

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for original wastewater certificate for existing utility currently charging for service in Franklin County, by SGI Wastewater Services, Inc.

DOCKET NO. 20220057-SU
ORDER NO. PSC-2022-0272-PAA-SU
ISSUED: July 14, 2022

The following Commissioners participated in the disposition of this matter:

ANDREW GILES FAY, Chairman
ART GRAHAM
GARY F. CLARK
MIKE LA ROSA
GABRIELLA PASSIDOMO

NOTICE OF PROPOSED AGENCY ACTION
ORDER MODIFYING MISCELLANEOUS SERVICE CHARGES
AND
FINAL ORDER GRANTING ORIGINAL WASTEWATER CERTIFICATE AND
CONTINUING EXISTING RATES, LATE PAYMENT CHARGES, AND CUSTOMER
DEPOSITS

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein, except for our approval of an application for wastewater certificate and continuance of certain existing rates and charges, 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

SGI Wastewater Services, Inc. (SGI or Utility) is located in Franklin County, Florida. The Utility, an affiliate of U.S. Water Services Corporation (USWSC), provides wastewater service to 34 residential beach homes and one clubhouse in the Sunset Beach community, as well as one bulk customer consisting of 99 condominiums in the 300 Ocean Mile community. Wastewater services were originally established in 1999 by Sunset Beach/300 Ocean Mile Utility Cooperative (Coop), an exempt non-profit wastewater utility pursuant to Section 367.022(7), Florida Statutes (F.S.). Water service is provided by Water Management Services, Inc.

On February 1, 2021, the Coop contracted with USWSC to provide operations services at its wastewater treatment plant (WWTP) due to the WWTP's out-of-compliance status with the Florida Department of Environmental Protection. Later that same year, members of the Coop and

both community homeowners associations mutually agreed that the sale of the WWTP was in the best interest of the customers, which resulted in SGI purchasing the wastewater assets on February 19, 2022, thus requiring our certification.

On March 11, 2022, SGI filed its application for an original wastewater certificate for an existing utility currently charging for service pursuant to Rule 25-30.034, F.A.C. Our staff found the application to be deficient and issued a deficiency letter on April 1, 2022. The application was deemed complete on April 11, 2022, which is considered the official filing date.

This order addresses the application for an original wastewater certificate and the appropriate rates and charges for the Utility. We have jurisdiction pursuant to Sections 367.031 and 367.045, F.S.

Decision

I. Wastewater Certificate and Continuance of Existing Rates, Late Payment Charges, and Customer Deposits

On March 11, 2022, SGI filed its application for an original wastewater certificate in Franklin County. Upon review, our staff determined the original filing was deficient and issued a deficiency letter on April 1, 2021. The Utility cured the deficiencies on April 11, 2022, which is considered the official filing date for the application. The Utility's application is in compliance with the governing statutes, Sections 367.031 and 367.045, F.S.

A. Notice

On April 14, 2022,¹ and April 26, 2022,² SGI filed proof of compliance with the noticing provisions set forth in Rule 25-30.030, F.A.C. No entity filed a protest during the protest period and the time for filing objections has expired.

B. Land Ownership and Service Territory

SGI provided adequate service territory and system maps and a territory description as required by Rule 25-30.034(1)(k), F.A.C. The legal description of the service territory is appended to this order as Attachment A. The application contains warranty deeds for the land where the wastewater treatment facilities are located pursuant to Rule 25-30.034(1)(m), F.A.C.

C. Financial and Technical Ability

Rule 25-30.034(1)(i), F.A.C., requires a statement showing the financial ability of the applicant to provide service, a detailed financial statement, and a list of all entities upon which the applicant is relying to provide funding along with those entities' financial statements. SGI is relying fully upon shareholders equity through paid in capital via SGI's owner, an individual. The application contains the Utility owner's most recent financial statements. We believe that the

¹Document No. 02413-2022, filed April 14, 2022.

²Document No. 02623-2022, filed April 26, 2022.

Utility owner's financial statements and extensive business operations in Florida show adequate and stable funding reserves for the Utility. Therefore, we find that SGI has demonstrated that it will have access to adequate financial resources to operate the Utility.

Rule 25-30.034(1)(j), F.A.C., requires the applicant to demonstrate the technical abilities to provide service. The application contains statements describing the technical ability of the Utility to provide service to the proposed service area. The president of the Utility has been in the water and wastewater utility management, operations, and maintenance related industry for over 34 years. SGI has secured the services of USWSC to provide contract operating services, billing, and collection services. The Utility owner's companies have operated more than 850 facilities, providing services to more than 1,000,000 customers daily. Based on the above, we find that SGI has demonstrated the financial and technical ability to provide service to the existing service territory.

D. Continuing Existing Rates, Late Payment Charges, and Customer Deposits

SGI provides wastewater service to the Sunset Beach community consisting of 34 beach homes and one clubhouse. The Utility also provides wastewater service through a bulk service agreement to 99 condominiums in the 300 Ocean Mile community. As of January 31, 2022, both associations mutually agreed to establish and make effective the existing rates. SGI has residential and general service initial customer deposits which we find to be reasonable. In addition, the Utility also has miscellaneous service charges. We believe the \$6.50 late payment charge is reasonable. However, the remaining miscellaneous service charges do not conform to Rule 25-30.460, F.A.C., and are discussed below. Further, the Utility's service area is built out and there are no service availability charges. Thus, SGI's existing rates, late payment charge, and initial customer deposits shown on Schedule No. 1, attached hereto, shall remain in effect until we authorize a change in a subsequent proceeding.

E. Conclusion

Based on the foregoing, we find that it is in the public interest to grant SGI Certificate No. 580-S to serve the territory described in Attachment A, effective the date of the date of our vote, July 7, 2022. This order shall serve as SGI's wastewater certificate and it shall be retained by the Utility. The existing rates, late payment charge, and initial customer deposits, shown on Schedule No. 1 attached hereto, shall remain in effect until we authorize a change in a subsequent proceeding.

II. Revision of Miscellaneous Service Charge

Effective June 24, 2021, Rule 25-30.460, F.A.C., was amended to remove initial connection and normal reconnection charges.³ The definitions for initial connection charges and normal reconnection charges were subsumed in the definition of the premises visit charge. SGI's

³Order No. PSC-2021-0201-FOF-WS, issued June 4, 2020, in Docket No. 20200240-WS, *In re: Proposed amendment of Rule 25-30.460, F.A.C., Application for Miscellaneous Service Charges.*

proposed miscellaneous service charges consist of initial connection and normal reconnection charges. The normal reconnection charge is more than the premises visit charge. Since the premises visit entails a broader range of tasks, we find that the premises visit shall reflect the amount of the normal reconnection charge of \$57.10. Therefore, the initial connection and normal reconnection charges shall be removed, the premises visit shall be revised to \$57.10, and the definition for the premises visit charge shall be updated to comply with amended Rule 25-30.460, F.A.C. The Utility's proposed and our approved miscellaneous service charges are shown below in Tables 1 and 2.

Table 1
Utility Proposed Miscellaneous Service Charges

	<u>Normal Hours</u>
Initial Connection Charge	\$31.10
Normal Reconnection Charge	\$57.10
Violation Reconnection Charge	Actual Cost
Premises Visit Charge (in lieu of disconnection)	\$31.10

Table 2
Approved Miscellaneous Service Charges

	<u>Normal Hours</u>
Violation Reconnection Charge	Actual Cost
Premises Visit Charge	\$57.10

Based on the above, the miscellaneous service charges, shown on Schedule No. 1 attached hereto, shall be approved as revised to conform to the recent amendment to Rule 25-30.460, F.A.C. The tariff shall be revised to reflect the removal of initial connection and normal reconnection charges. SGI shall file a proposed customer notice to reflect our 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 our staff has approved the proposed customer notice and the notice has been received by customers. The Utility shall provide proof of the date notice was given within 10 days of the date of the notice. SGI is required to charge the approved miscellaneous service charges until we authorize a change in a subsequent proceeding.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that it is in the public interest to approve the application of SGI Wastewater Services Inc. as set forth herein. SGI shall be granted Certificate No. 580-S to serve the territory described in Attachment A, effective the date of our vote, July 7, 2022. This order shall serve as SGI's wastewater certificate and it shall be retained by the Utility. It is further

ORDERED that the Utility's existing rates, late payment charges, and initial customer deposits, shown in Schedule No. 1 attached hereto, shall remain in effect until we authorize a change in a subsequent proceeding. It is further

ORDERED that the Utility's miscellaneous service charges shall be revised as shown in Schedule No. 1, attached hereto, and shall be approved. The tariff shall be revised to reflect the removal of initial connection and normal reconnection charges. The Utility shall file a proposed customer notice to reflect the 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 miscellaneous service charges shall not be implemented until our staff has approved the proposed customer notice and the notice has been received by customers. The Utility shall provide proof of the date notice was given within 10 days of the date of the notice. SGI shall charge the approved miscellaneous service charges 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 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 this docket shall remain open for our staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by our staff. Once these actions are completed, this docket shall be closed administratively.

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By ORDER of the Florida Public Service Commission this 14th day of July, 2022.



ADAM J. FEITZMAN
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.

JHR

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

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

As identified in the body of this order, our action herein, except for our approval of an application for wastewater certificate and continuance of certain existing rates and charges, 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 August 4, 2022. 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.

Wastewater Service Territory
Franklin County, Florida

In Township 9 South, Range 6 West, Franklin County, Florida

Section 24

Commence at the Northwest Comer of Section 24, Township 9 South, Range 6 West, franklin County, Florida, thence run South $76^{\circ} 32' 58.74''$ East a distance of 2277.686 feet to the Point of Beginning. From said Point of Beginning continue North 68 degrees 01 minutes 05 seconds East along said right-of-way boundary 195.00 feet to a 4 inch by 4 inch concrete monument (marked #1072); thence leaving said right-of-way boundary run South 21 degrees 55 minutes 01 seconds East 421.44 feet to the approximate mean high wastewater line of the Gulf of Mexico; thence run South 54 degrees 56 minutes 26 seconds West along said mean high wastewater line 199.85 feet; thence run South 69 degrees 34 minutes 41.73 seconds West 1466.66 feet; thence run South 68 degrees 00 minutes 59.14 seconds West 841.82 feet; thence leaving said mean high wastewater line run North 21 degrees 58 minutes 47.91 seconds West 424.93 feet; thence run North 67 degrees 53 minutes 30.93 seconds East 829.07 feet; thence run North 68 degrees 01 minutes 05 seconds East 1479.01 feet to the Point of Beginning.

FLORIDA PUBLIC SERVICE COMMISSION
Authorizes
SGI Wastewater Service, Inc.
pursuant to
Certificate Number 580-S

to provide wastewater service in Franklin 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-2022-0272-PAA-SU	07/14/2022	20220057-SU	Original Certificate

SGI Wastewater Services Inc.

Monthly Wastewater Rates

Residential Service

Base Facility Charge by Meter Size

All Meter Sizes \$112.53

Charge Per 1,000 gallons \$7.31

General Service

Base Facility Charge by Meter Size

5/8" x 3/4" \$112.53

3/4" \$168.80

1" \$281.33

1-1/2" \$562.65

2" \$900.24

Townhomes of St. George Island (bulk service - 99 ERCs) \$11,140.47

Charge Per 1,000 gallons \$7.31

Initial Customer Deposits

Meter Size

All Meter Sizes

Residential

\$225.00

General Service

2x the average estimated monthly bill

Miscellaneous Service Charges

Premises Visit Charge \$57.10

Violation Reconnection Charge Actual Cost

Late Payment Charge \$6.50