455</u>

Wastewater System

<u>Description</u>	<u>Balance Per Utility</u>	<u>Adjustments</u>	<u>Commission Approved</u>
Utility Plant In Service	\$1,814,757	\$130,239	\$1,944,996
Land & Land Rights	71,802	0	71,802
Accumulated Depreciation	(1,471,604)	(5,799)	(1,477,403)
CIAC	(238,921)	0	(238,921)
Amortization of CIAC	<u>206,294</u>	<u>32,627</u>	<u>238,921</u>
Total	<u>\$382,328</u>	<u>\$157,067</u>	<u>\$539,395</u>

**Explanation of Commission Approved Adjustments
To Net Book Value as of July 1, 2019**

<u>Explanation</u>	<u>Water</u>	<u>Wastewater</u>
Utility Plant in Service To reflect the appropriate amount of utility plant in service	<u>\$201,755</u>	<u>\$130,239</u>
Accumulated Depreciation To reflect the appropriate amount of accumulated depreciation	<u>(\$49,202)</u>	<u>(\$5,799)</u>
Amortization of CIAC To reflect the appropriate amount of amortization of CIAC	<u>(\$7,404)</u>	<u>\$32,627</u>
Total Adjustments	<u>\$145,149</u>	<u>\$157,067</u>

Royal Waterworks, Inc.
Schedule of Commission Approved Account Balances as of July 1, 2019
Water System

Account			UPIS	Accumulated
<u>No.</u>	<u>Description</u>			<u>Depreciation</u>
302	Franchises		\$713	(\$494)
304	Structure and Improvements		542,157	(404,877)
307	Wells and Springs		23,683	(23,683)
309	Supply Mains		48,267	(48,267)
310	Power Generation Equipment		11,948	(7,169)
311	Pumping Equipment		735,632	(728,171)
320	Water Treatment Equipment		224,484	(55,242)
330	Distribution Reservoirs and Standpipes		9,100	(9,100)
331	Transmission and Distribution Mains		974,103	(569,917)
333	Services		168,098	(131,089)
334	Meters and Meter Installations		335,937	(339,645)
335	Hydrants		68,439	(47,249)
339	Other Plant / Misc Equipment		60,527	(46,978)
340	Office Furniture and Equipment		11,693	(11,692)
341	Transportation Equipment		13,029	(13,029)
343	Tools, Shop and Garage Equipment		10,370	(10,370)
344	Laboratory Equipment		5,856	(5,856)
347	Misc Equipment		25,650	(25,650)
348	Other Tangible Plant		<u>43,883</u>	<u>(43,883)</u>
	Total		<u>\$3,389,692</u>	<u>\$2,522,360</u>

Royal Waterworks, Inc.
Schedule of Commission Approved Account Balances as of July 1, 2019
Wastewater System

Account			Accumulated
<u>No.</u>	<u>Description</u>	<u>UPIS</u>	<u>Depreciation</u>
354	Structure and Improvements	\$145,709	\$103,668
355	Power Generation Equipment	37,368	18,987
360	Collection Sewers-Force	120,328	120,328
361	Collection Sewers-Gravity	1,007,571	728,031
364	Flow Measuring Devices	81,227	81,227
371	Pumping Equipment	273,926	221,187
389	Other Plant/Misc Equipment	121,758	121,758
390	Office Furniture & Equipment	11,276	11,276
391	Transportation Equipment	13,029	13,029
393	Tools, Shop, and Garage Equipment	22,947	22,947
394	Laboratory Equipment	26,858	23,768
398	Other Tangible Plant	<u>11,197</u>	<u>11,197</u>
	Total	<u>\$1,944,996</u>	<u>\$1,477,403</u>

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

Residential and General Service

Base Facility Charge by Meter Size

5/8" x 3/4"	\$12.23
1"	\$83.32
1 1/2"	\$166.52
2"	\$266.46
3"	\$532.92

Charge Per 1,000 gallons \$3.15

Billing Policy * The City of Coral Springs requires installation of 1" meters at a minimum on all water services provided by the Utility. In situations where the Utility believes the customer would otherwise be entitled to a 5/8" x 3/4" meter, but for the existence of the prevailing South Florida Building Code, the Utility will bill that customer at the 5/8" rate for such service.

Service Availability Charges

Customer Service Line Installation Charge

All Meter Sizes Actual Cost

Guaranteed Revenue Charge

Residential-per ERC (615 GPD) per month \$ 3.33
Per gallon per month \$.00542

Meter Installation Charge

5/8" x 3/4"	\$100.00
1"	\$190.00
1 1/2"	\$350.00
2"	\$520.00
Over 2"	Actual Cost

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

Residential Service

All Meter Sizes \$13.02

Charge Per 1,000 gallons \$4.58
10,000 gallon cap

General Service

Base Facility Charge by Meter Size

5/8" x 3/4" \$13.02

1" \$92.61

1 1/2" \$185.38

2" \$296.31

3" \$592.72

Charge Per 1,000 gallons \$4.59

Service Availability Charges

Customer Service Line Installation Charge

All Meter Sizes

Actual Cost

Guaranteed Revenue Charge

Residential-per ERC (350 GPD) per month \$ 3.18

Per gallon per month \$.012722