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\$ 500.00 RAINTREE WATERWORKS, INC.

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May 29, 2019

FILED 6/6/2019
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FPSC - COMMISSION CLERK

Office of Commission Clerk
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

Re: Petition of Raintree Waterworks, Inc. for Limited Alternative Rate Increase in Lake County pursuant to Rule No. 25-30.457, Florida Administrative Code

Dear Commission Clerk,

Raintree Waterworks, Inc. (Raintree or Utility) hereby submits its application for a Limited Alternative Rate Increase in Lake County pursuant to Rule No. 25-30.457, Florida Administrative Code (F.A.C.).

In support of its petition thereof, Raintree Waterworks states the following:

Pursuant to Rule 25-30.457, F.A.C., as an alternative to a rate case, a Class C utility may petition the Commission for a limited alternative rate increase of up to 20 percent of service revenues. This rule was designed to streamline the rate increase process for qualifying small water or wastewater companies, by establishing an abbreviated procedure for a limited rate increase that is less time consuming and thus less costly for the utilities, customers, and Commission staff. This rule is similar to the rules governing price index and pass-through increases, in that an engineering or financial audit of the utility's books and records is not required.

The rule was adopted by the Commission on March 15, 2005. The Commission has previously approved such in the following Orders:

| <u>Order No.</u> | <u>Issued</u> | <u>Utility</u> |
|----------------------|-----------------|--------------------------------|
| PSC-06-0822-PAA-WU | October 6, 2006 | Pinecrest Ranches, Inc. |
| PSC-06-0444-PAA-WU | May 22, 2006 | Brendenwood Water System, Inc. |
| PSC-2019-0141-PAA-WS | April 22, 2019 | LP Waterworks, Inc. |
| PSC-2019-0142-PAA-WU | April 22, 2019 | Lake Idlewild Utility Company |
| PSC-2019-0145-PAA-WS | April 23, 2019 | Jumper Creek Utility Company |

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Rule 25-30.457, F.A.C.

Raintree provides the following criteria for consideration:

- 1) Utility is eligible for staff assistance.

- 2) Utility's books and records are organized consistent with Rule 25-30.110, F.A. C.
- 3) Utility has on file with the Commission its Annual Reports, including 2018.
- 4) Utility has paid all applicable regulatory assessment fees.
- 5) Utility has at least one year of experience in operations. The utility was purchased on May 23, 2014.
- 6) Utility has provided additional relevant information contained below within the body of its petition.
- 7) Utility's last rate case was approved in Order No. PSC-16-0256-PAA-WU, issued June 30, 2016 (SARC Order).
- 8) Said SARC Order established the Utility's rate base, capital structure, annual operating expenses and revenues and was issued with the 7-year period prior to petition.

General Utility Information

- A) The Utility's name as it appears on its certificates and its mailing address are:

Raintree Waterworks, Inc.
4939 Cross Bayou Blvd.
New Port Richey, Florida 34652
(727) 848-8292 (Telephone)
(727) 848-7701 (Facsimile)

- B) The names and addresses of the Utility's authorized representatives are:

Troy Rendell
Vice President
Investor Owned Utilities
U.S. Water Services Corporation
4939 Cross Bayou Blvd.
New Port Richey, Florida 34652
(727) 848-8292 (Telephone)
(727) 848-7701 (Facsimile)
trendell@uswatercorp.net

- C) Raintree Waterworks is a Florida corporation authorized to do business in Florida as of May 5, 2014. The names and addresses of the persons who own 5 percent or more of the Utility's stock are:

Gary A. Deremer

Raintree Waterworks, Inc.
Limited Alternative Rate Increase
May 29, 2019

President and CEO
5320 Captains Court
New Port Richey, FL 34652

Cecil Delcher
Vice President
11702 Forest Hills Dr.
Tampa, FL 33612

Victoria Penick
6043 Fall River Dr
New Port Richey, FL 34655

Petitioner's Schedules and Additional Information

Attached hereto are the following required schedules:

- (a) Annualized revenues by customer class and meter size for the most recent 12-month period using the rates in effect at the time the utility files its petition. For the purposes of this calculation the calendar year 2018 was utilized to be consistent with the most recent index filing.
- (b) Current and proposed rates for all classes of customers utilizing 20 percent of the annualized water service revenue.
- (c) Additional informational schedule showing most recent 12-month Operating Expenses.

As further information, Raintree recently replace seventy-five (75) non-operational meters due to the age and condition. These meters had registered over one million (1,000,000) gallons. The total cost of this meter replacement was \$9,865. Further, the utility is also replacing a hydropneumatic tank due to its deteriorated condition and age. The approximately estimated cost is between \$55,000 to \$60,000 for this replacement. This project is currently in process.

Petitioner's Statements

Raintree Waterworks through the undersigned representative hereby states that the figures and calculations upon which the change in rates is based are accurate.

Raintree Waterworks further states that the change in rates will not cause the Utility to exceed the top of the range of its last authorized rate of return on equity, with a range of 7.94 percent to 10.74 percent as established by Order No. PSC-16-0256-PAA-WU, issued June 30, 2016.

Filing Fee

The total filing fee in the amount of \$500 is also attached to this LARI petition pursuant to Rule 25-30.30.020(2)(f), Florida Administrative Code.

Raintree Waterworks, Inc.
Limited Alternative Rate Increase
May 29, 2019

WHEREFORE, the Utility respectfully requests that the Commission:

- A. Accept jurisdiction of this Petition and utilize the procedure set forth in Rule 25-30.457, F.A.C.;
- B. Evaluate the petition and determine the petitioner's eligibility for a limited alternative rate increase within 30 days of receipt of said petition.
- C. Notify the petitioner in writing as to whether the petition is accepted or denied.
- D. Approve final rates as requested herein within 90 days from the official filing date as established by Rule 25-30.457(4), F.A.C.;

Respectfully Submitted,



Troy Rendell
Vice President
Investor Owned Utilities
// for Raintree Waterworks, Inc.

Raintree
Annualized Revenue

Water

| | <u>Gallons</u> | <u>Billing Units</u> | <u>Rates</u> | <u>Revenues</u> |
|--------------------------------|-------------------|----------------------|--------------|-----------------------|
| Consumption-Res | | | | |
| 0-3000 gal | 943,000 | | \$1.71 | \$1,614 |
| 3001-8000 gal | 2,538,000 | | \$1.81 | \$4,602 |
| over 8000 gal | 8,219,000 | | \$2.72 | \$22,355 |
| Consumption-GS | 26,000 | | \$2.24 | \$58 |
| <u>Residential</u> | | | | |
| 5/8"x3/4" | | 1367 | \$14.23 | \$19,454 |
| <u>General Service</u> | | | | |
| 5/8"x3/4" | | 12 | \$14.23 | \$171 |
| <u>Misc Service Rev</u> | | | | <u>\$1,037</u> |
| Total | <u>11,726,000</u> | <u>1,379</u> | | <u>\$49,291</u> |

**Raintree Waterworks
Current and Proposed - Water
Limited Alternative Rate Increase**

| | | | Raintree Waterworks | |
|----------|--|------------|---------------------|---------------------------------------|
| Line No. | | % Increase | CURRENT RATES | RATES AFTER INDEXING AND PASS THROUGH |
| | | | | 20.00% |
| 1 | | | | |
| 2 | RESIDENTIAL SERVICE | | | |
| 3 | | Sheet # | 4th Revised | 13.0 |
| 4 | BFC: | | | |
| 5 | 5/8" x 3/4" Meters | | \$14.23 | \$17.08 |
| 6 | 3/4" Meters | | \$21.35 | \$25.62 |
| 7 | 1" Meters | | \$35.58 | \$42.70 |
| 8 | 1 1/2" Meters | | \$71.15 | \$85.38 |
| 9 | 2" Meters | | \$113.84 | \$136.61 |
| 10 | 3" Meters | | \$227.68 | \$273.22 |
| 11 | 4" Meters | | \$355.75 | \$426.90 |
| 12 | 6" Meters | | \$711.50 | \$853.80 |
| 13 | | | | |
| 14 | Gallonge Charge | | | |
| 15 | 0 - 3,000 Gal | | \$1.71 | \$2.05 |
| 16 | 3,001 - 8,000 Gal | | \$1.81 | \$2.17 |
| 17 | Over 8,000 Gal | | \$2.72 | \$3.26 |
| 18 | | | | |
| 19 | GENERAL SERVICE1 AND MULTI-FAMILY (GS1) | | | |
| 20 | | Sheet # | 4th Revised | 12.0 |
| 21 | BFC: | | | |
| 22 | 5/8" x 3/4" Meters | | \$14.23 | \$17.08 |
| 23 | 3/4" Meters | | \$21.35 | \$25.62 |
| 24 | 1" Meters | | \$35.58 | \$42.70 |
| 25 | 1 1/2" Meters | | \$71.15 | \$85.38 |
| 26 | 2" Meters | | \$113.84 | \$136.61 |
| 27 | 3" Meters | | \$227.68 | \$273.22 |
| 28 | 4" Meters | | \$355.75 | \$426.90 |
| 29 | 6" Meters | | \$711.50 | \$853.80 |
| 30 | | | | |
| 31 | Gallonge Charge | | \$2.24 | \$2.69 |

**Raintree Waterworks
CURRENT AND PROPOSED - WATER**

| | | Raintree Waterworks | |
|----------|--|---------------------|---------------------------------------|
| Line No. | | CURRENT RATES | RATES AFTER INDEXING AND PASS THROUGH |
| | | | 20.00% |
| 1 | % Increase | | |
| 2 | RESIDENTIAL SERVICE | | |
| 3 | Sheet # | 4th Revised | 13.0 |
| 4 | BFC: | | |
| 5 | 5/8" x 3/4" Meters | \$14.23 | \$17.08 |
| 6 | 3/4" Meters | \$21.35 | \$25.62 |
| 7 | 1" Meters | \$35.58 | \$42.70 |
| 8 | 1 1/2" Meters | \$71.16 | \$85.39 |
| 9 | 2" Meters | \$113.85 | \$136.62 |
| 10 | 3" Meters | \$227.70 | \$273.24 |
| 11 | 4" Meters | \$355.78 | \$426.94 |
| 12 | 6" Meters | \$711.56 | \$853.87 |
| 13 | | | |
| 14 | Gallonge Charge | | |
| 15 | 0 - 3,000 Gal | \$1.71 | \$2.05 |
| 16 | 3,001 - 8,000 Gal | \$1.81 | \$2.18 |
| 17 | Over 8,000 Gal | \$2.72 | \$3.26 |
| 18 | | | |
| 19 | GENERAL SERVICE1 AND MULTI-FAMILY (GS1) | | |
| 20 | Sheet # | 4th Revised | 12.0 |
| 21 | BFC: | | |
| 22 | 5/8" x 3/4" Meters | \$14.23 | \$17.08 |
| 23 | 3/4" Meters | \$21.35 | \$25.62 |
| 24 | 1" Meters | \$35.58 | \$42.70 |
| 25 | 1 1/2" Meters | \$71.16 | \$85.39 |
| 26 | 2" Meters | \$113.85 | \$136.62 |
| 27 | 3" Meters | \$227.70 | \$273.24 |
| 28 | 4" Meters | \$355.78 | \$426.94 |
| 29 | 6" Meters | \$711.56 | \$853.87 |
| 30 | | | |
| 31 | Gallonge Charge | \$2.24 | \$2.69 |

Raintree Waterworks Inc.
Profit & Loss
January through December 2018

Jan - Dec 18

Ordinary Income/Expense

Income

400 · Utility Revenue

400.1 · WATER SYSTEM

461 · Metered Water Revenue

461.1 · Water - Residential Customers 41,515.83

461.2 · Water - Commercial Customers 223.34

Total 461 · Metered Water Revenue 41,739.17

471 · Water - Misc Service Revenues

471..1 · Initial Connect Fees 226.80

471.4 · Late Fees 660.00

471.5 · Return Check Fees 150.00

Total 471 · Water - Misc Service Revenues 1,036.80

Total 400.1 · WATER SYSTEM 42,775.97

Total 400 · Utility Revenue 42,775.97

Total Income 42,775.97

Expense

401 · Operating Expense

401.1 · WATER SYSTEM O&M

603 · Salaries - Officers, Directors 3,249.96

615 · Purchased Power 3,586.26

618 · Chemicals 786.50

630 · Professional Fees

632 · Accounting Fees 375.00

633 · Legal Fees 565.50

635 · Testing 47.04

Total 630 · Professional Fees 987.54

636 · Contractual Services

636.1 · Operating & Billing Services 29,722.38

Total 636 · Contractual Services 29,722.38

657 · Insurance - Gen Liability 1,299.96

666 · Regulatory Commission Fees 275.04

670 · Bad Debt Expense 106.85

675 · Miscellaneous Expense 559.39

Total 401.1 · WATER SYSTEM O&M 40,573.88

Raintree Waterworks Inc.
Profit & Loss
January through December 2018

| | <u>Jan - Dec 18</u> |
|--|-------------------------|
| 403 · Depreciation | |
| 403.1 · Water System Deprec. | 6,703.08 |
| Total 403 · Depreciation | <u>6,703.08</u> |
| 407 · Amortization Expense Plant/Othr | |
| 407.1 · Water System | -712.31 |
| Total 407 · Amortization Expense Plant/Othr | <u>-712.31</u> |
| 408 · Taxes Other than Income | |
| 408.1 · Regulatory Assessment Fees | 1,924.92 |
| 408.2 · Other Taxes & License Expense | |
| 408.21 · Real Estate Property Taxes | 57.63 |
| 408.22 · Tangible Taxes | 75.62 |
| Total 408.2 · Other Taxes & License Expense | <u>133.25</u> |
| Total 408 · Taxes Other than Income | <u>2,058.17</u> |
| 427 · Interest Expense | |
| 427.4 · Interest on Customer Deposits | 7.26 |
| Total 427 · Interest Expense | <u>7.26</u> |
| Total 401 · Operating Expense | <u>48,630.08</u> |
| Total Expense | <u>48,630.08</u> |
| Net Ordinary Income | <u>-5,854.11</u> |
| Net Income | <u><u>-5,854.11</u></u> |