

BEFORE THE PUBLIC SERVICE COMMISSION

INITIAL CUSTOMER NOTICE
TO THE CUSTOMERS OF
K W RESORT UTILITIES CORP.
AND
ALL OTHER INTERESTED PERSONS

RE: DOCKET NO. 150071-SU

**APPLICATION FOR INCREASE IN WASTEWATER RATES IN
MONROE COUNTY BY K W RESORT UTILITIES CORP.**

DATED: October 29, 2015

BACKGROUND

K W Resort Utilities Corp. (the "Utility") is a wastewater utility whose corporate offices are located at 6630 Front Street, Key West, Florida 33040. The Utility's wastewater facilities are located in Monroe County, Florida.

On July 1, 2015, the Utility filed an application with the Florida Public Service Commission (the "Commission") for an increase in its wastewater rates to its customers in Monroe County based on an historical test year ending December 31, 2014. The application is assigned Docket No. 150071-SU and September 22, 2015 was established as the official date of filing.

The Utility is requesting a rate increase because the existing rates do not provide sufficient revenues to cover the required expenses of operations on a going-forward basis and an opportunity to earn a fair return on the Utility's investment in used and useful property for the public use. The rate of return on equity requested in this proceeding is 9.36%. The overall rate of return requested is 8.01%. The Company's last rate proceeding before the Commission was in Docket No. 070293-SU, utilizing a test year ending December 31, 2006, which culminated in Order No. PSC-09-0057-FOF-SU dated January 27, 2009.

The Utility has incurred substantial additional operating costs and capital investment.

All of the information on file at the Commission is open to the public and is available for review at the Commission offices in Tallahassee and on its website: <http://www.psc.state.fl.us/dockets/cms/docketFilings3.aspx?docket=150071>. The MFRs filed by the Utility are also available for inspection at the following locations:

50-30 Sewer
35 FKAA

Monroe County Public Library 700 Fleming Street Key West, FL 33040	Hours: Monday - Tuesday: 9:30 a.m. to 6:00 p.m. Thursday - Friday – 9:30 a.m. to 6:00 p.m. Wednesday: 9:30 a.m. to 8:00 p.m. Saturday: 10:00 a.m. to 6:00 p.m. Sunday: Closed
K W Resort Utilities Corp. 6630 Front Street Key West, FL 33040	Office Hours: Monday through Friday 7:30 a.m. to 4:30 p.m.

The test period for setting rates is the historical average thirteen-month period ended December 31, 2014.

RATES

The current wastewater rates and the Utility’s requested final wastewater rates are set forth at the end of this notice. The final wastewater rates are subject to change based on information gathered at the customer meeting, further Staff review, and the final decision by the Commissioners.

SERVICE AVAILABILITY CHARGES

The Utility is not requesting any changes to its service availability charges. Even though not requested to do so, the Commission may review and adjust service availability charges.

PROCEDURES AFTER CUSTOMER MEETINGS

The following tentative schedule was established by the Commission for the remaining major events in the Utility’s rate case (a customer meeting will be scheduled and you will be provided with a separate notice of its date, time and location):

<u>Schedule Item</u>	<u>Due Date</u>
Staff Audit Report	10/16/2015
Utility’s Response to Audit	10/30/2015
Customer Meeting	12/10/2015
Staff’s Recommendation on PAA	02/18/2016
Agenda Conference on PAA Rates	03/01/2016
PAA Order Issued	03/21/2016
Protest Period Expires	04/11/2016
Consummating Order Entered	04/14/2016

HOW TO CONTACT THE COMMISSION

Any person who wishes to comment or provide information to Commission staff may do so at the meetings, either orally or in writing. Other written comments regarding the Utility and the proposed rates, or requests to be placed on the mailing list for this case, may be directed to this address:

Florida Public Service Commission
Director, Office of Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0870

A courtesy copy of written comments and complaints may be mailed/emailed to the following:

Martin S. Friedman, Esquire
Friedman & Friedman, P.A.
766 North Sun Drive, Suite 4030
Lake Mary, Florida 32746
mfriedman@ff-attorneys.com

All correspondence should refer to "Docket No. 150071-SU, K W Resort Utilities Corp." Your letter will be placed in the correspondence file of this docket. You may also submit comments through the Florida Public Service Commission's toll-free facsimile line at 1-800-511-0809, the Commission's e-mail at contact@psc.state.fl.us, or the Commission's website available at <http://floridapsc.com/about/contact/form.aspx>.

If you wish to contact the Florida Public Service Commission regarding complaints about service, you may call the Commission's Division of Consumer Assistance and Outreach at the following toll-free number 1-800-342-3552.

This notice was prepared by the Utility and approved by Commission staff for distribution by the Utility to its customers. If you have any questions, please call the Utility's office at (305) 295-3301.

K W Resort Utilities Corp.

	<u>Current Rates</u>	<u>Utility's Requested Final Rates</u>
Residential Service		
Base Facility Charge all Meter Sizes	\$17.81	\$35.26
Charge per 1,000 gallons 10,000 gallon cap	\$3.87	\$7.66
General Service		
Base Facility Charge by Meter Size		
5/8" x 3/4 "	\$17.81	\$35.26
1"	\$44.53	\$88.17
1.5"	\$89.05	\$176.32
2"	\$142.47	\$282.09
3"	\$284.95	\$564.20
4"	\$445.24	\$881.58
6"	\$890.49	\$1,763.17
8"	\$1,602.86	\$3,173.66
8" Turbo	\$2,048.10	\$4,055.24
Charge per 1,000 gallons	\$4.64	\$9.19
Reclaimed Water		
Charge per 1,000 gallons	\$0.68	\$1.35

	<u>Current Rates</u>	<u>Utility's Requested Final Rates</u>
Private Lift Station Owners		
Base Facility Charge by Meter Size		
5/8" x 3/4 "	\$17.81	\$35.26
1"	\$44.53	\$88.17
2"	\$142.47	\$282.09
Charge per 1,000 gallons	\$4.64	\$9.19
Bulk WW - Safe Harbor Marina		
Residential living units 1 ERC each	\$343.66	\$680.45
Live Aboard Boats .6 ERC each	\$286.38	\$567.03
Non Live Aboard Boats .2 ERC each	\$143.20	\$283.54
Vacant Slips .2 ERC each	\$30.84	\$61.06
Bathhouses 1 ERC each	\$52.87	\$104.68
Commercial Businesses .5 ERC each	\$26.43	\$52.33
Commercial Bar	\$33.73	\$66.79
Total Bulk Rate	\$917.11	\$1,815.88
Bulk WW - South Stock Island Marinas		
6 Residential Living Units 1 ERC each	\$101.96	\$201.88
2" meter serving remainder	\$142.47	\$282.09
Charge per 1,000 gallons	\$4.64	\$9.19

		Utility's
	Current	Requested
	Rates	Final Rates
KW Golf Club HOA		
Large Swimming Pool	\$105.35	\$208.59
Small Swimming Pool	\$31.31	\$61.99
Dewatering Sludge Loads		
Charge per 1,000 gallons	\$4.64	\$9.19
Minimum Charge (155,000 gallons - 20 ERCs @ 250 gpd, 31 days)	\$719.20	\$1,424.02

? Say what!

1. The Fed rate has been near zero for 7-8 yrs. So why 9.36% for this wastewater utility? My investments earn 5.2%.
2. Page 5: Swimming Pool rates per yr? per month? Please state what is meant. My residential rate goes ~~for~~ up 100%. Say what!
3. As a retired couple living in Key West we have become concerned with constant rate increases from County, City, FCAA, and the "Utility". Sure wish somebody would investigate admin. costs. I do not understand ~~it~~ who's on first.

Please Say No!
 Resp Sub.
 Chas & Dawn Daly

Daly
54 Merganser Ln.
EYU, FL 33040

DISTRIBUTION CENTER

15 NOV -9 AM 7:13.

Florida Public Serv. Comm.
Director, Office of Comm. Clerk
2540 Shumard Oak Blvd.
Jallahassie, FL

32399 0870

RECEIVED-FPSC

15 NOV -9 AM 10:02

COMMISSION
CLERK

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