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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in water and wastewater rates in Brevard, Citrus, Duval, Highlands, Marion, and Volusia Counties by CSWR-Florida Utility Operating Company, LLC.	DOCKET NO. 20250052-WS ORDER NO. PSC-2026-0405-FOF-WS ISSUED: November 16, 2026

The following Commissioners participated in the disposition of this matter:

GABRIELLA PASSIDOMO SMITH, Chairman
GARY F. CLARK
MIKE LA ROSA
BOBBY PAYNE
ANA ORTEGA

FINAL ORDER GRANTING IN PART AND DENYING IN PART APPLICATION FOR INCREASE IN WATER AND WASTEWATER RATES BY CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC

BY THE COMMISSION:

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BACKGROUND

CSWR-Florida Utility Operating Company, LLC (CSWR-Florida or Utility) is a Class A Utility providing water and wastewater service to 11 systems in the following counties: Brevard, Citrus, Duval, Highlands, Marion, and Volusia. As the result of recent acquisitions and a grandfather certificate, CSWR-Florida is now a Florida domestic limited liability company that owns and operates water and wastewater systems that are the subject of this rate case application. CSWR-Florida is a wholly-owned subsidiary of CSWR-Florida Utility Holding Company, LLC. (CSWR, LLC.)

In 2024, the Utility recorded consolidated company revenues of $3,853,102 for water and $3,332,319 for wastewater, CSWR-Florida reported a net operating loss of $1,436,909 for water and $136,494 for wastewater. The Utility had approximately 12,319 water customers and 7,731 wastewater customers in its combined systems. The following table reflects the rate proceedings in which rates were last established for each of CSWR-Florida's systems.

Last Rate Proceedings Establishing Rates for CSWR-Florida Systems

Former Utility Name	Order	Issuance Date
Aquarina Utilities, Inc.	PSC-2020-0158-PAA-WS	May 15, 2020
BFF Corp	PSC-2002-0487-PAA-SU	April 8, 2002
C.F.A.T. H2O, Inc.	PSC-2011-0366-PAA-WS	August 31, 2011
Neighborhood Utilities, Inc.	PSC-2016-0537-PAA-WU	November 23, 2016
North Peninsula Utilities, Corp.	PSC-2019-0461-PAA-SU	October 25, 2019
Rolling Oaks Utilities, Inc.	Citrus County Approved	February 1, 2022
Sebring Ridge Utilities, Inc.	PSC-1996-0869-FOF-WS	July 2, 1996
Sunshine Utilities, Inc.[1]	PSC-2012-0357-PAA-WU	July 10, 2012
TKCB, Inc.	PSC-2021-0435-PAA-SU	November 22, 2021
Tradewinds Utilities, Inc.	PSC-2011-0385-PAA-WS	September 13,2011
Tymber Creek Utilities, Inc.	PSC-2011-0345-PAA-WS; PSC-2011-0345A-PAA-WS	August 16, 2011 September 14, 2011

During the years of 2021-2024, CSWR-Florida applied to acquire ten of the systems in this rate proceeding, and all ten transfer dockets were approved by us. On July 21, 2025, we

[1] Sunshine Utilities, Inc. has 23 water systems that are subsumed into two systems, unified and other.

approved a grandfather certificate for Rolling Oaks Utilities, Inc., as the eleventh CSWR-Florida system. For purposes of this order, we utilize the former utility names prior to the acquisitions.

On May 30, 2025, CSWR-Florida filed an application for approval of interim and final water and wastewater rate increases. The Utility's application is based on the historical 12-month period ended January 31, 2025. Additionally, the Utility requested a single, consolidated rate structure. In setting final rates, the current rate structure of each system is also used for setting final revenues. CSWR-Florida requested final rates designed to generate additional revenues of $3,223,769 for water operations and $954,881 for wastewater operations. As discussed in greater detail in Issue 17, the Utility included revenue requirements associated with CSWR-Florida's petitions for a positive acquisition adjustment for its purchase of the Aquarina, North Peninsula, and Sunshine systems within its minimum filing requirements (MFRs).[2]

By Order No. PSC-2025-0318-PCO-WS, issued August 21, 2025, we suspended CSWR-Florida's final rates request. CSWR-Florida requested interim rates for all of its systems, designed to generate additional revenues of $2,279,365 for water operations and $225,973 for wastewater operations. We approved CSWR-Florida's interim rates request for 10 systems and denied the request for one system.[3] The intervention of the Office of Public Counsel (OPC) was acknowledged by Order No. PSC-2025-0113-PCO-WS, issued April 7, 2025, in this docket.[4]

By letter dated June 27, 2025, Commission staff advised the Utility that its Minimum Filing Requirements (MFRs) had several deficiencies. Having reviewed the Utility's deficiency response, staff sent a second letter to CSWR-Florida on August 15, 2025. The Utility filed a response to staff's second deficiency letter on September 15, 2025. A third deficiency letter dated October 3, 2025, notified CSWR-Florida that its MFRs were still deficient. On October 15, 2025, the Utility filed a response to staff's third deficiency letter. A fourth deficiency letter was issued on October 31, 2025. The Utility filed a response to staff's fourth deficiency letter on November 24, 2025, correcting its remaining deficiencies, and thus, November 24, 2025, became the official filing date pursuant to Sections 376.081 and 367.083, Florida Statutes (F.S.).

We held four service hearings in this proceeding: two were held on March 5, 2026 (one in Lecanto, Florida in the morning, and one in Ocala, Florida, in the evening), and one was held on March 25, 2026, in Daytona Beach, Florida. The fourth service hearing was conducted virtually on March 31, 2026.

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[2] Docket No. 20250038-WS, *In re: Petition for an acquisition adjustment for a non-viable utility, by CSWR-Florida Utility Operating Company, LLC*; Docket No. 20250043-WS, *In re: Petition for an acquisition adjustment for a non-viable utility, by CSWR-Florida Utility Operating Company, LLC*; Docket No. 20250047-WS, *In re: Petition for an acquisition adjustment for a non-viable utility, by CSWR-Florida Utility Operating Company, LLC.*

[3] Order Nos. PSC-2025-0404-PCO-WS, issued October 27, 2025, in Docket No. 20250052-WS, *In re: Application for increase in water and wastewater rates in Brevard, Citrus, Duval, Highlands, Marion, and Volusia Counties by CSWR-Florida Utility Operating Company* and PSC-2025-0361-PCO-WS, issued September 24, 2025, in Docket No. 20250052-WS, *In re: Application for increase in water and wastewater rates in Brevard, Citrus, Duval, Highlands, Marion, and Volusia Counties by CSWR-Florida Utility Operating Company.*

[4] Order No. PSC-2025-0113-PCO-WS, issued April 7, 2025, in Docket No. 20250052-WS, *In re: Application for increase in water and wastewater rates in Brevard, Citrus, Duval, Highlands, Marion, and Volusia Counties by CSWR-Florida Utility Operating Company.*

We held a formal evidentiary hearing on June 8, 2026. As reflected throughout this order, a number of Type 1 and Type 2 stipulations were proposed by the parties, which we approved at the June 8 hearing.[5] The parties filed post-hearing briefs on July 10, 2026.

This order addresses the Utility's final requested rates. We have jurisdiction pursuant to Section 367.081, F.S.

DECISION

I. QUALITY OF SERVICE

A. CSWR's Motion to Supplement the Record (Issue 2A)[6]

On July 15, 2026, CSWR-Florida filed a Motion to Supplement the Record with the Florida Department of Environmental Protection (DEP) Compliance Letter Relating to the Ocala Heights Water System (Motion). In its Motion, the Utility requests that the hearing record be supplemented with a July 7, 2026 letter from DEP. The letter provided notification that the provisions of a Consent Order against CSWR-Florida's Sunshine-Ocala Heights water system had been fulfilled, the enforcement file was closed as of the date of the letter, and the Ocala Heights water system was in compliance with state and federal rules. The Utility contends that this letter is relevant to Issue 2 and is similar to other letters provided by CSWR-Florida at the hearing and admitted into evidence, without objection, which addressed the updated DEP compliance status of several Utility systems. CSWR-Florida further argues that this would provide us with the most complete and relevant information in rendering our decision, and would not prejudice any party. In its conferral on the Motion, CSWR-Florida represents that OPC objects to the relief sought by the Motion. No written objection was filed by OPC, and the time for doing so has expired.

In any matter which goes to hearing, we reserve the right to reopen the record if at the conclusion of the proceeding we determine that the record is insufficient.[7] As observed in Order

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[5] A Type 1 stipulation occurs on an issue where the utility and intervenors agree on the resolution of the issue. A Type 2 stipulation occurs on an issue when the utility and staff, or the utility and at least one party adversarial to the utility, agree on the resolution of the issue and the remaining parties (including staff if they do not join in the agreement) do not object to us relying on the agreed language to resolve that issue in a final order. The Office of Public Counsel's (OPC's) position on each Type 2 stipulation is as follows:

> OPC takes no position on these issues, nor does it have the burden of proof related to them. As such, the OPC represents that it will not contest or oppose the Commission taking action approving a proposed stipulation between the Utility and another party or staff as a final resolution of the issue. No person is authorized to state that the OPC is a participant in, or party to, a stipulation on these issues, either in this docket, in an order of the Commission or in a representation to a Court.

[6] The issue numbers correspond to the issues identified in Prehearing Order No. PSC-2026-0164-PHO-WS.

[7] Order No. PSC-2004-0395-PCO-TP, issued April 14, 2004, in Docket No. 001503-TP, *In re: Cost recovery and allocation issues for number pooling trials in Florida*, page 3, n.2.

No. PSC-2021-0124-PCO-WS,[8] cited by the Utility in support of its Motion, we have occasionally reopened the record of proceedings to admit evidence when the public interest would be served by doing so. However, Order No. PSC-2021-0124-PCO-WS – which involved admitting corrected utility MFR schedules – also noted as follows:

> All parties of record were copied on the deficiency responses which included the corrected MFR schedules. Commission staff and all parties of record have had access throughout this proceeding to the corrected MFR schedules. UIF asserts that the corrected MFRs are necessary to facilitate deliberation on UIF's petition; therefore, the record should be reopened to formalize their admission into the record.

Id. at p. 1. The order also references another example where we reopened the record in Docket No. 20070299-EI to admit Gulf Power Company's Amended Storm Hardening Plan. In that case, the plan had been provided to all parties, relied upon in testimony and briefing, and positions of the parties were predicated upon it, but the plan itself had not been admitted into the record. We found that reopening the record served the public interest because no one was prejudiced by its admission and excluding it would result in unnecessary delay.[9]

In this instance, the July 7, 2026 DEP letter that is the subject of CSWR-Florida's Motion did not exist until nearly a month after the hearing record in this proceeding closed. It was not available for staff, parties, or this Commission to conduct discovery or cross-examination. While similar DEP letters were in existence, proffered at the hearing, and were admitted without objection by any party or staff, that is not the case with respect to the July 7, 2026 DEP letter. While it is always ideal for us to have the most recent, correct information upon which to base our decision, ratemaking is ongoing and prospective in nature. The admission of updated information – especially after closure of the hearing record – must be weighed in concert with due process and fairness to all parties.

Based on the foregoing, we find that the probative value of the letter is unlikely to outweigh the risk of prejudice to admitting the letter after the closure of the record and the filing of post-hearing briefs.[10] Therefore, CSWR-Florida's Motion to Supplement the Record with DEP Compliance Letter Relating to the Ocala Heights Water System is denied.

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[8] Order No. PSC-2021-0124-PCO-WS, issued April 8, 2021, in Docket No. 20200139-WS, *In re: Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties, by Utilities, Inc. of Florida*.

[9] *See* Order No. PSC-07-1022-FOF-EI, issued December 28, 2007, *In re: Review of 2007 Electric Infrastructure Storm Hardening Plan filed pursuant to Rule 25-6.0342, F.A.C., submitted by Gulf Power Company*, pages 6-7. *See also* Order No. PSC-09-0744-PCO-EI, issued November 10, 2009, in Docket Nos. 080677-EI, *In re: Petition for increase in rates by Florida Power & Light Company*, and 090130-EI, *In re: 2009 depreciation and dismantlement study by Florida Power & Light Company*.

[10] While not a determining factor for our decision on this issue, we note that in Issue 2, we find the Utility's Sunshine-Ocala Heights system to be in compliance with DEP's requirements.

B. Quality of Service (Issue 1)

Pursuant to Section 367.081(2)(a)l., F.S., and Rule 25-30.433(1), Florida Administrative Code (F.A.C.), in every rate case we shall make a determination of the quality of service provided by the Utility by evaluating the quality of the Utility's product (water) and the Utility's attempt to address customer satisfaction (water and wastewater). The rule requires that the most recent chemical analyses, outstanding citations, violations, and consent orders on file with DEP and the county health department, along with any DEP and county health department officials' testimony concerning quality of service shall be considered. In addition, any customer testimony, comments, or complaints shall also be considered. The operating condition of the water and wastewater systems is addressed in Issue 2.

One virtual and three in-person service hearings were held in March 2026. A total of 18 customers testified at the service hearings. Most of the customers who testified expressed their dissatisfaction with CSWR-Florida's proposed rate increase; some customers also expressed concerns regarding the need to buy bottled water and use water filters, boil water notices (BWNs), and the Utility's customer service representatives not having answers to questions. CSWR-Florida serves approximately 20,207 customers across 11 systems (29 water and 9 wastewater individual systems) throughout six counties. The customer participation at the service hearings represents less than one percent of the Utility's customer base.

DEP provided compliance and complaint data for CSWR-Florida's systems from January 2020 through January 2025, which was included in the hearing record. DEP received a total of 32 complaints during this five-year period: 14 for water and 18 for wastewater. The water complaints were primarily regarding odor, color, water pressure, and BWNs. The wastewater complaints were regarding odor and sanitary sewer overflows (SSOs).

CSWR-Florida provided a redacted copy of the complaints it received during the test year and since acquiring the systems in Vol. III of its MFR Schedules. Through discovery, CSWR-Florida provided an unredacted Utility complaint log which contained 2,410 billing complaints, 262 service complaints, and 7,304 product quality complaints. The complaints included secondary water quality standards issues, such as water odor and color, as well as complaints regarding low water pressure, leaks, and outages. In CSWR-Florida's response to discovery, the Utility stated that it understands a "complaint" to be a concern identified by a customer, whether by telephone, email, written correspondence, or through the Utility's website, regarding CSWR-Florida's charges, facilities, or service that requires action.[11]

As of August 7, 2026, 31 customers filed comments in the docket, with some customers submitting multiple comments. This equates to approximately 0.15 percent of the Utility's customer base. We analyzed the comments, and 29 customers expressed their discontent with the proposed rate increase. In addition, one customer provided comments regarding the acquisition adjustments, and one customer opposed the consolidation of rates. Ten customers provided

[11] The Utility's complaint log appears to not be limited to just complaints, but also includes customer concerns and contacts such as, questions about types of provided services.

additional comments concerning the quality of service and their dissatisfaction with the frequency of BWNs, poor water quality, poor communication, and lack of timely responses.

We received 83 complaints from February 1, 2021, through January 31, 2025, with 29 percent of the complaints concerning billing issues, and 71 percent concerning quality of service issues. Of the 83 complaints, nine complaints were made prior to CSWR-Florida taking ownership of the systems. Staff witness Plescow testified that most complaints for the analyzed 5-year period came from Marion County, with 68 complaints. Of the Marion County complaints, 51 concerned quality of service issues. We note that CSWR-Florida serves approximately 4,936 water and 743 wastewater customers in Marion County, which contains the BFF, CFAT, Sunshine, and Tradewinds systems. The total customer complaints we received represents 1.2 percent of CSWR-Florida's customer base within Marion County, and 0.42 percent of the Utility's customer base in its entirety. Witness Plescow also stated that the Utility may have violated our rules for 26 of the 83 complaints we received. Of these potential rule violations, witness Plescow testified that 12 complaints were about service quality, and the remaining 14 complaints were related to billing issues.[12]

Pursuant to Rule 25-30.437, F.A.C., CSWR-Florida provided the required additional engineering information in Vol. III of its MFRs, which included the DEP's most recent primary and secondary drinking water standards chemical analyses. Primary standards protect public health, while secondary standards regulate contaminants that may impact the taste, odor, and color of drinking water. Of the 11 CSWR-Florida water systems, Aquarina was the only system that had an exceedance, which was for odor, a secondary contaminant. The overall DEP compliance for each system will be addressed in Issue 2.

CSWR-Florida argued that it has significantly improved the operational performance and customer service of the systems it acquired by leveraging its operational, technical, managerial, and financial expertise. The Utility contended that it has implemented technology to improve the tracking and resolution of customer complaints, enhance customer communications through welcome letters, annual updates, and construction notices, as well as contract with a third-party vendor to provide 24-hour customer service and online account access. CSWR-Florida also stated that it strengthened its regulatory compliance efforts by establishing an Environmental, Health, and Safety team, hiring a dedicated escalation specialist to improve responses to Commission complaints, and implementing internal processes to monitor and resolve customer concerns.

In its rebuttal, CSWR-Florida further argued that many of the complaints identified by Commission staff and customers are attributable to conditions inherited from prior system owners rather than its own operations. According to the Utility, numerous DEP odor complaints and SSO events predated its ownership, and complaints involving outages, water quality, and water pressure reflected longstanding infrastructure deficiencies. CSWR-Florida also disputed witness Plescow's testimony on complaint violations regarding the Utility's response time to

[12] The rule violations concerned failure to respond on time, refusal to provide service, billing the wrong customer, applying improper rates, inaccurate meter readings, meter not recording within standards, meter not read at regular intervals, and deposit not refunded.

Commission complaints. CSWR-Florida argued that it provided prompt and substantive responses. In addition, CSWR-Florida hired an escalation specialist to monitor, track, and escalate Commission complaints to ensure responses are timely, complete, and properly documented. The Utility also maintained that BWNs are precautionary regulatory requirements and do not necessarily indicate unsafe drinking water.

Further, CSWR-Florida contended that staff witness Plescow's testimony fails to distinguish between legacy system issues, operational complaints, and customer dissatisfaction with the requested rate increases. The Utility asserted that many customer comments filed in the docket concern the rates rather than service quality. CSWR-Florida maintained that its customer satisfaction efforts are reflected in post-call survey scores exceeding 94 percent and that these results demonstrate its commitment to providing quality customer service. In addition, after the service hearings, CSWR-Florida representatives reached out to the customers expressing concerns with service quality issues, billing issues, and operational concerns to answer their questions.

Although OPC did not provide any testimony on quality of service, it argued in its brief that the record demonstrated that CSWR-Florida's customer service and billing practices have generated a high level of customer dissatisfaction. OPC asserted that the evidence shows a pattern of recurring billing errors, meter reading deficiencies, improper application of rates, and repeated apparent rule violations that continued for years after the system acquisitions occurred. Further, OPC argued that after acquiring and beginning to manage the systems, CSWR-Florida's Commission complaint totals have steadily increased, rather than demonstrating improvements in service, and that the trend shows a deteriorating customer experience. According to OPC, historical complaint data demonstrates that many of the acquired systems generated relatively few complaints before acquisition, suggesting that the increase in complaints is due to CSWR-Florida's management and operational practices.

OPC further argued that CSWR-Florida has received more complaints per customer since acquiring its systems than Sunshine Water Services Company, which is the largest investor-owned water and wastewater Utility in Florida. OPC asserted that we have previously found that mismanagement is evidence of imprudence and have subjected utilities to a penalty for mismanagement. OPC contended that CSWR-Florida's lack of timely responses to the complaints logged with this Commission points to a level of willfulness and should have warranted an investigation. OPC argued that allowing CSWR-Florida rate relief without consequence would send the wrong regulatory signal and would require customers to pay more for suboptimal service. As such, OPC recommended that we deem CSWR-Florida's quality of service unsatisfactory and impose at least a 25-basis point reduction to CSWR-Florida's return on equity (ROE) to recognize deficient service, protect customers from management failures, and create a meaningful incentive to fix the systems.

We do not agree with OPC's recommendation that CSWR-Florida's quality of service should be deemed unsatisfactory or that a reduction to the Utility's ROE is warranted. As discussed above, CSWR-Florida's complaint log is expansive and appears to have captured routine customer contacts and correspondence, in addition to complaints. Further, we do not find

it appropriate to compare the complaint totals of this Utility to another regulated utility, given the potential differences in system size, number of customers, operating conditions, and complaint reporting practices. In addition, we previously determined the quality of service for the Aquarina[13] system was marginal, and the Sebring Ridge[14] system was unsatisfactory before CSWR-Florida acquired them. Accordingly, we do not find a reduction to the Utility's ROE is warranted, as recommended by OPC.

Because it appears that CSWR-Florida has taken steps to improve its responsiveness to customer complaints, all of the Utility's systems (except Aquarina) are in compliance with DEP's primary and secondary water quality standards, and customer participation at the service hearings was limited, we find that CSWR-Florida's quality of service shall be deemed satisfactory for all systems except Sebring Ridge and Sunshine. Sebring Ridge and Sunshine are deemed marginal based on the operational and managerial deficiencies discussed in Issue 2.

C. DEP Compliance (Issue 2)

Rule 25-30.225(2), F.A.C., requires each water and wastewater utility to maintain and operate its plant and facilities by employing qualified operators in accordance with DEP's rules. Rule 25-30.433(2), F.A.C., requires consideration of whether the infrastructure and operating conditions of the plant and facilities follow Rule 25-30.225, F.A.C. In making this determination, we must consider testimony of DEP and county health department officials, sanitary surveys for water systems, compliance evaluation inspections for wastewater systems, citations, violations and consent orders issued to the utility, customer testimony, comments, complaints, and utility testimony and responses to the aforementioned items.

CSWR-Florida provided notices of violation, consent orders, and warning letters from the county health departments and DEP in Vol. III of its MFR Schedules. CSWR-Florida witness Freeman testified to the description of each system, the condition of each system at the time of acquisition, each system's compliance history, the projects that CSWR-Florida completed, and the future projects planned for each system. On March 10, 2026, in response to Commission staff's request, DEP provided the compliance status of each system, including a compliance summary for each system from 2020 through 2025, and provided copies of compliance-related correspondence, including consent orders, warning letters, and compliance assistance offers. Additionally, during the hearing, CSWR-Florida provided several DEP letters indicating that some systems had been returned to compliance, subsequent to the submission of the DEP information provided March 10, 2026.

CSWR-Florida argued that most of its acquired systems were out of compliance with DEP requirements due to years of deferred maintenance and deteriorated infrastructure under prior ownership. The Utility maintained that many violations reflected longstanding conditions rather than deficiencies arising during CSWR-Florida's ownership, that DEP records do not

[13] Order No. PSC-16-0583-PAA-WS, filed December 29, 2016, in Docket No. 20150010-WS, *In re: Application for staff-assisted rate case in Brevard County by Aquarina Utilities, Inc.*
[14] Order No. PSC-96-0869-FOF-WS, filed July 2, 1996, in Docket No. 19950966-WS, *In re: Application for staff-assisted rate case in Highlands County by Sebring Ridge Utilities, Inc.*

distinguish between pre-existing and post-acquisition compliance issues, and that the DEP information provided to staff was outdated because several systems had since been confirmed to have returned to compliance.[15] The Utility contended that it has made significant progress by restoring numerous systems to compliance, completing rehabilitation projects, and implementing long-term capital improvements for the remaining systems, many of which require extensive design, permitting, and construction and are being addressed under DEP consent agreements.

CSWR-Florida noted that, of the 38 individual water and wastewater systems acquired by the Utility, only eight systems were in compliance with the DEP at the time of acquisition, and three of those systems, BFF wastewater, Tradewinds wastewater, and Tymber Creek water, purchase either water or wastewater service from another utility. That equates to a total of 27 separate water and wastewater systems that were out of compliance at the time of acquisition. CSWR-Florida argued that 15 of those systems have returned to compliance with DEP. Furthermore, eight non-compliant systems require extensive capital plans such as a new treatment plant or extensive plant replacements.

OPC did not directly address compliance issues in testimony but argued in its brief that the DEP's records reveal systemic and recurring patterns of compliance failures across numerous CSWR-Florida systems. This included repeated enforcement actions, open consent orders, missed monitoring, and sampling requirements, permitting deficiencies, and operational failures. While acknowledging that some violations predated CSWR-Florida's ownership, OPC contended that many systems remain out of compliance and that new violations have occurred under CSWR-Florida's ownership, undermining the Utility's claim that its acquisitions have improved regulatory compliance.

Based on the record, we find the compliance status for each of CSWR-Florida's water and wastewater systems, is as shown in Table 1.

Table 1
Approved DEP Compliance Status

Water Systems	DEP Compliance Status
Aquarina	In Compliance
CFAT	In Compliance
Neighborhood	In Compliance
Rolling Oaks	In Compliance
Sunshine – Ashley Heights	Non-Compliance
Sunshine – Belleview	In Compliance
Sunshine – Country Walk	Non-Compliance
Sunshine – Eleven Oaks	Non-Compliance
Sunshine – Emil Mar	Non-Compliance
Sunshine – Florida Heights	In Compliance
Sunshine – Floyd Oaks	In Compliance

[15] CSWR-Florida acquired the systems included in this proceeding between May 2022 and May 2024, with most acquisitions occurring in 2022 and 2023.

Sunshine – Fore Oaks	Non-Compliance
Sunshine – Hill Top at Lake Weir	In Compliance
Sunshine – Little Lake Weir	In Compliance
Sunshine – Oakcrest Villas/Sun Resorts	Non-Compliance
Sunshine – Oak Haven	Non-Compliance
Sunshine – Oakhurst	In Compliance
Sunshine – Ocala Garden	In Compliance
Sunshine – Ocala Heights	In Compliance
Sunshine – Ocklawaha	Non-Compliance
Sunshine – Sandy Acres	In Compliance
Sunshine – Sun Ray	Non-Compliance
Sunshine – Sunlight	Non-Compliance
Sunshine – Whispering Sands	Non-Compliance
Sunshine – Winding Waters	Non-Compliance
Sunshine – Ponderosa (Other)	Non-Compliance
Sunshine – Quail Run (Other)	In Compliance
Tradewinds	In Compliance
Wastewater Systems	**DEP Compliance Status**
Aquarina	In Compliance
CFAT	Non-Compliance
North Peninsula	Non-Compliance
Rolling Oaks	Non-Compliance
Sebring Ridge	Non-Compliance
TKCB	In Compliance
Tradewinds	In Compliance
Tymber Creek	Non-Compliance

The compliance issues for the CFAT, North Peninsula, Rolling Oaks, and Tymber Creek wastewater systems consist of issues such as equipment failure, permit limit exceedances, facility corrosion, deteriorated catwalks, sewage overflows, and an unapproved bypass. These deficiencies are expected to be addressed by the capital improvements identified by CSWR-Florida. CSWR-Florida witness Freeman testified that achieving DEP compliance at the CFAT, North Peninsula, and Rolling Oaks wastewater systems will require replacement of the wastewater treatment plants. For the Tymber Creek system, witness Freeman testified that CSWR-Florida will need to replace the lift station to restore DEP compliance. Based on the record, it appears that CSWR-Florida has identified the corrective actions necessary to address these deficiencies and is taking the appropriate steps to return these systems to DEP compliance. However as discussed below and in Issue 1, we find that the quality of service for the Sebring Ridge and Sunshine systems shall be deemed marginal.

Sebring Ridge

The Sebring Ridge wastewater treatment plant is an existing 0.065 million gallons per day (MGD) three-month average daily flow extended aeration domestic wastewater treatment facility consisting of a 16,270-gallon flow equalization basin, 74,490 gallons of aeration, dual

clarifiers with a combined capacity of 19,160 gallons, a 3,000-gallon chlorine contact basin, and three 5,000-gallon sludge digester basins. Disinfection is provided by liquid sodium hypochlorite in a 9,200-gallon chlorine contact chamber. Effluent can be discharged to a rapid infiltration basin, which is a reuse system that consists of a dual percolation pond system having a capacity of 0.065 MGD. CSWR-Florida acquired this system on August 31, 2023.

On January 18, 2024, under CSWR-Florida's ownership, DEP sent a warning letter listing deficiencies following a DEP inspection. The deficiencies included managerial issues, such as failure to calibrate meters in accordance with guidelines, failure to collect samples as required by permit or enforcement actions, failure to include required information in Field Sheets and Chain of Custody, failure to submit annual Capacity Analysis Reports as required by permit, and missing discharge monitoring reports (DMRs). Other deficiencies included clogged diffusers, missing belt guards and a rusted cover on blower motors, excessive sludge in the ponds, effluent exceedances, and a fence around the discharge site that needed repair. In addition, DEP noted that CSWR-Florida failed to complete several items listed in the improvement schedule and Administrative Order that was attached to the permit renewal in 2020. CSWR-Florida witness Freeman testified that CSWR-Florida removed sludge and nuisance vegetation from the ponds and a maintenance schedule was implemented to service the ponds. CSWR-Florida replaced handrails, catwalks, and stairs around the plant. New remote monitoring equipment and a new flow meter were installed. Witness Freeman testified that both blowers and the motors were replaced.

On February 20, 2025, DEP sent another warning letter regarding deficiencies discovered during a subsequent inspection. The deficiency list also included managerial issues, such as failure to complete DMRs properly, failure to maintain the land application system, failure to provide an operation and maintenance (O&M) manual, and failure to comply with the facility permit's improvement schedule and Administrative Order, including failure to submit all required quarterly status reports. Other deficiencies included inadequate mixing in the aeration basins and excessive splashing and leaking around the edges of the splitter tank lid. When asked through discovery if the violations had been cured, CSWR-Florida indicated that the violations would be cured upon completion of a plant rehabilitation project, which the Utility anticipates will be completed by the fourth quarter of 2027.

CSWR-Florida and OPC acknowledged that the Sebring Ridge system remains out of compliance. Although the plant rehabilitation project is expected to address the physical DEP deficiencies and restore compliance, it does not resolve the recurring managerial violations documented during CSWR-Florida's ownership, such as the discussed reporting failures. We find that these ongoing compliance issues demonstrate deficiencies in the Utility's operation and management of the system. Therefore, as discussed in Issue 1, the quality of service for the Sebring Ridge system is deemed marginal due to the managerial issues identified in the DEP violations.

Sunshine

The Sunshine system is comprised of 23 separate water systems located in Marion County. Eleven systems each have one well and plant capacities between 21,600 gallons per day

(gpd) and 288,000 gpd. Nine systems each have two wells and plant capacities between 106,560 gpd and 676,800 gpd. The Ocklawaha and Ponderosa systems each have two plants with one well for each plant. The Ocklawaha plant capacities are 216,000 gpd and 91,440 gpd, respectively. The Ponderosa plant capacities are 40,320 gpd and 43,200 gpd, respectively. The Sunshine systems were acquired by CSWR-Florida on May 24, 2022.

From June 2022 through December 2025, under CSWR-Florida's ownership, Sunshine's water systems experienced recurring compliance issues with DEP across multiple systems. These issues included missed or late monitoring and reporting requirements, sanitary survey deficiencies, failure to provide public notices, failure to maintain monitoring records, and operational deficiencies such as damaged or leaking tanks, unauthorized tank replacements, failure to conduct required tank inspections by a licensed engineer, failure to maintain well pads, failure to calibrate flow meters, and deficiencies related to isolation valves and chlorine residuals. DEP also issued multiple Consent Orders addressing these violations during this timeframe, which included damaged tanks, missed monitoring and reporting, and infrastructure and operational deficiencies. Several systems also received warning letters or Compliance Assistance Offer letters during this period for continued non-compliance. While a number of individual Consent Orders were subsequently closed after corrective actions were completed, multiple Sunshine water systems are currently out of compliance with DEP and continue to have open enforcement actions or Consent Orders. As detailed in Attachment A, attached hereto, three Consent Orders involving 13 of the 23 water systems address deficiencies in water quality monitoring and sampling; operation and maintenance of wells, tanks, and other system components; required records, plans, and manuals; cross-connection control and backflow prevention; emergency preparedness; and capacity and permitting. Specific violations include inadequate free chlorine residual, missed and late sampling, failure to provide records showing that isolation valves and auxiliary power were being exercised, inadequate well pad and tank maintenance, failure to conduct required tank inspections, installation of tanks without the required approval or permit, and exceeding maximum day capacity. The three open Consent Orders will remain open until all corrective actions have been resolved to DEP's satisfaction.

As shown in Table 1, 13 of Sunshine's 23 water systems are currently out of compliance with DEP. In its brief, OPC argued that several of the Sunshine systems remain subject to active enforcement actions. Further, based on the above compliance summary, there was a recurring pattern of escalation regarding non-compliance issues for several systems, including the issuance of Compliance Assistance Offers and/or Warning Letters followed by issuance of consent orders. As indicated above, three consent orders are still open based on the record of this proceeding, OGC Case Nos. 24-0272, 24-1941, and 24-1674, which involve multiple systems. Some of the systems recently passed DEP's compliance inspections; however, the consent orders remain open until all corrective actions for all applicable systems have been completed. In addition, as indicated in the many notices of violations and enforcement actions, there was a recurring theme of managerial deficiencies that continued throughout the second and third years of CSWR-Florida's ownership of the Sunshine systems. Although some compliance issues may have originated prior to CSWR-Florida's ownership, as argued by the Utility, the continued occurrence of managerial deficiencies during CSWR-Florida's ownership demonstrates ongoing deficiencies in the Utility's operation and management of the Sunshine systems. Therefore, as

discussed in Issue 1, we find that the quality of service for the Sunshine systems shall be deemed marginal due to the managerial deficiencies identified in the DEP violations.

Conclusion

The Utility's water and wastewater treatment facilities are currently in compliance with DEP regulations, except for 13 of the 23 Sunshine water systems, as identified in Table 1, and the CFAT, North Peninsula, Rolling Oaks, Sebring Ridge, and Tymber Creek wastewater systems.

II. RATE BASE

A. Audit Adjustments – Rate Base (Issue 3)

This issue addresses what adjustments, if any, should be made to account for the audit adjustments related to rate base. Based on the testimony of CSWR-Florida witness Thies and OPC's brief, the Utility and OPC are in agreement with Audit Finding 1 (understatement and overstatement of water and wastewater plant), and Audit Finding 4 (overstatement of water and wastewater CIAC balances and understatement of CIAC amortization).

Staff witness Mouring provided testimony regarding the audit report which was filed on January 22, 2026. Audit Findings Nos. 1 through 7 relate directly to the rate base of CSWR-Florida. In its response to the audit report, CSWR-Florida initially agreed to the audit findings and adjustments for Audit Findings Nos. 1, 2, 5, and 7. On April 14, 2026, an errata was filed to witness Mouring's testimony for Audit Finding No. 4 to correct an error in the calculation of the Contributions-in-Aid-of-Construction (CIAC) and CIAC Amortization. Given the revision, CSWR-Florida agreed with staff's revised Audit Finding No. 4.

On May 13, 2026, an errata was filed to witness Mouring's testimony for Audit Finding No. 1, which was reissued to correct clerical errors of the associated depreciation related to the plant-in-service balances, and Audit Finding No. 5, which was revised to correct errors in the calculation of depreciation expense. Although there was no dispute with these adjustments, there will be some recalculations discussed further in this order with respect to Issues 14 and 34.

Audit Finding No. 2 was related to retirement balances for accounts with salvage values. On May 28, 2026, an errata was filed to witness Mouring's testimony for Audit Finding No. 2, which was withdrawn due to an incorrect application of Rule 25-30.140, F.A.C., regarding plant retirements. On rebuttal, CSWR-Florida witness Thies agreed to accept revised Audit Finding No. 2, which was a removal of the finding.

The errata issued on May 28, 2026, also included Audit Finding No. 3, which was to provide adjustments to reflect the original cost of land values for the Utility's water and wastewater systems. CSWR-Florida did not agree with the revision for the land values. OPC agreed with staff witness Mouring's revised finding regarding land. The land and land rights will be further discussed in Issue 4.

Accumulated Depreciation and Depreciation Expense

Accumulated depreciation adjustments and depreciation expenses reflect the associated UPIS account adjustments from Audit Finding No. 1. Audit Finding No. 5 also included adjustments for depreciation expenses. All adjustments for depreciation expenses and accumulated depreciation will be discussed further in Issues 14 and 34.

Acquisition Adjustments

Audit Finding No. 6 was a removal of the acquisition adjustments from this rate case. This will be discussed further in Issue 17.

Working Capital

In Audit Finding No. 7, the working capital for each of the water and wastewater systems was recalculated and adjustments were provided. This will be further discussed in Issue 18.

Audit Finding No. 1

In Audit Finding No. 1, staff witness Mouring testified that adjustments were necessary to Utility-plant-in-service (UPIS) accounts for two water systems and two wastewater systems along with the corresponding depreciation based on a review of the supporting documentation. CSWR-Florida agreed with the adjustments. OPC stated that plant-in-service adjustments should be made. Witness Mouring provided the variance between the audited value and the value recorded by CSWR-Florida. The result was an overall increase in plant value. The following table shows these plant adjustments. Further UPIS adjustments will be discussed in Issues 4 and 6.

Table 2
Utility Plant-in-Service Adjustments

System	Water	Wastewater
Neighborhood	$3,450	$0
North Peninsula	0	(1,036)
Rolling Oaks	(266)	2,511
Total	$3,184	$1,475

Audit Finding No. 4

In the errata to his testimony for Audit Finding No. 4, staff witness Mouring provided an adjustment to the CIAC to reflect an averaging adjustment for CIAC additions in the test year. The associated CIAC accumulated amortization adjustments were also calculated for these CIAC additions. CSWR-Florida agreed to the amounts provided in the errata. OPC did not provide a position regarding the CIAC or CIAC amortization. Tables 3 and 4 show these CIAC audit adjustments.

Table 3
Contributions-in-Aid-of-Construction (CIAC)

System	Water	Wastewater
Rolling Oaks	($1,353)	($21,458)

Table 4
Accumulated Amortization of CIAC

System	Water	Wastewater
Aquarina – Potable	$2,089	$1,498
BFF	0	78
CFAT	0	(1)
Neighborhood	576	0
Rolling Oaks	5,608	4,815
Sebring Ridge	0	673
Sunshine	(180)	0
Sunshine P-QR	16	0
Tradewinds	0	13
Total	$8,109	$7,076

Conclusion

The following table summarizes our approved audit adjustments for water and wastewater rate base, respectively.

Table 5
Commission Approved Audit Adjustments to Rate Base

Audit Finding	Rate Base	System	Water	Wastewater
1	Utility Plant in Service			
		Neighborhood	$3,450	$0
		North Peninsula	0	(1,036)
		Rolling Oaks	266)	2,511
4	Contribution-in-Aid-of Construction (CIAC)			
		Rolling Oaks	(1,353)	(21,458)
4	Accumulated Amortization of CIAC			
		Aquarina	2,089	1,498
		BFF	0	78
		CFAT	0	(1)
		Neighborhood	576	0
		Rolling Oaks	5,608	4,815
		Sebring Ridge	0	673
		Sunshine	(180)	0
		Sunshine P-QR	16	0
		Tradewinds	0	13
		Total	$9,940	$(12,907)

B. Test Year Plant-In-Service Balances (Issue 4)

This issue addresses whether any adjustments should be made to test year plant-in-service balances. CSWR-Florida filed Consolidated MFRs with test year plant-in-service balances of $14,957,464 for water and $12,318,880 for wastewater. The Utility's MFRs also included land and land rights balances of $3,188,983 for water and $3,193,429 for wastewater. As discussed further in this section, the National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (USoA) Account No. 303 provides that the account "shall include the cost of land and land rights used in connection with source of supply, pumping, water treatment plant, transmission and distribution, and general plant operations."

Land and Land Rights

CSWR-Florida requested a total of $3,188,983 in land and land rights for water and $3,193,429 for wastewater per the MFR Schedules A-1 and A-2. For the original Audit Finding No. 3 regarding the value of the land and land rights accounts, CSWR-Florida agreed to increases for Tymber Creek, Rolling Oaks, and Sebring Ridge systems. On May 28, 2026, an errata was filed to witness Mouring's testimony that addressed Audit Finding No. 3, which was to correct the land and land rights balances to reflect the original cost of land values. The errata removed all additional amounts such as closing costs, title costs, property appraisals, engineering survey costs, mapping/drafting reports, easements, and other real estate legal costs that were booked as transaction costs and not for the acquisition of new land. This correction resulted in a reduction of $5,920,633 to the land and land rights values claimed by CSWR-Florida.

CSWR-Florida objected to the revised Audit Finding No. 3 for land and land rights and filed a motion to strike it from the docket and requested that be it excluded from the hearing. In lieu of exclusion from the hearing, CSWR-Florida requested to file a supplemental rebuttal testimony from CSWR-Florida witness Thies. On June 5, 2026, the Prehearing Officer denied the motion to strike the revised audit finding but granted the inclusion of witness Thies' supplemental rebuttal testimony.[16]

In his supplemental rebuttal testimony, witness Thies argued that staff witness Mouring had interpreted the USoA instructions incorrectly by not allowing closing costs, other associated legal fees, and appraisals to be included in the land and land rights accounts. Witness Thies stated that the land and land rights balance should not be a static figure and based on his interpretation of USoA Accounting Instruction 24, additional costs, such as closing costs, surveys, titles, appraisals, and other legal costs, should be included in the balances.

Witness Thies stated that CSWR, LLC had previously dealt with this issue in the state of Tennessee. CSWR, LLC is the parent company of Limestone Water Utility Operating Company, LLC (Limestone). Limestone filed a rate case on July 26, 2024, in Tennessee to seek increases in their water and wastewater rates and a consolidation of several purchased systems. The Tennessee Commission Conference was held on April 14, 2025, during which the Consumer

[16]Order No. PSC-2026-0209-PCO-WS, issued June 5, 2026, in Docket No. 20250052-WS, *In re: Application for increase in water and wastewater rates in Brevard, Citrus, Duval, Highlands, Marion, and Volusia Counties by CSWR-Florida Utility Operating Company.*

Advocate of the Office of the Tennessee Attorney General (Consumer Advocate) objected to the increased valuation of the land and land rights for Limestone's water and wastewater systems. The additional costs of the increased valuation for land and land rights included various closing costs, title costs, property appraisals, engineering survey costs, mapping/drafting reports, easements, and other real estate legal costs.

The Consumer Advocate stated that there were two reasons for its objections to the increased land and land rights values. The first reason was that there is a fundamental premise of the rate of return methodology for rates that is the use of original or historical cost, which ensures that customers pay for the costs of a service provider only one time in the amount of the actual costs. The second reason was that Limestone had not provided any information regarding alternative uses for the land which could possibly increase the basis above the acquired book values. The Consumer Advocate proposed that the land and land rights accounts be reduced to their original historic values by disallowing the acquisition adjustments and transaction costs that Limestone had used to increase the values of the land and land rights. Witness Thies stated that the Consumer Advocate was incorrect to suggest that the increased amounts were effectively inappropriate when the Consumer Advocate recommended that these costs should be disallowed.

After a review by the Tennessee Commission, the Tennessee Commission chose to treat the additional costs under the guidelines governed by the Tennessee Commission Utility Acquisitions Rule 1220-04-14-.06, instead of as additions to the land and land rights accounts, and removed the additional costs from the land and land rights accounts. On cross examination at the hearing, witness Thies admitted that the Tennessee Commission did remove the additional closing costs, survey, titles, and other legal costs from the land and land rights account and included those costs in other accounts, specific to Tennessee, for transactions costs related to acquisitions.

OPC agreed with the staff's Audit Finding No. 3 errata and recommends that the additional costs CSWR-Florida included in the land and land rights balances should be removed. OPC emphasized that the water and wastewater land and land rights used by the Utility were already in service before CSWR-Florida purchased the systems, so its acquisition-related expenses did not add new land, expand capacity, or create additional utility plant. OPC maintained that those additional costs were simply transaction expenses associated with a change in ownership. OPC argued that recorded land balances should reflect the original cost previously approved by this Commission, and the adjustments recommended in the audit should be approved.

Appraisal Value

In addition to the various costs for closing costs, title costs, engineering survey costs, mapping/drafting reports, easements, and other real estate legal costs that CSWR-Florida has included in the land and land rights for the water and wastewater systems, the Utility used an appraisal value to increase the land and land rights balances for Rolling Oaks Utilities. The appraisal was performed by Valbridge Appraisal Company in 2022. This appraisal was completed for CSWR-Florida prior to its purchase of Rolling Oaks Utilities in November 2022, while Rolling Oaks Utilities was still under Citrus County jurisdiction. A balance sheet was

provided by Rolling Oaks Utilities in conjunction with the sale to CSWR-Florida establishing the historic land balances for both water and wastewater. Upon Citrus County's return of jurisdiction to this Commission, CSWR-Florida Rolling Oaks was granted a grandfather certificate in July 2025.[17]

Appraisal values are not part of the original acquisition as they reflect current market conditions, and not the original cost incurred. An appraisal value is an estimate of a property's current market value, determined by various valuation methods such as property characteristics, condition, sales comparisons, or neighborhood factors. Market values of land and land rights can fluctuate significantly over time due to changing market or economic conditions. Including these changing market values in a land's cost basis could cause the land values and rates to vary considerably over time. Pursuant to Rule 25-30.115, F.A.C., Florida adheres to the USoA in recording land when first dedicated to public use. Also, USoA Accounting Instruction 19A., for both water and wastewater utilities, states that utility plant is to be recorded at the original cost when it was first devoted to utility service. Additionally, Rule 25-30.140(1)(r), F.A.C., states that when an asset already in public service is acquired, the original historic cost must be recorded in plant in service.

Construction Work in Progress (CWIP)

We note that CSWR-Florida included adjustments in the amount of $1,093,077 to reflect CWIP on its MFR Schedules A-1 for water rate base for both Sunshine and Sunshine P-QR. The projects associated with these CWIP adjustments were completed outside of the test year but subsequent to the Utility filing. The projects include hydropneumatic tank replacements for Ponderosa #1 and #2, Ashley Heights, Country Walk, Oakcrest Villas, and Winding Waters. As such, we removed the amounts from CWIP and moved them into the appropriate water plant-in-service accounts. Test year plant-in-service balances shall therefore be increased by $720,427 and $372,650 for the Sunshine and Sunshine P-QR water systems, respectively.

Conclusion

We find that the record demonstrates that the requested costs were necessary to establish clear title to the acquired systems, that they document the Utility's legal rights, define the property values and boundaries, and ensure that the properties can be used for utility service. We were persuaded by Utility witness Thies' testimony that audit staff interpreted the NARUC USoA instructions incorrectly, and that the land and land rights balance should not be a static figure. He contends that NARUC USoA Account 303 does not limit the account balances solely to the initial value of the land, nor does it preclude the booking of additional costs after a certain date. Rather, the USoA clearly contemplates that additional entries can and should be made to these accounts as additional costs are incurred. Such costs may be beneficial to customers as well as the utility, such as the identification during a survey for Tymber Creek that a lift station in poor condition was not the Utility's asset, thus avoiding the capital and operating costs associated with a third-party lift station. With respect to Rolling Oaks, we find that the 2022

[17] Order No. PSC-2025-0280-PAA-WS, issued on July 21, 2025, in Docket No. 20240130-WS, *In re: Application for grandfather certificate to operate water and wastewater Utility in Citrus County, by CSWR-Florida Utility Operating Company, LLC.*

appraisal was a reasonable proxy to determine land values, since the Utility was unable to obtain adequate information from historical records.

In light of our decision to recognize more than the original cost of the land values, we find that the adjustments to Tymber Creek and Rolling Oaks from Audit Finding No. 3 in witness Mouring's original testimony shall also be adopted, as they recognize corrections to the originally proposed amounts based on documentation of additional costs. The original finding also removed the entire balance of land for the Sunshine P-QR system based on the value not being broken out in the order approving the transfer of the system. As addressed in his rebuttal testimony, witness Thies explains that this adjustment incorrectly removes the value of land assigned to the system when it was acquired by CSWR-Florida. As such, this adjustment shall not be incorporated from the original Audit Finding No. 3. Test year plant-in-service balances shall be increased by $720,427 and $372,650 for the Sunshine and Sunshine P-QR water systems, respectively, for the inclusion of CWIP projects. Land shall be increased by $10,696 for Tymber Creek water, $11,908 for Tymber Creek wastewater, and $11,068 for Rolling Oaks water systems.

C. Pro Forma Plant Additions (Issue 5)

At the hearing, we approved a Type 1 Stipulation addressing whether adjustments should be made to the Utility's pro forma plant additions. The stipulation provides that no adjustments shall be made; CSWR-Florida has no pro forma plant additions.

D. Plant Retirements (Issue 6)

This issue addresses the appropriate plant retirements to be made in this docket. The Utility reflected no plant retirements during the test year.
Audit Finding No. 2 was related to retirement balances for accounts with salvage values. On May 28, 2026, an errata was filed to staff witness Mouring's testimony for this audit finding, which was withdrawn due to an incorrect application of Rule 25-30.140, F.A.C., regarding plant retirements.

Per CSWR-Florida witness Thies in his rebuttal dated June 1, 2026, CSWR-Florida agreed to accept revised Audit Finding No. 2, which was a removal of the finding. OPC agreed with the Audit Finding No. 2 regarding plant retirements and the net salvage value for designated accounts that should be used in calculating depreciation. OPC did not provide a position regarding the removal of Audit Finding No. 2.

Staff witness Mouring stated Audit Finding No. 2 was withdrawn because it reflected an incorrect application of Rule 25-30.140, F.A.C. We therefore accept the withdrawal of Audit Finding No. 2; as a result, no plant retirements shall be recognized.

A. Excessive Unaccounted For Water (Issue 7)

This issue addresses whether any of CSWR-Florida's water systems have excessive unaccounted for water and, if so, what adjustments, if any, are necessary. Rule 25-30.4325(1)(e), F.A.C., provides factors to be considered in determining whether adjustments to operating expenses are necessary for EUW. EUW is defined as "unaccounted for water in excess of 10 percent of the amount produced." Unaccounted for water is all water that is not sold, metered, or accounted for in the records of the Utility. EUW is calculated by subtracting both the gallons sold to customers and the gallons used for other services, such as line flushing, from the total gallons pumped and purchased for the test year, and dividing by the sum of the gallons pumped and purchased. The amount in excess of 10 percent, if any, is the EUW percentage. Under Rule 25-30.4325(10), F.A.C., to determine whether an adjustment to plant and operating expenses for excessive unaccounted for water will be included in the used and useful calculation, we "will consider all relevant factors, including whether the reason for excessive unaccounted for water during the test period has been identified, whether a solution to correct the problem has been implemented, or whether a proposed solution is economically feasible."

Neither CSWR-Florida nor OPC directly addressed EUW in testimony; however, CSWR-Florida provided calculations of EUW in its (MFR) F-1 Schedules. Table 6 shows CSWR-Florida's calculations for each system with EUW.

Table 6
CSWR-Florida EUW Calculations

System	Total Gallons Pumped/Purchased	Other Uses	Gallons Sold	Unaccounted for Water	EUW
Aquarina – Potable[1]	14,014,200	-	8,549,034	39%	29%
CFAT	12,596,831	-	9,261,855	26%	16%
Neighborhood	28,032,500	-	17,713,319	37%	27%
Rolling Oaks	665,898,222	-	411,716,956	38%	28%
Sunshine Consolidated	336,716,925	-	229,980,286	32%	22%
Sunshine – Ponderosa	14,167,008	-	9,176,418	35%	25%
Sunshine – Quail Run	10,420,198	-	8,179,492	22%	12%
Tradewinds	78,077,997	-	67,766,000	13%	3%
Tymber Creek[2]	14,153,000	-	9,298,050	34%	24%

Note 1: There was no flow meter for the non-potable well during the test year. A new flow meter was installed February 13, 2025.
Note 2: The gallonage data provided by CSWR-Florida for Tymber Creek is based on seven months of data.

OPC argued in its brief that several systems have EUW. OPC's identified systems, as well as OPC's recommended EUW adjustments, are similar to those identified in Table 7 below.

OPC also recommended that we make corresponding reductions to purchased power, chemicals, and/or purchased water expenses for the systems with EUW in Issue 32.

Through discovery, we verified the gallons pumped with the DEP's Monthly Operating Reports (MORs). We also received estimates for other uses, such as line flushing or line breaks. In addition, we verified the amount of purchased water through discovery requesting the purchased water invoices for the relevant systems. The gallons sold were also verified with the consumption use provided by CSWR-Florida. This results in adjustments to CSWR-Florida's calculated EUW amounts for the Aquarina, CFAT, Neighborhood, Sunshine Consolidated, Sunshine – Ponderosa, and Tymber Creek systems. The calculations result in no EUW for the Aquarina system. Table 7 shows the EUW calculations based on the information described above.

Table 7
Revised Calculations for EUW

System	Total Gallons Pumped/Purchased	Other Uses	Gallons Sold	Unaccounted for Water	EUW
CFAT	12,604,931	-	9,248,000	27%	17%
Neighborhood	28,032,500	109,700	17,696,000	36%	26%
Rolling Oaks	663,621,222	2,597,778	441,651,000	38%	28%
Sunshine Consolidated	361,723,599	35,000	229,980,286	36%	26%
Sunshine – Ponderosa	14,167,008	-	9,176,418	35%	25%
Sunshine – Quail Run	10,420,198	-	8,179,492	22%	12%
Tradewinds	78,077,997	65,000	67,766,000	13%	3%
Tymber Creek[1]	14,153,000	137,800	9,305,000	33%	23%

Note 1: The gallonage data provided by CSWR-Florida for Tymber Creek is based on seven months of data.

CSWR-Florida witness Freeman testified during cross examination that the Utility has begun replacing individual customer meters, as part of its efforts to address EUW, because aging, uncalibrated meters may result in inaccurate water sales data. Witness Freeman testified that the Utility has master meters on its well systems, so CSWR-Florida knows how much water it is pumping. Comparing the water pumped with the water sold indicates how much EUW there is in a system. CSWR-Florida argued in its brief that it has not yet had sufficient time following its acquisitions to identify and repair water leaks that contribute to EUW. The Utility argued that applying EUW adjustments at this stage would not provide a reasonable opportunity to address inherited system deficiencies and could limit recovery of purchased power and chemical expenses associated with excessive water losses. CSWR-Florida further asserted that this proceeding presents us with an opportunity to consider whether EUW adjustments should be applied differently in the context of recently acquired distressed water and wastewater systems.

While there is agreement among the parties that EUW exists, CSWR-Florida argues that we should not apply EUW adjustments in this proceeding because the Utility has not had a

reasonable opportunity to address inherited systems deficiencies.[18] Under Rule 25-30.4325, F.A.C., in determining whether an EUW adjustment is appropriate, we will consider *all* relevant factors, including - but not limited to - whether the reason for excessive unaccounted for water during the test period has been identified, whether a solution to correct the problem has been implemented, or whether a proposed solution is economically feasible. We recognize that the Utility has begun initiating corrective actions, such as replacing meters, and believe that the record shows there are losses attributable to the prior owners. Specifically, the record shows that these systems have deterioration, deferred maintenance, and compliance issues. In addition, because the distribution pipes are underground, water leaks are not obvious in most cases. In light of these relevant circumstances, we find that no EUW adjustments shall be made to purchased power, chemicals, and purchased water at this time, to allow CSWR-Florida a reasonable opportunity to continue to make improvements to these systems, and without making an adjustment that would be punitive under these circumstances. However, we expect CSWR-Florida to continue making such improvements, and we have a high expectation for improved performance.

F. Excessive Infiltration and Inflow (I&I) for Wastewater (Issue 8)

This issue addresses whether any of CSWR-Florida's wastewater systems have excessive infiltration and/or inflow and, if so, what adjustments are necessary. Rule 25-30.432, F.A.C., provides that in determining the amount of used and useful plant, we will consider I&I. Excessive I&I is a calculation that is based on a comparison of allowable wastewater treated to the actual amount of wastewater treated. When the actual amount of wastewater treated does not exceed the allowable amount treated, there is no excessive I&I.

In discovery, Commission staff verified the plant flows with DEP's DMRs, requested the sizes of the collection pipes for CSWR-Florida's wastewater systems, and requested the purchased wastewater treatment invoices to verify the amount of purchased wastewater treatment. However, when CSWR-Florida provided the sizes of the collection pipes for its wastewater systems, some sections were listed as having a diameter of zero. Pursuant to Rule 25-30.125, F.A.C., utilities shall maintain maps of its systems showing size and locations of the facilities. CSWR-Florida indicated that failing systems tend to have incomplete and inaccurate records. In addition, CSWR-Florida indicated that when a pipe has an unknown diameter, the Utility assigns a diameter of zero inches to enter the pipe into its mapping software. CSWR-Florida stated that it will update its mapping software when additional information becomes available through field verification, maintenance activities, system improvements, and capital projects to address this issue. As such, we were unable to determine the amount of excessive I&I, if any, for the BFF, CFAT, North Peninsula, Rolling Oaks, Sebring Ridge, and Tymber Creek wastewater systems. Table 8 shows our approved excessive I&I analysis for the remaining wastewater systems.

[18] We note that CSWR-Florida acquired the systems starting in May 2022 through May 2024.

Table 8
Commission Approved Excessive I&I

System	Allowable I&I	Actual Wastewater Treated/Purchased	Excessive I&I
Aquarina	24,751,500	15,851,820	None
TKCB	3,999,819	231,670	None
Tradewinds	3,399,327	1,205,000	None

In its brief, CSWR-Florida stated that, due to the distressed nature of the wastewater systems that it acquired, the Utility does experience systems with I&I. CSWR-Florida asserted that it is working diligently to address this issue. However, similar to its argument for EUW adjustments in Issue 7, CSWR-Florida argued that no adjustments should be made for excessive I&I due to the distressed nature of the acquired systems.

OPC argued that CSWR-Florida did not meet its burden of proof for this issue and as a result, excessive I&I cannot be calculated. OPC also added that if we determine that any system has excessive I&I, corresponding adjustments should be made to purchased power, chemicals, and/or purchased wastewater treatment expenses.

While CSWR-Florida was unable to provide the necessary pipe sizes for all systems in order for excessive I&I to be calculated, the Utility provided the available information regarding I&I for three systems. As shown in Table 8, our calculations did not result in any excessive I&I for the three wastewater systems listed. As discussed above, we are unable to determine the amount of excessive I&I, if any, for the remaining wastewater systems because CSWR-Florida was unable to provide the actual diameter for some collection pipes.[19] Therefore, no adjustments shall be made for excessive I&I at this time. CSWR-Florida shall continue its field verifications, maintenance activities, system improvements, capital projects, and/or any other activities necessary to determine the actual collection pipe diameters for those that are currently unknown. In addition, CSWR-Florida shall submit, within 30 days of the issuance of this final order, a plan detailing for each system with unknown pipe sizes, how and when it will complete the collection of the pipe size data to comply with Rule 25-30.125, F.A.C.

Conclusion

We find that there is no excessive I&I for the Aquarina, TKCB, and Tradewinds wastewater systems. We are unable to calculate excessive I&I for the BFF, CFAT, North Peninsula, Rolling Oaks, Sebring Ridge, and Tymber Creek wastewater systems due to unknown pipe sizes within these systems. Therefore, no adjustments shall be made for excessive I&I at this time. However, CSWR-Florida shall submit, within 30 days of the issuance of this final order, a plan detailing for each system with unknown pipe sizes, how and when it will complete the collection of the pipe size data to comply with Rule 25-30.125, F.A.C. Upon receipt of this

[19] If this data were available and we calculated excessive I&I, a corresponding adjustment would have been approved as we do not agree with the Utility's position that no adjustments to expenses should be made due to the "distressed" nature of the acquired systems.

information, Commission staff is directed to evaluate whether further proceedings may be advisable to address the information provided.

G. Used and Useful (U&U) - Water Treatment (Issue 9)

This issue addresses the appropriate used and useful percentages for the water treatment and related facilities of each water system. Rule 25-30.4325, F.A.C., addresses the method by which the U&U percentage of a water system is determined. To calculate U&U for a water treatment system, the sum of the single maximum day water flow for the test year, the growth allowance, and fire flow requirements, minus any EUW, is divided by the firm reliable capacity of the water system. Rule 25-30.4325(4), F.A.C., states that a water treatment system is considered 100 percent U&U if the service territory the system is designed to serve is built out and there is no apparent potential for expansion of the service territory, or the system is served by a single well.

Neither CSWR-Florida nor OPC directly addressed U&U in testimony; however, CSWR-Florida provided U&U calculations in its MFR F-5 Schedules. Table 9 shows CSWR-Florida's water treatment system U&U calculations. However, CSWR-Florida argued that each of its water treatment systems should be considered 100 percent U&U.

Table 9
CSWR-Florida Calculated WTP U&U (gallons per day)

System	Number of Wells	Maximum Day	Growth Allowance	Fire Flow	EUW	Firm Capacity	U&U
Aquarina – Potable	1	148,000	-	-	11,173	50,000	100%
Aquarina – Non-potable[1]	-	-	-	-	-	-	-
CFAT	3	98,000	-	-	5,670	240,000	38%
Neighborhood	2	148,000	-	-	20,666	240,0000	53%
Rolling Oaks	9	7,843,000	-		5112,974	3,733,333	100%
Sunshine – Consolidated[2]	-	-	-	-	-	-	-
Sunshine – Ponderosa	2	67,300	-	-	9,040	55,680	69%
Sunshine – Quail Run	1	45,900	-	-	6,649	28,800	100%
Tradewinds	3	501,000	-	-	6,846	633,333	78%

Note 1: CSWR-Florida did not provide any U&U calculations for Aquarina - Non-potable.
Note 2: Ten of the 21 Sunshine consolidated systems have more than one well; however, CSWR-Florida calculated U&U of less than 100 percent for only two systems. The overall U&U for the Consolidated Sunshine systems is 100%.

Through discovery, we verified the number of wells and their respective capacities with DEP's inspection reports and the required fire flow for each system from the Utility. We also verified the maximum day water flow amounts for the test year using the DEP's MORs. To

determine the growth allowance for each system, five years of historic data pertaining to customer count and gallons sold is needed. However, because the systems were acquired relatively recently, only one to two full years of historical data were available for each system at the time of this proceeding. As a result, there is insufficient historical information to calculate a growth allowance for the systems. Based on our analysis, and consistent with our practice and each system's last staff assisted rate case, we find that the following water treatment systems shall be considered 100 percent U&U:[20] Aquarina – Non-potable,[21] Neighborhood,[22] Sunshine – Consolidated,[23] Sunshine – Ponderosa,[24] Sunshine – Quail Run,[25] and Tradewinds.[26] The Aquarina – Potable water treatment system shall also be considered 100 percent U&U as it was determined to have one well. Last, we calculate CFAT's U&U to be 26 percent. We reviewed CFAT's updated system map to determine if the system was built out, and it appears that there are areas of the service territory that could be developed. We also reviewed CFAT's last staff assisted rate case, where we determined that the water treatment system was 65 percent U&U.[27] Therefore, consistent with its last staff assisted rate case, we find that CFAT's water treatment system shall be considered 65 percent U&U.

As stated above, CSWR-Florida argued that each of its water treatment systems should be considered 100 percent U&U. Similar to its argument discussed in Issue 7 regarding EUW adjustments, CSWR-Florida contended that applying U&U adjustments to distressed systems acquired "as is" would discourage future acquisitions and undermine this Commission's goal of encouraging rehabilitation of troubled systems. According to CSWR-Florida, unlike the original owner, an acquiring Utility cannot resize or redesign existing infrastructure to match the current customer base, and applying U&U adjustments would prevent it from recovering its reasonable costs of owning and operating the systems. As discussed above, Rule 25-30.4325, F.A.C, establishes a uniform methodology for determining the U&U of water treatment and storage facilities, while accounting for prudent planning through factors such as growth and EUW.

OPC argued in its brief that each of the water treatment systems should be considered 100 percent U&U except for CFAT, which OPC agreed should be considered 65 percent U&U, consistent with its last rate case. OPC recommended that any U&U adjustments be made to Account No. 320.3.

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[20] *See* Order No. PSC-2021-2006-FOF-WS, filed June 4, 2021, in Docket No. 20200139-WS, *In re: Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties, by Utilities, Inc. of Florida*.
[21] Order No. PSC-16-0583-PAA-WS
[22] Order No. PSC-16-0537-PAA-WU, filed November 23, 2016, in Docket No. 20150181-WU, *In re: Application for staff-assisted rate case in Duval County by Neighborhood Utilities, Inc.*
[23] Order No. PSC-12-0357-PAA-WU, filed July 10, 2012, in Docket No. 20100048-WU, *In re: Application for increase in water rates in Marion County by Sunshine Utilities of Central Florida, Inc*.
[24] *Id*.
[25] *Id*.
[26] Order No. PSC-11-0385-PAA-WS, filed September 13, 2011, in Docket No. 20100127-WS, *In re: Application for increase in water and wastewater rates in Marion County by Tradewinds Utilities, Inc.*
[27] Order No. PSC-11-0366-PAA-WU, filed August 31, 2011, in Docket No. 20100126-WU, *In re: Application for increase in water rates in Marion County by C.F.A.T. H2O, Inc.*

We disagree with CSWR-Florida's position that all its water treatment systems should be considered 100 percent U&U due to our decision regarding the CFAT water treatment system. It is our policy that U&U adjustments be applied, as necessary, for systems that are not built out or served by multiple wells. Because there appears to be potential for development in the CFAT service territory as discussed above, we do not find the record adequately demonstrates that this system is built out. Additionally, the CFAT water treatment system is served by three wells, as shown in Table 9, and therefore does not meet this criterion for a determination of 100 percent U&U. As such, we find that the CFAT water treatment system shall be considered 65 percent U&U, consistent with its last staff assisted rate case, and that adjustments shall be made as necessary to the appropriate accounts. As discussed above, we find that the remaining water treatment systems shall be considered 100 percent U&U. The appropriate fall-out adjustments for CFAT is a ($8,199) adjustment to rate base, a net depreciation expense of ($684), and an adjustment to taxes other than income of ($51).

H. U&U – Water Storage (Issue 10)

This issue addresses the appropriate U&U percentages for the water storage and related facilities of each water system. Rule 25-30.4325(8), F.A.C., addresses the method by which we determine the U&U percentage of a water storage facility. The U&U percentage for water storage is calculated by dividing the peak demand, which is the sum of the maximum day water flow amount, the growth allowance, and the fire flow requirement minus EUW, by the usable storage capacity of the storage tank. Usable storage capacity less than or equal to the peak day demand shall be considered 100 percent U&U. Hydropneumatic tanks are not considered usable storage, elevated storage tanks shall be considered 100 percent U&U, and ground storage tanks shall be considered 90 percent U&U if the bottom of the tank is below the centerline of the pumping unit or 100 percent U&U if the tank has a bottom drain.

Neither CSWR-Florida nor OPC directly addressed U&U in testimony; however, CSWR-Florida provided calculations of U&U in its MFR F-5 Schedules. Table 10 shows CSWR-Florida's water storage U&U calculations. CSWR-Florida argued that all of its water storage and related facilities should be considered 100 percent U&U.

Table 10
CSWR-Florida Calculated Water Storage U&U (gallons)

System	Ground Storage Capacity	Elevated Storage Capacity	Hydro Storage Capacity	Usable Ground Storage	Usable Elevated Storage	Usable Hydro Storage	U&U
Aquarina	250,000	-	5,000	225,000	-	-	66%
CFAT	200,000	-	20,000	180,000	-	-	54%
Neighborhood	60,000	-	-	54,000	-	-	100%
Rolling Oaks	600,000	-	-	540,000	-	-	100%
Sunshine – Consolidated[1]	-	-	-	-	-	-	100%
Sunshine – Ponderosa	-	-	4,000	-	-	-	100%

Sunshine – Quail Run	-	-	3,000	-	-	-	100%
Tradewinds	-	200,000	15,000	-	200,000	-	100%

Note 1: All of the Sunshine Consolidated systems have hydropneumatic storage tanks, ranging in size from 300 to 12,500 gallons.

Through discovery admitted into the record, we verified the number and capacities of the storage tanks with the DEP's inspection reports. Consistent with our practice and our determination in each system's last staff assisted rate case, the water storage and related facilities for each of the following systems is considered 100 percent U&U: Neighborhood,[28] Sunshine – Consolidated,[29] Sunshine – Ponderosa,[30] Sunshine – Quail Run,[31] and Tradewinds.[32] For the remaining systems, our analysis shows that the water storage U&U for Aquarina is 61 percent. We calculated CFAT's water storage U&U to be 51 percent; however, consistent with its last staff assisted rate case, CFAT's water storage shall be considered 86 percent U&U.[33]

CSWR-Florida argued in its brief that the water storage U&U for each of its systems should be 100 percent based on the same argument detailed in Issue 9. OPC argued in its brief that the water storage U&U for the Aquarina and CFAT systems should be considered 61 percent and 86 percent, respectively. Further, OPC recommended that any water storage U&U adjustments should be made to Account No. 330.

As indicated above, we disagree with CSWR-Florida that all of its water storage systems should be considered 100 percent U&U. It is our policy to apply U&U adjustments for water storage systems that are determined to be non-U&U.[34] Therefore, the water storage U&U for the Aquarina and CFAT systems shall be considered 61 percent and 86 percent, respectively, and adjustments shall be made as necessary to the appropriate accounts. As discussed above, the water storage for the remaining systems shall be considered 100 percent U&U. The appropriate fall-out adjustments are shown in the table below.

Table 11

System	Rate Base	Depreciation Expense (Net)	TOTI
Aquarina	($6,463)	($191)	($98)
CFAT	($14,829)	($914)	($92)
Total	($21,292)	($1,105)	($190)

[28] Order No. PSC-16-0537-PAA-WU.
[29] Order No. PSC-12-0357-PAA-WU.
[30] *Id*.
[31] *Id*.
[32] Order No. PSC-11-0385-PAA-WS.
[33] Order No. PSC-11-0366-PAA-WU.
[34] *See* Section 367.081(2)(a), F.S.

I. U&U – Water Distribution (Issue 11)

This issue addresses the appropriate used and useful percentages for the water distribution and related facilities of each water system.

In determining if a water distribution system is U&U, we use the sum of the total number of test year connections and the growth allowance divided by the total number of lots. We also consider whether the distribution system is built out, consistent with Rule 25-30.4325(4), F.A.C.; if so, this results in a water distribution U&U determination of 100 percent.

Neither CSWR-Florida nor OPC directly addressed U&U in testimony. Additionally, CSWR-Florida did not provide any calculations for water distribution U&U as the Utility argued all of its systems are built out and therefore 100 percent U&U.

Through discovery entered into the record, we verified the total number of lots for each system, along with the total number of test year connections. Consistent with our practice and with each system's last staff assisted rate case, we find the following systems shall be considered 100 percent U&U: CFAT,[35] Neighborhood,[36] Sunshine – Ponderosa,[37] Tradewinds,[38] and Tymber Creek.[39] In addition, we calculated the U&U to be 100 percent for the Sunshine – Consolidated and Sunshine – Quail Run systems.

Regarding the remaining systems, we determined that there are 403 total lots and 325 total customer connections for the Aquarina system. In addition, as discussed in Issue 9, the growth allowance could not be determined as CSWR-Florida did not have five years' worth of data available for its systems. In reviewing the system map for the Aquarina system, we noticed an 8-inch main that was located in an empty lot and was not intermingled with the other lots being served in the service territory. When asked about this, CSWR-Florida did not know why the main was in the empty lot. Because there is a service line that is not currently being used, the Aquarina distribution system does not appear to be fully built out. Therefore, we find that the water distribution U&U for the Aquarina system shall be 81 percent.

For Rolling Oaks, we determined that there are 6,655 total lots and 6,210 total customer connections. In reviewing the system map for Rolling Oaks, we noticed an area consisting of 183 lots off by itself in the service territory. When asked if CSWR-Florida was serving anyone in this particular area, CSWR-Florida responded that it was not; however, the Utility will be ready to provide service to those customers if requested. Because there are service lines not currently being used and the lots are located in a separate area of the service territory, rather than intermingled among lots currently being served, the Rolling Oaks distribution system does not appear to be fully built out. Therefore, we find that the water distribution U&U for the Rolling Oaks system shall be 93 percent.

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[35] Oder No. PSC-11-0366-PAA-WU.
[36] Order No. PSC-16-0537-PAA-WU.
[37] Order No. PSC-12-0357-PAA-WU.
[38] Order No. PSC-11-0385-PAA-WS
[39] Order No. PSC-11-0345-PAA-WS, filed August 16, 2011, in Docket No. 20100359-WS, *In re: Application for staff-assisted rate case in Volusia County by Tymber Creek Utilities, Incorporated.*

CSWR-Florida argued in its brief that the water distribution U&U for each of its systems should be 100 percent based on the same argument detailed in Issue 9. OPC argued in its brief that each of CSWR-Florida's water distribution systems are 100 percent U&U, with the exception of the Aquarina – Potable and Rolling Oaks systems, which it recommended should be considered 81 percent and 93 percent U&U, respectively, which is consistent with our findings. OPC also argued that if any of the water distribution systems are not considered 100 percent U&U, then appropriate adjustments should be made to Account No. 331.4.

As indicated above, we disagree with CSWR-Florida's position that all of its water distribution systems should be considered 100 percent U&U. It is our policy to apply U&U adjustments for water distribution systems that are determined to be non-U&U.[40] Therefore, the water distribution for the Aquarina and Rolling Oaks systems shall be considered 81 percent and 93 percent U&U, respectively, and adjustments shall be made to the appropriate accounts. We find that the water distribution for the remaining systems shall be considered 100 percent U&U. The appropriate fall-out adjustments are shown in the table below.

Table 12

System	Rate Base	Depreciation Expense (Net)	TOTI
Aquarina	($36,734)	($1,459)	($554)
Rolling Oaks	($19,973)	($2,445)	($224)
Total	($56,707)	($3,904)	($778)

J. U&U – Wastewater Treatment (Issue 12)

This issue addresses the appropriate used and useful percentages for the wastewater treatment and related facilities of each wastewater system. Rule 25-30.432, F.A.C., addresses the method by which the U&U percentage of a wastewater treatment system is determined. The rule sets forth provisions for flow data and permitted capacity to be used in the equation, and other factors for consideration such as I&I, the growth allowance, the extent to which the area served by the plant is built out, and decreases in flows due to conservation or a reduction in customers.

Neither CSWR-Florida nor OPC directly addressed U&U in testimony; however, CSWR-Florida provided U&U calculations for its wastewater treatment and related facilities in its MFR F-6 Schedules. Table 13 shows CSWR-Florida's wastewater treatment system U&U calculations. However, CSWR-Florida argued in its brief that the wastewater treatment system U&U for each of its systems should be 100 percent based on the same argument detailed in Issue 9.

[40] *See* Section 367.081(2)(a), F.S.

Table 13
CSWR-Florida Calculated WWTP U&U (gallons per day)

System	Used and Useful Flow	Growth Allowance	I&I	Permitted Capacity	U&U
Aquarina	48,600	-	-	99,000	49%
CFAT	38,485	-	-	99,000	39%
North Peninsula	94,300	-	-	181,000	52%
Rolling Oaks	545,050	-	-	1,000,000	55%
Sebring Ridge	51,967	-	-	181,000	29%
TKCB	45,000	-	-	99,000	45%
Tymber Creek	62,300	-	-	131,000	48%

OPC argued in its brief that each of CSWR-Florida's wastewater treatment systems are 100 percent U&U, with the exception of the Aquarina, CFAT, Rolling Oaks, and Sebring Ridge systems, which argued it should be considered 56 percent, 39 percent, 55 percent, and 81 percent U&U, respectively.

Through discovery admitted to in record, we verified the capacity of the wastewater treatment systems with DEP's permits and inspection reports. We also verified the basis for the flow data for each system, which was either annual average daily flow or three-month average daily flow. As discussed in Issue 9, the growth allowance could not be determined as CSWR-Florida did not have five years' worth of data available for its systems. In addition, as discussed in Issue 8, there was either no excessive I&I or the amount of excessive I&I could not be determined for each system. Consistent with our practice and with each system's last staff assisted rate case, the following wastewater treatment systems are considered 100 percent U&U: North Peninsula,[41] TKCB,[42] and Tymber Creek.[43]

Although we could not determine the growth allowance for each system, as discussed above, it appears that the remaining wastewater treatment systems are not built out because there appears to be potential for growth throughout each system's service territory based on the provided system maps. However, we believe in this case, when looking at fixed costs and how those costs are spread, there is very little variable cost in the operation of these wastewater systems. CSWR-Florida had to purchase the wastewater treatment plants in their entirety as it is not possible to buy a portion of the plants; as such, we find that the Aquarina, CFAT, Rolling Oaks, and Sebring Ridge wastewater treatment systems shall be considered 100 percent U&U.

K. U&U – Collection Lines for Wastewater (Issue 13)

This issue addresses the appropriate used and useful percentages for the collection lines and related facilities of each wastewater system. In determining if a wastewater collection system

[41] Order No. PSC-2019-0461-PAA-SU, filed October 25, 2019, in Docket No. 20180138-SU, *In re: Application for staff-assisted rate case in Volusia County by North Peninsula Utilities Corporation.*
[42] Order No. PSC-2019-0362-PAA-SU, filed August 26, 2019, in Docket No. 20180218-SU, *In re: Application for staff-assisted rate case in Brevard County by TKCB, Inc.*
[43] Order No. PSC-11-0345-PAA-WS

is U&U, we use the following formula: the sum of the total number of test year connections and the growth allowance divided by the total number of lots. We also consider whether the collection system is built out, consistent with Rule 25-30.432, F.A.C., and if so, this would result in a wastewater collection U&U determination of 100 percent.

Neither CSWR-Florida nor OPC directly addressed U&U in testimony. Additionally, CSWR-Florida did not provide any calculations for wastewater collection U&U as the Utility deemed all systems built out and therefore 100 percent U&U. CSWR-Florida argued in its brief that the wastewater collection system U&U for each of its systems should be considered 100 percent based on the same argument detailed in Issue 9.

OPC argued in its brief that each of CSWR-Florida's wastewater collection systems is 100 percent U&U, with the exception of the Aquarina, Rolling Oaks, and Sebring Ridge systems, which it recommended should be considered 86 percent, 74 percent, and 79 percent U&U, respectively. OPC argued that any wastewater collection U&U adjustments be made to Account Nos. 354.2, 360.2, 361.2, 362.2, 364.2, 365.2, and 389.2.

Through discovery admitted into the record, we verified the total number of lots for each system, along with the total number of test year connections. Consistent with our practice and with each system's last staff assisted rate case, the following wastewater collection systems are considered 100 percent U&U: North Peninsula, TKCB, Tradewinds, and Tymber Creek.[44] In addition, we calculated 100 percent U&U for the Aquarina, BFF, and CFAT wastewater collection systems.

Regarding the remaining systems, we determined that there are 6,655 total lots and 4,938 total customer connections for the Rolling Oaks wastewater system. In addition, as discussed in Issue 9, the growth allowance could not be determined as CSWR-Florida did not have five years' worth of data available for its systems. As discussed in Issue 11, there are currently 183 vacant lots located in an area that is not intermingled with the lots currently being served, which CSWR-Florida is prepared to serve upon request. Because these lots are located in a separate area of the service territory, rather than intermingled among lots currently being served, it does not appear that the Rolling Oaks collection system is built out.

For Sebring Ridge, we determined that there are 597 total lots and 287 total customer connections. In reviewing the system map for Sebring Ridge, we noticed an area consisting of 147 lots off by itself in the service territory containing one general service customer. When asked if CSWR-Florida was serving anyone else in the area, the Utility responded that it was not. Based on the presence and location of the lots within the Sebring Ridge service territory and not being intermingled among lots currently being served, it does not appear that the Sebring Ridge wastewater collection system is built out.

[44] Order Nos. PSC-2019-0461-PAA-SU, PSC-2019-0362-PAA-SU, PSC-11-0385-PAA-WS, PSC-11-0345-PAA-WS

While we acknowledge that the Rolling Oaks and Sebring Ridge wastewater collection systems do not appear to be built out, consistent with our decision in Issue 12, we believe that in this case, when looking at fixed costs and how those costs are spread, there is very little variable cost in the operation of these wastewater systems. CSWR-Florida had to purchase the wastewater treatment plants in their entirety as it is not possible to buy a portion of the plants. As such, we agree with CSWR-Florida's position and find that the Rolling Oaks and Sebring Ridge wastewater collection systems shall be considered 100 percent U&U.

In conclusion, the wastewater collection lines and related facilities for each CSWR-Florida wastewater system shall be considered 100 percent U&U.

L. Accumulated Depreciation (Issue 14)

This issue addresses what adjustments, if any, should be made to test year accumulated depreciation. In Audit Finding No. 1, staff witness Mouring presented adjustments to UPIS accounts for two water systems and two wastewater systems along with the corresponding accumulated depreciation. Although CSWR-Florida stated that there should be no accumulated depreciation adjustments, it agreed with Audit Finding No. 1 for plant additions that had associated adjustments for accumulated depreciation. In its brief, OPC stated that CSWR-Florida applied the appropriate depreciation rates to its Class A and B utilities, and if consolidation of CSWR-Florida's systems is not approved, we should make appropriate adjustments to the respective systems consistent with Audit Finding No. 5.

The corresponding accumulated depreciation for Audit Finding No. 1 was presented as a variance. Upon further investigation, we discovered that there were a few minor calculation errors and some of the depreciation rates used for calculations were incorrect with the exception of the adjustment for the Neighborhood water system. We recalculated the accumulated depreciation and find that the following adjustments shall be made.

Table 14
Accumulated Depreciation for Adjusted UPIS

System	Water	Wastewater
Neighborhood	$136	$0
North Peninsula	0	(86)
Rolling Oaks	(9)	125
Total	$127	$39

Although Audit Finding No. 5 was reissued to also include the recalculated depreciation expenses for the test year in order to properly factor in the salvage values to the calculation of the depreciation rate for water plant Accounts 341–Transportation Equipment, 345–Power Operated Equipment, and 346–Communication Equipment, and wastewater plant Accounts 391–Transportation Equipment, 395–Power Operated Equipment, and 396–Communication Equipment, as prescribed by Rule 25-30.140, F.A.C., the accumulated depreciation was not recalculated. The following table illustrates the calculated adjustments for accumulated depreciation to properly include salvage values for these designated accounts.

Table 15
Accumulated Depreciation for Accounts with Salvage Values

System	Water	Wastewater
Aquarina	($173)	($99)
Aquarina – Non-Potable	(35)	0
BFF	0	117
CFAT	(40)	(200)
Neighborhood	(105)	0
North Peninsula	0	(184)
Rolling Oaks	(333)	(583)
Sebring Ridge	0	(141)
Sunshine	(1,272)	0
Sunshine P-QR	(161)	0
TKCB	0	(47)
Tradewinds	(39)	$185)
Tymber Creek	(30)	(31)
Total	($2,188)	($1,356)

Additionally, we note that two of the systems, Aquarina and Sunshine, recorded accumulated depreciation without recording any corresponding plant-in-service. Aquarina recorded depreciation for plant account 395.5 – Power operated equipment but recorded no plant account. Sunshine recorded depreciation for plant account 301.1 – Organization but recorded no plant account for it. We find that these amounts shall be removed, as shown below.

Table 16
Adjustments for Accounts without UPIS

System	Water	Wastewater
Aquarina	$0	($96)
Sunshine	(5,206)	0
Total	($5,206)	($96)

Corresponding CWIP

We also calculated the corresponding accumulated depreciation associated with the CWIP projects that are moving into the water plant-in-service accounts. As addressed in Issue 4, the following adjustments shall be made.

Table 17
Accumulated Depreciation for Increased UPIS

System	Water	Wastewater
Sunshine	$18,648	$0
Sunshine P-QR	9,618	0
Total	$28,266	$0

Conclusion

We approve accumulated depreciation adjustments as reflected in the following table for water and wastewater, respectively.

Table 18
Accumulated Depreciation Adjustments

System	Water	Wastewater
Aquarina – Potable	($173)	($195)
Aquarina – Non-Potable	(35)	0
BFF	0	117
CFAT	(40)	(200)
Neighborhood	31	0
North Peninsula	0	(270)
Rolling Oaks	(342)	(458)
Sebring Ridge	0	(141)
Sunshine	12,166	0
Sunshine P-QR	9,457	0
TKCB	0	(47)
Tradewinds	(39)	(185)
Tymber Creek	(30)	(31)
Total	$20,995	($1,410)

M. Contributions In Aid of Construction (CIAC) (Issue 15)

At the hearing, we approved a Type 2 Stipulation with respect to whether any adjustments should be made to test year CIAC balances. The stipulation provides that CSWR-Florida accepts staff's Revised Audit Finding 4 (Contributions-in-Aid-of-Construction CIAC and CIAC Amortization) related to CIAC balances.

N. Accumulated Amortization of CIAC (Issue 16)

At the hearing, we approved a Type 2 Stipulation with respect to whether any adjustments should be made to test year accumulated amortization of CIAC. The stipulation provided that a minor adjustment may be warranted because of staff's Revised Audit Finding 4 (Contribution-in-Aid-of-Construction CIAC and CIAC Amortization) reducing the CIAC balances.

O. Adjustments to Acquisition Adjustments Included in MFRs (Issue 17)

This issue addresses whether any adjustments should be made to the acquisition adjustments included in the test year. In its MFRs, CSWR-Florida included Acquisition Adjustments for Aquarina, Aquarina – Non-Potable, North Peninsula, Sunshine – P-QR, and Sunshine, for a total of $7,870,180 for water and $1,503,727 for wastewater. The requested amount in CSWR-Florida – Consolidated MFRs indicates a total acquisition adjustment of

$7,870,180 for water and $1,196,741 for wastewater. In addition to filing its rate case in this docket, CSWR-Florida also separately filed requests to recover acquisition adjustments for the purchase of its Aquarina, North Peninsula, and Sunshine systems, in Docket Nos. 20250043-WS,[45] 20250038-WS,[46] and 20250047-WS,[47] respectively.

In its brief, CSWR-Florida's position is "if acquisition adjustments have not been approved in time to incorporate the ratemaking impact of those adjustments, the consolidated revenue requirement should be reduced by $1,105,780." CSWR-Florida's brief referenced the 2024 revision to Rule 25-30.0371, F.A.C., naming the three separate Commission dockets addressing the requested Aquarina, North Peninsula, and Sunshine acquisition adjustments, as well as two other acquisition adjustment petitions, the impact of which was not included in the Utility's MFRs. CSWR-Florida noted that the petitions have been pending for up to 16 months as of the filing of its brief. While CSWR-Florida has generally agreed to remove the acquisition adjustments from the test year in the general rate case proceeding, its agreement is conditional on whether or not a final decision has been made in each respective docket.

In its brief, OPC stated that the acquisition adjustments should be excluded from the test year, justifying exclusion under the premise that the request was "not properly at issue in this docket." OPC further argued that the Utility was not eligible to recover the acquisition adjustments due to untimeliness of their request and our prior denial of the same requests in Docket Nos. 20210133-SU, 20210095-WU, and 20210093-WU. OPC further argued that the acquisition adjustments have not provided improvements in quality of service to Utility customers. OPC reiterated its points by stating that the acquisition adjustments and "all expenses, taxes, financing costs, amortization, carrying charges, and other revenue requirement components that are directly or indirectly attributable to acquisition adjustments should be eliminated."

Our decision on this docket was made at our September 10, 2026 Agenda Conference. On the same date, we voted to approve the requested acquisition adjustments in Docket Nos. 20250043-WS, 20250038-WS, and 20250047-WS, as well as the two additional acquisition adjustment dockets not included in the rate case MFRs. As the orders for all five acquisition adjustment dockets will issue as proposed agency action, the orders approving the acquisition adjustments are not scheduled to issue until 20 days following our September 10 vote. The orders are further subject to an additional 21-day protest period during which they can be contested by substantially affected parties, in which case an administrative hearing would be conducted before we could issue a final decision. At the soonest, the acquisition adjustments – if not protested – wouldn't be final until the Consummating Orders are issued on October 26, 2026.

As our decisions on the acquisition adjustment dockets are not yet final, the acquisition adjustment amounts for Docket Nos. 20250043-WS, 20250038-WS, and 20250047-WS will not be addressed in this rate case proceeding, and the requested amounts shall be removed from the

[45]Document No. 01788-2025.
[46]Document No. 01362-2025.
[47]Document No. 01877-2025.

revenue requirements for each respective system. Rate base shall be reduced by the amounts shown below.

Table 19
Acquisition Adjustments to be Removed

System	Water	Wastewater
Aquarina – Non-Potable	$863,567	$0
Aquarina	1,145,736	$306,986
North Peninsula	0	1,196,741
Sunshine – P-QR	403,712	0
Sunshine	5,457,165	0
Consolidated	$7,870,180	$1,503,727

P. Working Capital (Issue 18)

This issue addresses the appropriate working capital allowance. Rule 25-30.433(3), F.A.C., requires that Class A Utilities use the balance sheet method to calculate the working capital allowance. In its consolidated MFRs, the Utility recorded a working capital allowance of $0 for water and $0 for wastewater. All systems except for Neighborhood also reflected a working capital allowance of $0 in their respective sets of MFRs.

In its brief, the Utility agreed with the adjustments made to working capital in Audit Finding No. 7. In OPC's brief, it stated that if consolidation is granted, CSWR-Florida's working capital should be calculated using the balance sheet method, and if consolidation is disallowed, working capital should be calculated based upon the applicable size of each system. As discussed in Issues 41 and 43, we are approving consolidation of CSWR-Florida's systems. As such, consistent with OPC's position, the working capital allowance for each system shall be calculated using the balance sheet method.

As agreed to by the Utility, Audit Finding No. 7 provides adjustments to working capital for each system. After audit adjustments, all systems except Neighborhood still reflect a negative balance. It is our practice to set negative working capital allowance balances to zero for ratemaking purposes.[48] We find that the working capital allowance for all systems except Neighborhood shall be set to zero. In its MFRs, Neighborhood reflected a working capital allowance of $158,903. Audit Finding No. 7 decreases Neighborhood's working capital by $5,052. As such, we approve a working capital allowance of $153,853 for Neighborhood.

[48]*See* Order Nos. PSC-2017-0361-FOF-WS, issued September 25, 2017, as amended by Order PSC-2017-0361-FOF-WS, issued October 4, 2017, in Docket No. 20160101-WS, *In re: Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties by Utilities, Inc. of Florida*; PSC-09-0751-PCO-SU, issued November 16, 2009, in Docket No. 20090182-SU, *In re: Application for increase in wastewater rates in Pasco County by Ni Florida, LLC.*; PSC-97-0076-FOF-WS, issued January 27, 1997, in Docket No. 19961364-WS, *In re: Investigation of rates of Lindrick Service Corporation in Pasco County for possible overearnings.*

Q. Rate Base for Water and Wastewater (Issue 19)

This issue addresses the appropriate rate bases for the January 31, 2025 test year. Based upon the Utility's adjusted 13-month average test year balances and our approved adjustments, the appropriate 13-month average rate base is $9,226,531 for water and $6,491,922 for wastewater. Schedule Nos. 1-A and 1-B, attached hereto, reflect the approved rate base calculations for each system. The approved adjustments to rate base for each system are shown on Schedule No. 1-C.

III. COST OF CAPITAL

A. Accumulated Deferred Taxes (Issue 20)

At the hearing, we approved a Type 1 Stipulation with respect to the amount of accumulated deferred taxes that should be approved for inclusion in the capital structure for the test year. The stipulation provides that no amount shall be included; CSWR-Florida has no accumulated deferred taxes.

B. Customer Deposits (Issue 21)

At the hearing, we approved a Type 1 Stipulation addressing the amount and cost rate for customer deposits for inclusion in the capital structure for the test year. The stipulation provides that no amount shall be included; CSWR-Florida has no customer deposits.

C. Short-Term Debt (Issue 22)

At the hearing, we approved a Type 2 Stipulation addressing the amount and cost rate for short-term debt that should be approved for inclusion in the capital structure for the test year. The stipulation provides that the Utility agrees to audit staff's Audit Finding 8 (Capital Structure) which reclassifies a related-party credit balance as short-term debt. The Utility also agrees to audit staff's attendant short-term debt rate of 8.50% as reflected in Audit Finding 8.

D. Long-Term Debt (Issue 23)

At the hearing, we approved a Type 1 Stipulation addressing the amount and cost rate for long-term debt that should be included in the capital structure for the test year. The stipulation provided that no amount shall be included; CSWR-Florida has no long-term debt.

E. Equity Ratio (Issue 24)

At the hearing, we approved a Type 2 Stipulation addressing what equity ratio should be approved for use in the capital structure for ratemaking purposes for the test year. The stipulation provided that an equity ratio of 98.68 percent on a consolidated basis shall be approved for ratemaking purposes for the test year.

F. Return on Equity (ROE) (Issue 25)

This issue addresses what ROE should be approved for use in establishing the Utility's revenue requirement for the test year. Section 367.081(4)(f), F.S., authorizes us to establish, not less than once each year, a leverage formula to calculate a reasonable range of ROE for water and wastewater (WAW) utilities. The use of the leverage formula is discretionary and provides administrative efficiency to determine the ROE in lieu of the parties filing ROE testimony. Neither CSWR-Florida nor OPC filed ROE testimony, and instead relied on the leverage formula to determine the ROE in this rate case. CSWR-Florida agreed that the 2025 leverage formula should be used to derive a ROE of 8.52 percent based on an equity ratio of 98.68 percent. OPC did not recommend a specific numerical value of the ROE that should be approved, and argued that we should use the ROE based on the current leverage formula in effect at the time of our vote. The 2026 leverage formula became effective on July 14, 2026, and is the current leverage formula at the time of our vote on this matter.[49] OPC's argument to use the 2026 leverage formula is inconsistent with its argument in Issue 26 to use the average cost of capital as reflected in OPC witness Smith's testimony. OPC witness Smith used the 2025 leverage formula in his testimony do derive a ROE of 8.54 percent using an equity ratio of 97.43.

In Issue 26, both parties agreed that the weighted average cost of capital should be calculated using a ROE determined by the 2025 leverage formula. Accordingly, the record supports using a ROE based on the 2025 leverage formula. The 2025 leverage formula is as follows: ROE = 7.17% + (1.337% ÷ Equity Ratio). In Issue 24, we approved a Type 2 stipulation for an equity ratio of 98.68 percent. Applying the equity ratio of 98.68 percent to the 2025 leverage formula results in a ROE of 8.52 percent as calculated as follows: ROE = 7.17% + (1.337% ÷ 0.9868) = 7.17% + 1.35% = 8.52%.

OPC argued that the ROE should be reduced by 25 basis points for deficient service quality and DEP compliance issues in Issues 1 and 2. However, consistent with our vote on Issues 1 and 2, we do not find that an ROE penalty is supported by the record evidence.

Based on the stipulation in Issue 24 and record evidence, we approve an ROE of 8.52 percent for use in establishing CSWR-Florida's revenue requirement for the test year.

G. Weighted Average Cost of Capital (Issue 26)

This issue addresses the capital structure and weighted average cost of capital that should be approved for use in establishing the Utility's revenue requirement for the test year. In MFR Schedule D-1, the Utility submitted its proposed capital structure with a WACC of 8.76 percent. CSWR-Florida's requested capital structure consisted of common equity in the amount of $27,399,344 and short-term debt in the amount of $722,441. The Utility appropriately used the 13-month average to determine the capital structure for Class A utilities as required by Rule 25-

[49] Order No. PSC-2026-0223-PAA-WS, issued June 22, 2026; consummated by Order No. PSC-2026-0246-CO-WS, issued July 14, 2026, in Docket No. 20260006-WS, *In re: Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.*

30.433(5) F.A.C. As shown on MFR Schedule D-2, the Utility made a reconciliation adjustment to common equity to remove $26,433,254 that was used for construction in progress and other plant assets not included in rate base in the instant case. CSWR-Florida's initial requested capital structure is reflected in Table 1.

Table 20
CSWR-Florida Requested Capital Structure and WACC

Capital Component	Amount	Percentage	Cost Rate	Weighted Cost
Short-Term Debt	$722,441	2.57%	8.50%	0.22%
Common Equity	27,399,344	97.43%	8.77%	8.54%
Total	$28,121,785	100%		8.76%

OPC argued that the appropriate weighted average cost of capital as reflected in OPC witness Smith's testimony and exhibits should be reduced by 25 basis points for the deficient quality of service and DEP compliance issues. OPC argued that the WACC is dependent upon our decision regarding consolidation of CSWR-Florida's systems and OPC's requested reduction to ROE of 25 basis points. OPC did not take issue with CSWR-Florida's requested capital structure as proposed in MFR Schedule D-1. OPC witness Smith made a pro-rata adjustment to the capital structure to reduce the component amounts and overall total capital amount to reflect OPC's recommended reduction to the rate base amount. As discussed in Issue 25, OPC proposed a ROE of 8.54 percent based on the 2025 leverage formula and an equity ratio of 97.43 percent. OPC's proposed capital structure and WACC is reflected in Table 1.

Table 21
OPC Proposed Capital Structure and WACC

Capital Component	Amount	Pro rata Adjustment	Adjusted Amount	Percentage	Cost Rate	Weighted Cost
Short-Term Debt	$722,441	($240,813)	$481,628	2.57%	8.50%	0.22%
Common Equity	27,399,344	(9,133,093)	18,266,251	97.43%	8.54%	8.32%
Total	$28,121,785	($9,373,906)	$18,747,879	100%		8.54%

Commission staff conducted an audit on CSWR-Florida's capital structure and WACC. In Audit Finding No. 8, audit staff noted that the Utility provided a revision to the Retained Earnings balance for January 2025 which resulted in a decrease of $9,537 to the common equity 13-month average balance. CSWR-Florida and witness Thies agreed with the adjustment of $9,537 in staff's Audit Finding No. 8. The revised per books 13-month average common equity balance for the test year was $53,823,061. During the evidentiary hearing, we approved a Type 2 stipulation in Issue 24 to set the equity ratio at 98.68 percent based on Audit Finding No. 8. In Audit Finding No. 8, the equity ratio of 98.68 percent was calculated using the per books equity balance of $53,823,061 and a short-term debt balance of $722,441. However, when reconciled to a rate base of $28,121,785, the equity ratio mathematically can not be 98.68 percent if the short-term balance remains at $722,441. To resolve this dilemma, we find that the capital structure shall be reconciled to rate base over both common equity and short-term debt. The resulting capital structure contains a short-term debt balance of $372,466 and a common equity balance of $27,749,319. This adjustment is necessary to set the equity ratio at 98.68 percent and the short-

term debt ratio at 1.32 percent to reflect the Type 2 stipulation we approved in Issue 24. This is consistent with CSWR-Florida's position in its brief and the Type 2 stipulation in Issue 24 to set the equity ratio at 98.68 percent. Our approved capital structure adjustment and reconciliation method is reflected in Table 22.

Table 22
Commission Approved Capital Structure Reconciliation and Ratios

Capital Component	Test Year per books	Audit Adjust	Test Year Adjusted	Reconciliation Adjustment	Adjusted to Rate Base	Ratio
Short-Term Debt	$722,441		$722,441	($349,975)	$372,466	1.32%
Common Equity	53,832,598	(9,537)	53,823,061	(26,073,742)	27,749,319	98.68%
Total	$54,555,039	($9,537)	$54,545,502	($26,473,717)	$28,121,785	100%

In Issue 22, we approved a Type 2 stipulation for the short-term debt cost rate of 8.50 percent. In Issue 25, we approved an ROE of 8.52 percent, and in Issue 19, we approved a consolidated rate base of $15,718,453. The corresponding capital structure shall be reduced by an additional $12,436,100 pro rata over short-term debt and common equity to reconcile with our approved rate base ($28,121,785 - $12,403,332 = $15,718,453). The resulting reconciled capital structure and cost rates yield a WACC of 8.52 percent as reflected in Table 23.

Table 23
Commission Approved Capital Structure and WACC

Capital Component	Amount	Pro rata Adjustment	Reconciled to Rate Base	Ratio	Cost Rate	Weighted Cost
Short-Term Debt	$722,441	($514,254)	$208,187	1.32%	8.50%	0.11%
Common Equity	53,823,061	(38,312,795)	15,510,266	98.68%	8.52%	8.41%
Total	$54,545,502	($38,827,049)	$15,718,453	100%		8.52%

Conclusion

We disagree with OPC's proposed capital structure because it is inconsistent with the stipulations for the ratios of common equity and short-term debt. Further, OPC's proposed cost rate for common equity as calculated by the leverage formula does not reflect the stipulated equity ratio of 98.68 percent. Based on the capital components, amounts, and cost rates associated with the capital structure for the 13-month average test year ended January 1, 2025, as approved in Issues 20 through 25, the capital structure and WACC that we approve for setting rates in this proceeding comprises of a common equity ratio of 98.68 percent and a short-term debt ratio of 1.32 percent, yielding a WACC of 8.52 percent.

IV. TEST YEAR REVENUES (Issue 27)

This section addresses the appropriate test year revenues. In its revised MFRs, the Utility reflected adjusted consolidated test year revenues of $3,785,558 for water and $3,474,486 for wastewater. The water revenues included $3,640,269 of service revenues and $145,288 of miscellaneous revenues. The wastewater revenues included $3,382,915 of service revenues and $91,571 of miscellaneous revenues. CSWR-Florida contends that it disagrees with staff's Audit Finding No. 9, which reflects a reduction to test year revenues of $1,403,815 because there were no workpapers supporting the revenue adjustment. Staff's Audit Finding No. 9 adjustment of $1,403,815 consisted of a decrease to service revenues of $1,225,156 for water and a decrease of $150,306 for wastewater and, for miscellaneous service revenues, a decrease of $32,541 for water and an increase of $4,188 for wastewater.

Service Revenues

In order to calculate the appropriate test year service revenues, we compiled the billing determinants from each system using its respective MFR Schedule E-14. For Tymber Creek, the billing determinants were annualized because only seven months of billing data were reflected in its respective MFR Schedule E-14. In its brief, OPC contends that the test year revenues should be based on the appropriate level of service rates and billing determinants. Our determination of the appropriate billing determinants for each respective system were multiplied by the rates in effect at the time of filing, and we determined test year service revenues of $3,761,592 for water and $3,332,947 for wastewater. As a result, test year service revenues shall be increased by $121,323 for water and decreased by $49,968 for wastewater. This adjustment to test year service revenues is based on the MFR Schedule E-14 provided subsequent to the audit to cure deficiencies in the MFRs.

Miscellaneous Revenues

We also adjusted miscellaneous service revenues for water and wastewater. CSWR-Florida provided a breakdown of its miscellaneous service charges by system. We reviewed the breakdown provided to determine the appropriate occurrences to apply to the miscellaneous service charges for the purposes of calculating the appropriate test year miscellaneous revenues. During our review, we determined that the Utility assessed a late payment charge for both water and wastewater service for the Aquarina and Rolling Oaks systems. Pursuant to Rule 25-30.460(1), F.A.C., if a Utility provides both water and wastewater services, only a single charge shall be assessed for each of the miscellaneous service charges. CSWR-Florida asserted that the duplication of the late payment charge for both water and wastewater was unintentional and were a result of legacy tariff provisions, which it recognized was not consistent with Rule 25-30.460, F.A.C.

Accordingly, we will not recognize the duplicate late payment charges in determining the appropriate test year miscellaneous revenues and instead will use the number of occurrences associated with the assessment of a single late payment charge. Our determination of the appropriate occurrences of each respective system were multiplied by the respective miscellaneous service charges in effect at the time of filing, and we determined test year miscellaneous revenues of $116,125 for water and $58,928 for wastewater. As a result, test year

miscellaneous revenues shall be decreased by $29,163 for water and decreased by $32,643 for wastewater.

In its brief, OPC argued that a utility is required to annualize test year revenues to reflect the effect of any rate increase that accrued during the test year. OPC contended that the miscellaneous service charges approved in Issue 45 should be annualized and test year revenues should be increased. OPC's brief cited a 2009 order in which we included the incremental increase in miscellaneous revenues resulting from an approved increase in miscellaneous service charges as an increase to test year revenues.[50] We recognize this prior decision; however, we do not find it appropriate to increase test year revenues by the incremental increase associated with the Utility's requested miscellaneous service charges. Test year revenues represent the Utility's revenue posture absent changes in rates or charges resulting from the instant rate proceeding. Thus, test year revenues reflect how the Utility's revenues would continue if the Utility had not requested a rate increase. Therefore, requested changes to miscellaneous service charges shall not be included in test year revenues because those changes did not occur during the test year and have not been approved by us. In a more recent decision, we recognized the incremental increase in miscellaneous revenues and removed those revenues from the revenue requirement for prospective ratemaking purposes; however, no adjustment was made to test year revenues.[51]

The Utility's adjusted and our approved test year revenues, by system, are shown below in Tables 24 for water and 25 for wastewater.

Table 24
Water Test Year Revenues by System

Systems	Commission Approved Service Revenues	Commission Approved Miscellaneous Revenues	Comm. Total Test Year Revenues	Utility's Adjusted Test Year Revenues	Commission Approved Adjustment
Aquarina - P	$236,812	$1,031	$237,843	$143,514	$94,329
Aquarina - NP	200,636	0	200,636	301,090	(100,454)
C.F.A.T.	101,638	0	101,638	99,267	2,371
Neighborhood	145,233	5,074	150,307	164,075	(13,768)
Rolling Oaks	1,395,427	50,418	1,445,845	1,421,780	24,065
Sunshine - Unified	967,274	53,216	1,020,490	1,034,571	(14,081)
Sunshine – P-QR	78,353	4,006	82,359	83,495	(1,136)
Tradewinds	487,426	300	487,726	369,890	117,836
Tymber Creek	148,793	2,080	150,873	167,875	(17,002)
Total	$3,761,592	$116,125	$3,877,718	$3,785,557	$92,161

[50] Order No. PSC-2009-0385-FOF-WS, issued May 29, 2009, in Docket No. 20080121-WS, *In re: Application for increase in water and wastewater rates in Alachua, Brevard, DeSoto, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties by Aqua Utilities Florida, Inc.*
[51] Order No. PSC-2024-0118-PAA-WS, issued April 23, 2024, in Docket No. 20230083-WS, *In re: Application for increase in water and wastewater in Orange County by Pluris Wedgefield, LLC.*

Table 25
Wastewater Test Year Revenues by System

Systems	Commission Approved Service Revenues	Commission Approved Miscellaneous Revenues	Commission Total Test Year Revenues	Utility's Adjusted Test Year Revenues	Commission Approved Adjustment
Aquarina	$295,819	$810	$296,629	$255,100	$41,529
BFF	83,803	0	83,803	98,495	(14,692)
C.F.A.T.	131,112	0	131,112	137,855	(6,743)
North Peninsula	282,533	884	283,417	281,531	1,886
Rolling Oaks	1,824,639	52,602	1,877,241	1,888,159	(10,918)
Sebring Ridge	64,094	2,730	66,824	114,578	(47,754)
TKCB	113,745	0	113,745	99,715	14,030
Tradewinds	222,285	0	222,285	259,106	(36,821)
Tymber Creek	314,917	1,902	316,819	339,947	(23,128)
Total	$3,332,947	$58,928	$3,391,875	$3,474,486	($82,611)

Based on the above, the appropriate test year revenues for CSWR-Florida are $3,877,718 for the water system and $3,391,875 for the wastewater system. We find that the Utility's adjusted test year revenues shall be increased by $92,161 for water and decreased by $82,611 for wastewater. We also direct Commission staff to investigate the duplication of the late payment charge for water and wastewater for the Aquarina and Rolling Oaks systems, to assess whether further action may be appropriate to address the issue.

V. OPERATING AND MAINTENANCE (O&M) EXPENSES

A. Audit Adjustments to Net Operating Income (Issue 28)

This issue addresses what adjustments, if any, should be made to account for the audit adjustments related to net operating income. Staff witness Mouring provided testimony on the audit report which was filed on January 22, 2026, and CSWR-Florida's response was received on March 13, 2026. Audit Findings Nos. 5, 10, and 11 relate directly to the net operating income of CSWR-Florida. In its response to staff's audit report, the Utility initially agreed only to the audit finding and adjustments for Audit Finding Nos. 5 (removes acquisition-related O&M expenses) and 10 (recalculates test year O&M expenses).

On May 13, 2026, an errata was filed to witness Mouring's testimony, revising Audit Finding No. 5, which was revised to correct errors in the calculation of depreciation expense, and Audit Finding No. 11 (recalculates TOTI in O&M expenses), which revised staff witness Mouring's property tax calculations. Although there was no dispute with these adjustments, we have recalculations to these amounts that will be discussed further in Issues 33 and 34.

Depreciation Expense

Audit Finding No. 5 included adjustments for depreciation expenses for systems that had been classified as Class A or B utilities, yet based on their revenues, should have used depreciation service lives for Class C utilities. Additionally, Audit Finding No. 5 provided adjustments for accounts with salvage values that needed to be incorporated in the depreciation rates. Upon further review, we discovered minor miscalculations with these depreciation expense adjustments, which will be discussed further in Issue 34.

Operations and Maintenance Expense

For Audit Finding No. 10, staff witness Mouring recalculated O&M expenses for each system using the Utility's allocation methodology and reviewed supporting documentation for sampled transactions. Witness Mouring identified several minor variances between the Utility's books and the amounts reflected in the MFRs. CSWR-Florida agreed with the adjustments. We are incorporating the audited O&M expense adjustments into the calculation of net operating income, which increases O&M expense by $7,901, as show in Table 26 below. Further O&M expense adjustments will be discussed in Issues 32, 33, and 34.

Table 26
O&M Expense Adjustments

System	Water Variance	Wastewater Variance
Aquarina	$13	$0
Aquarina Non-Potable	17	15
BFF	0	21
CFAT	8	7
Neighborhood	(83)	0
North Peninsula	0	(296)
Rolling Oaks	1,151	8,003
Sebring Ridge	0	(279)
Sunshine P-QR	28	0
Sunshine	(40)	0
TKCB	0	(111)
Tradewinds	(759)	(547)
Tymber Creek	876	(123)
Total	$1,211	$6,690

Taxes Other Than Income

Staff witness Mouring reviewed the Utility's Taxes Other Than Income (TOTI) and recalculated the Regulatory Assessment Fees (RAFs) and property taxes using the adjusted operating revenues and assessed property values. Based on that review, witness Mouring determined that RAFs should be decreased by $44,231 and property taxes should be decreased by $3,161, for a total reduction of $47,392 in TOTI. Initially, CSWR-Florida did not agree with Audit Finding No. 11, but in its brief, it did agree with the adjustments. OPC agreed with witness Mouring's adjustments. We therefore find that the net operating income audit adjustments shall

be incorporated into our additional approved changes found in Issues 32, 33, and 34. Our decision regarding TOTI will be discussed further in Issue 33.

B. Rate Case Expense (Issue 29)

This issue addresses the appropriate amount of rate case expense to be recovered for this proceeding. Pursuant to Section 367.081(7), F.S., we shall determine the reasonableness of rate case expense and shall disallow all rate case expense determined to be unreasonable. In its MFRs, the Utility intended to include $581,661 for rate case expense. However, the Utility failed to capture this amount in its requested revenue requirement. Ultimately, CSWR-Florida included $0 for rate case expense in its request.

In its brief, CSWR-Florida stated the appropriate amount of rate case expense is $623,485. However, we are unable to reconcile this figure with the expense information provided by the Utility. In discovery, Commission staff requested an update of the actual rate case expense incurred, with supporting documentation, as well as the estimated amount to complete the case. On Feb 23, 2026, and April 27, 2026, the Utility submitted support documentation for Radey Law Firm (Radey). A breakdown of the calculation of the Utility's revised rate case expense is as follows:

Table 27
CSWR-Florida's Revised Rate Case Expense Request

	Actual	Additional Estimated	Revised Total
Radey Law Firm	$337,280	$0	$337,280
CSWR, LLC	175,012	0	175,012
Action Legal	6,075	0	6,075
Scott Madden	38,626	0	38,626
InfoSend Inc.	19,057	0	19,057
Gannett Fleming	43,357	0	43,357
Total	$619,407	$0	$619,407

In its brief, OPC stated adjustments should be made to remove rate case expense for MFR deficiency review and any expenses related to acquisition adjustments. These adjustments are discussed further below.

We have examined the requested actual expenses, supporting documentation, and estimated expenses as listed above for the current rate case. Based on our review, the following adjustments to CSWR-Florida's requested rate case expense are appropriate.

Radey Law Firm

In its MFRs, CSWR-Florida included $500,000 in estimated legal fees. The Utility provided updated documentation detailing legal expenses for the law firm on Feb 23, 2026. In response to staff's second request for an update to rate case expense on April 27, 2026, the Utility provided a general ledger excerpt listing entries related to this rate case, but did not

provide any actual invoices or any other form of support documentation for the charges. In total, CSWR-Florida submitted $337,280 in legal fees. However, the majority of the invoices provided consisted of general legal work for the Utility that was not related to this rate case. We will not include costs in this proceeding for legal activities performed for CSWR-Florida outside of rate case matters. Using only the proper supporting documentation that was provided, we calculated $127,349 in incurred legal fees related to this rate case. CSWR-Florida did not provide an updated estimate for the remaining costs for the law firm over the remainder of the case.

We reviewed supporting documentation and identified 57.7 hours, equaling $15,827 in legal fees, related to correcting deficiencies. We have previously disallowed rate case expense associated with correcting MFR deficiencies because of duplication of filing costs.[52] As such, we find it appropriate to reduce legal fees by $15,827.

We also identified 6.9 hours, equaling $2,774 in legal fees, related to acquisition adjustment activity. In its brief, OPC stated rate case expense related to the acquisition adjustments should be removed. Additionally, CSWR-Florida states in its brief that the acquisition adjustments remain pending for North Peninsula, Aquarina, and Sunshine Utilities of Central Florida in separate dockets and the consolidated revenue requirement should be reduced by the acquisition adjustment amounts. As the parties agree that the acquisition adjustments should be removed from this docket, and the acquisition adjustment petitions are being addressed in separate dockets than the rate case, we shall remove $2,774 in rate case expense associated with acquisition adjustment activity.

Based on the above, we approve Radey's legal fees of $108,748 ($127,349 - $15,827 - $2,774). This represents a reduction of $228,532 ($337,280 - $108,748) from the requested actual expenses.

CSWR, LLC

In its filing, the Utility included $81,661 in fees associated with work performed by CSWR, LLC employees and executives. On February 23, 2026, and April 27, 2026, the Utility provided updated documentation for the CSWR, LLC employees. The Utility provided general ledger excerpts listing entries related to this rate case, but did not provide any actual invoices or any other form of support documentation for the charges. In total, the Utility submitted $175,012 in fees attributed to CSWR, LLC. In response to discovery, the Utility indicated that the full salaries of all CSWR-Florida employees and executives are included in the allocation of salaries to CSWR, LLC. We have previously disallowed rate case expense related to in-house employees when their salary is already included in O&M expenses for the Utility.[53] As such, we will remove all rate case expense related to CSWR, LLC employees and executives.

[52] *See* Order No. PSC-2025-0196-FOF-WS, issued June 6, 2025, in Docket No. 20240068-WS, *In re: Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties, by Sunshine Water Services Company.*
[53] *See* Order No. PSC-2024-0118-PAA-WS

Action Legal, Scott Madden, InfoSend Inc., and Gannett Fleming

In its initial filing, CSWR-Florida only included entries for Radey and CSWR, LLC on its B-10 schedule. As discussed above, in response to Commission staff's requests for updates to rate case expense, the Utility provided general ledger excerpts listing entries related to this rate case. Included in these excerpts are entries for work performed by Action Legal, Scott Madden, InfoSend Inc., and Gannett Fleming. However, CSWR-Florida did not provide any actual invoices or any other form of support documentation for these charges. We are unable to determine what work was performed, or whether it was related to this rate case. As such, we disallow rate case expense for these entities.

Amortization Period

Issue 48 addresses the appropriate amount by which rates should be reduced after the established effective date to reflect the removal of the amortized rate case expense. In its brief regarding Issue 48, CSWR-Florida proposed to amortize rate case expense over a three-year period and to recover the expense through a surcharge. Section 367.018(8), F.S., states the amount of rate case expense that we determine a public utility may recover through its rates shall be apportioned for recovery over four years unless a longer period can be justified and is in the public interest. The statute allows for the Utility to request a longer recovery period but does not allow a shorter period to be considered. It does not contemplate a surcharge. As discussed in our decision regarding Issue 48, CSWR-Florida provides no argument in its brief why this departure from the plain language of the statute and our long-established precedent is appropriate. We find that rate case expense shall not be recovered through a surcharge nor for a shorter period that is afforded under the statute. As such, the recovery period shall be four years, and rate case expense shall not be recovered through a surcharge.

Conclusion

The Utility did not provide sufficient documentation to provide adequate record support for several items of its requested rate case expense. Based on the adjustments discussed above, we find that CSWR-Florida's revised rate case expense of $619,407 shall be decreased by $510,658 to reflect our adjustments, for a total of $108,748. A breakdown of the approved rate case expense is shown in Table 28.

Table 28
Commission Approved Rate Case Expense

	Utility Revised Actual	Commission Adjustments	Approved Total
Radey Law Firm	$337,280	($228,532)	$108,748
CSWR, LLC	175,012	(175,012)	0
Action Legal	6,075	(6,075)	0
Scott Madden	38,626	(38,626)	0
InfoSend Inc.	19,057	(19,057)	0
Gannett Fleming	43,357	(43,357)	0
Total	**$619,407**	**($510,658)**	**$108,748**

The approved total rate case expense is $108,748. Pursuant to Section 367.081(8) F.S., rate case expense shall be amortized over four years unless a longer period can be justified and is in the public interest. A longer period was not requested by the Utility, nor proposed by OPC. As such, this represents an annual expense of $27,187. In its MFRs, CSWR-Florida intended to include $581,661, with an annual amortization amount of $145,415. However, the Utility failed to capture this amount in its requested revenue requirement. Ultimately, CSWR-Florida included $0 for rate case expense in its request.

Based on the Utility's original filing, the annual amortization of rate case expense shall be increased by $27,187. As such, we approve an annual expense of $16,908 for water and $10,279 for wastewater. Based on the Utility's original filing, the annual amortization of rate case expense shall be increased by $16,908 for water and $10,279 for wastewater. The specific system adjustments are reflected on the respective 3-C schedules, attached hereto.

C. Pro Forma Expense (Issue 30)

This issue addresses whether any adjustment should be made to the Utility's proposed pro forma expenses. CSWR-Florida requested several pro forma O&M adjustments in its initial filing, including an increase in contract operations and reductions in customer billing, property insurance, testing, chemicals, and sludge removal, and annualization adjustments for one of its facilities. We evaluated the requests for reasonableness and reviewed documentation provided by CSWR-Florida for appropriateness.

Contractual Services – Other

CSWR-Florida utilizes a third-party contractor, Clearwater Solutions, LLC, for the majority of its O&M expenses. The Utility has increased its contracted agreement with ClearWater Solutions, LLC, to include additional services, including testing, chemicals, and sludge removal, which has resulted in a decrease in those non-contracted specific expenses. CSWR, LLC also has a contract with a third-party billing provider, Nitor Billing Services, LLC, to provide billing for all of its customers. The billing costs are allocated to each state and system according to the customer count of bills. A renegotiation of this contract has resulted in reduced expenses per each water and wastewater system. The following Table 29 contains the net change in Contractual Services – Other, including the increased contract expense, reduction in testing, chemicals, and sludge removal, and the allocation to each system.

Table 29
Contracts - Pro Forma Adjustments

System	Water	Wastewater
Aquarina	$5,061	$14,193
Aquarina – Non-Potable	10,646	0
BFF	0	7,661
CFAT	8,475	(2)
Neighborhood	385	0
North Peninsula	0	(9,104)
Rolling Oaks	6,795	27,830

Sebring Ridge	0	(4,957)
Sunshine	(84,734)	0
Sunshine P-QR	2,344	0
TKCB	0	15,606
Tradewinds	3,466	7,922
Tymber Creek	34,488	39,632
Total	($13,074)	$98,781

Regarding general liability insurance, CSWR-Florida has added additional acquisitions and the Utility has been able to take advantage of economies of scale with a combined policy for all systems owned by CSWR, LLC. For example, the general liability insurance has decreased overall for the Florida acquisitions. Table 30 shows the net change in general liability insurance for each system.

Table 30
General Liability – Pro Forma Adjustments

System	Water	Wastewater
Aquarina	$1,605	$37
Aquarina – Non-Potable	1,605	0
BFF	0	1,092
CFAT	(471)	(512)
Neighborhood	3,146	0
North Peninsula	0	1,039
Rolling Oaks	(61,316)	(44,357)
Sebring Ridge	0	5,153
Sunshine	34,664	0
Sunshine P-QR	2,978	0
TKCB	0	(1,479)
Tradewinds	(2,452)	790
Tymber Creek	0	(7,339)
Total	($20,241)	($45,576)

Another component of pro forma O&M expense is management fees (administrative expenses) which is discussed separately in Issue 31. We will not make any further adjustments to the Utility's proposed management fees.

Annualized O&M Expenses

One of the water and wastewater systems, Tymber Creek, was acquired during the test year, and as such, did not have a complete year of expenses with which to project future costs. CSWR-Florida used an average of the various cost components to provide an annualized projection for O&M expenses. Commission staff requested additional information regarding Tymber Creek's ongoing O&M expense, and as a result, we find that the annualization amounts requested for both water and wastewater O&M expenses are reasonable. We approve an increase

to Tymber Creek annualized O&M expenses of $84,369 for water and $50,751 for wastewater, with no adjustment to the filing.

Conclusion

Based on the O&M components discussed above, we make no additional adjustments to the filing for this issue. The Utility's adjustments to increase pro forma O&M expense, along with the annualization of Tymber Creek expense result in a total increase for water by $51,054 (– $13,074 – $20,241 + $84,369) and an increase to wastewater of $103,956 ($98,781 – $45,576 + $50,751).

D. Management Expenses (Issue 31)

This issue addresses whether an adjustment should be made to the Utility's proposed management expenses. CSWR-Florida requested several pro forma O&M adjustments in its initial filing, including adjustments for its management fees. In its brief, CSWR-Florida stated that no further adjustments should be made to the proposed management expenses. In OPC's post-hearing position, it stated that adjustments are appropriate, especially if any of the costs relate to the acquisition of any water or wastewater systems; no additional argument was provided on this issue.

These pro forma adjustments are recorded in MFR Schedules B-3, for each water or wastewater system and are identified as Admin Expenses Transferred – Overhead Allocation. The management fees (administrative expenses) are spread over each of the various water and wastewater systems. These costs are allocated using the methodology established in the Cost Allocation Manual (CAM). Based upon the record evidence, we find that the adjustment amounts proposed by CSWR-Florida to decrease the management fees of $276,674 for water and $168,212 for wastewater are appropriate, and no additional adjustments shall be made.

Table 31
Pro Forma Management Fees

System	Water	Wastewater
Aquarina	($4,876)	($7,634)
Aquarina – Non-Potable	(4,876)	0
BFF	0	(2,537)
CFAT	(5,251)	(5,295)
Neighborhood	(9,862)	0
North Peninsula	0	(13,569)
Rolling Oaks	(138,646)	(108,817)
Sebring Ridge	0	(6,332)
Sunshine	(85,297)	0
Sunshine P-QR	(6,310)	0
TKCB	0	(6,200)
Tradewinds	(12,047)	(8,561)
Tymber Creek	(9,509)	(9,267)

Total	($276,674)	($168,212)

E. Test Year O&M Expense (Issue 32)

This issue addresses whether any further adjustments should be made to the Utility's test year O&M expenses. Based on our approved changes to O&M expenses and the adjustment approved in Issue 32A, our additional adjustments to the Utility's test year O&M expenses are discussed below.

We found a miscalculation in North Peninsula's O&M Expenses. CSWR-Florida filed O&M expenses of $218,851 with adjustments of $21,634 for the test year, however, the "Utility Adjusted" total is $213,726. The Utility's calculations included an additional $16,509 with no explanation. We believe this is a miscalculation and have corrected this inclusion, removing the $16,509.

Based on our prior approved adjustments, the adjustment discussed above, and the adjustment approved in Issue 32A, test year O&M expenses shall be increased by $14,624 for water and decreased by $1,651 for wastewater. We approve a test year O&M expense of $4,499,739 for water and $2,522,605 for wastewater. The following table shows the adjustments.

Table 32
Total O&M Expense Adjustments

Approved Adjustment	Water	Wastewater
North Peninsula Miscalculation	$0	($16,509)
Audit Adjustments (Issue 28)	1,211	6,690
Rate Case Expense (Issue 29)	16,908	10,279
Lobbying Expense (Issue 32A)	(3,495)	(2,111)
Total	$14,624	($1,651)

F. Industry Association Dues (Issue 32A)

This issue addresses whether any adjustment should be made to industry association dues. In its November 24, 2025 MFRs, CSWR-Florida included $9,041.70 in total expenses for its membership dues to American Water Works Association (AWWA) and $55,474.71 for its membership dues to National Association of Water Companies (NAWC). CSWR-Florida also provided additional detail about these expenses in its responses to a staff interrogatory.

OPC witness Smith addressed the membership dues in his testimony, stating that the portions of membership dues attributed to lobbying expenses should be disallowed from CSWR-Florida's expenses. Witness Smith explained that lobbying is a below the line expense, meaning that it is a cost borne by the Utility's shareholders and is not charged to ratepayers. Witness Smith's testimony cited Commission Order No. PSC-04-1260-PAA-GU,[54] in which we stated it

[54] Order No. PSC-04-1260-PAA-GU, issued December 20, 2004, Docket No. 20040270-GU, *In re: Application for rate increase by Sebring Gas System, Inc.*

is our practice to disallow lobbying expenses from recovery. Witness Smith recommended disallowing $103 of AWWA dues and $5,502 of NAWC dues.

Witness Smith demonstrated the methodology for calculating the disallowed portions of AWWA and NAWC dues in his testimony. Witness Smith provided the amounts of annual total membership dues CSWR-Florida paid to each organization, as provided by CSWR-Florida in its responses to discovery. Witness Smith also provided figures from the respective Internal Revenue Service (IRS) Form 990 for each organization, which showed lobbying expense and total membership dues revenue. He calculated the lobbying expense as a percentage of total membership dues revenue, resulting in a calculation of 1.14 percent of AWWA expenses, and 9.92 percent of NAWC expenses. Witness Smith used this percentage to represent the percentage of dues paid by CSWR-Florida that would represent lobbying expense. Using this percentage, witness Smith recommended disallowing $103 of AWWA dues and $5,502 of NAWC dues for a total of $5,605, with $3,495 allocated to water, and $2,111 allocated to wastewater.

In rebuttal, CSWR-Florida witness Thies disagreed with the proposed disallowance of the portion of industry association dues, stating that witness Smith's calculation was done "blindly" and "without any consideration of whether those dues provide a benefit to ratepayers." He testified that both AWWA and NAWC lobby on matters that are beneficial to ratepayers, naming the Low-Income Household Water Assistance Program.

At the June 8, 2026 hearing, OPC cross-examined staff witness Mouring, asking whether "lobbying expenses are generally below the line expenses." Witness Mouring agreed, stating that "if lobbying expenses are identified, that would be something that they would remove" in an audit. In its brief, OPC further argued that "prospective deviation from the Commission's long-standing practice of excluding lobbying portion of national association dues should be done in a Commission workshop because changing its practice could affect all jurisdictional electric, gas, and water and wastewater investor-owned utilities who incur national association dues."

It our practice to disallow any below-the-line expenses, including membership expense or industry association dues expense as it relates to lobbying. In Order No. PSC-04-1260-PAA-GU, as cited by witness Smith, we disallowed a portion of industry association dues as related to lobbying activities. The methodology used is similar to the methodology suggested by witness Smith in this case. Our practice of disallowing lobbying-related expenses remains consistent in more recent cases. For example, in Order No. PSC-2025-0196-FOF-WS,[55] costs for membership for a comparable organization were partially disallowed due to lobbying-related expenses. While CSWR-Florida contends that customers benefit from the Utility's AWWA and NAWC membership, even with regard to lobbying expenses, it did not offer a quantification of the specific benefits received by customers relative to these organization's lobbying efforts, or provide any precedent that would support its position in contravention of this long-established practice.

[55] *See* Order No. PSC-2025-0196-FOF-WS.

In accordance our practice to disallow below-the-line expenses, in agreement with general audit procedure to remove identified lobbying expenses, and in agreement with OPC witness Smith's methodology and calculations, we approve a disallowance of $3,495 of Contractual Services – Management Fees for water and $2,111 of Contractual Services – Management Fees for wastewater. This amount will be used to reduce the total amounts approved in Issue 32. We note that OPC's calculation for lobbying expenses as a percentage is based on 2024 tax documentation, while the general rate case uses a test year of February 1, 2024, through January 31, 2025. Although the time periods do not match up precisely, it is generally expected that this percentage will remain constant from one year to the next, and we find it to be an reasonably accurate reflection for the test year. Our approved adjustments are shown in Tables 33 and 34.

Table 33
Approved Adjustment to Industry Association Dues – Water

System	Amount
Aquarina	($125)
BFF	(32)
Neighborhood	(126)
CFAT – Water	(67)
Sunshine – P-QR	(81)
Sunshine	(1,089)
Rolling Oaks	(1,770)
Tradewinds	(154)
Tymber Creek	(83)
Consolidated	($3,495)

Table 34
Approved Adjustment to Industry Association Dues – Wastewater

System	Amount
Aquarina	($97)
BFF	(32)
North Peninsula	(173)
CFAT	(68)
Sebring	(81)
TKCB	(79)
Rolling Oaks	(1,389)
Tradewinds	(109)
Tymber Creek	(81)
Consolidated	($2,111)

G. Taxes Other Than Income (TOTI) (Issue 33)

This issue addresses whether any adjustments should be made to test year TOTI. In its brief, CSWR-Florida stated that it agreed with the adjustments made to RAFs and property taxes in Audit Finding No. 11. In its brief, OPC stated property tax should be calculated using the property tax discount offered for early payment.

In response to discovery, the Utility stated updating property taxes to reflect the 2025 tax assessments would be more representative of property tax expense moving forward. We agree and recalculated property tax using the 2025 tax assessments for each system incorporating the discount offered for early payment. This results in increasing property tax expense by $5,284 for water and $12,117 for wastewater.

CSWR-Florida agreed with the adjustments made to RAFs in Audit Finding No. 11; however, we recalculated RAFs based on our adjustments to test year revenues and to remove the Utility's requested increase in revenue requirement. We find that RAFs shall be reduced by $135,106 for water and $13,315 for wastewater. There shall also be a decrease of $1,019 for water to reflect the non-U&U property tax adjustments. In total, test year TOTI shall be decreased by $130,841 ($135,106 – 5,284 + 1,019) for water and $1,198 ($13,315 – 12,117) for wastewater.

H. Depreciation Expense (Issue 34)

This issue addresses whether any adjustments should be made to test year depreciation expense. CSWR-Florida agreed to depreciation expenses associated with the adjustments related to Audit Finding No. 1 regarding increases in plant-in-service account balances, and to depreciation recalculations for systems related to Audit Finding No. 5 regarding depreciation recalculations for systems classified as Class C rather than Class A/B and for plant accounts with salvage values.

OPC stated that if we do not approve the consolidation of CSWR-Florida's water and wastewater systems, adjustments to the depreciation expenses should be made for those systems determined to be Class C rather than Class A/B for depreciation rates. Additionally, OPC agreed that corrections should be made to calculate the correct depreciation rates for those specific plant-in-service accounts that have stated salvage values.

In staff's revised Audit Finding No. 1, depreciation expenses were recalculated for the variances found for the Utility's plant-in-service accounts for years ended January 31, 2022, and January 31, 2023. Upon further investigation, we discovered that there were a few minor calculation errors and some of the depreciation rates used for calculations were incorrect, except for the depreciation expenses for the water system, Neighborhood. we recalculated the depreciation expenses and find that the following adjustments shall be made.

Table 35
Depreciation Expense for Audit Finding No. 1 – Plant Adjustments

System	Water	Wastewater
Neighborhood	$91	$0
North Peninsula	0	(35)
Rolling Oaks	(6)	84
Total	$85	$49

Audit Finding No. 5 was originally issued to recalculate depreciation for systems within the Utility that would be classified as Class C based on each systems operating revenues and the guidance provided by Rule 25-30.115, F.A.C., regarding classification. CSWR-Florida calculated the depreciation based on the operating revenues of the Utility as one entity as a Class A system. OPC stated that these depreciation adjustments between Class A/B and Class C systems should only be made if we do not approve consolidation for CSWR-Florida. We find that OPC's position concerning these adjustments is appropriate and as discussed in Issues 41 and 43, we are approving consolidation of CSWR-Florida's system. As such, the depreciation expense adjustments between Class A/B and Class C system shall not be applied.

Audit Finding No. 5 was reissued to also include the recalculated depreciation expenses for the test year in order to properly factor in the salvage values to the calculation of the depreciation rate for water plant Accounts 341–Transportation Equipment, 345–Power Operated Equipment, and 346–Communication Equipment, and wastewater plant Accounts 391–Transportation Equipment, 395–Power Operated Equipment, and 396–Communication Equipment, as prescribed by Rule 25-30.140, F.A.C. The Utility agreed to the issued errata for the depreciation expense. Likewise, OPC supported the revision to include proper salvage values in the depreciation expense calculations.

The following table illustrates our recalculations to properly include salvage values for the transportation, power operated equipment, and communication equipment for the Utility's systems. We agree with the depreciation expenses calculated for accounts with designated salvage values, except for a few minor calculation errors that were caused by use of the incorrect number of service life years or the use of incorrect plant-in-service values, and except for the inclusion of Aquarina's power operated equipment as there is no recorded corresponding UPIS in the MFRs. We recalculated the net depreciation expense for these items and find that the following adjustments shall be made.

Table 36
Depreciation Expense for Plant Accounts with Salvage Value

System	Water	Wastewater
Aquarina	($409)	($489)
Aquarina – Non-Potable	(131)	0
BFF	0	(289)
CFAT	(976)	(262)
Neighborhood	(798)	0
North Peninsula	0	(367)

Rolling Oaks	(6,836)	(6,006)
Sebring Ridge	0	(956)
Sunshine	(2,373)	0
Sunshine P-QR	(337)	0
TKCB	0	304
Tradewinds	(97)	(408)
Tymber Creek	(88)	(349)
Total	($12,045)	($8,822)

As mentioned above, the Aquarina system recorded depreciation expense without recording any corresponding plant-in-service for Account 395–Power Operated Equipment. We therefore remove the depreciation expense amount of $226.

Corresponding CWIP

We also calculated the corresponding depreciation expense associated with the CWIP projects that we approve moving into the water plant-in-service accounts. As addressed in Issue 4, we find that the following adjustments shall be made.

Table 37
Corresponding Depreciation Expense for CWIP

System	Water	Wastewater
Sunshine	$18,644	$0
Sunshine P-QR	9,618	0
Total	$28,262	$0

Non-Used and Useful Net Depreciation Expense

As addressed in Issues 9 – 11, we have approved non-U&U adjustments to a number of CSWR-Florida's systems. The following adjustments to net depreciation expenses shall be made to reflect those prior decisions.

Table 38
Non-Used and Useful Net Depreciation Expense Adjustments

System	Water	Wastewater
Aquarina	($3,738)	$0
CFAT	(1,599)	0
Rolling Oaks	(2,445)	0
Sebring Ridge	0	0
Total	($7,782)	$0

Conclusion

Based on the foregoing, we approve depreciation expense adjustments for water and wastewater as reflected in the table below.

Table 39
Depreciation Expense Adjustments

System	Water	Wastewater
Aquarina	($4,147)	($1,987)
Aquarina – Non-Potable	(131)	0
BFF	0	(289)
CFAT	(2,575)	(262)
Neighborhood	(707)	0
North Peninsula	0	(402)
Rolling Oaks	(9,287)	(5,922)
Sebring Ridge	0	(956)
Sunshine	16,271	0
Sunshine P-QR	9,281	0
TKCB	0	304
Tradewinds	(97)	(408)
Tymber Creek	(88)	(349)
Total	$8,520	($10,271)

I. Amortization of CIAC Expense (Issue 35)

At the hearing, we approved a Type 2 Stipulation addressing whether any adjustments should be made to test year amortization of CIAC expense. The stipulation provides that while we are not approving any adjustments to amortization of CIAC expense, it is recognized that some minor adjustment may be warranted because of staff's revised Audit Finding (with which CSWR-Florida agrees) reducing the CIAC balance.

J. Acquisition Adjustment Amortization Expense (Issue 36)

This issue addresses whether any adjustments should be made to the acquisition adjustment amortization expense included in the test year. As discussed in Issue 17, no acquisition adjustments are approved in this rate proceeding. Additionally, CSWR-Florida did not request acquisition adjustment amortization expense in its MFRs. Because no acquisition adjustments are included in the case, no adjustment to acquisition adjustment amortization expense is approved.

VI. NET OPERATING INCOME AND REVENUE REQUIREMENT

A. Net Operating Losses (NOLs) (Issue 37)

This issue addresses whether NOLs should be used to lower income tax expense. Under the stand-alone approach to ratemaking, a utility is treated as an independent entity and its revenue requirement is based on the regulated revenues, expenses, and profits associated with its cost of service. In various orders, we have stated that our practice is to calculate income taxes on

a stand-alone basis.[56] Under the stand-alone approach, whether income tax is actually paid is not the determining factor in calculating income tax expense.

OPC's position is that CSWR-Florida's NOLs should be used to offset 80 percent of the Utility's income tax expense, which is the maximum allowed by the IRS. OPC cited a Sebring Gas System Inc., rate case and a Plantation Bay Utility Company rate case where we used NOLs to offset income tax expense. However, in two more recent cases, Labrador Utilities, Inc. and Utilities, Inc. of Sandalhaven, we did not use NOLs to reduce income tax expense.[57] Finally, OPC argued that recognition of the NOLs prevents an unwarranted windfall to CSWR-Florida's shareholders.

CSWR-Florida's position is that NOLs should not be used to offset income tax expense because customers benefited from the non-compensatory rates that caused the NOLs, and shareholders bore the cost of the losses. CSWR-Florida further argued that the Plantation Bay decision cited by OPC appears to contain contradictory positions regarding a deferred debit caused by NOLs, using NOLs to reduce income tax expense, and retroactive ratemaking. As stated by CSWR-Florida, "As indicated, it seems inconsistent for the Commission to utilize the prohibition against retroactive ratemaking to justify the refusal to include a net deferred debit in rate base, but simultaneously use the same net operating losses, from the same past periods, to justify failing to include any income taxes in rates." Finally, CSWR-Florida cited a Missouri case that concluded it was inappropriate to recognize past net operating losses in the calculation of income taxes included in future rates.

The IRS allows companies to use NOL carryforwards to lower future income tax expense to smooth out income fluctuations. We find that it is sound regulatory policy to attribute tax benefits to the party that bears the burden of the expense that generated the tax benefit. In rebuttal, CSWR-Florida witness Thies stated that it was CSWR-Florida's shareholders that bore the cost of the losses through non-compensatory rates, and we agree. Rather than providing a windfall to CSWR-Florida's shareholders, as claimed by OPC, using the NOLs to reduce CSWR-Florida's future rates would provide a subsidy to CSWR-Florida's customers from its shareholders. Further, under the stand-alone approach, rates are set using the revenues, expenses, and profit we approve to calculate income tax expense, and whether the tax gets paid is not determinative. Finally, by using the stand-alone approach to determine income tax expense and rates, customers will receive the appropriate price signal enabling the efficient allocation of resources.

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[56] Order Nos. PSC-12-0179-FOF-EI, issued April 3, 2012, in Docket No. 110138-EI, *In re: Petition for increase in rates by Gulf Power Co.*, PSC-2019-077-FOF-GU, issued February 25, 2019, in Docket No. 20180052-GU, *In re: Consideration of the tax impacts associated with Tax Cuts and Jobs Act of 2017 for Florida Public Utilities Co. – Indiantown Division*, Order No. PSC-2019-0079-FOF-GU, issued February 25, 2019, in Docket No. 20180053-GU, *In re: Consideration of the tax impacts associated with the Tax Cuts and Jobs Act of 2017*, and Order No. PSC-92-0594-FOF-SU, issued July 1, 1992, in Docket No. 910756-SU, *In re: Application for a wastewater rate increase for the North Fort Myers division in Lee County by Florida Cities Water Company.*

[57] Order No. PSC-16-0013-PAA-SU, issued January 6, 2016, in Docket No. 150102-SU, *In re: Application for increase in wastewater rates in Charlotte County by Utilities Inc. of Sandalhaven* and Order No. PSC-15-0208-PAA-WS, issued May 26, 2015, in Docket No. 140135-WS, *In re: Application for increase in water/wastewater rates in Pasco County by Labrador Utilities, Inc.*

For the reasons stated above, we find that income tax expense shall be calculated on a stand-alone basis which ensures rates are based on the going-forward cost of service of the regulated operations of the Utility. Calculating income tax expense on a stand-alone basis ensures income tax expense is based on the regulated revenues, expenses, and profits we have determined to be appropriate.

B. Test Year Income Taxes (Issue 38)

This issue addresses the appropriate amount of test year income taxes. In Issue 37, we approved recovery of the appropriate amount of income tax for CSWR-Florida and found that no adjustment shall be made to account for NOL carryforwards. As such, no additional adjustment shall be made to test year income taxes. As discussed in Issue 39, we calculated a revenue increase of $2,190,247 for water and a revenue increase of $224,256 for wastewater. As a result, the appropriate amount of test year income taxes is $263,495 for water and $185,399 for wastewater to reflect the change in revenues.

C. Revenue Requirement (Issue 39)

This issue addresses the appropriate revenue requirements for the January 31, 2025 test year. Consistent with our decisions regarding rate base, cost of capital, and operating income issues, the appropriate revenue requirements are shown in Tables 40 and 41.

Table 40
Approved Revenue Requirement – Water

Water System	Adjusted Test Year Revenues	Revenue Increase	% Increase	Revenue Requirement
Aquarina	$237,843	($48,854)	(20.54)	$188,989
Aquarina – Non-Potable	200,636	80,343	40.04	280,979
CFAT	101,638	133,339	131.19	234,977
Neighborhood	150,307	150,188	99.92	300,495
Rolling Oaks	1,445,845	738,359	51.07	2,184,204
Sunshine P-QR	82,359	174,919	212.39	257,278
Sunshine	1,020,490	1,012,323	99.20	2,032,813
Tradewinds	487,726	(177,013)	(36.29)	310,713
Tymber Creek	150,873	126,641	83.94	277,514
Consolidated	$3,877,718	$2,190,247	56.48	$6,067,964

Table 41
Approved Revenue Requirement – Wastewater

Wastewater System	Adjusted Test Year Revenues	Revenue Increase	% Increase	Revenue Requirement
Aquarina	$296,629	($21,824)	(7.36)	$274,805

BFF	83,803	51,134	61.02	134,937
CFAT	131,112	51,476	39.26	182,588
North Peninsula	283,417	76,295	26.92	359,712
Rolling Oaks	1,877,241	(79,930)	(4.26)	1,797,311
Sebring Ridge	66,824	210,216	314.58	277,040
TKCB	113,745	84,246	74.07	197,991
Tradewinds	222,285	(51,449)	(23.15)	170,836
Tymber Creek	316,819	(95,907)	(30.27)	220,912
Consolidated	$3,391,875	$224,256	6.61	$3,616,131

The appropriate consolidated revenue requirement is $6,067,964 for water and 3,616,131 for wastewater. Our approved revenue requirement for water is $2,190,247 greater than the approved test year revenues of $3,877,718 or an increase of 56.48 percent. Our approved revenue requirement for wastewater is $224,256 higher than the approved test year revenues of $3,391,875 or an increase of 6.61 percent. Schedule Nos. 3-A and 3-B, attached hereto, reflect our approved net operating income and resulting revenue requirement for each system. Our approved adjustments to operating income are shown on Schedule Nos. 3-C for each system. The appropriate revenue requirement, on a consolidated basis, is $6,067,964 for water and $3,616,131 for wastewater.

VII. RATES AND MISCELLANEOUS SERVICE CHARGES

A. Subsidy Limits (Issue 40)

This issue addresses what limits, if any, should be imposed on subsidy values that could result if the Utility's stand-alone rates are converted to consolidated rate structure for the water and wastewater systems. In prior dockets, we have approved rate consolidation because it encourages larger utilities to acquire smaller utilities; recognizes the economies of scale associated with combined operations; reduces the costs of regulatory filings; and promotes rate stability across all systems. The consolidation of rates for previously stand-alone systems inherently creates subsidies among customers because customers of one Utility system may pay a portion of the costs of providing service to customers of another Utility system.

In evaluating consolidated rates in prior decisions, we have set a subsidy limit to minimize subsidies. The subsidy limit is used to evaluate the consolidated rates at the average consolidated residential demand for the individual water systems. For wastewater, the subsidy limit is evaluated at the consolidated wastewater gallonage cap for the individual systems. The Utility indicated that it did not formally conduct a subsidy analysis because the evaluation of stand-alone versus consolidated rates informed its conclusion that a consolidated rate structure is appropriate and in the overall interest of customers.

In 2009, we set a subsidy limit of $12.50 based on consolidated average consumption of 7,000 gallons for the water systems and a 6,000 gallon cap for the wastewater systems for Aqua

Utilities Florida, Inc.[58] In evaluations of subsidies in subsequent dockets involving consolidated rates, we indexed the subsidy and converted the subsidy limit to a per 1,000 gallon basis to account for higher or lower residential average consumption and wastewater gallonage caps.[59] The last indexed subsidy limit we set was $18.23, which was adjusted consistent with our approved 2025 index. Adjusting the subsidy limit using our approved 2026 price index results in a subsidy limit of $18.68 for the instant docket.

The indexed subsidy limit is based on 7,000 gallons for water and 6,000 gallons for wastewater. In the instant case, the consolidated residential average consumption is approximately 6,000 gallons and the consolidated wastewater will consist of a flat rate, therefore we utilized the total subsidy limit of $18.68. As a result, the appropriate subsidy limits to coincide with CSWR-Florida's consolidated average consumption of 6,000 gallons and consolidated wastewater flat rate are $16.01 [($18.68/7)*6] for water and $18.68 for wastewater.

B. Consolidation – Water Systems (Issue 41)

This issue addresses which water systems, if any, should be consolidated into a single rate structure. In its MFRs, the Utility requested that its current rate structure and rates for its Florida water and wastewater systems be consolidated into a single rate structure and rates. The Utility is comprised of 29 water systems; however, there are seven, in this proceeding, that CSWR-Florida proposed be consolidated.

In his testimony, CSWR-Florida witness Duncan stated that it has been CSWR-Florida's experience that rate consolidation provides several benefits that: 1) encourages the acquisition of small, troubled water and wastewater systems by spreading costs to a larger customer base; 2) mitigates rate impacts and promotes affordability; 3) promotes shared services across CSWR-Florida systems through common service costs, use of the same third-party operations firm, and consistent service quality standards; 4) promotes regulatory, administrative, and billing efficiency through a single set of tariffs, reducing the need to maintain multiple rules and rates and lowering customer costs; 5) mitigates perceived inequities from system subsidization as future capital investments across all systems are expected to balance out differences over time; and most of all, 6) promotes a more consumer friendly approach by simplifying rates and rules through consolidated tariffs.

Furthermore, CSWR-Florida witness Cox argued that traditional regulation alone does not solve the problem with failing water and wastewater systems and consolidation is necessary. Witness Cox contends that stand-alone systems are too small to be sustainable and lack economies of scale. When costs are borne by a small number of customers, rates are unaffordable. Witness Cox testified that costs for maintenance and upgrades are spread over a

[58] Order No. PSC-2009-0385-FOF-WS
[59] *See* Order Nos. PSC-2025-0226-PAA-WU, issued June 20, 2025, in Docket No. 20240106-WU, *In re: Application for a revenue-neutral uniform water rate restructuring limited proceeding in Alachua, Duval, Leon, Okaloosa, and Washington Counties, by North Florida Community Water Systems, Inc*; PSC-2023-0300-PAA-WS, issued October 2, 2023, in Docket No. 20220201-WS, *In re: Request by Florida Community Water Systems, Inc. for a revenue-neutral rate restructuring in Brevard, Lake, and Sumter Counties.*

small number of customers making sustainability impossible. Based on the necessary economics, the Utility believes that rate consolidation will be the necessary scale to prevent economic failure.

Witness Cox testified the Utility's request to consolidate the small systems across all its Florida systems will result in economies of scale, which makes sustainability possible. Witness Cox testified that CSWR-Florida affiliates operating in various states have been approved for consolidated rates by other state utility commissions. Witness Cox further testified that rate consolidation moderates rate increases, allows necessary investment and improves operational efficiency. He contended that rate consolidation creates a more understandable rate structure, and although costs between systems may be temporarily different, over time, all systems will require the same amount of reinvestment. He stated that consolidation ensures that these costs are shared fairly and responsibly.

We have approved several requests from other utilities to consolidate rates and rate structures, finding that consolidation encourages large utilities to acquire small utilities; recognizes economies of scale attributable to large utilities with respect to combined operations; results in cost savings associated with regulatory filings; and produces rate stability across all systems.[60] The benefits of rate consolidation identified above by witnesses Duncan and Cox appear to be persuasive and are consistent with some of the benefits we have recognized when approving consolidated rates in the past. Furthermore, there is no opposing testimony or record evidence disputing the asserted benefits.

We performed an analysis to determine which water systems should be consolidated. When evaluating consolidated rates in prior decisions, we set a subsidy limit and evaluated the consolidated rates at the average residential demand for the individual systems. As discussed in Issue 40, we approve a subsidy limit of $16.01 for the water systems based on the consolidated average consumption of 6,000 gallons. As shown in Table 42, Rolling Oaks and Tradewinds will pay a subsidy based on the approved consolidated rates.

Table 42
Residential Water Bill Comparison based on 6,000 Gallons a Month

System	Bill at Stand-Alone Rates	Bill at Consolidated Rates	Subsidy Paid (Received)
Aquarina – P	$59.82	$35.79	($24.03)
C.F.A.T H20	$114.94	$35.79	($79.15)
Neighborhood	$75.42	$35.79	($39.63)
Rolling Oaks	$25.08	$35.79	$10.71
Sunshine – Unified	$42.29	$35.79	($6.50)
Sunshine – P-QR	$79.63	$35.79	($43.84)
Tradewinds	$21.57	$35.79	$14.22
Tymber Creek	$57.56	$35.79	($21.77)

[60] *See* Order Nos. PSC-2023-0300-PAA-WS; PSC-2017-0361-FOF-WS.

Based on the above, consolidation of rates results in rates that are below the subsidy limit of $16.01 for those systems paying a subsidy based on the average consumption. This is consistent with our previous methodology and analysis for similar dockets. Therefore, we find that all water systems shall be consolidated into a single rate structure.

C. Water Rate Structure and Rates (Issue 42)

This issue addresses the appropriate rate structures and rates for the water systems. We have jurisdiction to set rates that are just, reasonable, compensatory, and not unfairly discriminatory, considering the value, quality, and cost of the service pursuant to Section 367.081(2)(a)1., F.S.

On a consolidated basis, for the seven water systems in this proceeding, CSWR-Florida provided water service to approximately 11,941 residential (potable) customers, 111 residential irrigation (non-potable) customers and 267 general services customers. A review of the consolidated billing data indicates approximately 15 percent of the residential customer bills during the test year had zero gallons, indicating a non-seasonal customer base. The average residential water demand is 5,115 gallons per month. The average water demand excluding zero gallon bills is 6,193 gallons per month. The seven water systems have various rate structures. For residential customers, the rate structure consists of a base facility and gallonage charges. One of the Utility's water systems has a uniform gallonage charge, while the other systems have tiered block rate structures with various consumption levels included within the tiers. For general service, one of the Utility's water systems have a base facility charge with a tiered block rate structure which contains various consumption levels included within the tiers, while the other systems have a base facility charge (BFC) and uniform gallonage charge.

We performed several analyses to determine the customer's current usage characteristics in the rate design for the residential water customers. The goal of the evaluation was to select the rate design parameters that: (1) produce the approved revenue requirement; (2) equitably distribute cost recovery among the Utility's customers; (3) establish the appropriate non-discretionary usage threshold for restricting repression; and (4) implement, where appropriate, water conserving rate structures consistent with our practice.

Rate Structure Analysis

CSWR-Florida witness Silas testified the Utility developed its base water rate according to the meter/line size of the customer served by the service line because the base rate is in place to ensure that CSWR-Florida can recover the fixed cost of providing service, as well as a baseline level of volumetric costs. He further stated that the volumetric charge is designed to recover costs that vary due to larger consumption of water by a customer. Therefore, CSWR-Florida proposed to recover 25 percent of revenues from the volumetric charge for those reasons.

Our baseline allocation of the revenues to the BFC is 40 percent. We typically assign a higher allocation to the BFC only if a utility illustrates high seasonality, which does provide greater revenue stability. Our analysis of the Utility's aggregated billing data illustrates a non-seasonal customer base. We also performed various allocations to the BFC and determined that a

40 percent revenue allocation provides sufficient revenues to design gallonage charges that will send pricing signals to customers who are using above the non-discretionary levels of consumption. Furthermore, the approved BFC allocation is consistent with those approved in prior Commission cases.[61] The average people per household served by the Utility's aggregated counties is 2.5; therefore, based on the number of people per household, 50 gallons per day per person, and the number of days per month, the appropriate non-discretionary threshold is 4,000 gallons. Our review of the billing analysis indicates that the usage above 4,000 gallons represents 42 percent of the bills, which account for approximately 38 percent of the water demand.

For the consolidated rate structure, we approve a BFC and a three-tier inclining block rate structure, which includes separate gallonage charges for non-discretionary and discretionary usage for residential water customers. The rate blocks are: (1) 0-4,000 gallons, (2) 4,000-10,000 gallons, (3) all usage in excess of 10,000 gallons per month. This rate structure sends the appropriate pricing signals because it targets customers with high consumption levels and minimizes price increases for customers at non-discretionary levels. General service customers shall be billed a BFC and a uniform gallonage charge.

Repression

A water repression adjustment quantifies changes in consumption patterns in response to an increase in price. We have estimated that the rate residential customers will reduce their water consumption in response to an increase in price, elasticity of demand, is at four percent of discretionary usage for every ten percent increase in price.[62] It has been our practice to restrict repression for non-discretionary consumption.

For its proposed consolidated rates, CSWR-Florida did consider repression. Through discovery, Commission staff inquired if CSWR-Florida considered it important to account for repression in its proposed rate design and whether it believes the level of water usage can decrease in response to price increases. In response, the Utility explained it understood repression to refer to potential reductions in customer usage that may occur following the implementation of higher rates, which could result in actual revenues being lower than those projected using historical billing determinants. CSWR-Florida asserted that its proposed structure places a meaningful portion of revenue recovery in fixed charges, which reduces the sensitivity of revenues to changes in customer usage and mitigates the potential impact of any usage reduction following a rate increase. The Utility concluded that if we determine that a repression adjustment is appropriate, CSWR-Florida understands that such an adjustment can be applied.

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[61] *See* Order Nos. PSC-2023-0300-PAA-WS, issued October 2, 2023 in Docket No. 20220201-WS, *In re: Request by Florida Community Water Systems, Inc. for a revenue-neutral rate restructuring in Brevard, Lake, and Sumter Counties* and PSC-2025-0226-PAA-WU, issued June 20, 2025, in Docket No. 20240106-WU, *In re: Application for a revenue-neutral uniform water rate restructuring limited proceeding in Alachua, Duval, Leon, Okaloosa, and Washington Counties, by North Florida Community Water Systems, Inc.*

[62] *See* Order Nos. PSC-2017-0361-FOF-WS, issued September 25, 2017 in Docket No. 20160101-WS, I*n re: Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties by Utilities, Inc. of Florida.* and PSC-2021-0206-FOF-WS, issued June 4, 2021 in Docket No. 20200139-WS, *In re: Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties, by Utilities, Inc. of Florida.*

As discussed in Issue 41, our subsidy analysis indicates Rolling Oaks and Tradewinds are the two systems that would pay a subsidy. However, the consolidated rates are lower than Tradewinds' rates in effect at the time of filing. Therefore, Rolling Oaks was used to determine the appropriate repression adjustment. Based on our analysis, residential discretionary consumption can be expected to decline by an overall reduction of 150,695,000 gallons, which results in 20.5 percent reduction to consumption. Other corresponding reductions are $99,458 for purchased power, $9,332 for chemicals, and $5,126 for RAFs. Furthermore, the anticipated repression results in a post repression revenue requirement of $5,577,817 for designing service rates.

Removal of Miscellaneous Revenues for Calculating Service Rates

During our review of the Utility's MFRs, we determined CSWR-Florida did not remove miscellaneous revenues from its calculation of its proposed consolidated rates. In response to an interrogatory, the Utility stated that it did not remove miscellaneous service revenues from total revenues because it believed such revenues are inherently uncertain, nonrecurring, and not directly tied to normalized billing determinants. Further, CSWR-Florida stated that excluding these revenues from the rate design would require assumptions about future collections that cannot be reliably forecasted and could increase the risk of under-recovery of the approved revenue requirement.

It is our practice to exclude miscellaneous revenues when designing service rates.[63] The recovery of our approved revenue requirement is through two components: service revenues generated from billing determinants and miscellaneous revenues generated from miscellaneous service charges. The test year represents a snapshot in time and provides the basis for determining the Utility's appropriate revenue requirement. While both billing determinants and miscellaneous service occurrences may fluctuate from year to year, the revenue requirement itself remains the total amount of revenue necessary for the Utility to provide service. Therefore, miscellaneous revenues shall be removed when determining the appropriate service revenue recovered through rates; otherwise, not removing miscellaneous revenues could result in rates designed to collect more revenue than the approved revenue requirement coupled with the miscellaneous revenues.

Irrigation Rates (Non-Potable)

In its consolidated filing, CSWR-Florida proposed irrigation rates. The water for irrigation is supplied from groundwater that is pumped from a dedicated well and piped directly to irrigation customers without treatment. The billing determinants associated with the proposed irrigation rates are from the Aquarina non-potable system. There are no other non-potable systems. Therefore, the proposed rates would only be applicable to the Aquarina service territory. The Aquarina system provides non-potable water for irrigation to approximately 111 customers. We approved Aquarina's existing BFC and gallonage charge rate structure in 2020.[64]

[63] *See* Order No. PSC-2024-0046-PAA-WS, issued February 22, 2024, in Docket No. 20230081-WS, *In re: Application for increase in water and wastewater rates in Broward County by Royal Waterworks, Inc.*

[64] Order No. PSC-2020-0158-PAA-WS, issued May 15, 2020, in Docket No. 20190080-WS, *In re: Application for limited proceeding rate increase in Brevard County, by Aquarina Utilities, Inc.*

As mentioned earlier, our baseline allocation of the revenues to the BFC is 40 percent. We performed various allocations to the BFC and determined that a 35 percent revenue allocation provides a fixed revenue stream while sending the appropriate pricing signals to target those customers with high levels of consumption. The average irrigation water demand is 64,200 gallons per month. Therefore, we find that 35 percent of the irrigation revenues shall be allocated to the BFC for ratesetting purposes. This will allow lower bills for irrigation and promote the continued use of non-potable water for irrigation purposes.

Conclusion

The approved rate structure and monthly water rates are shown on Schedule No. 4-A, attached hereto. The Utility shall file revised tariff sheets and proposed customer notices to reflect the rates approved herein. The approved rates 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. In addition, the approved rates shall not be implemented until Commission staff has approved the proposed customer notices and the notices have 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.

D. Consolidation – Wastewater Systems (Issue 43)

This issue addresses which wastewater systems, if any, should be consolidated into a single rate structure. In its MFRs, the Utility requested that its current rate structure and rates for the Florida water and wastewater systems be consolidated into a single rate structure and rates. CSWR-Florida proposed that all nine of its wastewater systems be consolidated.

As discussed in Issue 41, CSWR-Florida contends that rate consolidation promotes the acquisition and long-term sustainability of small systems by creating economies of scale, spreading costs and future capital investments across a larger customer base, mitigating rate impacts, improving operational and administrative efficiencies, and simplifying rates and tariffs for customers. The Utility further asserts that, although costs among individual systems may differ in the short term, those differences will balance over time as all systems require ongoing investment.

We have had several requests from other utilities to consolidate rates and rate structures. In prior dockets, we approved rate consolidation because it encourages large utilities to acquire small utilities; recognizes economies of scale attributable to large utilities with respect to combined operations; results in cost savings associated with regulatory filings; and produces rate stability across all systems.[65] The benefits of rate consolidation identified above by witnesses Duncan and Cox appear to be persuasive and are consistent with some of the benefits we have has recognized when approving consolidated rates in the past. Furthermore, there is no opposing testimony or record evidence disputing the asserted benefits.

[65] *See* Order Nos. PSC-2023-0300-PAA-WS; PSC-2017-0361-FOF-WS.

We performed an analysis to determine which wastewater systems should be consolidated. When evaluating consolidated rates in prior decisions, we set a subsidy limit and evaluated the consolidated rates at the average residential demand for the individual systems. As discussed in Issues 40 and 44, we approve a subsidy limit of $18.68 for the consolidated wastewater flat rate. As shown in Table 43, Rolling Oaks is the only system that will pay a subsidy based on the approved consolidated rates.

Table 43
Residential Wastewater Bill Comparison based on 10,000 Gallon Cap

System	Bill at Stand-Alone Rates	Bill at Consolidated Rates	Subsidy Paid (Received)
Aquarina	$55.64	$36.92	($18.72)
BFF	$99.51	$36.92	($62.59)
C.F.A.T. H20	$53.56	$36.92	($16.64)
North Peninsula	$49.63	$36.92	($12.71)
Rolling Oaks	$28.94	$36.92	$7.98
Sebring	$43.26	$36.92	($5.91)
TKCB	$66.04	$36.92	($29.12)
Tradewinds	$41.65	$36.92	($4.73)
Tymber Creek	$36.80	$36.92	($0.12)

Based on the above, the approved consolidation of rates results in rates that are below the flat rate subsidy limit of $18.68 for those systems paying a subsidy based on designing each a flat rate. This is consistent with our previous analysis methodology for similar dockets. Therefore, all wastewater systems shall be consolidated into a single rate structure.

E. Wastewater Rate Structure and Rates (Issue 44)

This issue addresses the appropriate rate structures and rates for the wastewater systems. Pursuant to Rule 25-30.437(5), F.A.C., in proposing rates, each utility must use the base facility and usage charge rate structure, unless an alternative rate structure is adequately supported by the applicant. Our traditional wastewater rate structure consists of a uniform BFC for all meter sizes and gallonage charge for residential customers. For general service customers, the rate structure typically consists of a BFC based on meter size and a gallonage charge 1.2 times the corresponding residential gallonage charge.[66]

CSWR-Florida's existing wastewater rate structure, except for the North Peninsula system, is currently a base facility and usage charge rate structure. In its filing, CSWR-Florida proposed a flat rate structure for its consolidated wastewater rates. CSWR-Florida witness Silas contended that the proposed rates represent a just and reasonable allocation of costs that is consistent with principles of cost causation routinely adopted by regulators across the country.

[66] *See* Order No. PSC-2026-0115-PAA-WS, issued April 27, 2026, issued in Docket No. 20250094-WS, *In re: Application for staff-assisted rate case in Polk County by GCP Plantation Landings, LLC.*

Witness Silas maintained that the flat rate structure has been approved for CSWR, LLC affiliates in Missouri, Kentucky, Louisiana, Mississippi, Texas, and Tennessee. According to witness Silas, the Utility-proposed revenue requirement should be collected through a single flat charge multiplied by the appropriate equivalent residential connection (ERC). Witness Silas explained that the Utility seeks to maintain the ERCs currently assigned to general service customers of the Sebring Ridge and North Peninsula systems.

On a consolidated basis of the systems in this proceeding, wastewater service is provided to approximately 7,731 residential customers and 157 general service customers. Currently, except for North Peninsula, the wastewater rate structure for residential customers consists of a monthly uniform BFC for all meter sizes and a gallonage charge with varying wastewater gallonage caps among the individual systems. For general service, except for North Peninsula, customers are billed a BFC by meter size and a gallonage charge that is 1.2 times higher than the residential gallonage charge.

Historically, we have migrated away from flat rate structures in conformance with our rules unless there are impediments to implementing a BFC and gallonage charge rate structure. Although some Commission-regulated utilities still currently have flat rates, in those instances, we determined that installing water meters was cost prohibitive for the water system or, in the case of a wastewater only system, that the Utility was unable to obtain the water consumption data necessary for volumetric wastewater billing.[67]

However, witness Silas testified that the flat rate is appropriate because the demand for wastewater service is relatively inelastic and there is little to no variance in the cost of service on the residential level due to higher demands placed on the system by varying water usage. He stated that the vast majority of costs in the Utility's wastewater cost of service are fixed and do not vary with fluctuating residential usage. In addition, witness Silas asserted that a flat rate structure provides revenue certainty because usage fluctuates due to seasonality and weather and, for customers, he asserted that the flat rate structure provides simplified billing which provides for predictable billing and reduced complexities associated with usage-based billing.

We agree that, in terms of customers' responsiveness to price changes, the demand for residential wastewater is relatively inelastic. We have recognized that wastewater systems are capital intensive in nature and that a significant portion of wastewater costs are fixed. While Rule 25-30.437(5), F.A.C., establishes the BFC and gallonage charge as the preferred rate structure, it permits approval of an alternative if adequately supported by the applicant. Here, we find that CSWR-Florida has provided evidence to support the requested flat rate charge. The requested flat rate charge is simple for customers to understand, fairly apportions costs to seasonal

[67] *See* Order Nos. PSC-2011-0444-PAA-SU, issued October 7, 2011, in Docket No. 20100471-SU, *In re: Application for staff-assisted rate case in Marion County by S & L Utilities, Inc*; PSC-2003-0699-PAA-SU, issued on June 9, 2003, in Docket Nos. 20020439-SU and 20020331-SU, *In re: Application for staff-assisted rate case in Lee County by Sanibel Bayous Utility Corporation* and *In re: Investigation into alleged improper billing by Sanibel Bayous Utility Corporation in Lee County in violation of Section 367.091(4), Florida Statutes*; and PSC-1995-0967-FOF-SU, issued August 8, 1995, in Docket No. 19941270-SU; *In Re: Application for Revenue Neutral Wastewater Rate Restructuring in Lee County by Forest Utilities, Inc.*

customers, and reflects that the costs for wastewater are predominantly fixed. Therefore, we find that the Utility has adequately supported its request that a flat rate structure is appropriate on a consolidated basis under the discretion afforded by our rule.

Conclusion

The approved rate structure and monthly wastewater rates are shown on Schedule 4-B, attached hereto, which approves CSWR-Florida proposed consolidated flat wastewater rate structure. The Utility shall file revised tariff sheets and a proposed customer notice to reflect the rates approved herein. The approved rates 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. In addition, the approved rates shall not be implemented until Commission 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 by affidavit within 10 days of the date of the notice.

F. Miscellaneous Service Charges (Issue 45)

This issue addresses the appropriate miscellaneous service charges for the Utility. We are authorized to establish, increase, or change a rate or charge other than monthly rates or service availability charges pursuant to Section 367.091, F.S.

The Utility requested water and wastewater miscellaneous services charges based on charges already approved and contained in its Commission-approved tariffs of its individual systems to avoid incurring the additional rate case expense associated with conducting a cost study. However, we note that Section 367.091(6), F.S., specifically provides that an application to establish, increase, or change a rate or charge other than the monthly rates for service or service availability charges must be accompanied by a cost justification, which was not provided by the Utility. We therefore analyzed the cost data which was ultimately provided in the record of this proceeding.

CSWR-Florida proposed $50.75 during normal hours and $101.50 after hours for initial connection, normal, violation, and premises visit charges adopted from the existing charges of the Rolling Oaks system. For the consolidated rate payment charge, the Utility proposed to adopt the $7 late payment charge of the Aquarina system. In addition, CSWR-Florida proposed nonsufficient funds charges pursuant to Section 68.065, F.S., a credit card charge of 2.25 percent of the bill, an automated clearing house (ACH) charge of $0.75, and a meter tampering of $50.

Initial Connection, Normal Reconnection, Violation Reconnection, and Premises Visit Charges

The Utility requested $50.75 each for initial connection, normal reconnection, violation reconnection, and premises visit charges consistent with the charges, which is currently approved for Rolling Oaks system on a stand-alone basis. Subsequent to CSWR-Florida filing for the instant rate case, we modified Rolling Oaks' miscellaneous service charges by removing the initial connection, normal reconnection charges, and subsuming those definitions into the

definitions of the premises visit charge to be consistent with Rule 25-30.460 F.A.C.[68] In addition, the wastewater violation reconnection was approved at actual cost pursuant to Rule 25-460(2)(b), F.A.C.

In support of adopting Rolling Oaks' charge of $50.75, the Utility indicated its third-party vendor's contract labor is $112.50 hours and 30 minutes of operator time is $56.75 and exceeds the proposed charge of $50.75. For after hours, the third-party vendor's contract labor is $225.00 and 30 minutes of operator time is $112.50, which exceeds the proposed after hours charge of $101.50. We find that this support is sufficient and reasonable to justify adopting a charge of $50.75 for normal hours and $101.50 after hours for water and wastewater premises visit. The wastewater violation reconnection charge shall be at actual cost pursuant to the rule. The water violation reconnection charge is levied prior to reconnection of an existing customer after discontinuance of service for cause. We have allowed this charge to be represented by one trip to turn off service and a subsequent trip to turn on service once the violation has been remedied.[69] Based on the information in the record, the appropriate water violation charge for normal hours is $101.50.

Late Payment Charge

CSWR-Florida requested a late payment charge of $7.00 for water and wastewater, which is currently approved for its Aquarina system on a stand-alone basis. We approved Aquarina's existing late payment charge in 2014.[70] Witness Silas contended that the $7.00 represents a just and reasonable charge to incentivize payment and reduce spreading further cost across other customers through bad debt expense. We find that the late payment charge is reasonable and appropriate for a consolidated late payment charge.

Non-Sufficient Funds (NSF) Charge

In its MFRs, CSWR-Florida requested NSF charges currently set forth in Section 68.065, F.S. As currently set forth in Sections 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 5 percent of the face amount of the check, whichever is greater.

Approval of NSF charges is consistent with our prior decisions. 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. We therefore find that

[68] Order No. PSC-2025-0280-PAA-WS, issued on July 21, 2025, in Docket No. 20240130-WS, *In re: Application for grandfather certificate to operate water and wastewater Utility in Citrus County, by CSWR-Florida Utility Operating Company, LLC.*
[69] *See* Order No. PSC-2024-0100-PAA-WU, issued April 17, 2024, in Docket No. 20230071-WU, *In re: Application for staff-assisted rate case in Polk County by Pinecrest Utilities, LLC.*
[70] Order No. PSC-2014-0105-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.*

the Utility 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.

Investigation of Meter Tampering Charge and Meter Tampering Charge

In its MFRs, CSWR-Florida requested a meter tampering charge of $50 for water. 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 requires a 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.

In 2012, we approved CSWR-Florida's requested charge for its Sunshine system on a stand-alone basis as an investigation of meter tampering charge of $50.[71] This charge shall only be considered as cost recovery for an investigation of meter tampering, and shall only be assessed where an investigation reveals evidence of meter tampering. If meter tampering is revealed, Rule 25-30.320, F.A.C., allows the Utility to assess actual cost of any damages incurred. In addition, the Rolling Oaks system is currently approved for a tampering or prohibited use charge for actual cost. As mentioned previously, we modified and approved Rolling Oaks' miscellaneous service charges, including meter tampering charges at actual cost in 2025.[72] Therefore, we find it appropriate to approve an investigation of meter tampering charge of $50 and a meter tampering charge at actual cost.

Credit Chard Charge and ACH Charge

In its MFRs, the Utility requested a credit card charge of 2.25 percent of the customer's bill and an ACH charge of $0.75 per transaction when the customer elects to make a payment via ACH through the online payment portal. CSWR-Florida indicated that it partners with Invoice Cloud, the third-party vendor, as its payment processor. The Utility explained that the credit card and ACH charges are derived, created, and controlled by the third-party vendor based the payment of choice through the payment portal. Since these charges are the third-party vendor's charges, we find it is not necessary for the charges to be in CSWR-Florida's tariff.

Table 44
Commission Approved Miscellaneous Service Charges

Charges	Utility's Proposed Charges		Commission Approved Charges	
	Normal Hours	After Hours	Normal Hours	After Hours

[71] Order No. PSC-2012-0357-PAA-WU, issued July 10, 2012, in Docket No. 20100048-WU, *In re: Application for increase in water rates in Marion County by Sunshine Utilities of Central Florida, Inc.*
[72] Order No. PSC-2025-0280-PAA-WS, issued on July 21, 2025, in Docket No. 20240130-WS, *In re: Application for grandfather certificate to operate water and wastewater Utility in Citrus County, by CSWR-Florida Utility Operating Company, LLC.*

Violation Reconnection - Water	$50.75	$101.50	$101.50	$101.50
Violation Reconnection - Wastewater	$50.75	$101.50	Actual Cost	
Premises Visit	$50.75	$101.50	$50.75	$101.50
Late Payment	$7.00		$7.00	
NSF Charge	Pursuant to Section 68.065(2)		Pursuant to Section 68.065(2)	
Investigation of Meter Tampering Charge	Not applicable		$50.00	
Credit Card Charge	2.25% of Bill		Not applicable	
ACH Charge	$0.75		Not applicable	
Meter Tampering Charge	$50.00		Actual Cost	

Conclusion

The miscellaneous service charges shown in Table 44 are approved for all CSWR-Florida systems. The Utility shall assess only a single charge for each of the miscellaneous service charges for systems with both water and wastewater service pursuant to Rule 25-30.460(1), F.A.C. The Utility shall file a proposed customer notice and tariff to reflect the charges approved herein. The approved charges shall be effective on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475, F.A.C. In addition, the tariff sheets shall be approved upon Commission staff's verification that the tariffs are consistent with our decision and that the proposed customer notice is adequate.

G. Service Availability Charges (Issue 46)

This issue addresses the appropriate service availability charges. In its MFRs, CSWR-Florida proposed main extension, customer connection, and meter installation charges at actual cost because, according to CSWR-Florida witness Silas, those charges are often challenging to quantify and very difficult to determine the cost underlying the service charge. The Utility is not seeking to adjust the plant capacity charges of the individual systems. CSWR-Florida also proposed meter bench test deposits, which are consistent Rule 25-30.266, F.A.C. The deposits are standard in all Commission-approved tariffs, consistent with the rule.

Main Extension Charge

A main extension charge is defined in Rule 25-30.515(12), F.A.C., as a charge to recover all or part of a utility's capital costs associated with extending off-site water or wastewater facilities to provide service to a specified property. The rule requires the charge to be based on a hydraulic share basis or another method reasonably related to the cost of providing service. Historically, we have calculated main extension charges by allocating original cost of the applicable transmission, distribution, or collection facilities and divided by the system's design ERC, resulting in a specific charge rather than at actual cost.[73] Quantifying a main extension

[73] *See* Order Nos. PSC-2025-0092-PAA-WU, issued March 24, 2025, in Docket No. 20240011-WU, *In re: Application for certificate to provide water services in St. John County, by Riverdale Utility Holding* and PSC-2011-0514-PAA-WS, issued November 3, 2011, in Docket No. 2010426-WS, *In re: Application for increase in water and wastewater rates Lake County by Lake Utility Services, Inc.*

charge is tied to the cost of the mains at the time they were installed. Absent a specific new extension and associated incremental capital cost, our original cost methodology provides a more appropriate basis for the charge. Therefore, we evaluated each individual system for the appropriateness of a main extension charge.

Aquarina

In 2016, we approved the Aquarina system's existing main extension charges of $500 per ERC and $50 per ERC for its potable and non-potable systems, respectively.[74] We also discontinued Aquarina's wastewater main extension charge based on the system's contribution level. Because the existing main extension charges were established using our original cost-based methodology, we find they remain appropriate to continue at this time. The record does not demonstrate that additional water or wastewater facilities have been installed or that new facilities are being constructed to serve additional territory. Although Aquarina's wastewater contribution level has changed since we discontinued the wastewater main extension charge, the change is attributable to the accounting treatment of existing facilities, including plant retirements, accumulated depreciation, and CIAC amortization, rather than the installation of additional facilities for serving additional customers. Therefore, we do not find the change in contribution level warrants reinstating a wastewater main extension charge. In conclusion, the main extension charges for the Aquarina system shall remain unchanged.

BFF

We established the BFF system's existing $1,620 system capacity charge in 1990.[75] A system capacity charge is a single service availability charge that includes the cost of both plant and lines. For a utility that receives donated lines from a developer, an individual customer connecting to those lines should only be responsible for a service availability charge that reflects plant costs. Therefore, separate charges are typically developed to reflect the customer's share of plant costs (plant capacity charges) and the cost of lines in lieu of donated lines (main extension charges).[76] The BFF collection system is built out. In addition, BFF's wastewater treatment facility was abandoned at the time of interconnection with another utility.[77] As a result, we find that the existing system capacity charge shall be discontinued rather than converted to separate main extension and plant capacity charges.

CFAT

The CFAT system does not have existing main extension charges for water and wastewater. The territory, which comprises the CFAT system was originally part of Tradewinds' certificated territory but was separate and noncontiguous from Tradewinds' original service

[74] Order No. PSC-2016-0583-PAA-WS, issued December 29, 2016, in Docket No. 20150010-WS, *In re: Application for staff-assisted rate case in Brevard County by Aquarina Utilities, Inc.*
[75] Order No. 22570, issued February 19, 1990, in Docket No. 890916-SU, *In re: Application of BFF CORP. for a staff-assisted rate case in Marion County*.
[76] *See* Order No. PSC-2016-0525-PAA-WS, issued November 21, 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.*
[77] Order No. 2002-0487-PAA-SU, issued April 8, 2002, in Docket No. 20010919-SU, *In re: Application for staff-assisted rate case in Marion County by BFF Corp.*

territory when it was added in 1988.[78] The amended territory had its own water and wastewater facilities, and was later subject to foreclosure, resulting in the Resolution Trust Corporation obtaining ownership of the water and wastewater facilities serving the territory, where a portion of the facilities were developer contributed lines and a lift station.[79] The existing facilities have also been subject to depreciation and, where applicable, amortization of contributed property over their service lives. As stated in Issue 9, there is room for growth in the CFAT territory. However, the record does not demonstrate any additional lines installed for growth. Therefore, we find that establishing a main extension charge for the existing CFAT territory is not appropriate.

Neighborhood

Currently, the Neighborhood system does not have an approved main extension charge, nor is a main extension charge appropriate because we have already imputed the cost of the transmission and distribution lines pursuant to Rule 25-30.570, F.A.C.[80] Neighborhood's distribution systems are entirely built out. The existing transmission and distribution infrastructure has already been recognized as contributed facilities, and there is no evidence in the current record of any additional infrastructure or new main extension being constructed to serve new customers. Therefore, we find that a main extension charge is not appropriate at this time for the Neighborhood system.

North Peninsula

In 2016, we approved a main extension charges of $762 per ERC where a road crossing is required and $444 per ERC where no road crossing is required for the North Peninsula system.[81] We established the charges based on our methodology of requiring new customers to pay their pro rata share of the average cost of the infrastructure necessary to provide service, while taking into consideration the varying costs and number of connections associated with the proposed service areas. Because the proposed service areas involved existing developed properties being converted to wastewater service, the timing of individual connections was uncertain and we recognized that service could be requested at varying times. Although the charges were established in 2016 and the cost of constructing the necessary facilities may have changed since that time, CSWR-Florida has not provided estimated costs or other supporting information to develop an updated main extension charge using the methodology previously approved for North Peninsula. In the absence of such supporting cost information, we find that the existing Commission-approved charges remain appropriate for new customers and are consistent with our established methodology for North Peninsula.

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[78] Order No. 19688, issued July 19, 1988, in Docket No. 19880552-WS, *In re: Application of Tradewinds Utilities, Inc. for amendment of Certificates Nos. 405-W and 342-S in Marion County*.

[79] Order No. PSC-1992-0699-FOF-WS, issued July 22, 1992, in Docket No. 19911078-WS, *In re: Request for Approval of Transfer of Certificates Nos. 405-W and 342-S in Marion County from Tradewinds Utilities, Inc. to Resolution Trust Corporation, as Receiver for Miami Savings Bank.*

[80] Order No. PSC-2016-0537-PAA-WU, issued November 23, 2016, in Docket No. 20150181-WU, *In re: Application for staff-assisted rate case in Duval by Neighborhood Utilities, Inc*.

[81] Order No. PSC-2016-0522-PAA-SU, issued November 21, 2016, in Docket No. 20130209-SU, *In re: Application for expansion of certificate (CIAC) (new wastewater line extension charge) by North Peninsula Utilities Corp*.

Rolling Oaks

Rolling Oaks' existing service-availability charges include no water main extension charge, and a wastewater main extension charge of $491 per ERC. We were unable to determine whether the existing wastewater main extension charge was established under our jurisdiction or while Rolling Oaks was under Citrus County's jurisdiction. However, we were able to determine that Rolling Oaks historically collected CIAC for its water system, as reflected in a CIAC gross-up docket, where our review of the Utility's 1995 Annual Report indicated that the water system had reached the 75 percent contribution level established by Rule 25-30.580, F.A.C.[82] This historical contribution level provides a reasonable explanation for the absence of a water main extension charge. For this reason, we do not find it appropriate to reinstitute a water main extension charge at this time. Although the current water system contribution level is approximately 36 percent, the reduction reflects the effects of depreciation of plant and the amortization of CIAC over time. In Issue 13, for the wastewater collection system, we indicated that there are remaining lots to be served. Therefore, we find that the existing $491 per ERC wastewater main extension charge remains reasonable and appropriate.

Sebring Ridge

The Sebring Ridge system's existing wastewater main extension charge is $385 per ERC for residential customers and $1.10 per gallon for all other customers. We approved the main-extension charges in 1996 and recognized imputed CIAC in the same proceeding.[83] However, the imputed CIAC appears to have been associated with the service availability charges applicable during that period rather than an imputation of the cost of the existing wastewater collection facilities. In Issue 13, we identified additional lots available to be served based on the system map. Therefore, we find that the existing wastewater main extension charge shall remain in effect.

Sunshine

The Sunshine system currently does not have a main extension charge. Historically, the Sunshine system's service availability charges included a system capacity charge which consists of a combined recovery associated with lines and plant capacity. In a 2012 proceeding, Sunshine requested that its service availability charges be made uniform; however, we denied the requested uniform charge; instead, we discontinued the system capacity charge because the contribution level exceeded the 75 percent guideline established in Rule 25-30.580, F.A.C.[84] In its MFRs, CSWR-Florida indicated that the Sunshine system's water distribution system is entirely built-out. With our prior determination concerning the Sunshine system's contribution level, the discontinuation of the system capacity charge, and the Utility's current indication that the distribution system is built out, we find a main extension charge shall not be reinstituted at this time.

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[82] Order No. PSC-1996-1353-FOF-WS, issued November 18, 1986, in Docket No. 19961072-WS, *In re: Disposition of gross-up funds collected by Rolling Oaks Utilities, Inc. in Citrus County.*

[83] Order No. PSC-1996-0869-FOF-WS, issued July 2, 1996, in Docket No. 19950966-WS, *In re: Application for a staff-assisted rate case in Highlands County by Sebring Ridge Utilities, Inc.*

[84] Order No. PSC-2012-0396-PAA-WU, issued August 1, 2012, in Docket No. 20100048-WU, *In re: Application for increase in water rates in Marion County by Sunshine Utilities of Central Florida, Inc.*

TKCB

We did not establish a main extension charge in prior proceedings involving the TKCB system; the collection system is fully built out. Given the absence of an existing main extension charge, the system's fully built-out status, and the lack of evidence of additional facilities or incremental capital costs required to serve new customers, we find that a main extension charge is not appropriate at this time.

Tradewinds

The Tradewinds system currently has no water or wastewater main extension charges. In 2011, we determined that the Tradewinds service territory was built out and that growth was not a factor in evaluating the water distribution and wastewater collection systems.[85] At that time, we determined that both the water distribution and wastewater collection systems were 100 percent U&U. In addition, CSWR-Florida indicated in this proceeding that the distribution and collection systems are entirely built out. Therefore, no water or wastewater main extension charge shall be established for Tradewinds at this time. If facilities are required to accommodate future growth, the Utility may seek our approval of an appropriate service availability charge based on the specific facilities and costs associated with that growth.

Tymber Creek

The Tymber Creek systems' existing service availability charges consist of a $100 per ERC main extension charge for water and a $600 per ERC main extension charge for wastewater. We evaluated the water distribution and wastewater collection systems based on the total number of lots and total number of connections and determined both systems to be 100 percent U&U. In addition, CSWR-Florida states in its MFRs that the water distribution and wastewater collection systems are entirely built out. While some areas have vacant lots and others are built out, the current record does not identify or support the need for additional water distribution or wastewater collection facilities to serve future growth.

The existing water and wastewater main extension charges shall therefore be discontinued, as there is no demonstrated need for a main extension charge for systems that are fully built out. If additional facilities are needed in the future, the Utility may seek our approval of an appropriate main extension charge based on the specific facilities and costs necessary to provide service.

Connection Charge

Rule 25-30.515, F.A.C., defines a customer connection charge as payment to the utility for the cost of installing a connection from the utility's water or wastewater lines, including but not limited to the cost of piping and meter installation. Unlike a main extension charge, which recovers a customer's pro rata share of the cost of utility infrastructure serving an area, a customer connection charge relates to new connection facilities that are not part of the Utility's existing infrastructure and are installed when an individual customer requests service. Using actual cost in this circumstance provides for recovery of the incremental cost of the new

[85] Order No. PSC-2011-0385-PAA-WS, issued September 13, 2011, in Docket No. 20100127-WS, *In re: Application for increase in water and wastewater rates in Marion County by Tradewinds Utilities, Inc*.

connection without establishing a predetermined charge for facilities that have not yet been installed. Thus, for the consolidated CSWR-Florida systems, we approve a customer connection charge at actual cost.

Meter Installation Charge

Pursuant to Rule 25-30.515, F.A.C., the meter installation charge is design to recover the cost of installing the water measuring devise at the point of delivery including materials and labor required. Historically, we have established specific meter installation charges for the 5/8-inch x 3/4-inch meter rather than requiring actual cost and actual cost for other meter sizes.[86] CSWR-Florida's existing systems have Commission-approved meter installation charges ranging from $100 to $150 for a 5/8-inch x 3/4-inch meter size. We have also used one hour of labor in establishing a standardized charge for this meter size. [87]

CSWR-Florida proposes an actual cost meter installation charge. In response to discovery, the Utility provided a meter cost of $265 and a third-party vendor labor rate of $112.50 per hour. We find that actual cost is not appropriate for the 5/8-inch x 3/4-inch meter size because we have historically established a specific installation charge, while actual cost remains appropriate for other meter sizes.[88] Applying one hour of the documented third-party vendor labor rate to the $265 meter cost results in a cost of $377.50. We therefore approve a $378 meter installation charge for a 5/8-inch x 3/4-inch meter and actual cost for all other meter sizes.

Table 45
Main Extension Charge per ERC by System

System	Existing Charge	Comm. Approved Charge
Aquarina	$500	$500
Aquarina – Nonpotable	$50	$50
BFF – Wastewater	$1,620	N/A
CFAT – Water	N/A	N/A
CFAT – Wastewater	N/A	N/A
Neighborhood-Water	N/A	N/A
North Peninsula - Wastewater	Road Crossing - $762 No Road Crossing- $444	Road Crossing - $762 No Road Crossing- $444
Rolling Oaks – Water	N/A	N/A
Rolling Oaks - Wastewater	$491	$491

[86] Order Nos. PSC-2025-0196-FOF-WS, issued June 6, 2025, in Docket No. 20240068-WS, *In re: Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties, by Sunshine Water Services Company*., and PSC-2024-0118-PAA-WS, issued April 23, 2024, in Docket No. 20230083-WS, I*n re: Application for increase in water and wastewater rates in Orange County by Pluris Wedgefield, LLC*.

[87] Order Nos. PSC-2022-0332-TRF-WS, issued September 22, 2022, in Docket No. 20220112-WS, *In re: Application for approval to establish a service availability charge for new radio frequency meter installations, by Southlake Utilities, Inc.*

[88] Order No. PSC-2018-0389-PAA-WS, issues August 2, 2018, in Docket No. 20170147-WS, *In re: Application for staff-assisted rate case in Levy County by FIMC Hideaway, Inc.*

Sebring – Wastewater	$385	$385
Sunshine – Water	N/A	N/A
TKCB – Wastewater	N/A	N/A
Tradewinds – Water	N/A	N/A
Tradewinds - Wastewater	N/A	N/A
Tymber Creek – Water	$100	N/A
Tymber Creek - Wastewater	$600	N/A

Conclusion

Based on the above, the appropriate service-availability charges for the distribution and collection lines for each respective system are contained on Table 45. The customer connection charge shall be at actual cost. The meter installation charge shall be $378 for the residential 5/8 inch x 3/4 inch meter size and actual cost for all other residential and general service meter sizes. For systems with existing plant capacity charges, the charges shall remain unchanged. The Utility shall provide notice of the approved service-availability charges to potential customers who have requested service within the 12 calendar months prior to the month the application was filed and up until our order becomes final.

VIII. OTHER ISSUES

A. Interim Revenue Increase Refund (Issue 47)

This issue addresses whether any portion of the interim revenue increases granted should be refunded. By Order Nos. PSC-2025-0361-PCO-WS, issued September 24, 2025, and PSC-2025-0404-PCO-WS, issued October 27, 2025, we authorized the collection of interim water and wastewater rates, subject to refund, pursuant to Section 367.082, F.S. Collective interim revenue requirements of $5,676,185 and $3,335,182 were granted for the water and wastewater systems, respectively.

According to Section 367.082, F.S., any refund should be calculated to reduce the rate of return of the utility during the pendency of the proceeding to the same level within the range of the newly authorized rate of return. Adjustments made in the rate case test period that do not relate to the period interim rates are in effect should be removed. In this rate case, the test period for establishment of interim and final rates is the 12-month period ended January 31, 2025. CSWR-Florida's approved interim rates did not include any provisions for pro forma plant or projected operating expenses. The interim increase was designed to allow recovery at the lower limit of the last authorized range of return on equity.

To establish the proper refund amount, we calculated a revised interim revenue requirement utilizing the same data used to establish final rates. Pro forma plant and rate case expense were excluded because these items are prospective in nature and did not occur during the interim collection period. Table 46 details each system's interim and adjusted revenue requirements, along with the appropriate refund amount and percentage.

Table 46
Interim Refund Calculations per System

System	Approved Interim	Adjusted Revenue Requirement	Refund Amount	Refund Percentage
North Peninsula – Wastewater	$375,892	$358,843	$17,049	4.54%
Rolling Oaks – Water	$2,182,628	$2,175,331	$7,297	0.33%
Tradewinds – Water	$506,933	$309,942	$162,602[89]	32.08%
Tradewinds – Wastewater	$247,630	$170,288	$60,390[90]	24.39%

Based on the above, we order refunds of $169,899 and $77,439 for the water and wastewater systems, respectively. The refunds shall be made on a per-system basis as shown in Table 46, and shall be made with interest in accordance with Rule 25-30.360(4), F.A.C. The Utility shall submit proper refund reports pursuant to Rule 25-30.360(7), F.A.C., and shall treat any unclaimed refunds as CIAC pursuant to Rule 25-30.360(8), F.A.C. Once the appropriate amounts of interim revenues are refunded and the refund amounts are verified by Commission staff, the corporate undertaking shall be released.

B. Removal of Rate Case Expense (Issue 48)

This issue addresses the appropriate amount by which rates should be reduced after the established effective date to reflect the removal of the amortized rate case expense. Section 367.081(8), F.S., provides as follows:

> The amount of rate case expense that the commission determines a public utility may recover through its rates pursuant to this chapter shall be apportioned for recovery over 4 years unless a longer period can be justified and is in the public interest. At the conclusion of the recovery period, the public utility shall immediately reduce its rates by the amount of the rate case expense previously included in rates.

CSWR-Florida's post-hearing position is to amortize rate case expense over three years, to be recovered through a surcharge. It provides no argument in its brief why this departure from the clear directive of the statute and our long-established precedent is appropriate.

After weighing the evidence put forth in the record, we find that a four-year amortization period is appropriate CSWR-Florida's water and wastewater rates shall be reduced as shown on Schedule Nos. 4-A and 4-B, respectively, attached hereto. This is to remove rate case expense, grossed up for RAFs, which is being amortized over a four-year period and will result in a reduction of $18,345 for water, $311 for Aquarina non-potable water, and $10,742 for

[89] This amount is capped at the amount held subject to refund in Order PSC-2025-0361-PCO-WS.
[90] This amount is capped at the amount held subject to refund in Order PSC-2025-0361-PCO-WS.

wastewater.[91] The decrease in rates shall become effective immediately following the expiration of the four-year rate case expense recovery period pursuant to Section 367.081(8), F.S. CSWR-Florida shall file revised tariff sheets no later than one month prior to the actual date of the required rate reduction. The Utility shall also file a proposed customer notice of the lower rates and the reason for the reduction. If CSWR-Florida files this reduction in conjunction with a price index or pass-through rate adjustment, separate data shall be filed for the price index and/or pass-through increase, and the reduction in the rates due to the amortized rate case expense.

C. Notification of Commission Ordered Adjustments (Issue 49)

At hearing, we approved a Type 1 Stipulation that CSWR-Florida shall be required to notify, within 90 days of an effective order finalizing this docket, that the Utility has adjusted its books for all the applicable NARUC USOA accounts associated with the adjustments approved herein.

D. Affordability of Rates (Issue 50)

This issue addresses whether the rates resulting from this proceeding are affordable within the meaning of just, reasonable, compensatory, and not unfairly discriminatory, pursuant to Sections 367.081 and 367.121, F.S. Section 367.081, F.S., sets forth the factors we must consider in a water and wastewater rate case. However, there is no mention of "affordability" in Chapter 367, F.S. What the statutes explicitly require is for us to approve rates that are "just, reasonable, compensatory, and not unfairly discriminatory." Section 367.081(2)(a)1., F.S.[92]

In order to effectuate a determination of "just, reasonable, compensatory, and not unfairly discriminatory rates," we consider a number of factors, the weight of which may vary slightly from one rate proceeding to another. For example, we must consider and weigh evidence on the value and quality of the service,[93] as well as the ability for the Utility to recover a fair return on its investment in property that is used and useful in the public service.[94] Furthermore, pursuant to Section 367.081(2)(a)2.c., F.S., we must approve certain expenses that are associated with "environmental compliance costs," as well as allow cost recovery for "reasonable rate case expense incurred during a rate proceeding." These factors are typically discrete issues supported by testimony and evidence.

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[91] Rate case expense is presented on a consolidated water basis in Issue 29. For the purpose of the four-year rate reduction, non-potable is reflected separately.

[92] We have previously considered "affordability" in the limited context of a rate structure issue when determining the appropriate levels of subsidization when consolidating water and wastewater rates. *See* Order No. PSC-09-0385-FOF-WS, issued May 29, 2009, in Docket No. 080121-WS, *In re: Application for increase in water and wastewater rates in Alachua, Brevard, DeSoto, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties by Aqua Utilities Florida, Inc.*, p. 123 *et seq.* We also held that, "Based on all the above, first, we note there is no "affordability" test for setting a Utility's revenue requirement under Chapter 367, F.S. …[T]his is a rate structure issue, and we believe it is not appropriate to use this issue to justify any decrease in the revenue requirement." *Id.* at 159.

[93] Section 367.081(2)(a)1., F.S.

[94] *Id*.

OPC asserts in its brief that we should consider affordability as a factor in this case, but it fails to adequately address the fact that the word "affordable" is not defined, let alone referenced, in Chapter 367, F.S. We do not have such enabling legislation, because nowhere in Chapter 367, F.S., is "affordability" mentioned as a factor that we can or should consider when setting rates. The record in this case does not support findings on "affordability," nor does it allow for us to weigh testimony or evidence on affordability.

Further, OPC contends that approving CSWR-Florida's requested rates "without considering the prospect of future recovery of tens of millions of dollars in acquisition-related costs risks subjecting customers to a continuing cycle of rate increases that may ultimately render service unaffordable." However, OPC appears to be referencing CSWR-Florida's separately-docketed petitions for acquisition adjustment; as discussed previously in this order, approval and cost recovery for the acquisition adjustments are not part of this proceeding. Consideration of such costs in this docket are both speculative and premature.

CSWR-Florida provides its post-hearing position in its brief, but does not provide further argument on this issue.

We have broad discretion to carry out our legislative mandate of ensuring rates are just, reasonable, compensatory, and not unfairly discriminatory. However, there exists no statutory authority to infer a specific definition of affordability absent express legislative authorization. To the extent we can consider the "affordability" of customer bills, we must do so within the context of our governing statutes in Chapter 367, F.S.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that CSWR-Florida Utility Operating Company, LLC's Petition for Water and Wastewater Rate Increase is granted in part and denied in part as set forth herein. It is further

ORDERED that all other findings made in the body of this Order are hereby approved in every respect, and all matters contained in the attachments and schedules appended hereto are incorporated by reference. It is further

ORDERED that CSWR-Florida's Motion to Supplement the Record with DEP Compliance Letter Relating to the Ocala Heights Water System is denied. It is further

ORDERED that CSWR-Florida's overall quality of service is satisfactory. However, the quality of service for the Sunshine and Sebring Ridge systems is deemed marginal. It is further

ORDERED that the Utility's water and wastewater treatment facilities are currently in compliance with DEP regulations, except for 14 of the 23 Sunshine water systems, as set forth herein, and the CFAT, North Peninsula, Rolling Oaks, Sebring Ridge, and Tymber Creek wastewater systems. It is further

ORDERED that CSWR-Florida shall continue its field verifications, maintenance activities, system improvements, capital projects, and/or any other activities necessary to determine the actual collection pipe diameters for those that are currently unknown. In addition, CSWR-Florida shall submit, within 30 days of the issuance of this final order, a plan detailing for each system with unknown pipe sizes, how and when it will complete the collection of the pipe size data to comply with Rule 25-30.125, F.A.C. It is further

ORDERED that the rate case expense approved herein shall be amortized over a four-year period, after which CSWR-Florida's water and wastewater rates shall be reduced as shown on Schedule Nos. 4-A and 4-B, respectively, attached hereto. The decrease in rates shall become effective immediately following the expiration of the four-year rate case expense recovery period pursuant to Section 367.081(8), F.S. CSWR-Florida shall file revised tariff sheets no later than one month prior to the actual date of the required rate reduction. The Utility shall also file a proposed customer notice of the lower rates and the reason for the reduction. If CSWR-Florida files this reduction in conjunction with a price index or pass-through rate adjustment, separate data shall be filed for the price index and/or pass-through increase, and the reduction in the rates due to the amortized rate case expense. It is further

ORDERED that the approved rate structure and monthly water rates are shown on Schedule No. 4-A, attached hereto. The Utility shall file revised tariff sheets and proposed customer notices to reflect the rates approved herein. The approved rates 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. In addition, the approved rates shall not be implemented until Commission staff has approved the proposed customer notices and the notices have 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. It is further

ORDERED that the approved rate structure and monthly wastewater rates are shown on Schedule 4-B, attached hereto, which approves CSWR-Florida proposed consolidated flat rate structure. The Utility shall file revised tariff sheets and a proposed customer notice to reflect the rates approved herein. The approved rates 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. In addition, the approved rates shall not be implemented until Commission 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 by affidavit within 10 days of the date of the notice. It is further

ORDERED that the miscellaneous service charges approved herein are approved for all CSWR-Florida systems. The Utility shall assess only a single charge for each of the miscellaneous service charges for systems with both water and wastewater service pursuant to Rule 25-30.460(1), F.A.C. The Utility shall file a proposed customer notice and tariff to reflect the charges approved herein. The approved charges shall be effective on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475, F.A.C. In addition, the tariff sheets shall be approved upon Commission staff's verification that the tariffs are consistent with our decision and that the proposed customer notice is adequate. It is further

ORDERED that the appropriate service-availability charges for the distribution and collection lines for each respective system are shown approved herein. The customer connection charge shall be at actual cost. The meter installation charge shall be $378 for the residential 5/8 inch x 3/4 inch meter size and actual cost for all other residential and general service meter sizes. For systems with existing plant capacity charges, the charges shall remain unchanged. The Utility shall provide notice of the approved service-availability charges to potential customers who have requested service within the 12 calendar months prior to the month the application was filed and up until our order becomes final. It is further

ORDERED that interim refunds shall be made of $169,899 and $77,439 for the water and wastewater systems, respectively. The refunds shall be made on a per-system basis as shown herein, and shall be made with interest in accordance with Rule 25-30.360(4), F.A.C. The Utility shall submit proper refund reports pursuant to Rule 25-30.360(7), F.A.C., and shall treat any unclaimed refunds as CIAC pursuant to Rule 25-30.360(8), F.A.C. Once the appropriate amounts of interim revenues are refunded and the refund amounts are verified by Commission staff, the corporate undertaking shall be released.

ORDERED that CSWR-Florida shall notify us, within 90 days of the final order, that the Utility has adjusted its books for all the applicable NARUC USoA accounts associated with the adjustments approved herein. It is further

ORDERED that this docket shall remain open for Commission staff's verification that the Utility has filed the revised tariff sheets, customer notices have been filed, and that the Utility has notified us in writing that the adjustments set forth have been made. Once these actions are complete, this docket shall be closed administratively.

By ORDER of the Florida Public Service Commission this 16th day of November, 2026.

ADAM 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.

JSC

DISSENT

Commissioner Ana Ortega dissents to Issue Nos. 17 and 25.

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.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

Attachment A
Sunshine's Compliance History (2022 - 2025)

A chronology and summary of Sunshine's compliance history under CSWR-Florida's ownership is provided below. (EXH 73, BSP J14513-J14528, J14531-J14552, J14555-J14594, J14597-J14603, J14606-J14651, J14654-J14671, J14674-J14693, J14698-J14733, J14736-J14744, J14747-J14792, J14795-J14808, J14811-J14885, J14888-J14896, J14905-J14949, J14957-J14973, J14976-J15018)

1. June 1, 2022 – Compliance Assistance Offer – Country Walk
    a. Missed and late sampling.
2. August 11, 2022 – Compliance Assistance Offer – Winding Waters
    a. Missed sampling.
3. January 24, 2023 – Compliance Assistance Offer – Belleview Oaks
    a. Deficiencies during inspection – Hydropneumatic tank had a hole with a temporary patch.
4. January 25, 2023 – Enforcement Transition Letter – Country Walk
    a. Deficiencies during inspection and review of Consent Order (OGC Case No. 23-0081) – Hydropneumatic tank had a hole with a temporary patch.
5. February 16, 2023 – Warning Letter – Ashley Heights
    a. Deficiencies during inspection – Hydropneumatic tank was leaking, the well pad was not adequately maintained, and one of the flow meters was not calibrated.
6. February 22, 2023 – Consent Order (OGC Case No. 23-0081) – Country Walk
    a. Hydropneumatic tank had a hole with a temporary patch.
    b. Case Closed – February 27, 2025. (EXH 150, BSP E3537)
7. March 16, 2023 – Warning Letter – Sunlight
    a. Deficiencies during inspection – Hydropneumatic tank was leaking.
8. March 17, 2023 – Consent Order (OGC Case No. 23-0234) – Belleview Oaks
    a. Hydropneumatic tank had a hole and was leaking.
    b. Case Closed – August 19, 2024. (EXH 150, BSP E3535)

9. March 20, 2023 – Email about Inspection Deficiencies – Ponderosa

    a. Deficiencies – Pumps, pump electrical boxes, and/or valves were corroded, well pad contained cracks, treated water threaded taps lacked hose bibb vacuum breakers, and well casings and/or sanitary seals were corroded.

10. April 14, 2023 – Compliance Assistance Offer – Ponderosa

    a. Deficiencies from inspection as stated in the March 20, 2023, email.

    b. Returned to Compliance – November 14, 2023 (EXH 150, BSP E3550)

11. July 14, 2023 – Consent Order (OGC Case No. 23-0728) – Sunlight Acres

    a. Hydropneumatic tank had a hole and was leaking.

    b. Never executed due to inclusion in OGC Case No. 24-0272. (EXH 132, BSP E733)

12. August 9, 2023 – Consent Order (OGC Case No. 23-0420) – Ashley Heights

    a. Hydropneumatic tank had a hole and was leaking.

    b. Never executed due to inclusion in OGC Case No. 24-0272. (EXH 132, BSP E733)

13. August 29, 2023 – Warning Letter – Winding Waters

    a. Missed sampling.

    b. Deficiencies during inspection – No O&M manual was on site, no emergency preparedness/response plan was on site, no records that isolation valves were exercised, no flushing records, no cross connection control program, no cross connection control plan, no record that backflow prevention assemblies were being tested, no tank inspection performed by a licensed engineer, tank replacement of different capacity without approval, auxiliary power was not being exercised, monthly operation reports (MORs) missing, maximum day capacity was exceeded for two months.

14. September 1, 2023 – Compliance Assistance Offer – Emil Mar

    a. Missed and late sampling.

15. November 2, 2023 – Compliance Assistance Offer – Floyd Clark

    a. Missed sampling.

16. January 25, 2024 – Compliance Assistance Offer – Oakcrest Villas

    a. Missed sampling.

17. February 2, 2024 – Warning Letter – Country Walk

    a. Missed and late sampling.

18. February 2, 2024 – Warning Letter – Emil Mar, Fore Oaks, Sun Ray, Oakcrest, Ocklawaha, Whispering Sands

    a. Deficiencies during inspection – Emil Mar, Fore Oaks, Sun Ray

        i. Inadequate free chlorine residual.

        ii. No record that isolation valves were being exercised.

        iii. No record that auxiliary power was being exercised.

        iv. Not at least two wells connected to the community water system.

        v. Missing MORs.

        vi. No record of flow meter calibration.

        vii. Threaded tap on influent piping.

    b. Missed and late sampling – Fore Oaks, Oakcrest, Ocklawaha, Whispering Sands

19. February 2, 2024 – Warning Letter – Ocala Heights

    a. Missed and late sampling.

    b. Deficiencies during inspection – Well pad contained cracks.

20. February 27, 2024 – Warning Letter – Oakcrest Villas

    a. Deficiencies during inspection – Well pads contained cracks, well casing vent not properly screened, air relief valves not properly screened.

21. March 5, 2024 – Non-Compliance Letter – Eleven Oaks

    a. Deficiencies during inspection – Installation of a temporary tank of differing capacity without written approval from the DEP.

    b. Consent Order (OGC Case No. 24-0272) opened – Construction is needed, case still open. (EXH 132, BSP E735)

22. March 5, 2024 – Compliance Assistance Offer – Oak Haven

    a. Deficiencies during inspection – Missing MORs, no record that isolation valves were being exercised, tank inspection not completed in the required 5-year period.

23. March 29, 2024 – Warning Letter – Ocklawaha

    a. Deficiencies during inspection – No flushing records, no isolation valve exercise records, outdated bacteriological sampling plan, no tank inspection reports, MORs showed 75 percent maximum day capacity was exceeded, missing MORs.

24. July 10, 2024 – Compliance Assistance Offer – Sandy Acres

    a. Deficiencies during inspection – No record of flow meter calibration, no tank inspection was performed by a licensed engineer.

25. July 12, 2024 – Warning Letter – Florida Heights, Floyd Clark

    a. Deficiencies during inspection – Tank inspections not performed by a licensed engineer and no report for tank inspection.

26. August 6, 2024 – Compliance Assistance Offer – Hilltop at Lake Weir

    a. Missed sampling.

    b. Returned to Compliance – September 5, 2024. (EXH 150, BSP E3543)

27. August 6, 2024 – Warning Letter – Oakcrest Villas

    a. Missed sampling.

28. August 29, 2024 – Consent Order (OGC Case No. 24-1942) – Country Walk, Ocala Heights

    a. Missed and late sampling.

    b. Case Closed – October 4, 2024. (EXH 150, BSP E3548)

29. September 28, 2024 – Warning Letter – Florida Heights

    a. Missed sampling.

30. September 28, 2024 – Warning Letter – Floyd Clark

    a. Missed sampling.

31. October 3, 2024 – Drinking Water Lead Monitoring Letter – Winding Waters

a. Lead exceeded maximum levels.

32. October 4, 2024 – Consent Order (OGC Case No. 24-1941) – Emil Mar, Fore Oaks, Sun Ray, Oakcrest Villas, Ocklawaha, Whispering Sands

    a. Deficiencies during inspection – Emil Mar, Fore Oaks, Sun Ray as identified in February 2, 2024, letter.

    b. Missed and late sampling – Fore Oaks, Oakcrest, Ocklawaha, Whispering Sands.

33. October 22, 2024 – Consent Order (OGC Case No. 24-1674) – Ocklawaha

    a. Failure to provide isolation valve exercise records, failure to maintain a bacteriological sampling plan, failure to conduct a tank inspection by a licensed engineer, missing MORs, failure to submit a source/treatment/storage capacity analysis report when the total maximum day exceeds 75 percent of permitted maximum day. Corrective actions were taken for certain deficiencies, and the remaining corrective actions were to:

        i. Submit a capacity analysis report.

        ii. Install a new Hydropneumatic tank.

34. October 28, 2024 – Warning Letter – Sun Ray

    a. Missed sampling.

35. November 4, 2024 – Warning Letter – Emil Mar

    a. Missed sampling.

36. November 6, 2024 – Marion County Building Code Violation – Quail Run

    a. Installed a generator and gas tank without proper building permits.

37. November 14, 2024 – Consent Order (OGC Case No. 24-2724) – Oakcrest Villas

    a. Missed sampling.

    b. Case Closed – February 4, 2025. (EXH 150, BSP E3545)

38. February 5, 2025 – Consent Order (OGC Case No. 24-3145) – Emil Mar, Florida Heights, Sun Ray, Floyd Clark

    a. Missed sampling.

    b. Case Closed – February 20, 2025. (EXH 150, E3540-E3541; EXH 167, BSP F1-25-F1-26)

39. February 13, 2025 – Warning Letter – Belleview Oaks, Country Walk, Winding Waters, Oak Haven

    a. Missed and late sampling.

    b. Consent Order (OGC Case No. 25-0311) opened November 12, 2025. Penalties were paid November 7, 2025. (EXH 132, BSP E734)

    c. Case Closed – January 22, 2026. (EXH 167, BSP F1-17-F1-18)

40. February 25, 2025 – Consent Order (OGC Case No. 24-1674) – Ocklawaha

    a. Consent Order amended with a new date of February 10, 2026, for the new tank installation.

41. April 23, 2025 – Marion County Building Code Violation – Quail Run

    a. Installed a gas tank without a proper permit.

    b. Certificate of Completion – June 23, 2025 (EXH 150, BSP E3552)

42. December 9, 2025 – Consent Order (OGC Case No. 24-0272) – Ashley Heights, Sunlight, Winding Waters, Oak Haven, Country Walk, Eleven Oaks, Oakcrest Villas, Ponderosa

    a. Deficiencies during inspection – Failed to conduct repairs to the tank, failed to provide flow meter calibration records, failed to adequately maintain the well pad, no O&M manual, no emergency preparedness/response plan, no isolation valve exercising reports, no flushing records, no cross connection control program, no cross connection control plan, no records of testing of backflow prevention assemblies, tank inspection not performed by a licensed engineer, tank of different capacity installed without permit, failed to exercise auxiliary power, missing MORs, maximum day capacity was exceeded, missed sampling. (EXH 150, BSP E3519-E3533)

Aquarina Utilities
Schedule of Potable Water Rate Base
Test Year Ended 01/31/2025

Schedule No. 1-A
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year
1	Plant in Service	$1,832,238	$0	$1,832,238	$0	$1,832,238
2	Land and Land Rights	83,093	0	83,093	(45,511)	37,582
3	Non-used and Useful Components	0	0	0	(43,198)	(43,198)
4	Accumulated Depreciation	(1,310,526)	0	(1,310,526)	(173)	(1,310,699)
5	CIAC	(421,159)	0	(421,159)	0	(421,159)
6	Amortization of CIAC	280,041	0	280,041	0	280,041
7	Acquisition Adjustment	1,145,736	0	1,145,736	(1,145,736)	0
8	Working Capital Allowance	0	0	0	0	0
9	**Rate Base**	$1,609,423	$0	$1,609,423	($1,234,618)	$374,805

Schedule 1-A

Aquarina Utilities
Schedule of Non-Potable Water Rate Base
Test Year Ended 1/31/25

Schedule No. 1-A
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year
1	Plant in Service	$1,168,579	$0	$1,168,579	$0	$1,168,579
2	Land and Land Rights	27,487	0	27,487	(2,989)	24,498
3	Non-used and Useful Components	0	0	0	0	0
4	Accumulated Depreciation	(876,958)	0	(876,958)	(35)	(876,993)
5	CIAC	0	0	0	0	0
6	Accumulated Amortization of CIAC	0	0	0	0	0
7	Acquisition Adjustments	863,567	0	863,567	(863,567)	0
8	Working Capital Allowance	0	0	0	0	0
9	**Rate Base**	$1,182,675	$0	$1,182,675	($866,591)	$316,084

Schedule 1-B

Aquarina Utilities
Schedule of Wastewater Rate Base
Test Year Ended 01/31/2025

Schedule No. 1-B
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year
1	Plant in Service	$1,227,079	$0	$1,227,079	$0	$1,227,079
2	Land and Land Rights	67,076	0	67,076	(33,396)	33,680
3	Non-used and Useful Components	$0	0	0	(28,970)	(28,970)
4	Accumulated Depreciation	(742,009)	0	(742,009)	(195)	(742,204)
5	CIAC	(612,495)	0	(612,495)	0	(612,495)
6	Amortization of CIAC	524,294	0	524,294	0	524,294
7	Acquisition Adjustment	306,986	0	306,986	(306,986)	0
8	Working Capital Allowance	0	0	0	0	0
9	**Rate Base**	$770,931	$0	$770,931	($369,547)	$401,384

Aquarina Utilities
Adjustments to Rate Base
Test Year Ended 01/31/2025

Schedule No. 1-C
Docket No. 20250052-WS

Explanation	**Water**	**Wastewater**
Land		
To reflect Audit Finding No. 3.	($45,511)	($33,396)
Non-used and Useful		
To reflect net non-used and useful adjustment.	($43,198)	($28,970)
Accumulated Depreciation		
To reflect appropriate accumulated depreciation.	($173)	($195)
Acquisition Adjustment		
To remove acquisition adjustment.	($1,145,736)	($306,986)

Aquarina Utilities - Non-Potable
Adjustments to Rate Base
Test Year Ended 1/31/25

Schedule No. 1-C
Docket No. 20250052-WS

Explanation	**Water**
Land	
To reflect Audit Finding No. 3.	($2,989)
Accumulated Depreciation	
To correct salvage values.	$35
Acquisition Adjustment	
To remove acquisition adjustment.	($863,567)

Schedule 3-A

Aquarina Utilities
Statement of Potable Water Operations
Test Year Ended 01/31/2025

Schedule No. 3-A
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1	**Operating Revenues:**	$143,514	$185,357	$328,871	($91,028)	$237,843	($54,277) (22.82%)	$183,566
	Operating Expenses							
2	Operation & Maintenance	$97,513	$1,790	$99,303	$186	$99,489		$99,489
3	Depreciation	30,665	0	30,665	(4,147)	26,518		26,518
4	Taxes Other Than Income	14,081	8,341	22,422	(5,075)	17,347	(2,442)	14,905
5	Income Taxes	0	35,381	35,381	(11,540)	23,841	(13,138)	10,704
6	**Total Operating Expense**	142,259	45,512	187,771	(20,576)	167,195	(15,580)	151,615
7	**Operating Income**	$1,255	$139,845	$141,100	($70,452)	$70,648	($38,697)	$31,951
8	**Rate Base**	$1,609,423		$1,609,423		$374,805		$374,805
9	**Rate of Return**	0.08%		8.77%		18.85%		8.52%

Schedule 3-A

Aquarina Utilities
Statement of Non-Potable Water Operations
Test Year Ended 1/31/25

Schedule No. 3-A
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1	**Operating Revenues:**	$301,090	$77,702	$378,792	($178,156)	$200,636	$79,987 39.87%	$280,623
	Operating Expenses							
2	Operation & Maintenance	$194,671	$7,375	$202,046	$315	$202,361		$202,361
3	Depreciation	19,521	0	19,521	(131)	19,390		19,390
4	Taxes Other Than Income	24,067	3,497	27,564	(8,263)	19,301	3,599	22,900
5	Income Taxes	0	25,975	25,975	(36,309)	(10,334)	19,360	9,027
6	**Total Operating Expense**	238,259	36,847	275,106	(44,388)	230,718	22,960	253,678
7	**Operating Income**	$62,831	$40,855	$103,686	($133,768)	($30,082)	$57,027	$26,945
8	**Rate Base**	$1,182,675		$1,182,675		$316,084		$316,084
9	**Rate of Return**	5.31%		8.77%		(9.52%)		8.52%

Schedule 3-B

Aquarina Utilities
Statement of Wastewater Operations
Test Year Ended 01/31/2025

Schedule No. 3-B
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1	**Operating Revenues:**	$255,100	$55,206	$310,306	($13,677)	$296,629	($31,689) (10.68%)	$264,940
	Operating Expenses							
2	Operation & Maintenance	$190,125	$6,596	$196,721	$384	$197,105		$197,105
3	Depreciation	5,447	0	5,447	(3,795)	1,652		1,652
4	Taxes Other Than Income	21,150	2,484	23,634	(1,704)	21,930	(1,426)	20,504
5	Income Taxes	0	16,917	16,917	2,216	19,133	(7,670)	11,463
6	**Total Operating Expense**	216,722	25,997	242,719	(2,899)	239,820	(9,096)	230,724
7	**Operating Income**	$38,378	$29,209	$67,587	($10,778)	$56,809	($22,593)	$34,216
8	**Rate Base**	$770,931		$770,931		$401,384		$401,384
9	**Rate of Return**	4.98%		8.77%		14.15%		8.52%

Aquarina Utilities
Adjustment to Operating Income
Test Year Ended 01/31/2025

Schedule 3-C
Docket No. 20250052-WS

	Explanation	Water	Wastewater
	Operating Revenues		
1	Requested final revenue increase.		
2	Remove requested final Increase.	($185,357)	($55,206)
3	To reflect the appropriate amount of annualized revenues.	94,329	41,529
	Total	($91,028)	($13,677)
	Operation and Maintenance Expense		
1	To reflect Audit Finding No. 10.	$13	$14
2	To remove lobbying expense.	(125)	(97)
3	To reflect the appropriate rate case expense.	298	467
	Total	$186	$384
	Depreciation Expense - Net		
1	To reflect Audit Finding No. 4.	($2,089)	($1,498)
2	To reflect Audit Finding No 5.	(409)	(274)
3	To reflect appropriate depreciation expense.	0	(215)
4	To remove net depreciation on non-U&U adjustment above.	(1,649)	(1,808)
	Total	($4,147)	($3,795)
	Taxes Other Than Income		
1	RAFs on revenue adjustments above.	($4,096)	($615)
2	To reflect most recent property tax expense.	(327)	(573)
3	To reflect non-used and useful property tax expense.	(652)	(516)
	Total	($5,075)	($1,704)

Aquarina Utilities - Non-Potable
Adjustment to Operating Income
Test Year Ended 1/31/25

Schedule 3-C
Docket No. 20250052-WS

	Explanation	Water
	Operating Revenues	
1	To remove requested revenues.	($77,702)
2	To reflect the appropriate amount of annualized revenues.	(100,454)
	Total	($178,156)
	Operation and Maintenance Expense	
1	To reflect Audit Finding No. 10.	$17
2	To reflect appropriate rate case expense.	298
	Total	$315
	Depreciation Expense - Net	
	To reflect Audit Finding No. 5.	($131)
	Taxes Other Than Income	
1	RAFs on revenue adjustments above.	($8,017)
2	To reflect most recent property tax expense.	(246)
	Total	($8,263)

Schedule 4-A

CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC. (AQUARINA) **SCHEDULE NO. 4-A**
TEST YEAR ENDED JANUARY 31, 2025 **DOCKET NO. 20250052-WS**
MONTHLY WATER RATES

	RATES AT THE TIME OF FILING	COMMISSION APPROVED INTERIM RATES	UTILITY PROPOSED FINAL RATES	COMMISSION APPROVED RATES	4 YEAR RATE REDUCTION
Residential and General Service (Potable)					
Base Facility Charge by Meter Size					
5/8"X3/4"	$23.74	$25.02	$32.91	$12.84	$0.04
3/4"	$35.61	$37.53	$49.37	$19.26	$0.06
1"	$59.35	$62.55	$82.28	$32.10	$0.10
1-1/2"	$118.70	$125.10	$164.55	$64.20	$0.21
2"	$189.92	$200.16	$263.28	$102.72	$0.33
3"	$379.84	$400.32	$493.65	$205.44	$0.66
4"	$593.50	$625.50	$822.75	$321.00	$1.03
6"	$1,187.00	$1,251.00	$1,645.50	$642.00	$2.05
8"	N/A	N/A	$2,632.80	$1,027.20	$3.29
Charge per 1,000 gallons - Residential and General Service	$8.61	$9.07	$1.90	N/A	
0 - 4,000 gallons	N/A	N/A	N/A	$4.26	$0.01
4,001 - 10,000 gallons	N/A	N/A	N/A	$6.39	$0.02
Over 10,000 gallons	N/A	N/A	N/A	$7.46	$0.02
Charge per 1,000 gallons - General Service	N/A	N/A	N/A	$4.36	$0.01
Irrigation Service (Non-Potable)					
Base Facility Charge by Meter Size					
5/8"X3/4"	$11.77	$15.21	$20.90	$19.88	$0.02
3/4"	$17.66	$22.82	$31.35	$29.82	$0.03
1"	$29.43	$38.03	$52.25	$49.70	$0.05
1-1/2"	$58.85	$76.05	$104.50	$99.40	$0.11
2"	$94.16	$121.68	$167.20	$159.04	$0.17
3"	$205.98	$266.18	$313.50	$318.08	$0.35
4"	$294.26	$380.25	$522.50	$497.00	$0.55
6"	$588.51	$760.50	$1,045.00	$994.00	$1.09
8"	$1,059.32	$1,368.90	$1,672.00	$1,590.40	$1.75
Charge per 1,000 gallons - Irrigation Service	$1.64	$2.12	$3.15	$2.13	$0.00
Typical Residential 5/8" x 3/4" Meter Bill Comparison					
4,000 Gallons	$58.18	$61.30	$40.51	$29.88	
8,000 Gallons	$92.62	$97.58	$48.11	$55.44	
12,000 Gallons	$127.06	$133.86	$55.71	$89.54	
Typical Irrigation 5/8" x 3/4" Meter Bill Comparison					
30,000 Gallons	$60.97	$78.81	$115.40	$83.78	
60,000 Gallons	$110.17	$142.41	$209.90	$147.68	
90,000 Gallons	$159.37	$206.01	$304.40	$211.58	

Schedule 4-B

CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC. (AQUARINA) TEST YEAR ENDED JANUARY 31, 2025 MONTHLY WASTEWATER RATES				SCHEDULE NO. 4-B DOCKET NO. 20250052-WS	
	RATES AT THE TIME OF FILING	COMMISSION APPROVED INTERIM RATES	UTILITY PROPOSED FINAL RATES	COMMISSION APPROVED RATES	4 YEAR RATE REDUCTION
Residential Service					
All Meter Sizes	$30.62	$26.25	N/A*	N/A*	N/A*
Charge per 1,000 gallons - Residential Service 10,000 Gallonage Cap	$6.64	$5.69	N/A	N/A	N/A
Flat Rate	$47.96	$41.12	N/A	N/A	N/A
General Service					
Base Facility Charge by Meter Size					
5/8"X3/4"	$30.62	$26.25	N/A	N/A	N/A
3/4"	$45.93	$39.38	N/A	N/A	N/A
1"	$76.55	$65.63	N/A	N/A	N/A
1-1/2"	$153.10	$131.25	N/A	N/A	N/A
2"	$244.96	$210.00	N/A	N/A	N/A
3"	$489.92	$420.00	N/A	N/A	N/A
4"	$765.50	$656.25	N/A	N/A	N/A
6"	$1,531.00	$1,312.50	N/A	N/A	N/A
8"	N/A	N/A	N/A	N/A	N/A
Charge per 1,000 gallons - General Service	$7.97	$6.83	N/A	N/A	N/A
Typical Residential 5/8" x 3/4" Meter Bill Comparison					
4,000 Gallons	$57.18	$49.01	$38.75	$36.92	
8,000 Gallons	$83.74	$71.77	$38.75	$36.92	
12,000 Gallons	$97.02	$83.15	$38.75	$36.92	

BFF Corp.
Schedule of Wastewater Rate Base
Test Year Ended 1/31/25

Schedule No. 1-B
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year
1	Plant in Service	$264,864	$0	$264,864	$0	$264,864
2	Land and Land Rights	34,751	0	34,751	(33,172)	1,579
3	Non-used and Useful Components	0	0	0	0	0
4	Accumulated Depreciation	(202,039)	0	(202,039)	117	(202,922)
5	CIAC	(35,402)	0	(35,402)	0	(35,402)
6	Amortization of CIAC	31,097	0	31,097	0	31,097
7	Working Capital Allowance	0	0	0	0	0
8	**Rate Base**	$93,271	$0	$93,271	($33,055)	$60,216

BFF Corp. **Adjustments to Rate Base** **Test Year Ended 1/31/25**	**Schedule No. 1-C** **Docket No. 20250052-WS**
Explanation	**Wastewater**
Land	
To reflect Audit Finding No. 3.	($33,172)
Accumulated Depreciation	
To correct salvage values.	$117

Schedule 3-B

BFF Corp.
Statement of Wastewater Operations
Test Year Ended 1/31/25

Schedule No. 3-B
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1	**Operating Revenues:**	$98,495	$34,217	$132,712	($48,909)	$83,803	$47,181 56.30%	$130,984
	Operating Expenses							
2	Operation & Maintenance	$104,795	$6,216	$111,011	$144	$111,155		$111,155
3	Depreciation	6,624	0	6,624	(289)	6,335		6,335
4	Amortization	0	0	0	0	0		0
5	Taxes Other Than Income	5,207	1,540	6,747	(2,229)	4,518	2,123	6,641
6	Income Taxes	0	162	162	(9,862)	(9,700)	11,420	1,720
7	**Total Operating Expense**	116,626	7,918	124,544	(12,236)	112,308	13,543	125,851
8	**Operating Income**	($18,131)	$26,299	$8,168	($36,673)	($28,505)	$33,638	$5,133
9	**Rate Base**	$93,271		$93,271		$60,216		$60,216
10	**Rate of Return**	(19.44%)		8.76%		(47.34%)		8.52%

BFF Corp.
Adjustment to Operating Income
Test Year Ended 1/31/25

Schedule No. 3-C
Docket No. 20250052-WS

	Explanation	Wastewater
	Operating Revenues	
1	To remove requested revenues.	($34,217)
2	To reflect the appropriate amount of annualized revenues.	(14,692)
	Total	($48,909)
	Operation and Maintenance Expense	
1	To reflect Audit Finding No. 10.	$21
2	To remove lobbying expense.	(32)
3	To reflect the appropriate rate case expense.	155
	Total	$144.05
	Depreciation Expense - Net	
1	To reflect Audit Finding No. 4.	($78)
2	To reflect Audit Finding No. 5.	(244)
3	To reflect the appropriate depreciation expense.	33
	Total	($289)
	Taxes Other Than Income	
1	RAFs on revenue adjustments above.	($2,201)
2	To reflect most recent property tax expense.	(28)
	Total	($2,229)

Schedule 4-B

CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC. (BFF) **SCHEDULE NO. 4-B**
TEST YEAR ENDED JANUARY 31, 2025 **DOCKET NO. 20250052-WS**
MONTHLY WASTEWATER RATES

	RATES AT THE TIME OF FILING	COMMISSION APPROVED INTERIM RATES	UTILITY PROPOSED FINAL RATES	COMMISSION APPROVED RATES	4 YEAR RATE REDUCTION
Residential Service					
All Meter Sizes	$32.98	$42.31	N/A*	N/A*	N/A*
Charge per 1,000 gallons - Residential Service	$8.75	$11.23	N/A	N/A	N/A
10,000 Gallonage Cap					
Flat Rate	$75.35	$96.66	N/A	N/A	N/A
General Service					
Base Facility Charge by Meter Size					
5/8"X3/4"	$32.98	$42.31	N/A	N/A	N/A
3/4"	$49.47	$63.47	N/A	N/A	N/A
1"	$82.45	$105.78	N/A	N/A	N/A
1-1/2"	$164.90	$211.55	N/A	N/A	N/A
2"	$263.84	$338.48	N/A	N/A	N/A
3"	$527.68	$676.96	N/A	N/A	N/A
4"	$824.50	$1,057.75	N/A	N/A	N/A
6"	$1,649.00	$2,115.50	N/A	N/A	N/A
8"	N/A	N/A	N/A	N/A	N/A
Charge per 1,000 gallons - General Service	$10.18	$13.06	N/A	N/A	N/A
Typical Residential 5/8" x 3/4" Meter Bill Comparison					
4,000 Gallons	$67.98	$87.23	$38.75	$36.92	
8,000 Gallons	$102.98	$132.15	$38.75	$36.92	
12,000 Gallons	$120.48	$154.61	$38.75	$36.92	

C.F.A.T. H2O, Inc.
Schedule of Water Rate Base
Test Year Ended 1/31/25

Schedule No. 1-A
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year
1	Plant in Service	$664,924	$0	$664,924	$0	$664,924
2	Land and Land Rights	54,295	0	54,295	(34,795)	19,500
3	Non-used and Useful Components	0	0	0	(23,028)	(23,028)
4	Accumulated Depreciation	(382,912)	0	(382,912)	(40)	(382,933)
5	CIAC	(124,933)	0	(124,933)	0	(124,933)
6	Amortization of CIAC	121,788	0	121,788	0	121,788
7	Working Capital Allowance	0	0	0	0	0
8	**Rate Base**	$333,162	$0	$333,162	($57,823)	$275,299

C.F.A.T. H2O, Inc.
Schedule of Wastewater Rate Base
Test Year Ended 1/31/25

Schedule No. 1-B
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year
1	Plant in Service	$409,465	$0	$409,465	$0	$409,465
2	Land and Land Rights	55,948	0	55,948	(16,948)	39,000
3	Non-used and Useful Components	0	0	0	(18,786)	(18,786)
4	Accumulated Depreciation	(96,238)	0	(96,238)	(200)	(96,438)
5	CIAC	(262,882)	0	(262,882)	0	(262,882)
6	Amortization of CIAC	265,394	0	265,394	0	265,394
7	Working Capital Allowance	0	0	0	0	0
8	**Rate Base**	$371,687	$0	$371,687	($35,734)	$335,753

C.F.A.T. H2O, Inc. **Schedule No. 1-C**
Adjustments to Rate Base **Docket No. 20250052-WS**
Test Year Ended 1/31/25

Explanation	**Water**	**Wastewater**
Land		
To reflect Audit Finding No. 3.	($34,795)	($16,948)
Non-used and Useful		
To reflect net non-used and useful adjustment.	($23,028)	($18,786)
Accumulated Depreciation		
To correct salvage values.	($40)	($200)

C.F.A.T. H2O, Inc.
Statement of Water Operations
Test Year Ended 1/31/25

Schedule No. 3-A
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1	**Operating Revenues:**	$99,267	$132,423	$231,690	($130,052)	$101,638	$127,613 125.56%	$229,251
	Operating Expenses							
2	Operation & Maintenance	$163,334	$2,753	$166,087	($1,247)	$164,840		$164,840
3	Depreciation	23,729	0	23,729	(2,575)	21,154		21,154
4	Amortization	0	0	0	0	0		0
5	Taxes Other Than Income	6,164	5,959	12,123	(5,939)	6,184	5,743	11,926
6	Income Taxes	0	585	585	(23,611)	(23,026)	30,888	7,862
7	**Total Operating Expense**	193,227	9,297	202,524	(33,372)	169,152	36,631	205,783
8	**Operating Income**	($93,960)	$123,126	$29,166	($96,680)	($67,514)	$90,982	$23,468
9	**Rate Base**	$333,162		$333,162		$275,299		$275,299
10	**Rate of Return**	(28.20%)		$8.75%		(24.52%)		8.52%

Schedule 3-B

C.F.A.T. H2O, Inc.
Statement of Wastewater Operations
Test Year Ended 1/31/25

Schedule No. 3-B
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1	**Operating Revenues:**	$137,855	$35,182	$173,037	($41,925)	$131,112	$45,441 34.66%	$176,559
	Operating Expenses							
2	Operation & Maintenance	$119,689	($5,809)	$113,880	$263	$114,143		$114,143
3	Depreciation	17,216	0	17,216	(1,867)	15,349		15,349
4	Amortization	0	0	0	0	0		0
5	Taxes Other Than Income	7,162	1,583	8,745	(1,933)	6,812	2,045	8,857
6	Income Taxes	0	656	656	(2,068)	(1,412)	11,000	9,589
7	**Total Operating Expense**	144,067	(3,570)	140,497	(5,605)	134,892	13,045	147,937
8	**Operating Income**	($6,212)	$38,752	$32,540	($36,320)	($3,780)	$32,402	$28,622
9	**Rate Base**	$371,687		$371,687		$335,753		$335,753
10	**Rate of Return**	(1.67%)		8.75%		(1.13%)		8.52%

C.F.A.T. H2O, Inc.
Adjustment to Operating Income
Test Year Ended 1/31/25

Schedule 3-C
Docket No. 20250052-WS

	Explanation	Water	Wastewater
	Operating Revenues		
1	To remove requested revenues.	($132,423)	($35,182)
2	To reflect the appropriate amount of annualized revenues.	2,371	(6,743)
	Total	($130,052)	($41,925)
	Operation and Maintenance Expense		
1	To reflect Audit Finding No. 10.	$8	$7
2	To remove lobbying expense.	(67)	(68)
3	To reflect the appropriate rate case expense.	320	324
4	To reflect excessive unaccounted for water.	(1,508)	0
	Total	($1,247)	$263
	Depreciation Expense - Net		
1	To reflect Audit Finding No. 5.	($88)	($411)
2	To reflect appropriate depreciation expense.	(888)	149
3	To remove net depreciation on non-used and useful adjustment.	(1,599)	(1,605)
	Total	($2,575)	($1,867)
	Taxes Other Than Income		
1	RAFs on revenue adjustments above.	($5,852)	($1,887)
2	To reflect most recent property tax expense.	56	39
3	To reflect non-used and useful property tax expense.	(143)	(86)
	Total	($5,939)	($1,933)

Schedule 4-A

CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC. (C.F.A.T. H2O) TEST YEAR ENDED JANUARY 31, 2025 MONTHLY WATER RATES					SCHEDULE NO. 4-A DOCKET NO. 20250052-WS
	RATES AT THE TIME OF FILING	COMMISSION APPROVED INTERIM RATES	UTILITY PROPOSED FINAL RATES	COMMISSION APPROVED RATES	4 YEAR RATE REDUCTION
Residential and General Service					
Base Facility Charge by Meter Size					
5/8"X3/4"	$12.67	$23.64	$32.91	$12.84	$0.04
3/4"	N/A	N/A	$49.37	$19.26	$0.06
1"	$31.68	$59.10	$82.28	$32.10	$0.10
1-1/2"	$63.35	$118.20	$164.55	$64.20	$0.21
2"	$101.36	$189.12	$263.28	$102.72	$0.33
3"	$202.72	$378.24	$493.65	$205.44	$0.66
4"	$316.75	$591.00	$822.75	$321.00	$1.03
6"	N/A	N/A	$1,645.50	$642.00	$2.05
8"	N/A	N/A	$2,632.80	$1,027.20	$3.29
Charge per 1,000 gallons - Residential Service					
0-3,000 gallons	$4.33	$8.08	N/A	N/A	
3,001-6,000 gallons	$8.02	$14.96	N/A	N/A	
Over 6,000 gallons	$12.02	$22.42	N/A	N/A	
0-4,000 gallons	N/A	N/A	N/A	$4.26	$0.01
4,001-10,000 gallons	N/A	N/A	N/A	$6.39	$0.02
Over 10,000 gallons	N/A	N/A	N/A	$7.46	$0.02
Charge per 1,000 gallons - Residential Service	N/A	N/A	$1.90	N/A	
Charge per 1,000 gallons - General Service	$5.99	$11.17	$3.15	$4.37	$0.01
Typical Residential 5/8" x 3/4" Meter Bill Comparison					
4,000 Gallons	$33.68	$62.84	$40.51	$29.88	
8,000 Gallons	$73.76	$137.60	$48.11	$55.44	
12,000 Gallons	$121.84	$227.28	$55.71	$83.14	

Schedule 4-B

CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC. (C.F.A.T. H2O) **SCHEDULE NO. 4-B**
TEST YEAR ENDED JANUARY 31, 2025 **DOCKET NO. 20250052-WS**
MONTHLY WASTEWATER RATES

	RATES AT THE TIME OF FILING	COMMISSION APPROVED INTERIM RATES	UTILITY PROPOSED FINAL RATES	COMMISSION APPROVED RATES	4 YEAR RATE REDUCTION
Residential Service					
All Meter Sizes	$17.34	$22.88	N/A*	N/A*	N/A*
Charge per 1,000 gallons - Residential Service 10,000 Gallonage Cap	$4.76	$6.28	N/A	N/A	N/A
General Service					
Base Facility Charge by Meter Size					
5/8"X3/4"	$17.34	$22.88	N/A	N/A	N/A
3/4"	N/A	N/A	N/A	N/A	N/A
1"	$43.35	$57.20	N/A	N/A	N/A
1-1/2"	$86.70	$114.40	N/A	N/A	N/A
2"	$138.72	$183.04	N/A	N/A	N/A
3"	$277.44	$366.08	N/A	N/A	N/A
4"	$433.50	$572.00	N/A	N/A	N/A
6"	N/A	N/A	N/A	N/A	N/A
8"	N/A	N/A	N/A	N/A	N/A
Charge per 1,000 gallons - General Service	$4.76	$6.28	N/A	N/A	N/A
Typical Residential 5/8" x 3/4" Meter Bill Comparison					
4,000 Gallons	$36.38	$48.00	$38.75	$36.92	
8,000 Gallons	$55.42	$73.12	$38.75	$36.92	
12,000 Gallons	$64.94	$85.68	$38.75	$36.92	

Neighborhood Utilities
Schedule of Water Rate Base
Test Year Ended 01/31/25

Schedule No. 1-A
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year
1	Plant in Service	$729,247	$0	$729,247	$3,450	$732,697
2	Land and Land Rights	39,628	0	39,628	(38,628)	1,000
3	Non-used and Useful Components	0	0	0	0	0
4	Accumulated Depreciation	(422,288)	0	(422,288)	31	(422,257)
5	CIAC	(269,576)	0	(269,576)	0	(269,576)
6	Amortization of CIAC	231,807	0	231,807	0	231,807
7	Working Capital Allowance	158,903	0	158,903	(5,053)	153,850
8	**Rate Base**	$467,721	$0	$467,721	($40,200)	$427,521

Schedule 1-C

Neighborhood Utilities
Adjustments to Rate Base
Test Year Ended 01/31/25

Schedule No. 1-C
Docket No. 20250052-WS

	Explanation	Water
	Plant In Service	
	To reflect Audit Finding No. 1.	$3,450
	Land	
	To reflect Audit Finding No. 3.	($38,628)
	Accumulated Depreciation	
1	To reflect Audit Finding No. 1.	$136
2	To correct salvage values.	(105)
	Total	$31
	Working Capital	
	To reflect Audit Finding No. 7.	($5,053)

Schedule 3-A

Neighborhood Utilities
Statement of Water Operations
Test Year Ended 01/31/25

Schedule No. 3-A
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1	**Operating Revenues:**	$164,075	$121,840	$285,915	($135,608)	$150,307	$141,695 94.27%	$292,002
	Operating Expenses							
2	Operation & Maintenance	$222,286	($6,331)	$215,955	($3,321)	$212,634		$212,634
3	Depreciation	11,844	0	11,844	(707)	11,137		11,137
4	Amortization	0	0	0	0	0		0
5	Taxes Other Than Income	10,884	5,483	16,367	(3,166)	13,201	6,376	19,578
6	Income Taxes	0	807	807	(22,894)	(22,087)	34,297	12,209
7	**Total Operating Expense**	245,014	(41)	244,973	(30,088)	214,885	40,673	255,558
8	**Operating Income**	($80,939)	$121,881	$40,942	($105,520)	($64,578)	$101,022	$36,445
9	**Rate Base**	$467,721		$467,721		$427,521		$427,521
10	**Rate of Return**	(17.30%)		8.75%		(15.11%)		8.52%

Neighborhood Utilities
Adjustment to Operating Income
Test Year Ended 01/31/25

Schedule 3-C
Docket No. 20250052-WS

	Explanation	**Water**
	Operating Revenues	
1	To remove requested revenues.	($121,840)
2	To reflect the appropriate amount of annualized revenues.	(13,768)
	Total	($135,608)
	Operation and Maintenance Expense	
1	To Reflect Audit Finding No. 10.	($83)
2	To remove lobbying expense.	(126)
3	To reflect the appropriate rate case expense.	603
4	To reflect excessive unaccounted for water.	(3,715)
	Total	($3,321)
	Depreciation Expense - Net	
1	To reflect Audit Finding No. 1.	$91
2	To reflect Audit Finding No. 4.	(576)
3	To reflect Audit Finding No. 5.	(222)
	Total	($707)
	Taxes Other Than Income	
1	RAFs on revenue adjustments above	($6,102)
2	To reflect most recent property tax expense.	2,937
	Total	($3,166)

Schedule 4-A

CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC. (NEIGHBORHOOD) **SCHEDULE NO. 4-A**
TEST YEAR ENDED JANUARY 31, 2025 **DOCKET NO. 20250052-WS**
MONTHLY WATER RATES

	RATES AT THE TIME OF FILING	COMMISSION APPROVED INTERIM RATES	UTILITY PROPOSED FINAL RATES	COMMISSION APPROVED RATES	4 YEAR RATE REDUCTION
Residential and General Service					
Base Facility Charge by Meter Size					
5/8"X3/4"	$8.44	$14.62	$32.91	$12.84	$0.04
3/4"	$12.66	$21.93	$49.37	$19.26	$0.06
1"	$21.09	$36.55	$82.28	$32.10	$0.10
1-1/2"	$42.19	$73.10	$164.55	$64.20	$0.21
2"	$67.50	$116.96	$263.28	$102.72	$0.33
3"	$134.99	$233.92	$493.65	$205.44	$0.66
4"	$210.93	$365.50	$822.75	$321.00	$1.03
6"	$421.86	$731.00	$1,645.50	$642.00	$2.05
8"	N/A	N/A	$2,632.80	$1,027.20	$3.29
Charge per 1,000 gallons - Residential					
0-3,000 gallons	$4.34	$7.52	N/A	N/A	
3,001-6,000 gallons	$5.34	$9.25	N/A	N/A	
Over 6,000 gallons	$8.00	$13.86	N/A	N/A	
Charge per 1,000 gallons - Residential					
0-4,000 gallons	N/A	N/A	N/A	$4.26	$0.01
4,001-10,000 gallons	N/A	N/A	N/A	$6.39	$0.02
Over 10,000 gallons	N/A	N/A	N/A	$7.46	$0.02
Charge per 1,000 gallons - Residential	N/A	N/A	$1.90	N/A	
Charge per 1,000 gallons - General Service	$4.81	$8.33	$8.54	$4.36	$0.01
Typical Residential 5/8" x 3/4" Meter Bill Comparison					
4,000 Gallons	$21.46	$37.18	$40.51	$29.88	
8,000 Gallons	$32.14	$55.68	$48.11	$55.44	
12,000 Gallons	$69.48	$120.37	$55.71	$83.14	

North Peninsula Utilities Corporation
Schedule of Wastewater Rate Base
Test Year Ended 01/31/25

Schedule No. 1-B
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year
1	Plant in Service	$1,286,434	$0	$1,286,434	($1,036)	$1,285,398
2	Land and Land Rights	93,203	0	93,203	(46,403)	46,800
3	Non-used and Useful Components	0	0	0	0	0
4	Accumulated Depreciation	(633,925)	0	(633,925)	(270)	(634,195)
5	CIAC	(642,965)	0	(642,965)	0	(642,965)
6	Amortization of CIAC	641,777	0	641,777	0	641,777
7	Acquisition Adjustments	1,196,741	0	1,196,741	(1,196,741)	0
8	Working Capital Allowance	0	0	0	0	0
9	**Rate Base**	$1,941,265	$0	$1,941,265	($1,244,450)	$696,815

Schedule 1-C

	North Peninsula Utilities Corporation **Adjustments to Rate Base** **Test Year Ended 01/31/25**	**Schedule No. 1-C** **Docket No. 20250052-WS**
	Explanation	**Wastewater**
	Plant In Service	
	To reflect Audit Finding No. 1.	($1,036)
	Land	
	To reflect Audit Finding No. 3.	($46,403)
	Accumulated Depreciation	
1	To reflect Audit Finding No. 1.	($60)
2	To reflect the appropriate accumulated depreciation.	(26)
3	To reflect the accumulated depreciation for salvage.	(184)
	Total	($270)
	Acquisition Adjustment	
	To remove acquisition adjustment.	($1,196,741)

Schedule 3-B

North Peninsula Utilities Corporation
Statement of Wastewater Operations
Test Year Ended 01/31/25

Schedule No. 3-B
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1	**Operating Revenues:**	$281,531	$188,187	$469,718	($186,301)	$283,417	$70,765 24.97%	$354,182
	Operating Expenses							
2	Operation & Maintenance	$218,851	($5,125)	$213,726	($16,151)	$197,575		$197,575
3	Depreciation	50,385	0	50,385	(402)	49,983		49,983
4	Amortization	0	0	0	0	0		0
5	Taxes Other Than Income	23,087	8,468	31,555	(7,416)	24,139	3,184	27,323
6	Income Taxes	0	3,826	3,826	3,460	2,772	17,128	19,900
7	**Total Operating Expense**	292,323	7,169	299,492	(20,509)	274,468	20,313	294,781
8	**Operating Income**	($10,792)	$181,018	$170,226	($165,792)	$8,949	$50,452	$59,401
9	**Rate Base**	$1,941,265		$1,941,265		$696,815		$696,815
10	**Rate of Return**	(0.56%)		8.77%		1.28%		8.52%

North Peninsula Utilities Corporation
Adjustment to Operating Income
Test Year Ended 01/31/25

Schedule 3-C
Docket No. 20250052-WS

	Explanation	Wastewater
	Operating Revenues	
1	To remove requested revenue increase.	($188,187)
2	To reflect the appropriate amount of annualized revenues.	1,886
	Total	($186,301)
	Operation and Maintenance Expense	
1	To reflect Audit Finding No. 10.	($298)
2	To remove lobbying expense.	(173)
3	To reflect the appropriate rate case expense.	829
4	To correct MFR miscalculation.	(16,509)
	Total	($16,151)
	Depreciation Expense - Net	
1	To reflect Audit Finding No. 5.	($391)
2	To reflect appropriate depreciation expense.	(11)
	Total	($402)
	Taxes Other Than Income	
1	RAFs on revenue adjustments above.	($8,384)
2	To reflect most recent property tax expense.	967
	Total	($7,416)

Schedule 4-B

CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC. (NORTH PENINSULA) TEST YEAR ENDED JANUARY 31, 2025 MONTHLY WASTEWATER RATES				SCHEDULE NO. 4-B DOCKET NO. 20250052-WS	
	RATES AT THE TIME OF FILING	COMMISSION APPROVED INTERIM RATES	UTILITY PROPOSED FINAL RATES	COMMISSION APPROVED RATES	4 YEAR RATE REDUCTION
Residential Flat Rate					
All Meter Sizes	$39.03	$51.76	N/A*	N/A*	N/A*
General Service Flat Rate					
All Meter Sizes					
Las Olas Townhomes (6 ERCs)	$236.24	$313.28	N/A	N/A	N/A
2986 Ocean Shore Blvd. (14 ERCs)	$546.48	$724.69	N/A	N/A	N/A
Ocean Air (17 ERCs)	$663.59	$879.99	N/A	N/A	N/A
Seabridge North (65 ERCs)	$2,537.25	$3,364.65	N/A	N/A	N/A
Seabridge South (70 ERCs)	$2,732.42	$3,623.46	N/A	N/A	N/A

Schedule 1-A

Rolling Oaks
Schedule of Water Rate Base
Test Year Ended 01/31/25

Schedule No. 1-A
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year
1	Plant in Service	$3,647,486	$0	$3,647,486	($266)	$3,647,220
2	Land and Land Rights	2,443,987	0	2,443,987	(2,434,059)	9,928
3	Non-used and Useful Components	0	0	0	(19,973)	(19,973)
4	Accumulated Depreciation	(2,728,722)	0	(2,728,722)	(342)	(2,729,064)
5	CIAC	(2,315,859)	0	(2,315,859)	(1,353)	(2,317,212)
6	Amortization of CIAC	1,990,044	0	1,990,044	0	1,990,044
7	Working Capital Allowance	0	0	0	0	0
8	**Rate Base**	$3,036,936	$0	$3,036,936	($2,455,993)	$580,943

Rolling Oaks
Schedule of Wastewater Rate Base
Test Year Ended 01/31/25

Schedule No. 1-B
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year
1	Plant in Service	$6,575,892	$0	$6,575,892	$2,511	$6,578,403
2	Land and Land Rights	2,694,945	0	2,694,945	(2,685,084)	9,861
3	Non-used and Useful Components	0	0	0	(306,232)	(306,232)
4	Accumulated Depreciation	(5,329,283)	0	(5,329,283)	(458)	(5,329,741)
5	CIAC	(2,281,111)	0	(2,281,111)	(21,458)	(2,302,569)
6	Amortization of CIAC	1,956,321	0	1,956,321	0	1,956,321
7	Working Capital Allowance	0	0	0	0	0
8	**Rate Base**	$3,616,764	$0	$3,616,764	($3,010,721)	$606,043

Rolling Oaks
Adjustments to Rate Base
Test Year Ended 1/31/25

Schedule No. 1-C
Docket No. 20250052-WS

	Explanation	Water	Wastewater
	Plant In Service		
	To reflect Audit Finding No. 1.	($266)	$2,511
	Land		
	To reflect Audit Finding No. 3.	($2,434,059)	($2,685,084)
	Non-used and Useful		
	To reflect non-used and useful adjustment.	($19,973)	($306,232)
	Accumulated Depreciation		
1	To reflect Audit Finding No. 1.	($93)	$84
2	To reflect appropriate accumulated depreciation.	84	41
3	To correct salvage values.	(333)	(583)
	Total	($342)	$458
	CIAC		
	To reflect Audit Finding No. 4.	($1,353)	($21,458)

Schedule 3-A

Rolling Oaks
Statement of Water Operations
Test Year Ended 01/31/25

Schedule No. 3-A
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1	**Operating Revenues:**	$1,421,780	$747,928	$2,169,708	($723,863)	$1,445,845	$365,163 25.26%	$1,811,008
	Operating Expenses							
2	Operation & Maintenance	$1,941,731	($193,167)	$1,748,564	($70,281)	$1,678,283		$1,678,283
3	Depreciation	8,636	0	8,636	(9,287)	(651)		(651)
4	Amortization	0	0	0	0	0		0
5	Taxes Other Than Income	46,894	33,657	80,551	(29,721)	50,830	16,432	67,262
6	Income Taxes	0	65,749	65,749	(137,544)	(71,795)	88,386	16,591
7	**Total Operating Expense**	1,997,261	(93,761)	1,903,500	(246,833)	1,656,667	104,818	1,761,485
8	**Operating Income**	($575,481)	$841,689	$266,208	($477,030)	($210,822)	$260,345	$49,523
9	**Rate Base**	$3,036,936		$3,036,936		$580,943		$580.943
10	**Rate of Return**	(18.95%)		8.77%		(36.29%)		8.52%

Schedule 3-B

Rolling Oaks
Statement of Wastewater Operations
Test Year Ended 01/31/25

Schedule No. 3-B
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1	**Operating Revenues:**	$1,888,159	($118,848)	$1,769,311	$107,930	$1,877,241	($468,643) (24.96%)	$1,408,598
	Operating Expenses							
2	Operation & Maintenance	$1,393,389	($125,343)	$1,268,046	$13,265	$1,281,311		$1,281,311
3	Depreciation	37,372	0	37,372	(32,727)	4,645		4,645
4	Amortization	0	0	0	0	0		0
5	Taxes Other Than Income	73,630	(5,348)	68,282	6,479	74,761	(21,089)	53,672
6	Income Taxes	0	78,577	78,577	52,163	130,740	(113,433)	17,308
7	**Total Operating Expense**	1,504,391	(52,114)	1,452,277	39,180	1,491,457	(134,522)	1,356,935
8	**Operating Income**	$383,768	($66,734)	$317,034	$68,750	$385,784	($334,122)	$51,663
9	**Rate Base**	$3,616,764		$3,616,764		$606,043		$606,043
10	**Rate of Return**	10.61%		8.77%		63.66%		8.52%

Schedule 3-C

Rolling Oaks
Adjustment to Operating Income
Test Year Ended 1/31/25

Schedule 3-C
Docket No. 20250052-WS

	Explanation	Water	Wastewater
	Operating Revenues		
1	To remove requested revenues.	($747,928)	$118,848
2	To reflect the appropriate amount of annualized revenues.	24,065	(10,918)
	Total	($723,863)	$107,930
	Operation and Maintenance Expense		
1	To reflect Audit Finding No. 10.	$1,151	$8,004
2	To remove lobbying expense.	(1,770)	(1,389)
3	To reflect the appropriate rate case expense.	8,473	6,650
4	To reflect excessive unaccounted for water.	(78,135)	0
	Total	($70,281)	$13,265
	Depreciation Expense - Net		
1	To reflect Audit Finding No. 1.	($62)	$56
2	To reflect Audit Finding No. 4.	(5,608)	(4,815)
3	To reflect Audit Finding No. 5.	(1,228)	(1,191)
4	To reflect appropriate depreciation expense.	56	28
5	To remove net depreciation on non-used and useful adjustment.	(2,445)	(26,805)
	Total	($9,287)	($32,727)
	Taxes Other Than Income		
1	RAFs on revenue adjustments above.	($32,574)	$4,857
2	To reflect most recent property tax expense.	3,077	5,612
3	To reflect non-used and useful property tax expense.	(224)	(3,990)
	Total	($29,721)	$6,479

Schedule 4-A

CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC. (ROLLING OAKS) TEST YEAR ENDED JANUARY 31, 2025 MONTHLY WATER RATES			SCHEDULE NO. 4-A DOCKET NO. 20250052-WS
		RATES AT THE TIME OF FILING	COMMISSION APPROVED INTERIM RATES
Residential and General Service			
Base Facility Charge by Meter Size			
5/8"X3/4"		$12.11	$16.32
1"		$30.19	$40.80
1-1/2"		$60.34	$81.60
2"		$96.51	$130.56
3"		$192.96	$261.12
4"		$301.48	$408.00
6"		$602.51	$816.00
Charge per 1,000 gallons			
5/8"X3/4"	0-10,000 gallons	$0.73	$0.98
	10,001-20,000 gallons	$1.39	$1.87
	20,001-30,000 gallons	$2.09	$2.82
	30,001-40,000 gallons	$2.79	$3.76
	Over 40,000 gallons	$3.46	$4.66
1"	0-25,000 gallons	$0.73	$0.98
	25,001-50,000 gallons	$1.39	$1.87
	50,001-75,000 gallons	$2.09	$2.82
	75,001-100,000 gallons	$2.79	$3.76
	Over 100,000 gallons	$3.46	$4.66
1-1/2"	0-50,000 gallons	$0.73	$0.98
	50,001-100,000 gallons	$1.39	$1.87
	100,001-150,000 gallons	$2.09	$2.82
	150,001-200,000 gallons	$2.79	$3.76
	Over 200,000 gallons	$3.46	$4.66
2"	0-80,000 gallons	$0.73	$0.98
	80,001-160,000 gallons	$1.39	$1.87
	160,001-240,000 gallons	$2.09	$2.82
	240,001-320,000 gallons	$2.79	$3.76
	Over 320,000 gallons	$3.46	$4.66
3"	0-160,000 gallons	$0.73	$0.98
	160,001-320,000 gallons	$1.39	$1.87
	320,001-480,000 gallons	$2.09	$2.82
	480,001-640,000 gallons	$2.79	$3.76
	Over 640,000 gallons	$3.46	$4.66
4"	0-250,000 gallons	$0.73	$0.98
	250,001-500,000 gallons	$1.39	$1.87
	500,001-750,000 gallons	$2.09	$2.82
	750,001-1,000,000 gallons	$2.79	$3.76
	Over 1,000,000 gallons	$3.46	$4.66
6"	0-250,000 gallons	$0.73	$0.98
	250,001-500,000 gallons	$1.39	$1.87
	500,001-750,000 gallons	$2.09	$2.82
	750,001-1,000,000 gallons	$2.79	$3.76
	Over 1,000,000 gallons	$3.46	$4.66
Typical Residential 5/8" x 3/4" Meter Bill Comparison			
4,000 Gallons		$15.03	$20.24
8,000 Gallons		$17.95	$24.16
12,000 Gallons		$22.19	$29.86

Schedule 4-A

CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC. (ROLLING OAKS) SCHEDULE NO. 4-A TEST YEAR ENDED JANUARY 31, 2025 DOCKET NO. 20250052-WS MONTHLY WATER RATES			
	UTILITY REQUESTED FINAL RATES	**COMMISSION APPROVED RATES**	**4 YEAR RATE REDUCTION**
Residential and General Service			
Base Facility Charge by Meter Size			
5/8"X3/4"	$32.91	$12.84	$0.04
3/4"	$49.37	$19.26	$0.06
1"	$82.28	$32.10	$0.10
1-1/2"	$164.55	$64.20	$0.21
2"	$263.28	$102.72	$0.33
3"	$493.65	$205.44	$0.66
4"	$822.75	$321.00	$1.03
6"	$1,645.50	$642.00	$2.05
8"	$2,632.80	$1,027.20	$3.29
Charge per 1,000 gallons - Residential Service	$1.90	N/A	
Charge per 1,000 gallons			
0 - 4,000 gallons	N/A	$4.26	$0.01
4,001 - 10,000 gallons	N/A	$6.39	$0.02
Over 10,000 gallons	N/A	$7.46	$0.02
Charge per 1,000 gallons - General Service	$3.15	$4.36	$0.01
Typical Residential 5/8" x 3/4" Meter Bill Comparison			
4,000 Gallons	$40.51	$29.88	
8,000 Gallons	$48.11	$55.44	
12,000 Gallons	$55.71	$83.14	

Schedule 4-B

CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC. (ROLLING OAKS) TEST YEAR ENDED JANUARY 31, 2025 MONTHLY WASTEWATER RATES				SCHEDULE NO. 4-B DOCKET NO. 20250052-WS	
	RATES AT THE TIME OF FILING	COMMISSION APPROVED INTERIM RATES	UTILITY REQUESTED FINAL RATES	COMMISSION APPROVED RATES	4 YEAR RATE REDUCTION
Residential Service					
All Meter Sizes	$18.55	$20.20	N/A*	N/A*	N/A*
Charge per 1,000 gallons - Residential Service 10,000 Gallonage Cap	$3.49	$3.80	N/A	N/A	N/A
General Service					
Base Facility Charge by Meter Size					
5/8"X 3/4"	$18.55	$20.20	N/A	N/A	N/A
3/4"	N/A	N/A	N/A	N/A	N/A
1"	$46.27	$50.50	N/A	N/A	N/A
1-1/2"	$92.48	$101.00	N/A	N/A	N/A
2"	$147.94	$161.60	N/A	N/A	N/A
3"	$295.81	$323.20	N/A	N/A	N/A
4"	$461.91	$505.00	N/A	N/A	N/A
6"	$665.50	$707.00	N/A	N/A	N/A
8"	$924.29	$1,010.00	N/A	N/A	N/A
Charge per 1,000 gallons - General Service	$4.24	$4.62	N/A	N/A	N/A
Typical Residential 5/8" x 3/4" Meter Bill Comparison					
4,000 Gallons	$32.51	$35.40	$38.75	$36.92	
8,000 Gallons	$46.47	$50.60	$38.75	$36.92	
12,000 Gallons	$53.45	$58.20	$38.75	$36.92	

Sebring Ridge Utilities, LLC
Schedule of Wastewater Rate Base
Test Year Ended 01/31/25

Schedule No. 1-B
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year
1	Plant in Service	$1,087,791	$0	$1,087,791	$0	$1,087,791
2	Land and Land Rights	103,019	0	103,019	(57,303)	45,716
3	Non-used and Useful Components	0	0	0	(105,072)	(105,072)
4	Accumulated Depreciation	(425,073)	0	(425,073)	(141)	(425,214)
5	CIAC	(282,771)	0	(282,771)	0	(282,771)
6	Amortization of CIAC	230,841	0	230,841	0	230,841
7	Working Capital Allowance	0	0	0	0	0
8	**Rate Base**	$713,807	$0	$713,807	($162,516)	$551,291

Sebring Ridge Utilities, LLC
Adjustments to Rate Base
Test Year Ended 01/31/25

Schedule No. 1-C
Docket No. 20250052-WS

Explanation	**Wastewater**
Land	
To reflect Audit Finding No. 3.	($57,303)
Non-used and Useful	
To reflect non-used and useful adjustment.	($105,072)
Accumulated Depreciation	
To correct salvage values.	($141)

Schedule 3-B

Sebring Ridge Utilities, LLC
Statement of Wastewater Operations
Test Year Ended 01/31/25

Schedule No. 3-B
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1	**Operating Revenues:**	$114,578	$145,176	$259,754	($192,930)	$66,824	$185,543 277.66%	$252,367
	Operating Expenses							
2	Operation & Maintenance	$170,487	($6,136)	$164,351	$27	$164,378		$164,378
3	Depreciation	22,857	0	22,857	(6,040)	16,817		16,817
4	Amortization	0	0	0	0	0		0
5	Taxes Other Than Income	2,248	6,533	8,781	(8,698)	83	8,349	8,433
6	Income Taxes	0	1,276	1,276	1,276	(29,166)	44,910	15,744
7	**Total Operating Expense**	195,592	1,673	197,265	(13,435)	152,112	53,259	205,371
8	**Operating Income**	($81,014)	$143,503	$62,489	($179,495)	($85,288)	$132,284	$46,995
9	**Rate Base**	$713,807		$713,807		$551,291		$551,291
10	**Rate of Return**	(11.35%)		8.75%		(15.47%)		8.52%

Sebring Ridge Utilities, LLC
Adjustment to Operating Income
Test Year Ended 01/31/25

Schedule 3-C
Docket No. 20250052-WS

	Explanation	Wastewater
	Operating Revenues	
1	To remove requested revenues.	($145,176)
2	To reflect the appropriate amount of annualized revenues.	(47,754)
	Total	($192,930)
	Operation and Maintenance Expense	
1	To reflect Audit Finding No. 10.	($279)
2	To remove lobbying expense.	(81)
3	To reflect the appropriate rate case expense.	387
	Total	$27
	Depreciation Expense - Net	
1	To reflect Audit Finding No. 4.	($673)
2	To reflect Audit Finding No. 5.	(283)
3	To remove net depreciation on non-used and useful adjustment.	(5,084)
	Total	($6,040)
	Taxes Other Than Income	
1	RAFs on revenue adjustments above.	($8,682)
2	To reflect most recent property tax expense.	(16)
	Total	($8,698)

Schedule 4-B

CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC. (SEBRING RIDGE) TEST YEAR ENDED JANUARY 31, 2025 MONTHLY WASTEWATER RATES				SCHEDULE NO. 4-B DOCKET NO. 20250052-WS	
	RATES AT THE TIME OF FILING	COMMISSION APPROVED INTERIM RATES	UTILITY PROPOSED FINAL RATES	COMMISSION APPROVED RATES	4 YEAR RATE REDUCTION
Residential Service					
All Meter Sizes	$16.17	$59.43	N/A*	N/A*	N/A*
Charge per 1,000 gallons - Residential Servi	$3.51	$12.90	N/A	N/A	N/A
10,000 Gallonage Cap					
General Service					
Base Facility Charge by Meter Size					
5/8"X3/4"	$16.17	$59.43	N/A	N/A	N/A
3/4"	$24.26	$89.15	N/A	N/A	N/A
1"	$40.43	$148.58	N/A	N/A	N/A
1-1/2"	$80.85	$297.15	N/A	N/A	N/A
2"	$129.36	$475.44	N/A	N/A	N/A
3"	$258.72	$950.88	N/A	N/A	N/A
4"	$404.25	$1,485.75	N/A	N/A	N/A
6"	$808.50	$2,971.50	N/A	N/A	N/A
8"	N/A	N/A	N/A	N/A	N/A
Charge per 1,000 gallons - General Service	$4.20	$15.44	N/A	N/A	N/A
Typical Residential 5/8" x 3/4" Meter Bill Comparison					
4,000 Gallons	$30.21	$111.03	$38.75	$36.92	
8,000 Gallons	$44.25	$162.63	$38.75	$36.92	
12,000 Gallons	$51.27	$188.43	$38.75	$36.92	

Schedule 1-A

Sunshine Utilities – P-QR
Schedule of Water Rate Base
Test Year Ended 01/31/25

Schedule No. 1-A
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year
1	Plant in Service	$377,113	$0	$377,113	$372,650	$749,763
2	Land and Land Rights	32,768	0	32,768	(22,768)	10,000
3	Non-used and Useful Components	0	0	0	0	0
4	Construction Work in Progress	0	372,650	372,650	(372,650)	0
5	Accumulated Depreciation	(96,483)	0	(96,483)	9,457	(87,026)
6	CIAC	(26,300)	0	(26,300)	0	(26,300)
7	Amortization of CIAC	15,968	0	15,968	0	15,968
8	Acquisition Adjustments	403,712	0	403,712	(403,712)	0
9	Working Capital Allowance	0	0	0	0	0
10	**Rate Base**	$706,778	$372,650	$1,079,428	($417,023)	$662,405

Sunshine Utilities – Other
Adjustments to Rate Base
Test Year Ended 1/31/25

Schedule No. 1-C
Docket No. 20250052-WS

Explanation	**Water**
Plant In Service	
To reclassify pro forma additions into plant accounts.	$372,650
Land	
To reflect Audit Finding No. 3.	($22,768)
Construction Work in Progress	
To reclassify pro forma additions into plant accounts.	($372,650)
Accumulated Depreciation	
To include reclassified pro forma addition's depreciation.	$9,618
To correct salvage values.	($161)
Total	$9,457
Acquisition Adjustment	
To remove acquisition adjustment.	($403,712)

Schedule 3-A

Sunshine Utilities – P-QR
Statement of Water Operations
Test Year Ended 01/31/2025

Schedule No. 3-A
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1	**Operating Revenues:**	$83,495	$205,656	$289,151	($206,792)	$82,359	$169,708 206.06%	$252,067
	Operating Expenses							
2	Operation & Maintenance	$146,481	($988)	$145,493	($2,052)	$143,441		$143,441
3	Depreciation	15,880	0	15,880	9,281	25,161		25,161
4	Amortization	0	0	0	0	0		0
5	Taxes Other Than Income	543	9,255	9,798	(9,354)	444	7,637	8,081
6	Income Taxes	0	23,385	23,385	(45,545)	(22,160)	41,077	18,917
7	**Total Operating Expense**	162,904	31,652	194,556	(47,670)	146,886	48,714	195,600
8	**Operating Income**	($79,409)	$174,004	$94,595	($159,122)	($64,527)	$120,995	$56,467
9	**Rate Base**	$706,778		$1,079,428		$662,405		$662,405
10	**Rate of Return**	(11.24%)		8.76%		(9.74%)		8.52%

Sunshine Utilities – Other
Adjustment to Operating Income
Test Year Ended 1/31/25

Schedule 3-C
Docket No. 20250052-WS

	Explanation	Water
	Operating Revenues	
1	To remove requested revenues.	($205,656)
2	To reflect the appropriate amount of annualized revenues.	(1,146)
	Total	($206,802)
	Operation and Maintenance Expense	
1	To reflect Audit Finding No. 10.	$28
2	To remove lobbying expense.	(81)
3	To reflect the appropriate rate case expense.	386
4	To reflect excessive unaccounted for water.	(2,385)
	Total	($2,052)
	Depreciation Expense - Net	
1	To reflect Audit Finding No. 4.	($16)
2	To reflect Audit Finding No. 5.	(321)
3	To reflect pro forma plant depreciation expense.	9,618
	Total	$9,281
	Taxes Other Than Income	
1	RAFs on revenue adjustments above.	($9,352)
2	To reflect most recent property tax expense.	(48)
	Total	($9,354)

Schedule 1-A

Sunshine Utilities - Unified
Schedule of Water Rate Base
Test Year Ended 01/31/25

Schedule No. 1-A
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year
1	Plant in Service	$5,237,433	$0	$5,237,433	$720,427	$5,957,860
2	Land and Land Rights	363,670	0	363,670	(292,893)	70,777
3	Non-used and Useful Components	0	0	0	0	0
4	Construction Work in Progress	0	720,427	720,427	(720,427)	0
5	Accumulated Depreciation	(2,655,531)	0	(2,655,531)	12,166	(2,643,365)
6	CIAC	(2,047,250)	0	(2,047,250)	0	(2,047,250)
7	Amortization of CIAC	1,936,632	0	1,936,632	0	1,936,632
8	Acquisition Adjustments	5,457,165	0	5,457,165	(5,457,165)	0
9	Working Capital Allowance	0	0	0	0	0
10	**Rate Base**	$8,292,119	$720,427	$9,012,546	($5,737,892)	$3,274,654

Sunshine Utilities - Unified
Adjustments to Rate Base
Test Year Ended 1/31/25

Schedule No. 1-C
Docket No. 20250052-WS

	Explanation	Water
	Plant In Service	
	To reclassify pro forma additions into plant accounts.	$720,427
	Land	
	To reflect Audit Finding No. 3.	($292,893)
	Construction Work in Progress	
	To reclassify pro forma additions into plant accounts.	($720,427)
	Accumulated Depreciation	
1	To remove organization balance.	($5,206)
2	To include reclassified pro forma addition's depreciation.	18,644
3	To correct salvage values.	(1,272)
	Total	$12,166
	Acquisition Adjustment	
	To remove acquisition adjustment.	($5,457,165)

Schedule 3-A

Sunshine Utilities - Unified
Statement of Water Operations
Test Year Ended 01/31/25

Schedule No. 3-A
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1	**Operating Revenues:**	$1,034,571	$1,578,639	$2,613,210	($1,592,720)	$1,020,490	$946,029 92.70%	$1,966,519
	Operating Expenses							
2	Operation & Maintenance	$1,578,529	($135,367)	$1,443,162	($25,896)	$1,417,266		$1,417,266
3	Depreciation	59,230	0	59,230	16,271	75,501		75,501
4	Amortization	0	0	0	0	0		0
5	Taxes Other Than Income	59,241	71,039	130,280	(71,770)	58,510	42,571	101,081
6	Income Taxes	0	191,197	191,197	(326,659)	(135,462)	228,981	93,519
7	**Total Operating Expense**	1,697,000	126,869	1,823,869	(408,054)	1,415,815	271,553	1,687,368
8	**Operating Income**	($662,429)	$1,451,770	$789,341	($1,184,666)	($395,325)	$674,477	$279,152
9	**Rate Base**	$8,292,119		$9,012,546		$3,274,654		$3,274,654
10	**Rate of Return**	(7.99%)		8.76%		(12.07%)		8.52%

Sunshine Utilities - Unified
Adjustment to Operating Income
Test Year Ended 1/31/25

Schedule 3-C
Docket No. 20250052-WS

	Explanation	Water
	Operating Revenues	
1	To remove requested revenues.	($1,578,639)
2	To reflect the appropriate amount of annualized revenues.	(14,090))
	Total	($1,592,729)
	Operation and Maintenance Expense	
1	To reflect Audit Finding No. 10.	($41)
2	To remove lobbying expense.	(1,089)
3	To reflect the appropriate rate case expense.	5,213
4	To reflect excessive unaccounted for water.	(29,978)
	Total	($25,896)
	Depreciation Expense - Net	
1	To reflect Audit Finding No. 4.	$180
2	To reflect Audit Finding No. 5.	(2,553)
3	To reflect pro forma plant depreciation expense.	18,644
	Total	$16,271
	Taxes Other Than Income	
1	RAFs on revenue adjustments above	($71,673)
2	To reflect most recent property tax expense.	(98)
	Total	($71,770)

Schedule 4-A

CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC. (SUNSHINE UTILITIES) | **SCHEDULE NO. 4-A**
TEST YEAR ENDED JANUARY 31, 2025 | **DOCKET NO. 20250052-WS**
MONTHLY WATER RATES

	RATES AT THE TIME OF FILING	COMMISSION APPROVED INTERIM RATES	UTILITY PROPOSED FINAL RATES	COMMISSION APPROVED RATES	4 YEAR RATE REDUCTION
Residential (RS1) and General Service (GS1)					
Base Facility Charge by Meter Size					
5/8"X3/4"	$8.72	$15.57	$32.91	$12.84	$0.04
3/4"	$13.08	$23.36	$49.37	$19.26	$0.06
1"	$21.80	$38.93	$82.28	$32.10	$0.10
1-1/4"	$32.70	$58.39	N/A	N/A	N/A
1-1/2"	$43.60	$77.85	$164.55	$64.20	$0.21
2"	$69.76	$124.56	$263.28	$102.72	$0.33
3"	$139.52	$249.12	$493.65	$205.44	$0.66
4"	$218.00	$389.25	$822.75	$321.00	$1.03
6"	$436.00	$778.50	$1,645.50	$642.00	$2.05
8"	$784.80	$1,401.30	$2,632.80	$1,027.20	$3.29
10"	$1,264.40	$2,257.65	N/A	N/A	N/A
Charge per 1,000 gallons - Residential (RS1)					
0-5,000 gallons	$2.03	$3.62	N/A	N/A	
5,001-10,000 gallons	$2.21	$3.95	N/A	N/A	
Over 10,000 gallons	$4.42	$7.89	N/A	N/A	
Charge per 1,000 gallons - Residential					
0-4,000 gallons	N/A	N/A	N/A	$4.26	$0.01
4,001-10,000 gallons	N/A	N/A	N/A	$6.39	$0.02
Over 10,000 gallons	N/A	N/A	N/A	$7.46	$0.02
Charge per 1,000 gallons - General Service (GS1)	$2.42	$4.32	N/A	N/A	
Charge per 1,000 gallons - Residential and General Service	N/A	N/A	$1.90	N/A	
Residential (RS2) and General Service (GS2)					
Base Facility Charge by Meter Size					
5/8"X3/4"	$9.57	$22.02	$32.91	$12.84	$0.04
3/4"	$14.36	$33.03	$49.37	$19.26	$0.06
1"	$23.93	$55.05	$82.28	$32.10	$0.10
1-1/4"	$35.89	$82.58	N/A	N/A	N/A
1-1/2"	$47.85	$110.10	$164.55	$64.20	$0.21
2"	$76.56	$176.16	$263.28	$102.72	$0.33
3"	$153.12	$352.32	$493.65	$205.44	$0.66
4"	$239.25	$550.50	$822.75	$321.00	$1.03
6"	$478.50	$1,101.00	$1,645.50	$642.00	$2.05
8"	$861.30	$1,981.80	$2,632.80	$1,027.20	$3.29
10"	$1,387.65	$3,192.90	N/A	N/A	N/A
Charge per 1,000 gallons - Residential (RS2) and General Service	$2.53	$5.82	$1.90	N/A	
Charge per 1,000 gallons - Residential					
0-4,000 gallons	N/A	N/A	N/A	$4.26	$0.01
4,001-10,000 gallons	N/A	N/A	N/A	$6.39	$0.02
Over 10,000 gallons	N/A	N/A	N/A	$7.46	$0.02
Charge per 1,000 gallons - General Service	N/A	N/A	N/A	$4.36	$0.01
Typical Residential 5/8" x 3/4" Meter Bill Comparison - Unified (RS1)					
4,000 Gallons	$16.84	$30.05	$40.51	$29.88	
8,000 Gallons	$25.50	$45.52	$48.11	$55.44	
12,000 Gallons	$38.76	$69.20	$55.71	$83.14	
Typical Residential 5/8" x 3/4" Meter Bill Comparison - Other (RS2)					
4,000 Gallons	$19.69	$19.69	$40.51	$29.88	
8,000 Gallons	$29.81	$29.81	$48.11	$55.44	
12,000 Gallons	$39.93	$39.93	$55.71	$83.14	

Schedule 1-B

TKCB, Inc.
Schedule of Wastewater Rate Base
Test Year Ended 001/31/25

Schedule No. 1-B
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year
1	Plant in Service	$173,583	$0	$173,583	$0	$173,583
2	Land and Land Rights	83,755	0	83,755	(47,552)	36,203
3	Non-used and Useful Components	0	0	0	0	0
4	Accumulated Depreciation	(12,067)	0	(12,067)	(47)	(12,114)
5	CIAC	0	0	0	0	0
6	Amortization of CIAC	0	0	0	0	0
7	Working Capital Allowance	0	0	0	0	0
8	**Rate Base**	$245,271	$0	$245,271	($47,599)	$197,672

TKCB, Inc.
Adjustments to Rate Base
Test Year Ended 1/31/25

Schedule No. 1-C
Docket No. 20250052-WS

Explanation	**Wastewater**
Land	
To reflect Audit Finding No. 3.	($47,552)
Accumulated Depreciation	
To correct salvage values.	($47)

Schedule 3-B

TKCB, Inc.
Statement of Wastewater Operations
Test Year Ended 01/31/25

Schedule No. 3-B
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1	**Operating Revenues:**	$99,715	$91,511	$191,226	($77,481)	$113,745	$78,580 69.08%	$192,325
	Operating Expenses							
2	Operation & Maintenance	$133,911	$7,927	$141,838	$188	$142,026		$142,026
3	Depreciation	9,019	0	9,019	304	9,323		9,323
4	Amortization	0	0	0	0	0		0
5	Taxes Other Than Income	14,599	4,118	18,717	(3,773)	14,945	3,536	18,481
6	Income Taxes	0	318	318	(13,693)	(13,375)	19,020	5,645
7	**Total Operating Expense**	157,529	12,363	169,892	(16,974)	152,919	22,556	175,475
8	**Operating Income**	($57,814)	$79,148	$21,334	($60,507)	($39,174)	$56,024	$16,850
9	**Rate Base**	$245,271		$245,271		$197,672		$197,672
10	**Rate of Return**	(23.57%)		8.70%		(19.82%)		8.52%

TKCB, Inc.
Adjustment to Operating Income
Test Year Ended 1/31/25

Schedule 3-C
Docket No. 20250052-WS

	Explanation	Wastewater
	Operating Revenues	
1	To remove requested revenues.	($91,511)
2	To reflect the appropriate amount of annualized revenues.	14,030
	Total	($77,481)
	Operation and Maintenance Expense	
1	To reflect Audit Finding No. 10.	($112)
2	To remove lobbying expense.	(79)
3	To reflect the appropriate rate case expense.	379
	Total	$188
	Depreciation Expense - Net	
1	To reflect Audit Finding No. 5.	($116)
2	To reflect appropriate depreciation expense.	420
	Total	$304
	Taxes Other Than Income	
1	RAFs on revenue adjustments above.	($3,487)
2	To reflect most recent property tax expense.	(287)
	Total	($3,773)

Schedule 4-B

CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC. (TKCB) TEST YEAR ENDED JANUARY 31, 2025 MONTHLY WASTEWATER RATES				SCHEDULE NO. 4-B DOCKET NO. 20250052-WS	
	RATES AT THE TIME OF FILING	COMMISSION APPROVED INTERIM RATES	UTILITY REQUESTED FINAL RATES	COMMISSION APPROVED RATES	4 YEAR RATE REDUCTION
Residential Service					
All Meter Sizes	$20.25	$31.08	N/A*	N/A*	N/A*
Charge per 1,000 gallons - Residential Service 10,000 Gallonage Cap	$7.14	$10.96	N/A	N/A	N/A
General Service					
Base Facility Charge by Meter Size					
5/8"X3/4"	$20.25	$31.08	N/A	N/A	N/A
3/4"	$30.38	$46.62	N/A	N/A	N/A
1"	$50.63	$77.70	N/A	N/A	N/A
1-1/2"	$101.25	$155.40	N/A	N/A	N/A
2"	$162.00	$248.64	N/A	N/A	N/A
3"	$324.00	$497.28	N/A	N/A	N/A
4"	$506.25	$777.00	N/A	N/A	N/A
6"	$1,012.50	$1,554.00	N/A	N/A	N/A
8"	N/A	N/A	N/A	N/A	N/A
Charge per 1,000 gallons - General Service	$8.55	$13.12	N/A	N/A	N/A
Typical Residential 5/8" x 3/4" Meter Bill Comparison					
4,000 Gallons	$48.81	$74.92	$38.75	$36.92	
8,000 Gallons	$77.37	$118.76	$38.75	$36.92	
12,000 Gallons	$91.65	$140.68	$38.75	$36.92	

Schedule 1-A

Tradewinds Utilities, Inc.
Schedule of Water Rate Base
Test Year Ended 01/31/25

Schedule No. 1-A
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year
1	Plant in Service	$1,102,258	$0	$1,102,258	$0	$1,102,258
2	Land and Land Rights	119,988	0	119,988	(49,988)	70,000
4	Accumulated Depreciation	(849,601)	0	(849,601)	(39)	(849,640)
5	CIAC	(342,919)	0	(342,919)	0	(342,919)
6	Amortization of CIAC	342,484	0	342,484	0	342,484
7	Working Capital Allowance	0	0	0	0	0
8	**Rate Base**	$372,210	$0	$372,210	($50,027)	$322,183

Schedule 1-B

Tradewinds Utilities, Inc.
Schedule of Wastewater Rate Base
Test Year Ended 01/31/25

Schedule No. 1-B
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year
1	Plant in Service	$639,537	$0	$639,537	$0	$639,537
2	Land and Land Rights	33,938	0	33,938	(33,938)	0
3	Non-used and Useful Components	0	0	0	0	0
4	Accumulated Depreciation	(553,008)	0	(553,008)	(185)	(553,193)
5	CIAC	(545,968)	0	(545,968)	0	(545,968)
6	Amortization of CIAC	546,854	0	546,854	0	546,854
7	Working Capital Allowance	0	0	0	0	0
8	**Rate Base**	$121,353	$0	$121,353	($34,123)	$87,230

Tradewinds Utilities, Inc.
Adjustments to Rate Base
Test Year Ended 12/31/25

Schedule No. 1-C
Docket No. 20250052-WS

Explanation	**Water**	**Wastewater**
Land		
To reflect Audit Finding No. 3.	($49,988)	($33,938)
Accumulated Depreciation		
To correct salvage values.	($39)	($185)

Schedule 3-A

Tradewinds Utilities, Inc.
Statement of Water Operations
Test Year Ended 01/31/25

Schedule No. 3-A
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1	**Operating Revenues:**	$508,037	($199,536)	$308,501	$179,225	$487,726	($183,713) (37.67%)	$304,013
	Operating Expenses							
2	Operation & Maintenance	$229,330	($11,033)	$218,297	($886)	$217,411		$217,411
3	Depreciation	31,479	0	31,479	(97)	31,382		31,382
4	Amortization	0	0	0	0	0		0
5	Taxes Other Than Income	21,587	(2,763)	18,824	7,998	26,822	(8,267)	18,555
6	Income Taxes	0	7,361	7,361	46,307	53,668	(44,467)	9,201
7	**Total Operating Expense**	282,396	(6,435)	275,961	53,321	329,282	(52,734)	276,548
8	**Operating Income**	$225,641	($193,101)	$32,540	$125,904	$158,444	($130,979)	$27,465
9	**Rate Base**	$372,210		$372,210		$322,183		$322,183
10	**Rate of Return**	60.62%		8.74%		49.18%		8.52%

Schedule 3-B

Tradewinds Utilities, Inc.
Statement of Wastewater Operations
Test Year Ended 01/31/25

Schedule No. 3-B
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1	**Operating Revenues:**	$259,106	($88,483)	$170,623	$51,662	$222,285	($55,493) (24.96%)	$166,792
	Operating Expenses							
2	Operation & Maintenance	$138,073	$152	$138,225	($133)	$138,092		$138,092
3	Depreciation	11,386	0	11,386	(408)	10,978		10,978
4	Amortization	0	0	0	0	0		0
5	Taxes Other Than Income	12,006	(3,982)	8,024	2,268	10,292	(2,497)	7,794
6	Income Taxes	0	2,377	2,377	13,546	15,923	(13,432)	2,491
7	**Total Operating Expense**	161,465	(1,453)	160,012	15,272	175,285	(15,929)	159,356
8	**Operating Income**	$97,641	($87,030)	$10,611	$36,390	$47,000	($39,564)	$7,436
9	**Rate Base**	$121,353		$121,353		$87,230		$87,230
10	**Rate of Return**	80.46%		8.74%		53.88%		8.52%

Tradewinds Utilities, Inc.
Adjustment to Operating Income
Test Year Ended 12/31/25

Schedule 3-C
Docket No. 20250052-WS

	Explanation	Water	Wastewater
	Operating Revenues		
1	To remove requested revenues.	$61,389	$88,483
2	To reflect the appropriate amount of annualized revenues.	108,836	(36,821)
	Total	$170,225	$51,662
	Operation and Maintenance Expense		
1	To reflect Audit Finding No. 10.	($759)	($547)
2	To remove lobbying expense.	(154)	(109)
3	To reflect the appropriate rate case expense.	736	523
4	To reflect excessive unaccounted for water.	(710)	0
	Total	($887)	($133)
	Depreciation Expense – Net		
1	To reflect Audit Finding No. 4.	$0	($13)
2	To reflect Audit Finding No. 5.	(97)	(395)
	Total	($97)	($408)
	Taxes Other Than Income		
1	RAFs on revenue adjustments above.	$7,660	$2,325
2	To reflect most recent property tax expense.	(67)	(57)
	Total	$7,593	$2,268

Schedule 4-A

CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC. (TRADEWINDS) TEST YEAR ENDED JANUARY 31, 2025 MONTHLY WATER RATES			SCHEDULE NO. 4-A DOCKET NO. 20250052-WS	
	RATES AT THE TIME OF FILING	UTILITY PROPOSED FINAL RATES	COMMISSION APPROVED RATES	4 YEAR RATE REDUCTION
Residential and General Service				
Base Facility Charge by Meter Size				
5/8"X3/4"	$10.66	$32.91	$12.84	$0.04
3/4"	N/A	$49.37	$19.26	$0.06
1"	$26.65	$82.28	$32.10	$0.10
1-1/2"	$53.30	$164.55	$64.20	$0.21
2"	$85.28	$263.28	$102.72	$0.33
3"	$170.56	$493.65	$205.44	$0.66
4"	$266.50	$822.75	$321.00	$1.03
6"	$533.00	$1,645.50	$642.00	$2.05
8"	$852.80	$2,632.80	$1,027.20	$3.29
Charge per 1,000 gallons - Residential Service				
0-5,000 gallons	$3.57	N/A	N/A	
5,001-10,000 gallons	$5.38	N/A	N/A	
Over 10,000 gallons	$6.74	N/A	N/A	
Charge per 1,000 gallons - Residential Service				
0-4,000 gallons	N/A	N/A	$4.26	$0.01
4,001-10,000 gallons	N/A	N/A	$6.39	$0.02
Over 10,000 gallons	N/A	N/A	$7.46	$0.02
Charge per 1,000 gallons - Residential Service	N/A	$1.90	N/A	
Charge per 1,000 gallons - General Service	$4.30	$3.15	$4.36	$0.01
Typical Residential 5/8" x 3/4" Meter Bill Comparison				
4,000 Gallons	$24.94	$40.51	$29.88	
8,000 Gallons	$44.65	$48.11	$55.44	
12,000 Gallons	$68.89	$55.71	$83.14	

Schedule 4-B

CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC. (TRADEWINDS) TEST YEAR ENDED JANUARY 31, 2025 MONTHLY WASTEWATER RATES			SCHEDULE NO. 4-B DOCKET NO. 20250052-WS	
	RATES AT THE TIME OF FILING	UTILITY PROPOSED FINAL RATES	COMMISSION APPROVED RATES	4 YEAR RATE REDUCTION
Residential Service				
All Meter Sizes	$24.85	N/A*	N/A*	N/A*
Charge per 1,000 gallons - Residential Service 10,000 Gallonage Cap	$7.96	N/A	N/A	N/A
General Service				
Base Facility Charge by Meter Size				
5/8"X3/4"	$24.85	N/A	N/A	N/A
3/4"	N/A	N/A	N/A	N/A
1"	$62.13	N/A	N/A	N/A
1-1/2"	$124.25	N/A	N/A	N/A
2"	$198.80	N/A	N/A	N/A
3"	$397.60	N/A	N/A	N/A
4"	$621.25	N/A	N/A	N/A
6"	$1,242.50	N/A	N/A	N/A
8"	$1,988.00	N/A	N/A	N/A
Charge per 1,000 gallons - General Service	$7.96	N/A	N/A	N/A
Typical Residential 5/8" x 3/4" Meter Bill Comparison				
4,000 Gallons	$56.69	$38.75	$36.92	
8,000 Gallons	$88.53	$38.75	$36.92	
12,000 Gallons	$120.37	$38.75	$36.92	

Schedule 1-A

Tymber Creek Utilities, Inc.
Schedule of Water Rate Base
Test Year Ended 01/31/25

Schedule No. 1-A
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year
1	Plant in Service	$198,186	$0	$198,186	$0	$198,186
2	Land and Land Rights	24,067	0	24,067	(22,936)	1,131
3	Non-used and Useful Components	0	0	0	0	0
4	Accumulated Depreciation	(169,611)	0	(169,611)	(30)	(169,641)
5	CIAC	(109,559)	0	(109,559)	0	(109,559)
6	Amortization of CIAC	106,188	0	106,188	0	106,188
7	Working Capital Allowance	0	0	0	0	0
8	**Rate Base**	$49,271	$0	$49,271	($22,966)	$26,305

Tymber Creek Utilities, Inc.
Schedule of Wastewater Rate Base
Test Year Ended 01/31/25

Schedule No. 1-B
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year
1	Plant in Service	$654,234	$0	$654,234	$0	$654,234
2	Land and Land Rights	26,794	0	26,794	(22,270)	4,524
3	Non-used and Useful Components	0	0	0	0	0
4	Accumulated Depreciation	(550,243)	0	(550,243)	(31)	(550,274)
5	CIAC	(263,289)	0	(263,289)	0	(263,289)
6	Amortization of CIAC	263,289	0	263,289	0	263,289
7	Working Capital Allowance	0	0	0	0	0
8	**Rate Base**	$130,785	$0	$130,785	($22,301)	$108,484

Tymber Creek Utilities, Inc.
Adjustments to Rate Base
Test Year Ended 12/31/25

Schedule No. 1-C
Docket No. 20250052-WS

Explanation	**Water**	**Wastewater**
Land		
To reflect Audit Finding No. 3.	($22,936)	($22,270)
Accumulated Depreciation		
To correct salvage values.	($30)	($31)

Schedule 3-A

Tymber Creek Utilities, Inc.
Statement of Water Operations
Test Year Ended 01/31/25

Schedule No. 3-A
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1	**Operating Revenues:**	$97,272	$176,972	$274,244	($123,371)	$150,873	$103,671 68.71%	$254,544
	Operating Expenses							
2	Operation & Maintenance	$148,290	$109,347	$257,637	($16,736)	$240,901		$240,901
3	Depreciation	5,250	0	5,250	(88)	5,162		5,162
4	Amortization	0	0	0	0	0		0
5	Taxes Other Than Income	1,587	4,787	6,374	(5,552)	822	4,665	5,488
6	Income Taxes	0	705	705	(25,047)	(24,342)	25,093	751
7	**Total Operating Expense**	155,127	114,839	269,966	(47,422)	222,544	29,758	252,302
8	**Operating Income**	($57,855)	$62,133	$4,278	($75,948)	($71,670)	$73,913	$2,242
9	**Rate Base**	$49,271		$49,271		$26,305		$26,305
10	**Rate of Return**	(117.42%)		8.68%		(272.46%)		8.52%

Schedule 3-B

Tymber Creek Utilities, Inc.
Statement of Wastewater Operations
Test Year Ended 01/31/25

Schedule No. 3-B
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1	**Operating Revenues:**	$197,780	$13,286	$211,066	$105,753	$316,819	($99,980) (31.56%)	$216,839
	Operating Expenses							
2	Operation & Maintenance	$110,880	$67,977	$178,857	$363	$179,220		$179,220
3	Depreciation	12,154	0	12,154	(349)	11,805		11,805
4	Amortization	0	0	0	0	0		0
5	Taxes Other Than Income	6,748	0	6,748	11,219	17,967	(4,499)	13,468
6	Income Taxes	0	1,949	1,949	25,349	27,298	(24,200)	3,098
7	**Total Operating Expense**	129,782	69,926	199,708	36,582	236,290	(28,699)	207,591
8	**Operating Income**	$67,998	($56,640)	$11,358	$69,172	$80,529	($71,281)	$9,248
9	**Rate Base**	$130,785		$130,785		$108,484		$108,484
10	**Rate of Return**	51.99%		8.68%		74.23%		8.52%

Tymber Creek Utilities, Inc.
Adjustment to Operating Income
Test Year Ended 12/31/25

Schedule 3-C
Docket No. 20250052-WS

	Explanation	Water	Wastewater
	Operating Revenues		
1	To remove requested revenues.	($106,369)	$128,881
2	To reflect the appropriate amount of annualized revenues.	(7,061)	(20,028)
	Total	($113,430)	$108,853
	Operation and Maintenance Expense		
1	To reflect Audit Finding No. 10.	$875	($122)
2	To remove lobbying expense.	(83)	(81)
3	To reflect the appropriate rate case expense.	581	566.28
4	To reflect excessive unaccounted for water.	(18,109)	0
	Total	($16,736)	$363
	Depreciation Expense - Net		
1	To reflect Audit Finding No. 5.	$50	($109)
2	To reflect appropriate depreciation expense.	(138)	(240)
	Total	($88)	($349)
	Taxes Other Than Income		
1	RAFs on revenue adjustments above.	($5,104)	$4,898
2	To reflect most recent property tax expense.	0	6,459
	Total	($5,104)	$11,358

Schedule 4-A

CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC. (TYMBER CREEK) **SCHEDULE NO. 4-A**
TEST YEAR ENDED JANUARY 31, 2025 **DOCKET NO. 20250052-WS**
MONTHLY WATER RATES

	RATES AT THE TIME OF FILING	UTILITY PROPOSED FINAL RATES	COMMISSION APPROVED RATES	4 YEAR RATE REDUCTION
Residential and General Service				
Base Facility Charge by Meter Size				
5/8"X3/4"	$9.91	$32.91	$12.84	$0.04
3/4"	$14.87	$49.37	$19.26	$0.06
1"	$24.78	$82.28	$32.10	$0.10
1-1/2"	$49.55	$164.55	$64.20	$0.21
2"	$79.28	$263.28	$102.72	$0.33
3"	$158.56	$493.65	$205.44	$0.66
4"	$247.75	$822.75	$321.00	$1.03
6"	$495.50	$1,645.50	$642.00	$2.05
8"	N/A	$2,632.80	$1,027.20	$3.29
Charge per 1,000 gallons - Residential				
0-6,000 gallons	$3.88	N/A	N/A	
6,001-10,000 gallons	$4.44	N/A	N/A	
Over 10,000 gallons	$6.59	N/A	N/A	
Charge per 1,000 gallons - Residential				
0-4,000 gallons	N/A	N/A	$4.26	$0.01
4,001-10,000 gallons	N/A	N/A	$6.39	$0.02
Over 10,000 gallons	N/A	N/A	$7.46	$0.02
Charge per 1,000 gallons - Residential	N/A	$1.90	N/A	
Charge per 1,000 gallons - General Service	$4.19	$3.15	$4.36	$0.01
Typical Residential 5/8" x 3/4" Meter Bill Comparison				
4,000 Gallons	$25.43	$40.51	$29.88	
8,000 Gallons	$42.07	$48.11	$55.44	
12,000 Gallons	$64.13	$55.71	$83.14	

Schedule 4-B

CSWR-FLORIDA UTILITY OPERATING COMPANY, LLC. (TYMBER CREEK)			SCHEDULE NO. 4-B	
TEST YEAR ENDED JANUARY 31, 2025			DOCKET NO. 20250052-WS	
MONTHLY WASTEWATER RATES				
	RATES AT THE TIME OF FILING	UTILITY PROPOSED FINAL RATES	COMMISSION APPROVED RATES	4 YEAR RATE REDUCTION
Residential Service				
All Meter Sizes	$34.40	N/A*	N/A*	N/A*
Charge per 1,000 gallons - Residential Servic	$9.20	N/A	N/A	N/A
10,000 Gallonage Cap				
General Service				
Base Facility Charge by Meter Size				
5/8"X3/4"	$34.40	N/A	N/A	N/A
3/4"	$51.60	N/A	N/A	N/A
1"	$86.00	N/A	N/A	N/A
1-1/2"	$172.00	N/A	N/A	N/A
2"	$275.20	N/A	N/A	N/A
3"	$550.40	N/A	N/A	N/A
4"	$860.00	N/A	N/A	N/A
6"	$1,720.00	N/A	N/A	N/A
8"	N/A	N/A	N/A	N/A
Charge per 1,000 gallons - General Service	$11.05	N/A	N/A	N/A
Typical Residential 5/8" x 3/4" Meter Bill Comparison				
4,000 Gallons	$71.20	$38.75	$36.92	
8,000 Gallons	$108.00	$38.75	$36.92	
12,000 Gallons	$126.40	$38.75	$36.92	

Schedule 1-A

CSWR-Florida - Consolidated
Schedule of Water Rate Base
Test Year Ended 01/31/2025

Schedule No. 1-A
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year
1	Plant in Service	$14,957,464	$0	$14,957,464	$1,096,261	$16,053,725
2	Land and Land Rights	3,188,983	0	3,188,983	(2,944,567)	244,416
3	Non-used and Useful Components	0	0	0	(86,198)	(86,198)
4	Construction Work in Progress	0	1,093,077	1,093,077	(1,093,077)	0
5	Accumulated Depreciation	(9,492,632)	0	(9,492,632)	20,995	(9,471,637)
6	CIAC	(5,657,555)	0	(5,657,555)	(1,353)	(5,658,908)
7	Amortization of CIAC	5,024,952	0	5,024,952	0	5,024,952
8	Acquisition Adjustments	7,870,180	0	7,870,180	(7,870,180)	0
9	Working Capital Allowance	158,903	0	158,903	(5,053)	153,850
10	**Rate Base**	$16,050,295	$1,093,077	$17,143,372	($10,883,172)	$6,260,200

CSWR-Florida - Consolidated
Schedule of Wastewater Rate Base
Test Year Ended 01/31/2025

Schedule No. 1-B
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year
1	Plant in Service	$12,318,879	$0	$12,318,879	$1,475	$12,320,354
2	Land and Land Rights	3,193,429	0	3,193,429	(2,976,066)	217,363
3	Non-used and Useful Components	0	0	0	(459,060)	(459,060)
4	Accumulated Depreciation	(8,543,885)	0	(8,543,885)	(1,410)	(8,545,295)
5	CIAC	(4,926,883)	0	(4,926,883)	(21,458)	(4,948,341)
6	Amortization of CIAC	4,459,867	0	4,459,867	0	4,459,867
7	Acquisition Adjustments	1,503,727	0	1,503,727	(1,503,727)	0
9	Working Capital Allowance	0	0	0	0	0
10	**Rate Base**	$8,005,134	$0	$8,005,134	($4,960,246)	$3,044,888

CSWR-Florida (Consolidated)
Statement of Water Operations
Test Year Ended 01/31/2025

Schedule No. 3-A
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1	**Operating Revenues:**	$3,853,101	$3,026,981	$6,880,082	($3,002,364)	$3,877,718	$1,695,877 43.73%	$5,573,595
	Operating Expenses							
2	Operation & Maintenance	$4,722,165	($225,621)	$4,496,544	($119,919)	$4,376,625		$4,376,625
3	Depreciation	206,234	0	206,234	8,520	214,754		214,754
4	Amortization	0	0	0	0	0		0
5	Taxes Other Than Income	185,048	136,255	324,303	(130,841)	193,462	76,314	269,776
6	Income Taxes	0	351,145	351,145	(582,841)	(231,697)	410,478	178,782
7	**Total Operating Expense**	5,113,447	264,779	5,378,226	(825,081)	4,553,144	486,793	5,039,937
8	**Operating Income**	($1,260,346)	$2,762,202	$1,501,856	($2,177,283)	($675,426)	$1,208,084	$533,658
9	**Rate Base**	$16,050,295		$17,143,372		$6,260,200		$6,260,200
10	**Rate of Return**	(7.85%)		8.76%		(10.79%)		8.52%

Schedule 3-B

CSWR-Florida (Consolidated)
Statement of Wastewater Operations
Test Year Ended 01/31/2025

Schedule No. 3-B
Docket No. 20250052-WS

	Description	Test Year Per Utility	Utility Adjust-ments	Adjusted Test Year Per Utility	Staff Adjust-ments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1	**Operating Revenues:**	$3,332,319	$355,434	$3,687,753	($295,878)	$3,391,875	($228,290) (6.73%)	$3,163,585
	Operating Expenses							
2	Operation & Maintenance	$2,580,200	($53,545)	$2,526,655	($1,651)	$2,525,004		$2,525,004
3	Depreciation	172,460	0	172,460	(45,573)	126,887		126,887
4	Amortization	0	0	0	0	0		0
5	Taxes Other Than Income	165,837	15,396	181,233	(5,788)	175,445	(10,273)	165,172
6	Income Taxes	0	106,059	106,059	36,155	142,214	(55,256)	86,957
7	**Total Operating Expense**	2,918,497	67,910	2,986,407	(16,857)	2,969,549	(65,529)	2,904,020
8	**Operating Income**	$413,822	$287,524	$701,346	($279,021)	$422,326	($162,761)	$259,565
9	**Rate Base**	$8,005,134		$8,005,134		$3,044,888		$3,044,888
10	**Rate of Return**	5.17%		8.76%		13.87%		8.52%

Schedule 4-B

CSWR-FL (CONSOLIDATED) TEST YEAR ENDED JANUARY 31, 2025 MONTHLY WASTEWATER RATES			SCHEDULE NO. 4-B DOCKET NO. 20250052-WS
	UTILITY PROPOSED RATES	COMMISSION APPROVED RATES	4 YEAR RATE REDUCTION
Residential and General Service			
Flat Rate (1 ERCs)	$38.75	$36.91	$0.11
Flat Rate (1.5 ERCs)	$58.13	$55.37	$0.17
Flat Rate (2.5 ERCs)	$96.88	$92.28	$0.28
Flat Rate (5 ERCs)	$193.75	$184.55	$0.55
Flat Rate (6 ERCs)	$232.50	$221.46	$0.66
Flat Rate (8 ERCs)	$310.00	$295.28	$0.89
Flat Rate (14 ERCs)	$542.50	$516.74	$1.55
Flat Rate (15 ERCs)	$581.25	$553.65	$1.66
Flat Rate (17 ERCs)	$658.75	$627.47	$1.88
Flat Rate (25 ERCs)	$968.75	$922.75	$2.77
Flat Rate (65 ERCs)	$2,518.75	$2,399.15	$7.20
Flat Rate (70 ERCs)	$2,712.50	$2,583.70	$7.75
Flat Rate (252 ERCs)	$9,765.00	$9,301.32	$27.90