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State of Florida



Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: July 26, 2018

TO: Office of Commission Clerk (Stauffer)

FROM: Division of Economics (Friedrich, Hudson) *SH MF*
Office of the General Counsel (Mapp) *com JSC*

RE: Docket No. 20170086-SU – Investigation into the billing practices of K W Resort Utilities Corp. in Monroe County.

AGENDA: 08/07/18 – Regular Agenda – Show Cause Issue 1 – Proposed Agency Action Issues 2-7

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: Place before Docket No. 20170141-SU

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CLERK

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Case Background

K W Resort Utilities Corporation (KWRU) is a Class A utility providing wastewater service to approximately 1,865 customers in Monroe County. Water service is provided by the Florida Keys Aqueduct Authority (FKAA).

During the utility's 2015 rate case, staff found billing practices that appeared to be inconsistent with the utility's approved tariff.¹ Subsequently, staff opened the instant docket, as ordered by the Commission, to conduct a full audit and investigation of KWRU's billing practices in order to determine if any orders, rules, or statutes were violated by the utility.² The Commission has previously addressed incorrect billing practices of the utility in Order Nos. PSC-02-1165-PAA-SU³ and PSC-02-1711-TRF-SU.⁴

An audit of the utility's billing practices from April 2013 through March 2017 was completed and filed in the docket file on November 6, 2017.⁵ On November 8, 2017, the Utility acknowledged receipt of the audit report and stated its intent to file a written response. KWRU filed a response to the audit on January 30, 2018, and indicated that it had refunded \$72,701.12 to Meridian West, \$25,512.91 to Banyan Grove, and \$43,402.79 to Flagler Village to remedy KWRU's billing errors.⁶

On March 22, 2018, staff held an informal meeting with representatives from KWRU, the Office of Public Counsel (OPC), and Monroe County (County) to discuss the audit results and ongoing investigation. Following the informal meeting between the parties, staff sent a Notice of Apparent Violation (NOAV) to KWRU on May 17, 2018, by certified letter. On June 12, 2018, OPC submitted written comments addressing KWRU's billing practices, many of which are consistent with staff's NOAV. KWRU responded to staff's NOAV on July 16, 2018.

This recommendation addresses the results of staff's audit and investigation of KWRU's billing practices for April 2013 through March 2016. The Commission has jurisdiction in this matter pursuant to Sections 367.081, 367.091, and 367.161, Florida Statutes (F.S.).

¹Order No. PSC-16-0123-PAA-SU, issued March 23, 2016, in Docket No. 150071-SU, *In re: Application for increase in wastewater rates in Monroe County by K W Resort Utilities, Corp.*

²Order No. PSC-17-0091-FOF-SU, issued March 13, 2017, in Docket No. 150071-SU, *In re: Application for increase in wastewater rates in Monroe County by K W Resort Utilities, Corp.*

³Order No. PSC-02-1165-PAA-SU, issued August 26, 2002, in Docket No. 020520-SU, *In re: Complaint by Safe Harbor Marina against K W Resort Utilities Corp. and request for new class of service for bulk wastewater rate in Monroe County*

⁴Order No. PSC-02-1711-TRF-SU, issued December 9, 2002, in Docket No. 021008-SU, *In re: Request for approval of two new classes of bulk wastewater rates in Monroe County by K W Resort Utilities Corp.*

⁵DN. 09533-2017

⁶KWRU indicated it refunded Meridian West and Flagler Village because its billing system erroneously classified these customer accounts as general service rather than residential. KWRU additionally indicated that it refunded Banyan Grove to correct billing based on FKAA meters instead of 48 multi-family units.

Discussion of Issues

Issue 1: Should KWRU be ordered to show cause, in writing, within 21 days, why it should not be fined for apparent violations of Sections 367.081(1) and 367.091(3), F.S., regarding approved rates?

Recommendation: Yes. KWRU should be ordered to show cause, in writing within 21 days, as to why it should not be fined a flat fee in the amount of \$1,000 for failing to charge its approved rates, as required by Sections 367.081(1) and 367.091(3), F.S. (Mapp, Friedrich)

Staff Analysis: Sections 367.081(1) and 367.091, F.S., permit a utility to only charge its approved rates. The Commission has previously investigated KWRU's billing practices on several occasions. In 2001, Safe Harbor Marina (Safe Harbor), a customer of KWRU, filed a letter with the Division of Consumer Affairs concerning the billing practices of KWRU. In Order No. PSC-02-1165-PAA-SU⁷, issued August 26, 2002, the Commission determined that KWRU billed Safe Harbor a flat rate that was not in the utility's tariff and that KWRU was billing discriminatory rates to Safe Harbor. As a result, the Commission approved a unique bulk wastewater rate for Safe Harbor.

Also in 2002, KWRU filed an application for a price index rate adjustment pursuant to Section 367.081(4)(a), F.S. During staff's review of that application, staff became aware of two wastewater charges used in revenue calculations for which there were no Commission-approved tariffs. During a conference call between staff and the utility, the utility was informed of staff's findings and asked to provide additional information about the new classes of service. KWRU provided an explanation of the origin and duration of the charges and filed for new classes of service. As a result, Order No. PSC-02-1711-TRF-SU⁸ was issued December 9, 2002, which established a small pool charge and a large pool charge based on demand the Key West Golf Club - HOA (KWGC-HOA) pool facilities placed on the system. In addition, rates for temporary service for a septic tank pumping company were also approved. While the Commission did not order KWRU to issue any refunds or to show cause for charging a rate that was not in its tariff and failing to apply for a new class of service, the Commission put KWRU on notice that it was in violation of Sections 367.091(4) and 367.091(5), F.S. The Commission stated, as part of its reasoning in declining to show cause KWRU in Docket No. 021008-SU, that "[KWRU] now thoroughly understands the requirements of Sections 367.091(4) and 367.091(5), Florida Statutes, and will not initiate new classes of service without notifying this Commission in a timely manner."

On February 18, 2016, during the PAA portion of KWRU's 2015 rate case,⁹ staff sent a letter to KWRU which stated that the utility's billing practices for several general service customers appeared to be inconsistent with its approved tariff. The utility responded to staff's letter on March 21, 2016. In Order No. PSC-2017-0091-FOF-SU, issued March 13, 2017, the Commission ordered that a separate docket be established to conduct a full audit and

⁷Id.

⁸Id.

⁹In Docket No. 150071-SU, *In re: Application for increase in wastewater rates in Monroe County by K W Resort Utilities, Corp.*

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investigation into the utility's billing practices, and thus, this docket was established. The purpose of the audit and investigation was to determine if any orders, rules, or statutes were violated by the utility. KWRU responded to staff's audit on January 30, 2018.

As mentioned in the case background, staff held an informal meeting on March 22 2018, with representatives from KWRU, OPC and the County. Following this informal meeting, staff issued a NOAV to KWRU on May 17, 2018, by certified letter. Within staff's NOAV, staff identified the following as the utility's apparent noncompliance with Commission statutes, rules, and orders:

- Negotiated Flat Rate: Order No. PSC-02-1165-PAA-SU, issued August 26, 2002, recognized that KWRU had billed discriminatory rates to Safe Harbor Marina (Safe Harbor) because the monthly flat rate that was billed to this customer was not approved by the Commission, in apparent violation on Section 367.081(2)(a)1., F.S. Following this order, KWRU corrected its billing practices. However, during the billing period of April 2013 through March 2016, KWRU billed Safe Harbor a negotiated rate of \$1,650.67 per month instead of its approved bulk flat rate of \$917.11 per month. The utility sent a letter, dated April 20, 2009, to the Commission advising it of the utility's decision to charge a different unauthorized rate for this wastewater customer. However, the Commission never approved the negotiated rate KWRU billed Safe Harbor.
- Pool Charges: While processing KWRU's 2002 price index request, Commission staff became aware of two charges used in revenue calculations for which there were no Commission-approved tariffs on file. As a result, the utility formally requested a new class of service for small and large pools. The pool charges for KWGC-HOA were approved in Order No. PSC-02-1711-TRF-SU. Staff's audit indicated that KWRU administered the pool charges from tariff Sheet No. 15.7, which was applicable to the KWGC-HOA, to two additional customers, Sunset Marina and Carefree Property between April 2013 and March 2016.
- Base Facility Charge (BFC): Staff's audit into the billing practices of KWRU (April 2013 through March 2016) indicated that the utility billed the following customers BFCs based on the number of units or individual dwellings present behind a master meter rather than the appropriate BFC based on the customer's meter size, as provided in Tariff Sheet No. 12.0:
 - Sunset Marina
 - General Service Customers: James Beaver, Eadeh Bush Co., and Armando Sosa
 - Ocean Spray Trailer Park
 - Tropic Palm Mobile Home Park
 - Meridian West Apartments
 - Fourth Ave. LLC
 - Banyan Grove
 - ITNOR Waters Edge
 - Roy's Trailer Park
 - Flagler Village

KWRU responded to staff's NOAV on July 16, 2018, and addressed the negotiated flat rate, pool charges, and BFC billing practices identified by staff. In its response, the utility stated that it mistakenly believed that its revision to Safe Harbor's bulk wastewater rate had been accepted by the Commission, similar to a developer's agreement for service. Additionally, in its response, KWRU pointed out that at the end of 2009, management was moved in-house and has since routinely brought all matters before the Commission. Further, KWRU indicated it believed the pool charges were implemented reasonably under the tariff and were only implemented after consulting with staff. KWRU responded to staff's NOAV in regards to BFC billing practices by admitting it had billed several general service customers incorrect BFCs and stated it was an error that occurred in switching KWRU's billing system after the 2009 rate case. The utility also addressed Roy's Trailer Park in its response, and explained that it had engaged in numerous discussions with the owner to mitigate the customer's outstanding balance owed to the utility consistent with KWRU's approved tariffs. In addition, KWRU has made refunds to three of its general service customers to correct incorrect billing practices that occurred prior to the implementation of Order No. PSC-16-0123-PAA-SU, (PAA Order) in April 2016. Staff believes it is also important to note that the utility's billing practices appear to be consistent with its approved tariff following the implementation of the PAA Order.

Utilities are charged with the knowledge of the Commission's rules and statutes. Additionally, "[i]t is a common maxim, familiar to all minds that 'ignorance of the law' will not excuse any person, either civilly or criminally." Barlow v. United States, 32 U.S. 404, 411 (1833). In Commission Order No. 24306, issued April 1, 1991, in Docket No. 890216-TL, titled, In re: Investigation into the Proper Application of Rule 25-14.003, Florida Administrative Code, Relating to Tax Savings Refund for 1988 and 1989 for GTE Florida, Inc., the Commission, having found that the company had not intended to violate the rule, nevertheless found it appropriate to order it to show cause why it should not be fined, stating that "[i]n our view, 'willful' implies an intent to do an act, and that this is distinct from an intent to violate a statute or rule."

Pursuant to Section 367.161(1), F.S., the Commission is authorized to impose upon any entity subject to its jurisdiction a penalty of not more than \$5,000 for each day a violation continues, if such entity is found to have refused to comply with or to have willfully violated any lawful rule or order of the Commission, or any provision of Chapter 367, F.S. Each day a violation continues is treated as a separate offense. Each penalty is a lien upon the real and personal property of the utility and is enforceable by the Commission as a statutory lien. If a penalty is also assessed by another state agency for the same violation, the Commission's penalty will be reduced by the amount of the other agency's penalty. As an alternative to the above remedies, Section 367.161(2), F.S., permits the Commission to amend, suspend, or revoke a utility's certificate for any such violation. Part of the determination the Commission must make in evaluating whether to penalize a utility is whether the utility willfully violated the rule, statute, or order. Section 367.161, F.S., does not define what it is to "willfully violate" a rule or order. In making similar decisions, the Commission has repeatedly held that utilities are charged with the knowledge of

the Commission's Rules and Statutes.¹⁰ In other words, a utility cannot excuse its violation because it "did not know."

The procedure followed by the Commission in dockets such as this is to consider the Commission staff's recommendation and determine whether or not the facts warrant requiring the utility to respond. If the Commission agrees with staff's recommendation, the Commission should issue an Order to Show Cause (show cause order). A show cause order is considered an administrative complaint by the Commission against the utility. If the Commission issues a show cause order, the utility is required to file a written response, which response must contain specific allegations of disputed fact pursuant to Rule 28-106.2015, F.A.C. If there are no disputed factual issues, the utility's response should so indicate. The response must be filed within 21 days of service of the show cause order on the respondent.

In recommending a penalty, staff reviews prior Commission orders. While Section 367.161, F.S., treats each day of each violation as a separate offense with penalties of up to \$5,000 per offense, staff believes that the general purpose of the show cause penalties is to obtain compliance with the Commission's rules, statutes, and orders. If a utility has a pattern of noncompliance with a particular rule or set of rules, staff believes that a higher penalty is warranted. If the rule violation adversely impacts the public health, safety, or welfare, staff believes that the sanction should be the most severe.

The utility has two options if a show cause order is issued. The utility may respond and request a hearing pursuant to Sections 120.569 and 120.57, F.S. If the utility requests a hearing, a further proceeding will be scheduled before the Commission makes a final determination on the matter. The utility may respond to the show cause order by remitting the fine. If the utility pays the fine, this show cause matter is considered resolved, and the docket closed.

In the event the utility fails to timely respond to the show cause order, the utility is deemed to have admitted the factual allegations contained in the show cause order. The utility's failure to timely respond is also a waiver of its right to a hearing. If the utility does not timely respond, a final order will be issued imposing the sanctions set out in the show cause order. It should be noted that if the Commission commences revocation or suspension proceedings, the Commission must follow very specific noticing requirements set forth in Section 120.60, F.S., prior to revocation or suspension of a certificate.

By billing rates that are not in the utility's approved tariff, KWRU appears to be in violation of the statutes. While staff believes occasional mistakes may be made by any utility, staff believes that making excessive and repeated mistakes demonstrates a disregard for the utility's obligation to charge its approved rates. As discussed in subsequent issues, although the utility corrected

¹⁰Order Nos. PSC-11-0250-FOF-WU, issued June 13, 2011, in Docket No. 100104-WU, *In re: Application for increase in water rates in Franklin County by Water Management Services, Inc.*; PSC-07-0275-SC-SU, issued April 2, 2007, in Docket No. 060406-SU, *In re: Application for staff-assisted rate case in Polk County by Crooked Lake Park Sewage Company*; PSC-05-0104-SC-SU, issued January 25, 2005 in Docket Nos. 020439-SU and 020331-SU, *In re: Application for staff-assisted rate case in Lee County by Sanibel Bayous Utility Corporation*; *In re: Investigation into alleged improper billing by Sanibel Bayous Utility Corporation in Lee County in violation of Section 367.091(4), Florida Statutes.*

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these billing problems following the issuance of the PAA Order, Order No. PSC-16-0123-PAA-SU, in 2016, given the utility's pattern of failure to bill customers in accordance with its Commission-approved tariffs and the number of violations discovered within the three-year audited period, KWRU's mistakes are excessive and, therefore, appear to violate Sections 367.081(1) and 367.091(3), F.S. Staff believes that this situation warrants more than just a warning and recommends that KWRU should be ordered to show cause, in writing within 21 days, as to why it should not be fined a flat fee in the amount of \$1,000 for its apparent violation of Section 367.081(1) and 367.091(3), F.S., for charging unauthorized rates.

Issue 2: What is the appropriate time period to be considered for potential refunds?

Recommendation: The appropriate time period to be considered for potential refunds is from April 2013 through March 2016. (Friedrich)

Staff Analysis: As previously discussed, in Order No. PSC-17-0091-FOF-SU¹¹ the Commission ordered that staff conduct a full audit and investigation of KWRU's billing practices. Audit staff reviewed the utility's billing records from April 2013 through March 2017. In a letter dated June 12, 2018, OPC noted that staff's audit does not go back to the final order issued in the 2009 rate case when KWRU started incorrectly billing these customers.

Staff believes this time period is a reasonable remedy to mitigate the utility's incorrect billing practices prior to the implementation of the PAA Order while considering that KWRU has corrected these billing practices following the implementation of the PAA Order. Therefore, staff recommends that the appropriate time period to be considered for potential refunds in this docket is April 2013 through March 2016.

¹¹Id.

Issue 3: Should KWRU be required to refund monies to Safe Harbor Marina? If so, what is the appropriate amount that should be refunded?

Recommendation: Yes. KWRU should be required to refund \$26,408 with interest in accordance with Rule 25-30.360, F.A.C to Safe Harbor Marina. The refund should be completed within 90 days of the consummating order and documentation supporting the final refund should be provided within 10 days of the completed refund. (Friedrich)

Staff Analysis: Safe Harbor is a unique customer not only because this customer owns, operates, and maintains its own lift station, but it is also a multi-use customer consisting of residential and commercial units, boat slips, and bathhouses. Docket No. 020520-SU was initiated due to a complaint from Safe Harbor concerning the billing practices of KWRU.¹² The Commission determined that KWRU had billed Safe Harbor a discriminatory flat rate for Safe Harbor's unmetered bar/restaurant, which was not in KWRU's tariff, and approved a bulk wastewater rate for Safe Harbor.

During KWRU's 2015 rate case, staff determined that KWRU was not billing this customer the approved tariff rate. In response to staff's audit, KWRU indicated that it sent the Commission a letter, dated February 27, 2009, stating it would charge a negotiated flat rate to Safe Harbor of \$1,650.67. While staff acknowledges that KWRU sent in a letter notifying the Commission of its intent, the utility failed to appropriately apply for approval of the new rate and have its request brought forth and approved by the Commission. Based on the utility's history with the Commission, where the Commission has addressed the utility billing unauthorized rates in Order Nos. PSC-02-1165-PAA-SU and PSC-02-0711-TRF-SU, staff believes the utility is aware of the procedures required for approval of a new rate pursuant to Sections 367.081 and 367.091, F.S., and should not have begun to charge a negotiated bulk rate without Commission approval.

During the 36 month period from April 2013 through March 2016, KWRU's tariff rate for Safe Harbor Marina was \$917.11 per month (Attachment A). However, during this time period, the utility billed Safe Harbor a negotiated bulk rate of \$1,650.67. Based on these rates, staff determined that KWRU overbilled Safe Harbor by \$733.56 during each billing period. As a result of charging a negotiated rate that was not approved by the Commission, staff recommends that KWRU refund \$26,408 ($\733.56×36) with interest in accordance with Rule 25-30.360, F.A.C to Safe Harbor Marina. The refund should be completed within 90 days of the consummating order and documentation supporting the final refund should be provided within 10 days of the completed refund.

¹²Id.

Issue 4: Should KWRU be required to refund monies regarding its billing practices to Sunset Marina? If so, what is the appropriate amount that should be refunded?

Recommendation: Yes. KWRU should be required to refund \$41,034 with interest in accordance with Rule 25-30.360, F.A.C to Sunset Marina. The refund should be completed within 90 days of the consummating order and documentation supporting the final refund should be provided within 10 days of the completed refund. (Friedrich)

Staff Analysis: Sunset Marina is a general service customer with one two-inch and one eight-inch turbo FCAA meter serving a marina, convenience store, dry boat slips, and apartments. Staff determined that during the 36 month period (April 2013 - March 2016) KWRU billed Sunset Marina BFCs for 64 residential units in addition to BFCs for the customer's two-inch and eight-inch turbo meters, as well as charges for two small pools¹³ and a gallonage charge based on usage.

Based on KWRU's approved tariffs, Sunset Marina should have been billed based on the FCAA meters only. KWRU should not have also billed a residential BFC of \$17.81 per month for each of the 64 apartment units behind the master meters. KWRU overbilled Sunset Marina \$1,139.84 per billing period (\$17.81 x 64 apartment units). Based on the above, staff recommends that KWRU should refund \$41,034 (\$1,139.84 x 36) with interest in accordance with Rule 25-30.360, F.A.C to Sunset Marina. The refund should be completed within 90 days of the consummating order and documentation supporting the final refund should be provided within 10 days of the completed refund.

¹³Staff addresses KWRU's billing errors with regard to pools in Issue 4.

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Issue 5: Should KWRU be required to refund monies regarding its billing practices for pools? If so, what is the appropriate amount that should be refunded?

Recommendation: No. KWRU should not be required to refund monies regarding its billing practices for pools. (Friedrich)

Staff Analysis: As discussed in Issue 1, Order No. PSC-02-1711-TRF-SU, issued December 9, 2002¹⁴, established a small pool rate of \$41.62 per month and a large pool rate of \$141.08 per month which considered the demand the KWGC-HOA pool facilities placed on the system. Within this order, the Commission determined that the utility should not be required to refund any amounts collected from KWGC-HOA, which were billed using unauthorized rates, because the Commission-approved rate was higher than the rate the utility had been collecting from KWGC-HOA. Additionally, as discussed in Issue 1, the Commission did not order KWRU to issue any refunds or to show cause for charging a rate that was not in its tariff and failing to apply for a new class of service. However, the order noticed KWRU that it should now thoroughly understand the requirements of Sections 367.091(4) and (5), F.S., and not initiate new classes of service without notifying this Commission in a timely manner.

Staff's investigation and audit determined that KWRU had applied its approved pool rates for KWGC-HOA to other additional customers with pools of similar demands (Sunset Marina and Carefree Property). In the utility's response dated July 16, 2018, KWRU indicated that it applied its approved pool charges reasonably under its tariff and only implemented the charges after consultation with staff and its assurance that it was appropriate. KWRU's tariff sheet for pool charges was canceled by the Commission in the PAA Order. As mentioned previously, KWRU has corrected its billing practices following the implementation of the PAA Order. Therefore, staff believes the utility should not be required to refund rates charged for pools other than the KWGC-HOA because the utility believed that the tariff was applicable to any additional customers with pools.

¹⁴Id.

Issue 6: Should KWRU be required to refund general service customers that were billed BFCs based on units instead of meters? If so, what is the appropriate amount that should be refunded?

Recommendation: No. KWRU should not be required to refund general service customers that were billed BFCs based on units instead of meters. (Friedrich)

Staff Analysis: In the utility's 2009 rate case, the Commission transitioned the utility from flat residential rates to a traditional BFC and gallonage charge rate structure.¹⁵ In response to staff's investigation and audit, KWRU agreed that several of its general service customers, as discussed on page five, were billed based on units instead of meter sizes. According to the utility, this error occurred during the transition from flat to volumetric rates for residential customers and a billing software error which incorrectly identified the customers as residential units. In addition, it appears that the billing determinants in the 2009 rate case may have been based on units rather than meter sizes for some general service customers. As mentioned previously, KWRU has corrected its billing practices following the implementation of the PAA Order in April 2016. Therefore, staff does not recommend that KWRU refund general service customers that were billed BFCs based on units and not FKAA meters.

¹⁵Order No. PSC-09-0057-FOF-SU, issued January 27, 2009, in Docket No.070293-SU, *In re: application for increase in wastewater rates in Monroe County by K W Resort Utilities, Corp.*

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Issue 7: Should KWRU be required to refund monies regarding its billing practices for Roy's Trailer Park? If so, what is the appropriate amount that should be refunded?

Recommendation: No. KWRU should not be required to refund monies regarding its billing practices for Roy's Trailer Park. (Friedrich)

Staff Analysis: Roy's Trailer Park is a general service customer of KWRU consisting of approximately 100 mobile homes which have been converted to multi-units (i.e. duplex, triplex, etc.) and are serviced by 100 FKAA meters. In response to staff's NOAV, KWRU admitted it billed this customer based on the number of units instead of meters dating back to December 2015.

The utility indicated that the majority of the 100 accounts in Roy's Trailer Park have carried outstanding balances dating back to October 2015. The utility also indicated that although Roy's Trailer Park made a payment each month for sewer service, the park was not paying its monthly sewer bill in full.

KWRU addressed the billing issues with respect to Roy's Trailer Park by letter dated August 28, 2017, and explained that the customer had repeatedly failed to remit its full payment for numerous billing periods resulting in an outstanding balance of \$49,300.37, which included late payment charges of \$7,215 assessed to all of the Roy's Trailer Park accounts that were delinquent. Roy's Trailer Park agreed to the utility's settlement proposal of \$35,215.06, which waived the late payment charges and recalculated the customer's bill for October 2015 through March 2016 consistent with the rates established in Order No. PSC-16-0123-PAA-SU. Billing Roy's Trailer Park based on FKAA meters and not units further reduced the outstanding balance by \$6,870.31.

Based on the above, staff recommends that the utility's settlement with this customer was a reasonable solution to address the corrected outstanding balance for Roy's Trailer Park for this time period. Consistent with staff's recommendation in Issue 6 that the utility should not be required to refund general service customers that were billed BFCs based on units instead of meters, staff does not recommend that the utility be required to refund Roy's Trailer Park for the time period of April 2013 through September 2015 during which it billed based on units instead of meters.

Issue 8: Should this docket be closed?

Recommendation: If the Commission approves Issue 1 and KWRU timely responds in writing to the Order to Show Cause, this docket should remain open to allow for the appropriate processing of the response. If KWRU responds to the show cause order by remitting the fine, this show cause matter will be considered resolved. If the Commission approves Issue 1 and KWRU does not remit payment, or does not respond to the order to show cause, this docket should remain open to allow the Commission to pursue collection of the amounts owed by the utility. If the Commission approves the recommended refunds in Issues 3 and 4, this docket should remain open until staff verifies that the utility has made the ordered refunds. Once the show cause matter is resolved and all ordered refunds have been made and verified by staff, this docket should be closed administratively. (Mapp)

Staff Analysis: If the Commission approves Issue 1 and KWRU timely responds in writing to the Order to Show Cause, this docket should remain open to allow for the appropriate processing of the response. If KWRU responds to the show cause order by remitting the fine, this show cause matter will be considered resolved. If the Commission approves Issue 1 and KWRU does not remit payment, or does not respond to the order to show cause, this docket should remain open to allow the Commission to pursue collection of the amounts owed by the utility. If the Commission approves the recommended refunds in Issues 3 and 4, this docket should remain open until staff verifies that the utility has made the ordered refunds. Once the show cause matter is resolved and all ordered refunds have been made and verified by staff, this docket should be closed administratively.

**ELEVENTH REVISED SHEET #15.5
CANCELS TENTH REVISED SHEET #15.5**

**NAME OF COMPANY: KW RESORT UTILITIES CORPORATION
SEWER TARIFF**

**BULK WASTEWATER RATE FOR
SAFE HARBOR MARINA**

AVAILABILITY - For Safe Harbor Marina.

APPLICABILITY - For Safe Harbor Marina

LIMITATIONS - Subject to all Rules and Regulations of this Tariff and General Rules and Regulations of The Commission as amended from time to time.

BILLING PERIOD - Monthly.

<u>RATE</u> -	13 Residential living units at 1 ERC each (apartments, Mobile homes, House Boats with apartments)	\$343.66
	18 Live Aboard Boats at .6ERC each	286.38
	27 Non Live Aboard Boats at 1/5 ERC each	143.20
	6 Vacant slips at 1/5 ERC each	30.84
	2 Bathhouses at 1 ERC each	52.87
	2 Commercial Businesses at 1/2 ERC each	26.43
	1 Commercial Bar	33.73
	Total Bulk Rate	\$ 917.11

TERMS OF PAYMENT Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days, written notice, separate and apart from any other bill, service may then be disconnected.

**EFFECTIVE DATE: MARCH 30, 2013
ORDER NO.:
TYPE OF FILING: 2012 PRICE INDEX INCREASE
FOR SERVICE RENDERED ON OR AFTER MARCH 30, 2013**

**Christopher A. Johnson
Issuing Officer**

**President
Title**