

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for certificates to provide water and wastewater service in Lake and Sumter Counties, by Gibson Place Utility Company, LLC.

DOCKET NO. 20200185-WS  
ORDER NO. PSC-2022-0404-PAA-WS  
ISSUED: November 21, 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 SETTING INITIAL RATES AND CHARGES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein 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 July 22, 2020, Gibson Place Utility Company, LLC (GPU, Gibson, or Utility) filed its application for original water and wastewater certificates in Sumter County. The area is in the Southwest Florida Water Management District (SWFWMD) and is not in a water use caution area.

Concurrent with its application for original water and wastewater certificates, the Utility also filed a petition for a temporary waiver of Rules 25-30.033(1)(p) and (q), F.A.C., in order to bifurcate the certification and rate setting aspects of the case. We granted Certificate Nos. 677-W and 577-S to GPU to provide water and wastewater service in Sumter County, and granted Gibson's request for temporary rule waiver.<sup>1</sup> In the Order granting the waiver, we required GPU to file a status update every six months from the date of the Order as to: (1) the status of the Utility's

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<sup>1</sup>Order No. PSC-2020-0473-PAA-WS, issued November 24, 2020, in Docket No. 20200185-WS, *In re: Application for original water and wastewater service in Lake and Sumter Counties by Gibson Place Utility Company, LLC.*

permitting with the Florida Department of Environmental Protection (DEP) and the SWFWMD, and (2) the anticipated date of the commencement of the Utility's operations.

On July 27, 2021, GPU filed an application for an amendment of its service territory to delete a portion of the territory that would be developed at a different pace than the remaining territory. This request for territory deletion was granted.<sup>2</sup> The territory that was deleted has two separate development areas, one consisting of high-density commercial customers, and the other consisting mostly of multi-family residential units with some commercial customers. Development of the remaining territory, to be served by GPU, will consist of single family age-restricted housing units.

On April 25, 2022, Middleton Utility Company, LLC (Middleton) filed an application for original water and wastewater certificates to serve the territory deleted from GPU.<sup>3</sup> Middleton and GPU have the same parent company, Holding Company of The Villages, Inc. Commission staff's recommendation regarding Middleton's application is scheduled to be presented at the December 6, 2022 Agenda Conference.

GPU filed the required status reports on May 24, 2021, November 10, 2021, February 17, 2022, and March 29, 2022. On April 19, 2022, GPU filed the supporting financial information required to establish initial rates and charges for the Utility's water and wastewater services. We have jurisdiction pursuant to Sections 367.031, 367.045, 367.081, 367.091 and 120.452, Florida Statutes (F.S.).

## **Decision**

### Water and Wastewater Rates and Return on Investment

We have reviewed the supporting financial information required to establish initial rates submitted by GPU and, as fully set forth below, find certain adjustments to the Utility's calculations and proposed rates to be appropriate.

#### Projected Rate Base

Consistent with our practice in applications for original certificates, rate base is identified only as a tool to aid in setting initial rates and is not intended to formally establish rate base. Based on GPU's growth projections, the Utility anticipates operating at 80 percent of its design capacity in 2026. The Utility's proposed water and wastewater rate base calculations, as well as our adjustments, are described below.

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<sup>2</sup>Order No. PSC-2022-0049-FOF-WS, issued January 31, 2022, in Docket No. 20210125-WS, *In re: Application for amendment of Certificate Nos. 677-W and 577-S to delete territory in Lake and Sumter Counties, by Gibson Place Utility Company, LLC.*

<sup>3</sup>Docket No. 20220088-WS, *In re: Application for certificates to provide water and wastewater service and approval of initial rates and charges in Sumter County, by Middleton Utility Company, LLC.*

The Utility proposed plant in service balances of \$47,755,289 for water and \$111,533,582 for wastewater. On June 30, 2022, GPU filed in this docket an MFR Revised Schedule 5, and new Water Tariff sheet, reflecting the Utility's upcoming installation of mobile read water meters that are more expensive than those included in the original filing.<sup>4</sup> Based on our calculations, water plant in service shall be increased by \$5,659,222 to account for the updated water meter costs. We do not have any adjustments to GPU's proposed wastewater balances. Therefore, we approve a plant in service balance of \$53,414,511 for water and \$111,533,582 for wastewater.

The Utility proposed land balances of \$151,008 for water and \$1,617,500 for wastewater. We do not have any adjustments to GPU's proposed balances, and approve a land balance of \$151,008 for water and \$1,617,500 for wastewater.

GPU proposed an accumulated depreciation balance of \$3,438,665 for water and \$12,114,001 for wastewater. Based on our calculations, accumulated depreciation for water must be increased by \$564,150 to account for the adjustment to plant in service discussed immediately above. We do not have any adjustments for wastewater. Accordingly, we approve an accumulated depreciation balance of \$4,002,815 for water and \$12,114,001 for wastewater.

In its filing, GPU proposed contributions in aid of construction (CIAC) balances of \$20,167,016 for water and \$45,442,029 for wastewater. As discussed further below, we have made an adjustment to the plant capacity charges, as well as an updated meter installation charge that was not included in GPU's proposed CIAC calculation. As a result, we have made an adjustment to increase CIAC by \$5,352,043 for water and \$304,025 for wastewater. Based on these adjustments, we approve CIAC balances of \$25,519,059 for water and \$45,746,054 for wastewater.

The Utility proposed an accumulated amortization of CIAC balance of \$1,027,813 for water and \$3,285,601 for wastewater. As discussed further below, we have made an adjustment to the plant capacity charges, as well as an updated meter installation charge that was not included in GPU's proposed CIAC calculation. Additionally, using the depreciation rates pursuant to Rule 25-30.140, F.A.C., we adjusted accumulated amortization of CIAC to reflect the use of the proper accounts in determining amortization rates for the plant capacity and main extension charges. As a result, we have made adjustments to increase accumulated amortization by \$1,509,405 for water, and \$2,795,268 for wastewater. Based on these adjustments, we approve accumulated amortization of CIAC balances of \$2,537,218 for water and \$6,080,869 for wastewater.

GPU proposed a working capital allowance of \$120,158 for water and \$259,389 for wastewater based on the one-eighth of the estimated operation and maintenance (O&M) expenses methodology for each system. We have previously allowed this methodology in original certificate cases as the O&M expenses are just an estimate.<sup>5</sup> We do not have any

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<sup>4</sup>Document No. 04370-2022.

<sup>5</sup>Order No. PSC-2018-0271-PAA-WS, issued May 30, 2018, in Docket No. 20160220-WS, *In re: Application for original water and wastewater certificates in Sumter County, by South Sumter Utility Company, LLC.*, p. 4.

adjustments to the Utility's proposed working capital allowance and, therefore, approve a working capital allowance of \$120,158 for water and \$259,389 for wastewater.

In total, the Utility proposed a rate base of \$25,448,587 for water and \$59,140,042 for wastewater. Based on the adjustments discussed above, we find that the rate base must be increased by \$1,252,433 for water and \$2,491,242 for wastewater. As such, we approve an adjusted rate base of \$26,701,020 for water and \$61,631,284 for wastewater. Rate base calculations for the water and wastewater systems are shown on Schedule Nos. 1-A and 1-B, respectively. Our adjustments are shown on Schedule No. 1-C.

#### Cost of Capital

GPU proposed a return on equity (ROE) of 7.88 percent, based on the leverage formula in effect at the time of filing. However, the Utility's ROE shall be based on the leverage formula currently in effect.<sup>6</sup> Using the current leverage formula, we find the appropriate ROE for GPU is 7.84 percent, with a range of plus or minus 100 basis points, as shown on Schedule No. 2, with an overall cost of capital of 7.76 percent.

#### Net Operating Income

The Utility projected net operating incomes (NOI) for the water and wastewater systems of \$1,982,444 and \$4,607,009, respectively. Based on the adjustments above, the appropriate NOI is \$2,072,064 for water and \$4,782,736 for wastewater. The calculated NOI for the water and wastewater systems are shown on Schedule Nos. 3-A and 3-B, respectively.

#### Operation and Maintenance Expenses

GPU proposed total O&M expenses of \$961,268 for water and \$2,075,109 for wastewater. We do not find that any adjustments are necessary and approve O&M expenses of \$961,268 for water and \$2,075,109 for wastewater.

#### Net Depreciation Expense

The Utility reflected depreciation expense, net of CIAC amortization expense, of \$760,015 for water and \$2,653,855 for wastewater. Based on our adjustments to rate base, corresponding adjustments shall be made to decrease net depreciation expense by \$196,474 for water and \$591,931 for wastewater. Additionally, GPU reflected amortization expense balance of \$10,681 for water and wastewater to reflect amortization of organization costs. Because organization costs are typically recorded in Accounts 301 and 351 and amortized pursuant to Rule 25-30.140, F.A.C., we have reclassified organization costs for water and wastewater as depreciation expense. These adjustments result in net depreciation expense of \$563,541

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<sup>6</sup>Order No. PSC-2022-0208-PAA-WS, issued June 15, 2022, in Docket No. 20220006-WS, *In re: Water and wastewater industry annual reestablishment of authorized range of return on common equity of water and wastewater utilities pursuant to Section 367.081 (4)(f), F.S.*

(\$760,015 - \$196,474 + \$10,681) for water and \$2,061,924 (\$2,653,855 - \$591,931 + \$10,681) for wastewater.

Amortization Expense

The Utility reflected amortization expense balance of \$10,681 for water and wastewater to reflect amortization of organization costs. Because organization costs are typically recorded in Accounts 301 and 351 and amortized pursuant to Rule 25-30.140, F.A.C., we have reclassified these costs for water and wastewater as depreciation expenses and included them in GPU's calculation of net depreciation expense above.

Taxes Other Than Income

In its filing, GPU included taxes other than income (TOTI) expense of \$803,972 for water and \$1,832,839 for wastewater. GPU's calculation of proposed property tax expense for each system was based on the Sumter County millage rate from 2020. In addition, the Utility's calculation of net plant for water was understated. We have recalculated the property tax expense for each system using the most recent millage rate and net plant totals and find that an adjustment must be made to increase property tax expense by \$65,428 for water and decrease property tax expense by \$61,554 for wastewater. We have also made a corresponding adjustment to decrease regulatory assessment fees (RAFs) by \$2,455 for water and \$23,015 for wastewater to reflect the approved revenue requirement. Therefore, GPU's TOTI balance is \$866,945 for water and \$1,748,270 for wastewater.

Revenue Requirement

The Utility's projected revenues include O&M expenses, net depreciation expense, taxes other than income, as well as a return on investment. As a limited liability company, GPU has no income tax expense. The Utility proposed revenue requirements for water and wastewater of \$4,518,380 and \$11,179,493 respectively. We find that adjusted revenue requirements of \$4,463,817 for water and \$10,668,039 for wastewater shall be used to set initial rates for service. The calculation of GPU's projected water and wastewater revenue requirements are shown on Schedule Nos. 3-A and 3-B, respectively. Our adjustments are shown on Schedule No. 3-C.

Rates and Rate Structure

Gibson structured its proposed rates in accordance with Rule 25-30.033(2), F.A.C., which requires that a base facility and usage rate structure, as defined in Rule 25-30.437(6), F.A.C., be utilized for metered service. The Utility's proposed rates were designed to generate the Utility's requested revenue requirements of \$4,518,380 for its water system and \$11,179,493 for its wastewater system.

The water rates on Schedule No. 4-A reflect a revenue requirement of \$4,463,817 for the water system, less projected miscellaneous revenues of \$69,904. Consistent with the Utility's proposed rate structure, GPU shall apply a traditional base facility charge (BFC) and gallonage charge rate structure with an additional gallonage charge for discretionary usage for residential

water customers. Gibson proposed a discretionary threshold of 3,000 gallons for its residential water customers. The Utility proposed recovering 40 percent of the revenues through the BFC. The Utility's proposed water rate structure is reasonable and consistent with our methodology in determining water rate structures.

The wastewater rates on Schedule No. 4-B reflect a revenue requirement of \$10,668,039 for the wastewater system, less projected miscellaneous revenues of \$69,904. The Utility's proposed wastewater rate structure consists of a BFC, gallonage charge, and gallonage cap of 10,000 gallons for residential customers. The Utility proposed recovering 50 percent of the revenues through the BFC. The Utility's proposed wastewater rate structure is reasonable and consistent with our methodology in determining wastewater rate structures.

The Utility's proposed rates also include water and wastewater bulk service rates. The bulk service rates are for Middleton, an adjacent utility that plans to become certificated and purchase and resell water and wastewater treatment from Gibson.<sup>7</sup> The Utility designed the bulk service rates based on common plant and expenses shared by Gibson and Middleton. The Utility included RAFs in the calculation of its proposed bulk service rates.

Section 367.145(1), F.S., states in part:

The Commission shall set by rule a regulatory assessment fee that each utility must pay once a year...the amount of the regulatory assessment fee shall not exceed 4.5 percent of the gross revenues of the utility derived from intrastate business, excluding sales for resale made to a regulated company. (emphasis added)

Our practice is to include an allowance for RAFs in a utility's rate calculation, thereby allowing the utility the opportunity to recover the expense through rates. If we approve Middleton's application, it would be a regulated utility. As a result, pursuant to Section 367.145(1), F.S., Gibson cannot recover RAFs through the bulk rate it proposes to assess Middleton. Therefore, we have excluded an allowance for RAFs from GPU's bulk service water and wastewater rates.

Gibson designed its bulk service water and wastewater rates based on the meter sizes that will provide service to Middleton. In accordance with the standards provided by the American Water Works Association (AWWA), which we have historically accepted, an 8-inch meter is defined as 80 equivalent residential connections (ERCs) and a 12-inch meter is defined as 215 ERCs. Gibson plans to utilize three 8-inch meters and five 12-inch meters to serve Middleton, which equate to a total of 1,315 [(3 x 80) + (5 x 215)] ERCs under AWWA standards. However, Middleton is proposing to provide services to 6,862 ERCs at build out, which is substantially more than the ERCs based on the meter sizes. This disparity between the calculation of the metered ERCs and the number of ERCs behind the meter of the bulk customers could result in subsidization of Middleton's customer base by Gibson's customer base. Because a bulk service

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<sup>7</sup>Docket No. 20220088-WS, *In re: Application for certificates to provide water and wastewater service and approval of initial rates and charges in Sumter County, by Middleton Utility Company, LLC.*

rate based solely on the size of the meters would not accurately measure the demand placed upon the Utility's system by Middleton, Middleton shall be billed based on the number of ERCs behind the meter.<sup>8</sup>

In order to equitably distribute cost among the customers to be served by Gibson, Middleton's ERCs, behind the meter, shall be equated to an ERC in accordance with Gibson's defined ERC. Based on the demographics of Gibson's and Middleton's customer bases, Gibson proposed an ERC defined as 80 gallons per day (gpd) while Middleton proposed an ERC defined as 225 gpd. Middleton's proposed ERC is a factor of 2.8125 (225 gpd/80 gpd) more than Gibson's proposed ERC. Gibson's rates are designed at its 80 percent design capacity. When Gibson is at 80 percent design capacity, Middleton will be at approximately 18 percent design capacity and serving 1,108 ERCs. As a result, the appropriate number of ERCs to be used for Middleton in designing rates is 3,116 (1,108 ERCs x 2.8125).

Typically, when designing a bulk service rate using the number of connections behind the meter, the BFC is a lump sum of all of the appropriate ERCs behind the meter times the rate for the 5/8" x 3/4" meter size. Usually, in those instances, the connections are existing and active. With a lump sum BFC, based on all 3,116 ERCs, Middleton would be paying for all ERCs from the onset with not all connections having taken place. As a result, the bulk service rate for Middleton shall be billed on a per ERC basis rather than a lump sum rate for the 3,116 ERCs. The bulk service rate on a per ERC basis will make Middleton similarly situated as the other customer classes wherein Middleton will only be billed for an actual connection. In addition, it avoids Gibson collecting excessive revenues when fewer ERCs are being served than what a lump sum BFC would include.

In order to determine the per ERC bulk service rates for Middleton, Gibson provided a bulk service revenue requirement which isolated the common plant and expenses shared by Gibson and Middleton. We adjusted the revenue requirement consistent with adjustments to the overall Gibson revenue requirement and removed RAFs as stated previously. We used the ERCs for Gibson as well as the 3,116 factored ERCs for Middleton to determine the BFC for one Gibson ERC based on common plant and expenses. In turn, the BFC was then multiplied by 2.8125 to determine the per ERC rate to be billed for one ERC for Middleton. The Gibson rates for residential and general service customers were determined by removing the revenues that will be generated from Middleton from the overall revenue requirement. In future rate proceedings, Gibson will need to continue to provide a separate revenue requirement which distinguishes the common plant and expenses shared by Gibson and Middleton to design the bulk service rates for Middleton.

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<sup>8</sup>We have previously found it appropriate to go behind the meter to bill for services. See Order Nos. PSC-2020-0263-PAA-WS, issued July 27, 2020, in Docket No. 20190194-WS, *In re: Application for original water and wastewater certificates and approval of initial rates, charges and standard service agreements in Lee County*, by CPI Citrus Park Utility TRS, L.L.C.; PSC-2016-0525-PAA-WS, issued November 16, 2016, in Docket No. 20160030-WS, *In re: Application for increase in water rates in Lee County and wastewater rates in Pasco County by Ni Florida, LLC.*; PSC-2007-0789-PAA-SU, issued September 27, 2007, in Docket No. 20070074-SU, *In re: Application for staff-assisted rate case in Okeechobee County by The Vantage Development Corporation*; and Order No. PSC-96-0596-FOF-WS, issued May 7, 1996, in Docket No. 950186-WS, *In re: Request for approval of new class of service to provide for bulk service in Citrus County by Rolling Oaks Utilities, Inc.*

For billing purposes, Gibson has indicated it would be able to obtain the monthly ERCs for Middleton. In addition, if Middleton develops more quickly than projected, our approved rate structure would account for the additional demand Middleton's customers have placed on Gibson's system. Further, if Gibson does not come in for a rate proceeding, annual report surveillance will allow monitoring of the Utility's earning levels for potential overearnings in the event Middleton's development is faster than anticipated.

### Conclusion

We find appropriate and approve all adjustments to the Utility's proposed rate base calculations discussed above. We approve the water and wastewater rates for GPU resulting from these adjustments as shown on Schedule Nos. 4-A and 4-B. We further approve an overall cost of capital of 7.76 percent, and an ROE of 7.84 percent with a range of plus or minus 100 basis points. Pursuant to Rule 25-30.475, F.A.C., the approved rates shall be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets. The Utility shall charge the approved rates until we authorize a change in a subsequent proceeding.

### Miscellaneous Service Charges

Section 367.091, F.S., authorizes the Commission to establish miscellaneous service charges. Gibson's request was accompanied by its reason for requesting the charges as well as the cost justification required by Section 367.091(6), F.S. The purpose of these charges is to place the burden for requesting or causing these services on the cost causer rather than the general body of ratepayers.

### Premises Visit and Violation Reconnection Charges

The Utility requested initial connection, normal reconnection, violation reconnection, and premise visit charges of \$46.05 during normal business hours. Additionally, Gibson requested that its violation reconnection charge for its wastewater system be actual cost pursuant to Rule 25-30.460(1)(c), F.A.C. Gibson's request for initial connection and normal reconnection charges do not conform to the miscellaneous service charges rule. Effective June 24, 2021, Rule 25-30.460, F.A.C., was amended to remove initial connection and normal reconnection charges.<sup>9</sup> The definitions for initial connection charges and normal reconnection charges were subsumed in the definition of the premises visit charge. Therefore, Gibson's proposed initial connection and normal reconnection charges are obsolete based on the revised rule.

The Utility's cost justification for its requested premises visit and water violation reconnection charge is shown below in Table 1.

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<sup>9</sup> Order 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.*



**Table 1****Premises Visit and Water Violation Reconnection Charge Cost Justification**

Field Labor	\$34.92
Administrative Labor	\$11.13
Total	\$46.05

We find the premises visit and water violation reconnection charges to be reasonable and approve them pursuant to Rule 25-30.460, F.A.C. Gibson's requested wastewater violation reconnection charge must be actual cost pursuant to Rule 25-30.460(1)(c), F.A.C.

Late Payment Charge

The Utility requested a \$5.50 late payment charge to recover administrative and supply costs for processing late payment notices. The Utility's cost justification for its requested late payment charge is shown below on Table 2.

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

Labor	\$4.59
Supplies/Postage	\$.75
Mark Up for RAFs	.26
Calculated Total	\$5.60
Requested Charge	\$5.50

We find this request to be reasonable and approve the \$5.50 late payment charge.

Nonsufficient Funds Charges (NSF)

The Utility requested NSF charges pursuant to 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 Utility may assess the following NSF charges:

- 1) \$25, if the face value does not exceed \$50,
- 2) \$30, if the face value exceeds \$50 but does not exceed \$300,
- 3) \$40, if the face value exceeds \$300,
- 4) or 5 percent of the face amount of the check, whichever is greater.

Conclusion

For the reasons set forth above, we approve the miscellaneous service charges for GPU as shown in Schedule No. 4-C. The Utility shall file revised tariff sheets to reflect these approved charges. The approved charges shall be effective for service rendered on or after the stamped

approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. Gibson shall charge the approved miscellaneous service charges until we authorize a change in a subsequent proceeding.

#### Meter Tampering Charge

Rule 25-30.320(2)(i), F.A.C., provides that a customer's service may be discontinued without notice in the event of tampering with the meter or other facilities furnished or owned by the Utility. In addition, Rule 25-30.320(2)(j), F.A.C., provides that a customer's service may be discontinued in the event of an unauthorized or fraudulent use of service. The rule allows Gibson to require the customer to reimburse the Utility for all changes in piping or equipment necessary to eliminate the illegal use and to pay an amount reasonably estimated as the deficiency in revenue resulting from the customer's fraudulent use before restoring service.

The Utility has requested a meter tampering charge of actual cost. Based on the Rule provisions discussed above, we approve this request. The approved charge will be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. Gibson shall charge the approved charge until we authorize a change in a subsequent proceeding.

#### Backflow Prevention Assembly Testing Charge

The Utility requested a backflow prevention assembly testing charge to recover the costs the Utility would incur for performing annual testing on behalf of non-compliant commercial customers. The DEP requires customers with cross-connections into the water system to install a backflow prevention assembly on the potable water line. In addition, the DEP requires that certain backflow prevention assemblies be field-tested at least once a year by a certified contractor. The residential customers of Gibson are not required to annually test their backflow prevention assembly devices because the type of assembly they will have, a double check valve, cannot be tested, but the DEP recommends it be replaced every five to ten years pursuant to Rule 62-555.360, F.A.C., and it is typically at the customer's expense.

It is the responsibility of the customer to annually test their backflow prevention assembly. The Utility would only administer this charge if a general service customer fails to test their backflow prevention device in accordance with the DEP requirements. This charge would be imposed after 30 days' notice to the customer and would include an estimate of the amount which will be charged. This noticing period will provide the customer a final opportunity to come into compliance before Gibson performs the necessary testing on the customer's behalf. The Utility is requesting this charge at actual cost in order to pass on the amount it will incur from a contractor performing the necessary testing. The Utility's requested charge is reasonable and consistent with our approval of a backflow prevention assembly testing charge in a prior docket.<sup>10</sup>

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<sup>10</sup> Order No. PSC-2018-0271-PAA-WS, issued May 30, 2018, in Docket No. **Error! Reference source not found.**, *In re: Application for original water and wastewater certificates in South Sumter County by South Sumter Utility Company, LLC.*

Based on the above, we approve the Utility's requested backflow prevention assembly testing charge for general service customers at actual cost. The approved charge shall be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. Gibson shall charge the approved charge until we authorize a change in a subsequent proceeding.

#### Collection Device Cleaning Charge

Gibson requested a collection device cleaning charge at actual cost for general service customers who fail to perform the required actions after receiving written notice from the Utility with an estimate of potential charges. Cleaning the collection device helps prevent damage and operational problems in the wastewater collection and treatment system by removing fats, oil, and grease (FOG) from the wastewater stream prior to it entering the collection system. Once FOG is introduced into the wastewater system, it then cools, solidifies, accumulates and restricts wastewater flow within the pipes. Restaurants are the most common type of general service customer to have higher concentrations of FOG in their discharged wastewater.

Gibson is requiring all customers with a grease interceptor be required to have a quarterly cleaning schedule, provide a cleaning manifest to the Utility, and perform any needed maintenance that has been identified by the customer's grease interceptor cleaning contractor. If a cleaning manifest is not received by the Utility on time or if necessary maintenance has not been performed, a reminder letter will be sent to the customer with an estimate of charges for cleaning the grease interceptor and giving the customer 15 days to come into compliance. If the customer fails to come into compliance by the notified deadline, the Utility will hire a contractor to perform the cleaning and the contractor's cost will be passed through to the general service customer at the actual cost to the Utility.

The Utility's proposed collection device cleaning charge is a reasonable, proactive approach to avoid operational problems in the Utility's collection and treatment facilities. The Utility's request is consistent with Rule 20-30.225(6), F.A.C., which provides that Gibson may require that each customer be responsible for cleaning and maintaining sewer laterals to the point of delivery. The Utility's requested charge is reasonable and consistent with our approval of a collection device cleaning charge in a prior docket.<sup>11</sup>

Therefore, we approve the Utility's request to charge a collection device cleaning charge. This charge may be levied if circumstances are consistent with those discussed immediately above and will be set forth in the Utility's tariff. The approved charge shall be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. The Utility shall charge the approved charge until we authorize a change in a subsequent proceeding.

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<sup>11</sup> Order No. PSC-2018-0271-PAA-WS, issued May 30, 2018, in Docket No. **Error! Reference source not found.**, *In re: Application for original water and wastewater certificates in South Sumter County by South Sumter Utility Company, LLC.*

### Temporary Meter Deposit

Gibson requested a temporary meter deposit for general service customers consistent with Rules 25-30.315 and 25-30.345, F.A.C., which allows the Utility to charge an applicant a reasonable charge to defray the costs of installing and removing facilities and materials for temporary service. This deposit would be collected from commercial entities requesting a temporary meter for construction activities. Once temporary meter service is terminated, Gibson will credit the customer with the reasonable salvage value of the service facilities and materials consistent with Rules 25-30.315 and 25-30.345, F.A.C.

The Utility's requested temporary meter deposit for general service customers at actual cost is reasonable. Based on Rules 25-30.315 and 25-30.345, F.A.C., we approve this request. The approved deposit shall be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. Gibson shall collect the approved deposit, which covers the anticipated costs of installing and removing facilities and materials for temporary service, until we authorize a change in a subsequent proceeding.

### 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 company's tariff shall contain its specific criteria for determining the amount of initial deposits. The Utility requested initial customer deposits of \$55.76 for water and \$129.56 for wastewater for the residential 5/8" x 3/4" meter sizes and two times the average estimated monthly bill for all others. Customer deposits are designed to minimize the exposure of bad debt expense for the Utility and, ultimately, the general body of rate payers. In addition, collection of customer deposits is consistent with one of the fundamental principles of rate making which ensures 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. We reviewed the projected billing data provided in Gibson's application and determined that the anticipated average residential usage will be approximately 2,430 gallons per month for both water and wastewater. Consequently, the average residential monthly bill will be approximately \$30.21 for water and \$68.82 for wastewater service, based on the rates we have approved in this Order.

Based on the above, the appropriate initial customer deposits are \$61 for water and \$138 for wastewater service for the residential 5/8" x 3/4" 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 service rendered on or after

the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. The Utility shall collect the approved deposits until we authorize a change in a subsequent proceeding.

#### Service Availability Charges

Gibson requested a meter installation charge of \$571.50 for 5/8" x 3/4" meters and actual cost for all other meter sizes, plant capacity charge of \$928 per ERC, and a main extension charge of \$823 per ERC for its water system. Additionally, the Utility requested a main extension charge of \$1,130 per ERC and a plant capacity charge of \$2,737 per ERC for its wastewater system. Gibson's service availability charges anticipate providing bulk service to Middleton. Gibson will be providing service to only its customers and Middleton, the bulk service customer. The Utility proposed that only the plant capacity charge be applicable to Middleton and not the main extension charge because Middleton will have its own internal distribution system. Further, according to the Utility, the requested charges are in compliance with Rule 25-30.580, F.A.C., in that at design capacity the CIAC will not be in excess of 75 percent, and will not be less than the percentage of facilities and plant represented by the distribution and collection systems.

Rule 25-30.580(1)(a), F.A.C., provides that the maximum amount of CIAC, net of amortization, should not exceed 75 percent of the total original cost, net of accumulated depreciation, of the Utility's facilities and plant when the facilities and plant are at their design capacity. The maximum guideline is designed to ensure that the Utility retains an investment in the system. Rule 25-30.580(1)(b), F.A.C., provides that the minimum amount of CIAC should not be less than the percentage of such facilities and plant that is represented by the distribution and collection systems.

#### Meter Installation Charges

Gibson is requesting approval of a meter installation charge of \$571.50 for 5/8" x 3/4" meters. All other meter sizes will be installed at the Utility's actual cost. The Utility's proposed meter installation charge of \$571.50 is based on the estimated cost to install remote read water meters and the required backflow prevention device for the 5/8" x 3/4" meter size. We find these charges to be reasonable and approve the Utility's requested meter installation charges.

#### Main Extension Charges

The main extension charge is designed to allow customers to pay their pro rata share of the cost of the water distribution and wastewater collection systems, which is installed by the Utility. The Utility's main extension charge was designed based on the meter size ERCs for its service area. Typically, we approve main extension charges based on the average cost of the distribution and collection systems and the anticipated capacity in ERCs. The Utility's methodology is consistent with the manner in which we develop main extension charges. Therefore, we approve the Utility's requested charges of \$823 for water and \$1,131 for wastewater.

Plant Capacity Charges

A plant capacity charge allows the Utility to recover each customer's pro rata share of the cost of treatment facilities and stay within the guidelines prescribed in Rule 25-30.580, F.A.C., which provides minimum and maximum guidelines for designing service availability charges. The Utility proposed plant capacity charges of \$928 for water and \$2,737 for wastewater, which result in contribution levels of 46.63 percent for water and 46.20 percent for wastewater. Gibson's plant capacity charges were designed based on the meter size ERCs for both Gibson and Middleton.

Typically, we approve plant capacity charges based on the average cost of the water and wastewater treatment facilities and the anticipated capacity in ERCs. Gibson's plant will serve only its customers and the customers of Middleton. The Utility designed its plant capacity charge on 13,693 ERCs, which represents 12,378 ERCs for Gibson and 1,315 ERCs for Middleton. As discussed above under the heading "Rates and Rate Structure," Middleton's ERCs will be counted behind the meter. Middleton plans to serve 6,862 ERCs. Consistent with their treatment for rates, the Middleton ERC shall be factored to equate to an ERC of Gibson. The appropriate ERCs for Middleton are 19,300 (6,862 ERCs x 2.8125). The total ERCs for designing the plant capacity charge shall be 31,678 (12,378 + 19,300). As a result, Gibson's plant capacity charges shall be \$401 for water and \$1,183 for wastewater. For Middleton, Gibson's plant capacity charges shall be multiplied by 2.8125, resulting in plant capacity charges of \$1,128 for water and \$3,327 for wastewater.

Our approved main extension and plant capacity charges result in projected contribution levels of 46.22 percent for water and 46.20 percent for wastewater, which is similar to the contribution levels proposed by the Utility. This approval is consistent with Rule 25-30.580, F.A.C., and will allow Gibson to maintain an appropriate level of investment in its system. Table 3 below displays the Utility's proposed and our approved service availability charges for its water and wastewater systems.

**Table 3**  
**Service Availability Charges**

Charge	Utility Proposed		Commission Approved	
	Water	Wastewater	Water	Wastewater
Meter Installation Charge	\$571.50	N/A	\$571.50	N/A
Main Extension Charge – Gibson only ERC =80 gpd	\$823	\$1,130	\$823	\$1,131
Plant Capacity Charge – Gibson ERC = 80 gpd	\$928	\$2,737	\$401	\$1,183
Plant Capacity Charge - Middleton ERC = 225 gpd	N/A	N/A	\$1,128	\$3,327

Based on the above, the appropriate service availability charges are a meter installation charge of \$571.50 for the residential 5/8" x 3/4" meter size and actual cost for all other residential and general service meter sizes. The main extension charge of \$823 per ERC and plant capacity charge of \$401 per ERC for the Utility's water system are approved. Additionally, we approve a main extension charge of \$1,131 per ERC and a plant capacity charge of \$1,183 per ERC for the Utility's wastewater system. The approved main extension and plant capacity charges shall be based on an estimated 80 gpd of water demand. The approved charges shall be effective for connections made on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. The Utility is required to charge the approved charges until we authorize a change to them a subsequent proceeding.

Conclusion

Based on the above, the appropriate service availability charges are a meter installation charge of \$571.50 for the residential 5/8" x 3/4" meter size and actual cost for all other residential and general service meter sizes. The main extension charge of \$823 per ERC and plant capacity charge of \$401 per ERC for the Utility's water system are approved. Additionally, we approve Gibson's plant capacity charges of \$401 for water and \$1,183 for wastewater. For Middleton, Gibson's plant capacity charges shall be multiplied by 2.8125 resulting in plant capacity charges of \$1,128 for water and \$3,327 for wastewater. The approved main extension and plant capacity charges shall be based on an estimated 80 gpd of water demand. The approved charges shall be effective for connections made on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. The Utility is required to charge the approved charges until we authorize a change to them in a subsequent proceeding.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the water and wastewater rates for Gibson Place Utility Company, LLC, shown on Schedules Nos. 4-A and 4-B, are reasonable and the rates are approved. We further approve an overall cost of capital of 7.76 percent, and a return on equity of 7.84 percent with a range of plus or minus 100 basis points.

The approved rates shall be effective for services rendered or 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 charge the approved rates until we authorize a change in a subsequent proceeding. It is further

ORDERED that the Utility's requested miscellaneous service charges as shown on Schedule No. 4-C are approved. The Utility shall file revised tariff sheets to reflect these approved charges. The approved charges shall be effective for service rendered on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), F.A.C. The Utility shall charge the approved miscellaneous service charges until we authorize a change in a subsequent proceeding. It is further

ORDERED that the appropriate service availability charges are a meter installation charge of \$571.50 for the residential 5/8" x 3/4" meter size and actual cost for all other residential and general service meter sizes. The main extension charge of \$823 per ERC and plant capacity charge of \$401 per ERC for the Utility's water system are approved. Gibson's plant capacity charges shall be \$401 for water and \$1,183 for wastewater. For Middleton, Gibson's plant capacity charges shall be multiplied by 2.8125 resulting in plant capacity charges of \$1,128 for water and \$3,327 for wastewater. The approved main extension and plant capacity charges shall be based on an estimated 80 gpd of water demand. The approved charges shall be effective for connections made on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. The Utility shall charge the approved charges until we authorize a change to them in a subsequent proceeding. It is further

ORDERED that the Utility's request for a meter tampering charge of actual cost is approved. The approved charge shall be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. The Utility shall charge the approved charge until we authorize a change in a subsequent proceeding. It is further

ORDERED that the Utility's requested backflow prevention assembly testing charge for general service customers at actual cost is approved. The approved charge shall be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. The Utility shall charge the approved charge until we authorize a change in a subsequent proceeding. It is further

ORDERED that the Utility's request to charge a collection device cleaning charge is approved. This charge may be levied if circumstances are consistent with those discussed in this Order and will be set forth in the Utility's tariff. The approved charge shall be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. The Utility shall charge the approved charge until we authorize a change in a subsequent proceeding. It is further

ORDERED that the Utility's requested temporary meter deposit for general service customers at actual cost is reasonable and, based on Rules 25-30.315 and 25-30.345, F.A.C., is approved. The approved deposit shall be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. Gibson shall collect the approved



deposit, which covers the anticipated costs of installing and removing facilities and materials for temporary service, until we authorize a change in a subsequent proceeding. It is further

ORDERED that the appropriate initial customer deposits are \$61 for water and \$138 for wastewater service for the residential 5/8" x 3/4" 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 service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. The Utility shall collect the approved 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 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 the docket shall remain open for the Utility to file revised tariff sheets and customer notice and staff to review these filings to confirm they are consistent with the provisions of this Order. Once these actions are complete, this docket shall be closed administratively.

By ORDER of the Florida Public Service Commission this 21st day of November, 2022.



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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.

SPS

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 that is available under Section 120.57, 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 will be granted or result in the relief sought.

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.

The action proposed herein 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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on December 12, 2022.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

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

<b>Gibson Place Utilities, LLC</b>		<b>Schedule No. 1-A</b>		
<b>Schedule of Water Rate Base</b>		<b>20200185-WS</b>		
<b>80% Design Capacity</b>				
<b>Description</b>	<b>Test Year Per Utility</b>	<b>Commission Adjust- ments</b>	<b>Commission Adjusted Test Year</b>	
1 Plant in Service	\$47,755,289	\$5,659,222	\$53,414,511	
2 Land and Land Rights	151,008	0	151,008	
3 Accumulated Depreciation	(3,438,665)	(564,150)	(4,002,815)	
4 CIAC	(20,167,016)	(5,352,043)	(25,519,059)	
5 Amortization of CIAC	1,027,813	1,509,405	2,537,518	
6 Working Capital Allowance	<u>120,158</u>	<u>0</u>	<u>120,158</u>	
7 <b>Rate Base</b>	<u>\$25,448,587</u>	<u>\$1,252,433</u>	<u>\$26,701,020</u>	

<b>Gibson Place Utilities, LLC</b>		<b>Schedule No. 1-B</b>		
<b>Schedule of Wastewater Rate Base</b>		<b>20200185-WS</b>		
<b>80% Design Capacity</b>				
<b>Description</b>	<b>Test Year Per Utility</b>	<b>Commission Adjust- ments</b>	<b>Commission Adjusted Test Year</b>	
1 Plant in Service	\$111,533,582	\$0	\$111,533,582	
2 Land and Land Rights	1,617,500	0	1,617,500	
3 Accumulated Depreciation	(12,114,001)	0	(12,114,001)	
4 CIAC	(45,442,029)	(304,025)	(45,746,054)	
5 Amortization of CIAC	3,285,601	2,795,268	6,080,869	
6 Working Capital Allowance	<u>259,389</u>	<u>0</u>	<u>259,389</u>	
7 <b>Rate Base</b>	<u>\$59,140,042</u>	<u>\$2,491,242</u>	<u>\$61,631,284</u>	

<b>Gibson Place Utilities, LLC</b>		<b>Schedule No. 1-C</b>	
<b>Adjustments to Rate Base</b>		<b>20200185-WS</b>	
<b>80% Design Capacity</b>			
<b>Explanation</b>	<b>Water</b>	<b>Wastewater</b>	
<b>Plant In Service</b>			
To reflect appropriate levels of plant in service	<u>\$5,659,222</u>	<u>\$0</u>	
<b>Accumulated Depreciation</b>			
To reflect appropriate level of accumulated depreciation.	<u>(\$564,150)</u>	<u>\$0</u>	
<b>CIAC</b>			
To reflect appropriate level of CIAC.	<u>\$5,352,043</u>	<u>\$304,025</u>	
<b>Accumulated Amortization of CIAC</b>			
To reflect appropriate level of accumulated amortization of CIAC.	<u>\$1,509,405</u>	<u>\$2,795,268</u>	

<b>Gibson Place Utilities, LLC</b>							<b>Schedule No. 2</b>	
<b>Capital Structure</b>							<b>20200185-WS</b>	
<b>80% Design Capacity</b>								
<b>Description</b>	<b>Total Capital</b>	<b>Subtotal Adjusted Capital</b>	<b>Pro rata Adjustments</b>	<b>Capital Reconciled to Rate Base</b>	<b>Ratio</b>	<b>Cost Rate</b>	<b>Weighted Cost</b>	
<b>Per Commission</b>								
1 Long-term Debt	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	
2 Short-term Debt	0	0	0	0	0.00%	0.00%	0.00%	
3 Preferred Stock	0	0	0	0	0.00%	0.00%	0.00%	
4 Common Equity	83,382,247	83,382,247	3,743,675	87,125,922	98.63%	7.84%	7.73%	
5 Customer Deposits	1,206,383	1,206,383	0	1,206,383	1.37%	2.00%	0.03%	
6 Tax Credits-Zero Cost	0	0	0	0	0.00%	0.00%	0.00%	
7 Deferred Income Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	
8 <b>Total Capital</b>	<u>\$84,588,630</u>	<u>\$84,588,630</u>	<u>\$3,743,675</u>	<u>\$88,332,305</u>	<u>100.00%</u>		<u>7.76%</u>	
					<b><u>LOW</u></b>	<b><u>HIGH</u></b>		
			RETURN ON EQUITY		<u>6.84%</u>	<u>8.84%</u>		
			OVERALL RATE OF RETURN		<u>6.77%</u>	<u>8.75%</u>		

<b>Gibson Place Utilities, LLC</b>				<b>Schedule No. 3-A</b>	
<b>Statement of Water Operations</b>				<b>20200185-WS</b>	
<b>80% of Design Capacity</b>					
<b>Description</b>	<b>Test Year Per Utility</b>	<b>Commission Adjustments</b>	<b>Commission Adjusted Test Year</b>	<b>Revenue Increase</b>	<b>Revenue Requirement</b>
1 <b>Operating Revenues:</b>	<u>\$4,518,380</u>	<u>\$0</u>	<u>\$4,518,380</u>	<u>(\$54,563)</u> -1.21%	<u>\$4,463,817</u>
<b>Operating Expenses</b>					
2 Operation & Maintenance	\$961,268	0	\$961,268		\$961,268
3 Net Depreciation	760,015	(196,474)	563,541		563,541
4 Amortization	10,681	(10,681)	0		0
5 Taxes Other Than Income	803,972	65,428	869,400	(2,455)	866,945
6 Income Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
7 <b>Total Operating Expense</b>	<u>2,535,936</u>	<u>(141,727)</u>	<u>2,394,209</u>	<u>(2,455)</u>	<u>2,391,754</u>
8 <b>Operating Income</b>	<u>\$1,982,444</u>	<u>\$141,727</u>	<u>\$2,124,171</u>	<u>(\$52,107)</u>	<u>\$2,072,064</u>
9 <b>Rate Base</b>	<u>\$25,448,587</u>		<u>\$26,701,020</u>		<u>\$26,701,020</u>
10 <b>Rate of Return</b>	<u>7.79%</u>		<u>7.96%</u>		<u>7.76%</u>

<b>Gibson Place Utilities, LLC</b>						<b>Schedule No. 3-B</b>
<b>Statement of Wastewater Operations</b>						<b>20200185-WS</b>
<b>80% of Design Capacity</b>						
<b>Description</b>	<b>Adjusted Test Year Per Utility</b>	<b>Commission Adjust- ments</b>	<b>Commission Adjusted Test Year</b>	<b>Revenue Increase</b>	<b>Revenue Requirement</b>	
1 <b>Operating Revenues:</b>	<u>\$11,179,493</u>	<u>\$0</u>	<u>\$11,179,493</u>	<u>(\$511,454)</u> -4.57%	<u>\$10,668,039</u>	
<b>Operating Expenses</b>						
2     Operation & Maintenance	\$2,075,109	\$0	\$2,075,109		\$2,075,109	
3     Depreciation	2,653,855	(591,931)	2,061,924		2,061,924	
4     Amortization	10,681	(10,681)	0		0	
5     Taxes Other Than Income	1,832,839	(61,554)	1,771,285	(23,015)	1,748,270	
6     Income Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	
7 <b>Total Operating Expense</b>	<u>6,572,484</u>	<u>(664,166)</u>	<u>5,908,318</u>	<u>(23,015)</u>	<u>5,885,302</u>	
8 <b>Operating Income</b>	<u>\$4,607,009</u>	<u>\$664,166</u>	<u>\$5,271,175</u>	<u>(\$488,439)</u>	<u>\$4,782,736</u>	
9 <b>Rate Base</b>	<u>\$59,140,042</u>		<u>\$61,631,284</u>		<u>\$61,631,284</u>	
10 <b>Rate of Return</b>	<u>7.79%</u>		<u>8.55%</u>		<u>7.76%</u>	



<b>Gibson Place Utilities, LLC</b>		<b>Schedule No. 3-C</b>	
<b>Adjustments to Operating Income</b>		<b>20200185-WS</b>	
<b>80% Design Capacity</b>			
<b>Explanation</b>	<b>Water</b>	<b>Wastewater</b>	
<b>Depreciation Expense - Net</b>			
1 To reflect correct amortization rate for CIAC.	(\$207,155)	(\$602,612)	
2 To reclassify CIAC amortization expense to depreciation expense.	<u>10,681</u>	<u>10,681</u>	
<b>Total</b>	<u>(\$196,474)</u>	<u>(\$591,931)</u>	
<b>Amortization-Other Expense</b>			
To reclassify amortization expense to net depreciation expense.	<u>(\$10,681)</u>	<u>(\$10,681)</u>	
<b>Taxes Other Than Income</b>			
To reflect the appropriate amount of property taxes.	<u>\$65,428</u>	<u>(\$61,554)</u>	

<b>GIBSON PLACE UTILITIES, LLC</b>		<b>SCHEDULE NO. 4-A</b>	
<b>MONTHLY WATER RATES</b>		<b>DOCKET NO. 20200185-WS</b>	
	<b>UTILITY REQUESTED RATES</b>	<b>COMMISSION APPROVED RATES</b>	
<b><u>Residential and General Service</u></b>			
Base Facility Charge by Meter Size			
5/8" X 3/4"	\$14.11	\$14.37	
3/4"	\$21.17	\$21.56	
1"	\$35.28	\$35.93	
1-1/2" Turbine	\$70.55	\$71.85	
2" Turbine	\$112.88	\$114.96	
3" Turbine	\$246.93	\$251.48	
Charge per 1,000 gallons- Residential Service			
0-3,000 gallons	\$5.44	\$6.52	
Over 3,000 gallons	\$6.80	\$8.15	
Charge per 1,000 gallons- General Service			
	\$5.65	\$6.78	
<b><u>Bulk Service</u></b>			
Base Facility Charge by Meter Size			
8"	\$520.33	N/A	
12"	\$1,398.12	N/A	
Base Facility Charge (Per ERC behind the meter)	N/A	\$13.25	
Charge per 1,000 gallons - Bulk Service	\$1.57	\$2.74	
<b><u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u></b>			
3,000 Gallons	\$30.43	\$33.93	
6,000 Gallons	\$50.83	\$58.38	
10,000 Gallons	\$78.03	\$90.98	

<b>GIBSON PLACE UTILITIES, LLC</b>		<b>SCHEDULE NO. 4-B</b>	
<b>MONTHLY WASTEWATER RATES</b>		<b>DOCKET NO. 20200185-WS</b>	
	<b>UTILITY REQUESTED RATES</b>	<b>COMMISSION APPROVED RATES</b>	
<b>Residential Service</b>			
Base Facility Charge- All Meter Sizes	\$43.75	\$41.97	
Charge per 1,000 gallons- Residential 10,000 gallon cap	\$8.66	\$11.05	
<b>General Service</b>			
Base Facility Charge by Meter Size			
5/8" X 3/4"	\$43.75	\$41.97	
3/4"	\$65.63	\$62.96	
1"	\$109.38	\$104.93	
1-1/2" Turbine	\$218.77	\$209.85	
2" Turbine	\$350.03	\$335.76	
3" Turbine	\$765.69	\$734.48	
Charge per 1,000 gallons - General Service	\$10.39	\$13.26	
<b>Bulk Service</b>			
Base Facility Charge by Meter Size			
8"	\$2,607.60	N/A	
12"	\$7,007.92	N/A	
Base Facility Charge (Per ERC behind the meter)		\$70.76	
Charge per 1,000 gallons - Bulk Service	\$6.09	\$10.47	
<b>Typical Residential 5/8" x 3/4" Meter Bill Comparison</b>			
3,000 Gallons	\$69.73	\$75.12	
6,000 Gallons	\$95.71	\$108.27	
10,000 Gallons	\$130.35	\$152.47	

**Gibson Place Utilities, LLC**

**Commission Approved Miscellaneous Service Charges**

	Normal Hours	After Hours
Violation Reconnection Charge - Water	\$46.05	Actual Cost
Violation Reconnection Charge -Wastewater	Actual Cost	Actual Cost
Premises Visit Charge	\$46.05	N/A
Late Payment Charge		\$5.50
NSF Charges	Pursuant to Section 68.065, F.S.	