

STATE OF FLORIDA

JULIE I. BROWN
CHAIRMAN



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Public Service Commission

June 30, 2017

RECEIVED-FPSC
2017 JUN 30 AM 11:10
COMMISSION
CLERK

Martin S. Friedman
Friedman & Friedman, Attorneys at Law
766 North Sun Drive, Suite 4030
Lake Mary, FL 32746

Re: 170141-SU - Application for increase in wastewater rates in Monroe County by K W Resort Utilities Corp.

Dear Mr. Friedman:

The Florida Public Service Commission received your letter on June 9, 2017, regarding a proposed rate case by K W Resort Utilities Corp. (KWRU or Utility). In that letter, KWRU requested to use a historic test year ended June 30, 2017, for establishing final rates and to file its application using the Proposed Agency Action (PAA) provision set forth in Section 367.018(10), Florida Statutes (F.S.). In a subsequent letter dated June 26, 2017, upon further reflection KWRU has decided to forego the PAA process and instead will utilize the general process to proceed directly to hearing.

KWRU's test year request complies with all requirements of Rule 25-30.430, Florida Administrative Code (F.A.C.); therefore, KWRU's test year request as outlined above is hereby approved for purposes of filing its Minimum Filing Requirements (MFRs). Docket No. 170141-SU has been assigned to the forthcoming case. Your petition will be deemed filed on the date the Office of Commission Clerk receives the complete petition, the MFRs, and the filing fee. To process this case expeditiously, we request that you file the above no later than October 31, 2017.

Pursuant to Section 367.083, F.S., the official filing date will be the date that complete corrections to deficiencies, if any, are filed. Please note that many schedules included in the MFRs are designed with a column titled "Balance Per Books." This column must reflect the balances on the general ledger and be reconciled with the balances reported in the Utility's Annual Report on file with the Commission. This requirement is applicable to all primary account balances as required by the NARUC Uniform System of Accounts. Pursuant to Rule 25-30.110(2), F.A.C., all data the Commission requests and requires to be submitted in determining a utility's rates "shall be consistent with and reconcilable with the utility's annual report to the Commission."

Martin S. Friedman

Page 2

June 30, 2017

In addition, KWRU should satisfactorily document that it has recorded all adjustments to the Utility's general ledger and accounts that have been ordered by the Commission in any prior proceeding relating to this system. If adjustments were ordered for prior periods that impact subsequent years, the related adjustments shall also be made to reflect the impact for the appropriate period up to and including the approved test year. Further, KWRU should be prepared to justify its requested test year operation and maintenance expenses, particularly those expenses which have increased above the level of customer growth and inflation since the test year utilized in the last rate case.

The Utility is instructed to file all information it wishes the Commission to consider when arriving at a decision on its rate case application with its original filing. Because of the time limitations contained in Section 367.081, F.S., and the lengthy auditing and investigation required, the Commission may disregard any information not filed with the original application. Approval of the test year is only for filing purposes and any party may raise an issue regarding the appropriateness of the test period at any time during the pendency of this proceeding. If you have any questions, please contact Amber Norris at (850) 413-6984 or amnorris@psc.state.fl.us.

Sincerely,



Julie I. Brown
Chairman

JB/an

cc: J. R. Kelly, Office of Public Counsel
Braulio Baez, Executive Director
Mark Futrell, Deputy Executive Director - Technical
Keith Hetrick, General Counsel
Carlotta Stauffer, Commission Clerk