

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in water and  
wastewater rates in Broward County by Royal  
Waterworks, Inc.

DOCKET NO. 20230081-WS  
ORDER NO. PSC-2023-0307-PCO-WS  
ISSUED: October 16, 2023

The following Commissioners participated in the disposition of this matter:

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

ORDER SUSPENDING TARIFF

BY THE COMMISSION:

Background

Royal Waterworks, Inc. (Royal or Utility) is a Class B water and wastewater utility providing service to approximately 457 residential and 64 general service water customers in Broward County. Royal is located in the South Florida Water Management District. The Utility's initial rates were established in 1983 when it was owned by University Utility Corporation.<sup>1</sup> The Utility subsequently underwent two transfers.<sup>2</sup>

In 2022, the Utility recorded total company operating revenues of \$704,462 and \$713,819 for water and wastewater, respectively. Royal reported a net operating income for 2022 of \$12,515 for water and \$201,311 for wastewater.

On August 14, 2023, Royal filed an application for increased interim and final water and wastewater rates. However, on August 22, 2023, the Utility withdrew its request for interim rates due to calculation errors.

The Utility requested that its application be processed using the Proposed Agency Action (PAA) procedure. Royal's application for increased final water and wastewater rates is based on

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<sup>1</sup> 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*.

<sup>2</sup> Order No. 19867, issued August 22, 1988, in Docket No. 19880557-WS, *In re: Application of Royal Utility Company for transfer of Certifications Nos. 259-W and 199-S from University Utility Corporation*; and Order No. PSC-2020-0458-PAA-WS, issued November 23, 2020, in Docket No. 20190170-WS, *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.*

the historical test year ending May 31, 2023. The requested final rates include adjustments for six water pro forma projects and six wastewater pro forma projects.

Royal requested final rates designed to generate revenues of \$804,969 for water operations and \$862,426 for wastewater operations. This represents a revenue increase of \$70,783, or 8.8 percent, for water and \$100,955, or 11.7 percent, for wastewater.

By letter dated September 13, 2023, Commission staff advised the Utility that its Minimum Filing Requirements (MFRs) had deficiencies. Royal responded to that letter correcting some of the deficiencies on September 15, 2023. Staff sent a second deficiency letter on September 20, 2023. On the same day, the Utility provided responses to the second deficiency letter. The Utility corrected its deficiencies and the official filing date is September 20, 2023.

This Order is to suspend the Utility's requested final rates. We have jurisdiction pursuant to Sections 367.081 and 367.082, Florida Statutes (F.S.).

#### Decision

Section 367.081(6), F.S., provides that the rates proposed by a utility shall become effective within sixty days after filing unless we vote to withhold consent of implementation of the requested rates.

We have reviewed the filing and the proposed rates, the revenues thereby generated, and the information filed in support of the rate application. We find that it is reasonable and necessary to require further explanation regarding this data, and to require production of additional and corroborative data. This further examination will include a review by Commission staff accountants and engineers. Commission staff has initiated an audit of Royal's books and records to examine allocated investment and operating expenses. This audit is tentatively due on October 13, 2023. Therefore, we suspend the Utility's proposed rate increases to allow our staff and any intervenors sufficient time to adequately and thoroughly examine the appropriateness of the Utility's request for final rate relief.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Royal Waterworks, Inc.'s proposed final water and wastewater rates are hereby suspended. It is further

ORDERED that this docket shall remain open pending our decision on Royal Waterworks, Inc.'s proposed final rates.

By ORDER of the Florida Public Service Commission this 16th day of October, 2023.



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ADAM J. TEITZMAN  
Commission Clerk  
Florida Public Service Commission  
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Tallahassee, Florida 32399  
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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 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.

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.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, 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. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.