

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: September 24, 2020

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Engineering (M. Watts, Doehling) *TB*
Division of Accounting and Finance (Blocker, Norris) *ALM*
Division of Economics (Bethea, Hudson) *JGH*
Office of the General Counsel (Schrader) *JSC*

RE: Docket No. 20200155-WU – Application for certificate to operate water utility in Okaloosa County and application for pass through increase of regulatory assessment fees, by Okaloosa Waterworks, Inc.

AGENDA: 10/06/20 – Regular Agenda – Proposed Agency Action for Issues 3 through 7 - Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Brown

CRITICAL DATES: 10/19/20 (Expiration of 90-day statutory deadline for Commission to grant or deny application for water certificate)

SPECIAL INSTRUCTIONS: None

Case Background

Okaloosa Waterworks, Inc. (OWI or Utility) is in Okaloosa County, Florida. Based on its application, the Utility provides water service to approximately 228 residential customers and nine general service customers in the Blackman community in Okaloosa County (County). The residential customers consist of single-family residences, and the general service customers consist of churches, a country store, a fire station, a community center, and a sportsman club. The water system was put into service in 2012.

The Blackman community is a rural community in the extreme northwestern corner of the County. Prior to 2012, it was the only area in the County that did not have access to a public water system, and all of the residences and businesses were supplied by private potable wells. These wells had exhibited a history of testing positive for coliform bacteria, a known health risk. In 2004, a group of concerned citizens met with an engineering firm with the goal of building a community water system and incorporating a non-profit entity to run it. The resulting co-op, Blackman Community Water System, Inc. (BCWS), was incorporated on December 13, 2004.

Because more than half of the prospective BCWS customers lived at or below the poverty level at the time, BCWS qualified for and pursued grants and low-income loan financing to build the water system. The engineering firm had estimated that the water system could potentially provide water service to more than 300 customers. The County granted BCWS authority to provide water service in March 2007, and the water system was completed in February 2012 and put into service in March 2012. The system initially had 291 active accounts at the end of 2012, and the number of active accounts declined each year through 2017.

Because the water system had fewer customers than projected by the engineering firm, BCWS was unable to generate the expected revenue to make timely loan payments to the United States Department of Agriculture (USDA). After attempting to work with BCWS for over a year regarding repayment of the loan, the USDA accelerated the loan in August 2015. BCWS subsequently filed for bankruptcy.

The United States District Court for the Northern District of Florida appointed the National Rural Water Association (NWRA) as the receiver for the system. A final Judgment of Foreclosure was rendered on December 5, 2019. On February 12, 2020, the United States Marshall sold the utility to U.S. Water Services Corporation (U.S. Water). The system was subsequently transferred to OWI.

On June 2, 2020, OWI filed its application for an original water certificate and for approval of initial rates and charges. Additionally, on June 8, 2020, the Utility filed a request to revise its existing miscellaneous service charges, customer deposits, and initial meter installation charge, along with cost justification in accordance with Section 367.091(6), Florida Statutes (F.S.). Staff found the application to be deficient and issued a deficiency letter on June 30, 2020. The Utility cured the deficiencies on July 20, 2020.

On June 10, 2020, the Utility filed a letter in the docket, which petitioned for a partial variance or waiver of a requirement of Rule 25-30.120, Florida Administrative Code (F.A.C.). The Commission approved the Utility's request, by Order No. PSC-2020-0316-PAA-WU, issued September 21, 2020, and temporarily waived the Utility's requirement to remit regulatory assessment fees (RAFs) until 1) such time as the Commission established approved rates for OWI and Commission staff administratively approves a pass through of RAFs pursuant to Section 367.081(4)(b), F.S., or 2) December 3, 2020, whichever occurs first.¹

¹ OWI has expressed to Commission staff that it plans to, once the Commission establishes approved rates for the Utility and this docket closes, file its notice to administratively approve RAFs.

Docket No. 20200155-WU

Date: September 24, 2020

Pursuant to Section 367.031, F.S., the Commission shall grant or deny an application for a certificate of authorization within 90 days after the official filing date of the completed application. Commission staff deemed the application complete on July 20, 2020, which is considered the official filing date.

This recommendation addresses the application for an original water certificate and the appropriate rates and charges for the Utility. The Commission has jurisdiction pursuant to Sections 367.031 and 367.045, F.S.

Discussion of Issues

Issue 1: Should the application for a water certificate by OWI be approved?

Recommendation: Yes. OWI should be granted Certificate No. 676-W to serve the territory described in Attachment A, which is appended to this recommendation, effective the date of the Commission's vote. The resultant order should serve as OWI's water certificate and it should be retained by the Utility. (Doehling, M. Watts, Blocker)

Staff Analysis: On June 2, 2020, OWI filed its application for an original water certificate in Okaloosa County. Upon review, staff determined the original filing was deficient and issued a deficiency letter on June 30, 2020. The Utility cured the deficiencies on July 20, 2020, which is considered the official filing date for the application. The Utility's application is in compliance with the governing statutes, Sections 367.031 and 367.045, F.S.

Notice

On July 17, 2020, OWI filed proof of compliance with the noticing provisions set forth in Rule 25-30.030, F.A.C. No entity filed a protest during the protest period and the time for filing objections has expired.

Land Ownership and Service Territory

OWI provided adequate service territory and system maps and a territory description as required by Rule 25-30.034, F.A.C. The legal description of the service territory is appended to this recommendation as Attachment A. The application contains warranty deeds for the land where the water treatment facilities are located pursuant to Rule 25-30.034(1)(m), F.A.C.

Financial and Technical Ability

Pursuant to Rule 25-30.034(1)(i) and (j), F.A.C., the application contains statements describing the technical and financial ability of the Buyer to provide service to the proposed service area. OWI's application states that its President, Gary Deremer, has over 30 years of Florida-related water and wastewater industry experience and has previous private utility ownership of five utility systems. Also, Mr. Deremer is a major shareholder in 17 water and wastewater utilities regulated by the Commission. Further, the application indicates that Mr. Deremer has secured the services of U.S. Water to provide contract operating service, as well as billing and collection services. Staff has reviewed the financial ability of the current owner and believes the owner has documented adequate resources to support the Utility's water operations.² Based on the above, OWI has demonstrated the technical and financial ability to provide service to the existing service territory.

Conclusion

Staff recommends that it is in the public interest to grant OWI Certificate No. 676-W to serve the territory described in Attachment A, effective the date of the Commission's vote. The resultant order should serve as OWI's water certificate and it should be retained by the Utility.

² Document No. 03621-2020

Issue 2: What are the appropriate rates and charges for OWI?

Recommendation: The appropriate rates and charges, as shown on Schedule 1, should be effective for services rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. The Utility should be required to charge the approved rates and charges until authorized to change them by the Commission in a subsequent proceeding. (Bethea)

Staff Analysis: According to its application, OWI's current rates and charges were established August 8, 2016, by BCWS's Board of Directors, and OWI has been charging the same rates since acquisition. The Utility's current monthly service rates include a base facility charge that includes 1,000 gallons and six tier inclining block gallonage charges. OWI is requesting that customers within the service area that it is seeking to be certificated remain at the BCWS's established service rates and a service availability charge for customer service line installations (tap in charge). Rule 25-9.044(1), F.A.C, states, in part, that:

In case of change of ownership or control of a utility which places the operation under a different or new utility, or when its name is changed, the company which will thereafter operate the utility business must adopt and use the rates, classification and regulations of the former operating company (unless authorized to change by the commission). . .

The Utility indicated that it currently has miscellaneous service, late payment, and non-sufficient funds (NSF) charges in place, as well as customer deposits. However, the Utility is requesting a change in the aforementioned charges and customer deposits. Some of these charges and deposits do not appear to be based on cost or customer usage consistent with Commission practice. Additionally, the Utility is requesting to establish a meter installation charge. Staff's recommendations with respect to these charges and deposits are discussed in Issues 3 through 7.

Based on the above, the appropriate rates and charges, as shown on Schedule 1, should be effective for services rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. The Utility should be required to charge the approved rates and charges until authorized to change them by this Commission in a subsequent proceeding.

Issue 3: Should OWI’s request to revise miscellaneous service charges be approved?

Recommendation: Yes. The miscellaneous service charges identified in Table 3-5 are appropriate and should be approved. OWI should be required to file a proposed customer notice to reflect the Commission-approved charges. The approved charges should be effective on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charges should not be implemented until staff has approved the proposed customer notice and the notice has been received by customers. OWI should provide proof of the date notice was given no less than 10 days after the date of the notice. (Bethea)

Staff Analysis: Section 367.091, F.S., authorizes the Commission to change miscellaneous service charges. The Utility’s request to revise its miscellaneous charges was accompanied by its reason for requesting the charges, as well as the cost justification required by Section 367.091(6), F.S. The requested charges are consistent with those recently approved for its sister companies LP, Country Walk, and Gator Waterworks.³ The calculations for charges for miscellaneous service charges, shown in the tables below, are rounded up to the nearest tenth. The Utility’s current and staff’s recommended miscellaneous service charges are shown in Table 3-5.

Initial Connection Charge

The Utility’s existing initial connection charge is \$250.00 (\$200 for account set up and \$50 for meter deposit). The initial connection charge is levied for service initiation at a location where service did not exist previously. An OWI representative makes one trip when performing the service of an initial connection. Based on labor and transportation to and from the service territory, staff recommends initial connection charges for OWI’s water system of \$31.10 for normal hours and \$36.20 for after hours. Staff’s calculations are shown below in Table 3-1.

**Table 3-1
 Initial Connection Charge Calculation**

Activity	Normal Hours Cost	Activity	After Hours Cost
Labor (Administrative) (\$28/hr x 1/4hr)	\$7.00	Labor (Administrative) (\$28/hr x 1/4hr)	\$7.00
Labor (Field) (\$30.42/hr x 1/3 hr)	\$10.14	Labor (Field) (\$45.63/hr x 1/3 hr)	\$15.21
Transportation (\$0.535/mile x 26 miles-to/from)	\$13.91	Transportation (\$0.535/mile x 26 miles-to/from)	\$13.91
Total	\$31.05	Total	\$36.12

³ Order Nos. PSC-2018-0553-PAA-WU, issued November 19, 2018, in Docket No. 20180021-WU, *In re: Application for staff-assisted rate case in Highlands County by Country Walk Utilities, Inc.*; PSC-2017-0334-PAA-WS, issued August 23, 2017, in Docket No. 20160222-WS, *In re: Application for staff-assisted rate case in Highlands County by LP Waterworks, Inc.*; and PSC-2020-0086-PAA-WU, issued March 24, 2020, in Docket No. 20190114-WU, *In re: Application for staff-assisted rate case in Alachua County, and request for interim rate increase by Gator Waterworks, Inc.*

Normal Reconnection Charge

The Utility’s existing normal reconnection charge is \$25.00. A normal reconnection charge is levied for the transfer of service after a customer requested disconnection. A normal reconnection requires two trips, which includes one to turn service on and the other to turn service off. Based on labor and transportation to and from the service territory, staff recommends normal reconnection charges for OWI’s water system of \$57.10 for normal hours and \$64.70 for after hours. Staff’s calculations are shown in Table 3-2.

**Table 3-2
 Normal Reconnection Charge Calculation**

Activity	Normal Hours Cost	Activity	After Hours Cost
Labor (Administrative) (\$28/hr x 1/4hr x 2)	\$14.00	Labor (Administrative) (\$28/hr x 1/4hr x 2)	\$14.00
Labor (Field) (\$30.42/hr x 1/4 hr x 2)	\$15.21	Labor (Field) (\$45.63/hr x 1/4hr x 2)	\$22.82
Transportation (\$0.535/mile x 26 miles-to/from x 2)	\$27.82	Transportation (\$0.535/mile x 26 miles-to/from x 2)	\$27.82
Total	\$57.03	Total	\$64.64

Violation Reconnection Charge

The Utility’s existing violation reconnection charge is \$50.00 (\$25 for lock meter and \$25 for meter pull). The violation reconnection charge is levied prior to reconnection of an existing customer after discontinuance of service for cause. The service performed for violation reconnection requires two trips, which includes one trip to turn off service and a subsequent trip to turn on service once the violation has been remedied. Based on labor and transportation to and from the service territory, staff recommends violation reconnection charges for OWI’s water system of \$57.10 for normal hours and \$64.70 for after hours. Staff’s calculations are shown in Table 3-3.

**Table 3-3
 Violation Reconnection Charge Calculation**

Activity	Normal Hours Cost	Activity	After Hours Cost
Labor (Administrative) (\$28/hr x 1/4hr x 2)	\$14.00	Labor (Administrative) (\$28/hr x 1/4hr x 2)	\$14.00
Labor (Field) (\$30.42/hr x 1/4 hr x 2)	\$15.21	Labor (Field) (\$45.63hr x 1/4 hr x 2)	\$22.82
Transportation (\$0.535/mile x 26 miles-to/from) x 2	\$27.82	Transportation (\$0.535/mile x 26 miles-to/from) x 2	\$27.82
Total	\$57.03	Total	\$64.64

Premises Visit Charge

The Utility currently does not have a premises visit charge. The premises visit charge is levied when a service representative visits premises at the customer’s request for complaint resolution and the problem is found to be the customer’s responsibility. In addition, the premises visit charge can be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill, and does not discontinue service because the customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill. A premises visit requires one trip.

Based on labor and transportation to and from the service territory, staff recommends a premises visit charges of \$31.10 for normal hours and \$36.20 for after hours. Staff’s calculations are shown in Table 3-4.

**Table 3-4
 Premises Visit Charge Calculation**

Activity	Normal Hours Cost	Activity	After Hours Cost
Labor (Administrative) (\$28.00/hr x 1/4hr)	\$7.00	Labor (Administrative) (\$28.00/hr x 1/4hr)	\$7.00
Labor (Field) (\$30.42/hr x 1/3 hr)	\$10.14	Labor (Field) (\$45.63/hr x 1/3 hr)	\$15.21
Transportation (\$0.535/mile x 26 miles-to/from)	\$13.91	Transportation (\$0.535/mile x 26 miles-to/from)	\$13.91
Total	\$31.05	Total	\$36.12

**Table 3-5
 Summary of Staff Recommended Miscellaneous Service Charges**

	Current	Staff Recommended	
	Normal and After Hours	Normal Hours	After Hours
Initial Connection Charge	\$250.00	\$31.10	\$36.20
Normal Reconnection Charge	\$25.00	\$57.10	\$64.70
Violation Reconnection Charge	\$50.00	\$57.10	\$64.70
Premises Visit Charge	N/A	\$31.10	\$36.20

Conclusion

Based on the above, the miscellaneous service charges identified in Table 3-5 are appropriate and should be approved. The charges should be effective on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. In addition, the approved charges should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The Utility should provide proof of the date notice was given within 10 days of the date of the notice.

Issue 4: Should OWI's request to implement a late payment charge of \$6.50 be approved?

Recommendation: Yes. OWI's request to implement a late payment charge of \$6.50 should be approved. OWI should be required to file a proposed customer notice to reflect the Commission-approved charge. The approved charge should be effective on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charge should not be implemented until staff has approved the proposed customer notice and the notice has been received by customers. OWI should provide proof of the date notice was given no less than 10 days after the date of the notice. (Bethea)

Staff Analysis: OWI is requesting a \$6.50 late payment charge to recover the cost of labor, supplies, postage, and RAFs associated with processing late payment notices. OWI's current late payment charge is 10 percent of the total balance due. OWI is requesting \$6.50 for its late payment charge, which is consistent with recent Commission practice and the charge is consistent with that charged by other utilities managed by U.S. Water.⁴ The purpose of this charge is not only to provide an incentive for customers to make timely payment, thereby reducing the number of delinquent accounts, but also to place the cost burden of processing delinquent accounts solely upon those who are cost causers. Section 367.091, F.S., authorizes the Commission to establish, increase, or change a rate or charge other than monthly rates or service availability charges.

OWI calculated the actual costs for its late payment charges to be \$8.07. OWI indicated that it will take approximately 15 minutes per account to research, compile, and produce late notices. The delinquent customer accounts will be processed by the administrative contract employee, which results in labor cost of \$7.00 (\$28.00 x 0.25hr). This is consistent with prior Commission decisions where the Commission has allowed 10-15 minutes per account per month for the administrative labor associated with processing delinquent customer accounts.⁵ However, \$8.07 would be the highest late payment charge amongst all other water and wastewater utilities regulated by the Commission.⁶ Therefore, OWI is requesting a charge of \$6.50, consistent with

⁴ Order Nos. PSC-2020-0267-PAA-WS, issued July 27, 2020, in Docket No. 20190195-WS, *In re: Application for transfer of water and wastewater systems of Regency Utilities, Inc., and transfer of Certificate Nos. 641-W and 551-S to Duval Waterworks, Inc., in Duval County*; PSC-2020-0086-PAA-WU, issued March 24, 2020, in Docket No. 20190114-WU, *In re: Application for staff-assisted rate case in Alachua County, and request for interim rate increase by Gator Waterworks, Inc.*; PSC-2018-0334-PAA-WU, issued June 28, 2018, in Docket No. 20170155-WU, *In re: Application for grandfather water certificate in Leon County and application for pass through increase of regulatory assessment fees, by Seminole Waterworks, Inc.*

⁵ Order Nos. PSC-2020-0267-PAA-WS, issued July 27, 2020, in Docket No. 20190195-WS, *In re: Application for transfer of water and wastewater systems of Regency Utilities, Inc., and transfer of Certificate Nos. 641-W and 551-S to Duval Waterworks, Inc., in Duval County*; PSC-2020-0086-PAA-WU, issued March 24, 2020, in Docket No. 20190114-WU, *In re: Application for staff-assisted rate case in Alachua County, and request for interim rate increase by Gator Waterworks, Inc.*; PSC-16-0041-TRF-WU, issued January 25, 2016, in Docket No. 20150215-WU, *In re: Request for approval of tariff amendment to include miscellaneous service charges for the Earlene and Ray Keen Subdivisions, the Ellison Park Subdivision and the Lake Region Paradise Island Subdivision in Polk County, by Keen Sales, Rentals and Utilities, Inc. and PSC-15-0569-PAA-WS, issued December 16, 2015, in Docket No. 20140239-WS, In re: Application for staff-assisted rate case in Polk County by Orchid Springs Development Corporation.*

⁶ See, for comparison, Order Nos. PSC-2020-0267-PAA-WS, issued July 27, 2020, in Docket No. 20190195-WS, *In re: Application for transfer of water and wastewater systems of Regency Utilities, Inc., and transfer of Certificate Nos. 641-W and 551-S to Duval Waterworks, Inc., in Duval County*; PSC-14-0105-TRF-WS, issued February 20,

these recent Commission decisions. OWI's calculation for its actual costs associated with a late payment charge is shown in Table 4-1.

Table 4-1
Late Payment Charge Cost Justification

Activity	Cost
Labor	\$7.00
Supplies	\$0.22
Postage	<u>\$0.49</u>
Markup for RAFs	<u>\$0.36</u>
Total Cost	<u>\$8.07</u>

Source: Utility's cost justification documentation

Conclusion

Based on the above, OWI's request to implement a \$6.50 late payment charge should be approved. OWI should be required to file a proposed customer notice to reflect the Commission-approved charge. The approved charge should be effective on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charge should not be implemented until after staff has approved the proposed customer notice and the notice has been received by customers. OWI should provide proof of the date notice was given no less than 10 days after the date of the notice.

2014, in Docket No. 20130288-WS, *In re: Request for approval of late payment charge in Brevard County by Aquarina Utilities, Inc.*; PSC-15-0535-PAA-WU, issued November 19, 2015, in Docket No. 20140217-WU, *In re: Application for staff-assisted rate case in Sumter County by Cedar Acres, Inc.*; and PSC-15-0569-PAA-WS, issued December 16, 2015, in Docket No. 20140239-WS, *In re: Application for staff-assisted rate case in Polk County by Orchid Springs Development Corporation.*

Issue 5: Should OWI's request to revise the existing initial customer deposits be approved?

Recommendation: Yes. OWI's request to revise the existing initial customer deposits should be approved. The appropriate initial customer deposit for water should be \$73.30 for the residential 5/8 inch x 3/4 inch meter size. The initial customer deposit for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill. The approved customer deposits should be effective for connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The Utility should be required to collect the approved initial customer deposits until authorized to change them by the Commission in a subsequent proceeding. (Bethea)

Staff Analysis: Rule 25-30.311, F.A.C., provides criteria for collecting, administering, and refunding customer deposits. Rule 25-30.311(1), F.A.C., requires that each company's tariff contain its specific criteria for determining the amount of initial deposits. Currently, the Utility's initial customer deposits are \$50 for homeowners, \$200 for renters, and \$100 for general service. The Utility requested an initial customer deposit of \$73.30 for water which is based on two months of average residential monthly bills and the Utility's service rates. Customer deposits are designed to minimize the exposure of bad debt expense for the Utility and, ultimately, the general body of ratepayers. In addition, collection of customer deposits is consistent with one of the fundamental principles of rate making—ensuring that the cost of providing service is recovered from the cost-causer.

Rule 25-30.311(7), F.A.C., authorizes utilities to collect new or additional deposits from existing customers if such additional deposits do not exceed an amount equal to the average actual charge for water service for two billing periods for the 12-month period immediately prior to the date of notice. The two billing periods reflect the lag time between the customer's usage and the Utility's collection of the revenues associated with that usage. Commission practice has been to set initial customer deposits equal to two months of bills, based on the average consumption for a 12-month period for each class of customers.

Based on the above, OWI's request to revise the existing initial customer deposits should be approved. The appropriate initial customer deposit for water should be \$73.30 for the residential 5/8 inch x 3/4 inch meter size. The initial customer deposit for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill. The approved customer deposits should be effective for connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The Utility should be required to collect the approved initial customer deposits until authorized to change them by the Commission in a subsequent proceeding.

Issue 6: Should OWI be authorized to collect Non-Sufficient Funds (NSF) Charges?

Recommendation: Yes. OWI should be authorized to collect NSF charges. OWI should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved NSF charges. The approved charges should be effective for service rendered on or after the stamped approval date on the tariff sheets provided customers have received notice pursuant to Rule 25-30.475, F.A.C. OWI should provide proof of the date notice was given no less than 10 days after the date of the notice. (Bethea)

Staff Analysis: Currently, OWI has a \$35 NSF charge. Section 367.091, F.S., requires that rates, charges, and customer service policies be approved by the Commission. Staff recommends that OWI should 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. As currently set forth in Section 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
- (4) 5 percent of the face amount of the check, whichever is greater.

Conclusion

Approval of NSF charges is consistent with prior Commission decisions.⁷ 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 the ratepayers. As such, OWI should be authorized to collect NSF charges. OWI should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved NSF charges. The approved charges should be effective for service rendered on or after the stamped approval date on the tariff sheets provided customers have received notice pursuant to Rule 25-30.475, F.A.C. OWI should provide proof of the date notice was given no less than 10 days after the date of the notice.

⁷ Order Nos. PSC-2020-0086-PAA-WU, issued March 24, 2020, in Docket No. 20190114-WU, *In re: Application for staff-assisted rate case in Alachua County, and request for interim rate increase by Gator Waterworks, Inc.*; PSC-2018-0334-PAA-WU, issued June 28, 2018, in Docket No. 20170155-WU, *In re: Application for grandfather water certificate in Leon County and application for pass through increase of regulatory fees, by Seminole Waterworks, Inc.*; PSC-14-0198-TRF-SU, issued May 2, 2014, in Docket No. 20140030-SU, *In re: Request for approval to amend Miscellaneous Service charges to include all NSF charges by Environmental Protection Systems of Pine Island, Inc.*; and PSC-13-0646-PAA-WU, issued December 5, 2013, in Docket No. 20130025-WU, *In re: Application for increase in water rates in Highlands County by Placid Lakes Utilities, Inc.*

Issue 7: Should OWI's requested meter installation charge be approved?

Recommendation: Yes. The Utility's requested meter installation charge of \$353 for the 5/8 inch x 3/4 inch meter size should be approved. The Utility should file a tariff sheet and a proposed customer notice. OWI should provide notice to potential customers who have requested service within 12 calendar months prior to the month the application was filed and up until this Order becomes final.⁸ The approved charge should be effective for connections made on or after the stamped approval date on the tariff sheet. The Utility should provide proof of the date notice was given within 10 days of the date of notice. (Bethea, Hudson)

Staff Analysis: Currently, the Utility does not have a meter installation charge. OWI requested a meter installation charge of \$353 for 5/8 inch x 3/4 inch meters. The proposed meter installation charge of \$353 is based on the cost of labor and parts for installing electronic transmitting meters. The existing customers have electronic transmitting meters. The Commission has recognized that the higher costs for electronic transmitting meters have offsetting cost efficiencies because the utility is able to remotely read the meters and download the information directly into its billing systems.⁹ Staff has reviewed the information provided by OWI and recommends that the Utility's proposed meter installation charge of \$353 for 5/8 inch x 3/4 inch meters is reasonable and should be approved.

Based on the above, the Utility's requested meter installation charge of \$353 for the 5/8 inch x 3/4 inch meter size should be approved. The Utility should file a tariff sheet and a proposed customer notice. OWI should provide notice to potential customers who have requested service within 12 calendar months prior to the month the application was filed and up until this Order becomes final. The approved charge should be effective for connections made on or after the stamped approval date on the tariff sheet. The Utility should provide proof of the date notice was given within 10 days of the date of notice.

⁸ Order No. PSC-2019-0223-PAA-SU, issued June 3, 2019, in Docket No. 20190075-SU, *In re: Revision of wastewater service availability charges for Ni Florida in Pasco County.*

⁹ Order Nos. PSC-11-0478-PAA-WU, issued October 24, 2011, in Docket No. 20100085-WU, *In re: Application for certificate to operate water utility in Lake County by Black Bear Reserve Water Corporation*; PSC-07-0983-PAA-WS, issued December 10, 2007, in Docket No. 060726-WS, *In re: Application for certificates to provide water and wastewater service in Glades County and water service in Highlands County for Silver Lake Utilities, Inc.*; and Order No. PSC-03-1474-TRF-WU, issued December 31, 2003, in Docket No. 030956-WU, *In re: Application for approval of revised service availability charges to increase meter installation fees in Osceola County by O&S Water Company, Inc.*

Issue 8: Should this docket be closed?

Recommendation: No. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, a consummating order should be issued. The docket should remain open for staff's verification that the revised tariff sheets and customer notices have been filed by the Utility and approved by staff. Once these actions are complete, this docket should be closed administratively. (Schrader)

Staff Analysis: No. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, a consummating order should be issued. The docket should remain open for staff's verification that the revised tariff sheets and customer notices have been filed by the Utility and approved by staff. Once these actions are complete, this docket should be closed administratively.

Water Service Territory
Okaloosa County, Florida

All of Section 26, Township 6 North, Range 25 West, Section 25, Township 6 North, Range 25 West, Section 30, Township 6 North, Range 24 West, Section 29, Township 6 North, Range 24 West, Section 28, Township 6 North, Range 24 West, Section 27, Township 6 North, Range 24 West, Section 26, Township 6 North, Range 24 West, Section 25, Township 6 North, Range 24 West, the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ and the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 30, Township 6 North, Range 23 West.

All of Section 35, Township 6 North, Range 25 West, Section 36, Township 6 North, Range 25 West, Section 31, Township 6 North, Range 24 West, Section 32, Township 6 North, Range 24 West, Section 33, Township 6 North, Range 24 West, Section 34, Township 6 North, Range 24 West, Section 35, Township 6 North, Range 24 West, Section 36, Township 6 North, Range 24 West, the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ and the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 31, Township 6 North, Range 23 West.

All of Section 02, Township 5 North, Range 25 West, Section 01, Township 5 North, Range 25 West, Section 06, Township 5 North, Range 24 West, Section 05, Township 5 North, Range 24 West, Section 04, Township 5 North, Range 24 West, Section 03, Township 5 North, Range 24 West, Section 02, Township 5 North, Range 24 West, Section 01, Township 5 North, Range 24 West, the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ and the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 06, Township 5 North, Range 23 West.

All of Section 11, Township 5 North, Range 25 West, Section 12, Township 5 North, Range 25 West, Section 07, Township 5 North, Range 24 West, Section 08, Township 5 North, Range 24 West, Section 09, Township 5 North, Range 24 West, Section 10, Township 5 North, Range 24 West, Section 11, Township 5 North, Range 24 West, Section 12, Township 5 North, Range 24 West, the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ and the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 07, Township 5 North, Range 23 West.

All of Section 14, Township 5 North, Range 25 West, Section 13, Township 5 North, Range 25 West, Section 18, Township 5 North, Range 24 West, Section 17, Township 5 North, Range 24 West, Section 16, Township 5 North, Range 24 West, Section 15, Township 5 North, Range 24 West, Section 14, Township 5 North, Range 24 West, Section 13, Township 5 North, Range 24 West, the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ and the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 18, Township 5 North, Range 23 West.

All of Section 23, Township 5 North, Range 25 West, Section 24, Township 5 North, Range 25 West, Section 19, Township 5 North, Range 24 West, Section 20, Township 5 North, Range 24 West, Section 21, Township 5 North, Range 24 West, Section 22, Township 5 North, Range 24 West, Section 23, Township 5 North, Range 24 West, Section 24, Township 5 North, Range 24 West, the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ and the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 19, Township 5 North, Range 23 West.

All of Section 26, Township 5 North, Range 25 West, Section 25, Township 5 North, Range 25 West, Section 30, Township 5 North, Range 24 West, Section 29, Township 5 North, Range 24 West, Section 28, Township 5 North, Range 24 West, Section 27, Township 5 North, Range 24 West, Section 26, Township 5 North, Range 24 West, Section 25, Township 5 North, Range 24 West, the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ and the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 30, Township 5 North, Range 23 West, Okaloosa County, Florida.

FLORIDA PUBLIC SERVICE COMMISSION

Authorizes

Okaloosa Waterworks, Inc.

pursuant to

Certificate Number 676 –W

to provide water service in Okaloosa County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rule, regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
*	*	20200155-WU	Original Certificate

* Order Number and date to be provided at time of issuance.

**Okaloosa Waterworks, Inc.
Monthly Water Rates**

Residential Service

Base Facility Charge 5/8" x 3/4"	\$30.00
Gallage Charge	
0 – 1,000 gallons	\$0.00
1,001 – 2,000 gallons	\$2.00
2,001 – 3,000 gallons	\$3.00
3,001 – 4,000 gallons	\$4.50
4,001 – 5,000 gallons	\$8.00
5,001 – 6,000 gallons	\$8.50
Over 6,000 gallons	\$9.00

General Service

Base Facility Charge 5/8" x 3/4"	\$50.00
Gallage Charge	
0 – 6,000 gallons	\$0.00
Over 6,000 gallons	\$8.00

General Service - Bulk Service

Base Facility Charge	\$0.00
Gallage Charge per 1,000 gallons	\$5.00

Service Availability Charges

Customer Service Line Installation (Tap In) Charge

Tap In with Road Bore	\$2,000.00
Tap In without Road Bore	\$1,500.00