

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-**

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**DATE:** November 22, 2022

**TO:** Office of Commission Clerk (Teitzman)

**FROM:** Division of Engineering (Wooten, Ellis, King) *TB*  
Division of Accounting and Finance (Sewards) *ALM*  
Division of Economics (Bruce) *JGH*  
Office of the General Counsel (Brownless) *JSC*

**RE:** Docket No. 20220088-WS – Application for certificates to provide water and wastewater service and approval of initial rates and charges in Sumter County, by Middleton Utility Company, LLC.

**AGENDA:** 12/06/22 – Regular Agenda - Proposed Agency Action - Except for Issue 1- Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Graham

**CRITICAL DATES:** 12/06/22 (Statutory Deadline for original certificate pursuant to Section 367.031, Florida Statutes, waived by applicant until December 6, 2022)

**SPECIAL INSTRUCTIONS:** None

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### Case Background

On January 31, 2022, Gibson Place Utility Company, LLC's (Gibson) application to delete a portion of its service territory was granted.<sup>1</sup> The deleted portion of the territory became the proposed service territory for Middleton Utility Company, LLC (Middleton or Utility).

<sup>1</sup> Order No. PSC-2022-0049-FOF-WS, issued January 31, 2022, in Docket No. 20210125-WS, *In re: Application for amendment of Certificate Nos. 677-W and 577-S to delete territory in Lake and Sumter Counties, by Gibson Place Utility Company, LLC.*

Middleton and Gibson have the same parent company, Holding Company of The Villages, Inc. (The Villages).

On April 25, 2022, Middleton filed its application for original water and wastewater certificates in Sumter County to serve the territory deleted from Gibson. The area is in the Southwest Florida Water Management District (SWFWMD) and is not in a water use caution area. Based on its application, Middleton anticipates serving approximately 6,000 residential customers and 329 general service customers. Residential customers will consist of single-family homes and general service customers will primarily consist of offices, retail stores, and restaurants. Middleton will not operate either a water treatment facility or a wastewater treatment facility and those services will be supplied through bulk service agreements with Gibson. The Commission voted on Gibson's original water and wastewater certificates including initial rates and charges at the November 1, 2022 Agenda Conference (Docket No. 20200185-WS). Middleton will maintain the water and wastewater lines that serve the Middleton development.

Pursuant to Section 367.031, Florida Statutes (F.S.), the Florida Public Service Commission (Commission) shall grant or deny an application for a certificate of authorization within 90 days after the official filing date of the completed application. The application was initially deemed insufficient when originally filed in April 2022 and a deficiency letter was issued on May 27, 2022.<sup>2</sup> Middleton filed a response to the deficiencies on June 3, 2022,<sup>3</sup> and the application was deemed complete on June 27, 2022, which is considered the official filing date.<sup>4</sup> Middleton has waived the 90-day statutory deadline through December 6, 2022.<sup>5</sup>

This recommendation addresses the application for original water and wastewater certificates and the appropriate rates and charges for the Utility. The Commission has jurisdiction pursuant to Sections 367.031, 367.045 and 367.081, F.S.

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<sup>2</sup> Document No. 03214-2022, filed May 27, 2022.

<sup>3</sup> Document No. 03361-2022, filed June 3, 2022.

<sup>4</sup> Document No. 04560-2022, filed July 7, 2022.

<sup>5</sup> Document No. 08247-2022, filed September 28, 2022.

## Discussion of Issues

**Issue 1:** Should the application for water and wastewater certificates by Middleton Utility Company, LLC be approved?

**Recommendation:** Yes. The Commission should grant Middleton Certificate Nos. 681-W and 581-S to serve the territory described in Attachment A, effective the date of the Commission's vote. The resultant order should serve as Middleton's water and wastewater certificates and it should be retained by the Utility. (Wooten, Sowards)

**Staff Analysis:** On April 25, 2022, Middleton filed its application for original water and wastewater certificates in Sumter County. Upon review, staff determined the original filing was deficient and provided the Utility with a list of deficiencies to be corrected. Middleton corrected the deficiencies on June 27, 2022, which is considered the official filing date for the application. Middleton has requested these certificates in order to meet future customer need from land development by an affiliate of its parent company, The Villages. The application is in compliance with the governing statute, Section 367.045, F.S.

### Notice

On June 27, 2022, Middleton filed proof of compliance with the noticing provisions set forth in Rule 25-30.030, Florida Administrative Code (F.A.C.). The notice of application for an initial certificate of authorization for water and wastewater certificates was mailed to the entities required on June 14, 2022<sup>6</sup>, and published as required on June 17, 2022.<sup>7</sup> Subsequent to the issuance of the notice, the Commission did not receive any written objections and the time for filing such objections has expired.

### Need for Service

Pursuant to Rule 25-30.033(1)(k), F.A.C., the Utility provided statements describing the requests for service, the number and type of customers proposed to be served, the proposed service area's current land use designation and all known land use restrictions. The proposed service territory is undeveloped land that is outside any other utility's certificated service territory and is not currently served by any other utility. The proposed utility is therefore not in competition with or duplication of another utility. The property is being developed by an affiliate of The Villages, who owns the proposed service territory. Therefore, there are no formal requests for service from other property owners or developers for the proposed service territory. As previously discussed, the proposed development is anticipated to serve 6,000 residential customers and 329 general service customers. Residential customers will consist of single-family homes and general service customers will primarily consist of offices, retail stores, and restaurants. According to the Utility, the provision of the water and wastewater services are and will be consistent with the existing Sumter County local comprehensive plans. The proposed service area has a current land use designation of Age Restricted Development Land Use and includes conservation lands and environmentally sensitive areas. The Utility states that any impacts to the conservation lands or environmentally sensitive areas will comply with regulatory requirements. Based on the above,

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<sup>6</sup> Document No. 03872-2022, filed June 14, 2022

<sup>7</sup> Document No. 04213-2022, filed June 23, 2022

staff recommends that Middleton has demonstrated the need for service in the proposed service territory.

### **Land Ownership and Service Territory**

Middleton provided adequate service territory system maps and a territory description as required by Rule 25-30.033, F.A.C. The legal description of the service territory is appended to this recommendation, as Attachment A. Middleton did not submit a recorded executed warranty deed as Middleton's utility plant will consist of a water distribution system, water meters, a water tower and a wastewater collection system with a master lift station. All treatment services are purchased from Gibson.

### **Financial and Technical Ability**

Rule 25-30.033(1)(h), and (i), F.A.C., requires a statement showing the financial and technical ability of the applicant to provide service, a detailed financial statement, and a list of all entities upon which the applicant is relying to provide funding along with those entities' financial statements. Regarding financial ability, Middleton is relying upon the financial backing of its parent, The Villages. The Commission has traditionally allowed reliance on the parent's financial ability. The Commission's reasoning has been the logical vested interest of a parent in the financial stability of its subsidiary. The application contains The Villages' most recent financial statements as well as a letter of commitment from The Villages "to make the financial and operating commitment necessary" for Middleton to build and operate the system in Lake and Sumter Counties. Staff believes that The Villages' financial statements and extensive business operations in Florida show adequate and stable funding reserves for the Utility. Therefore, staff recommends that Middleton has demonstrated that it will have access to adequate financial resources to operate the Utility.

Regarding technical ability, as stated previously, Middleton will only operate water distribution and wastewater collection systems. The Utility will purchase treatment services from Gibson which has adequate capacity to serve Middleton. Furthermore, The Villages has experience with operating multiple water and wastewater utilities. These systems are in good standing with the Florida Department of Environmental Protection (DEP). The Villages has also retained engineering, design, permitting, construction, and operation professionals with experience in the development of its other utility system.

Based on the above, staff recommends that Middleton has demonstrated the technical and financial ability to provide service to the proposed service territory.

### **Public Interest**

Section 367.045(5)(a), F.S., provides that the Commission may grant or amend a certificate of authorization, in whole or in part or with modifications in the public interest, or it may deny a certificate of authorization or an amendment to a certificate of authorization, if in the public interest. In prior proceedings, the Commission has made its determination regarding the public interest based upon whether a utility's application demonstrates there is a need for service, that the application is not in competition with or duplication of another system, that the utility has the

financial and technical ability to provide service, and the utility has sufficient plant capacity or will construct the plant when needed.<sup>8</sup>

Middleton's application stated that the proposed service territory is owned by Middleton's parent company, is outside any other utility's certificated service territory, and is not currently served by any other utility. Therefore, Middleton is not in competition with or duplicating another system. Middleton will serve customers of the proposed development of Middleton's parent company via the bulk service agreement with Gibson and the application provides statements that the Gibson water and wastewater treatment plant will sufficiently meet the demands for both Gibson and Middleton. Additionally, the application has provided statements that demonstrates The Villages' financial ability to provide adequate and stable funding reserves for the Utility and The Villages' experience with successfully operating multiple water and wastewater utilities.

Based on the above, staff recommends that granting the requested certificates to Middleton would be in the public interest.

### **Conclusion**

Based on the information above, staff recommends the Commission should grant Middleton Certificate Nos. 681-W and 581-S to serve the territory described in Attachment A, effective the date of the Commission's vote. The resultant order should serve as Middleton's water and wastewater certificates and it should be retained by the Utility.

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<sup>8</sup> Order No. PSC-08-0243-FOF-WS, issued April 16, 2008, in Docket No. 20070109-WS, *In re: Application for amendment of Certificates 611-W and 527-S to extend water and wastewater service areas to include certain land in Charlotte County by Sun River Utilities, Inc. (f/k/a MSM Utilities, LLC)*, pp. 11-13; Order No. PSC-04-0980-FOF-WU, issued October 8, 2004, in Docket No. 20021256-WU, *In re: Application for certificate to provide water service in Volusia and Brevard Counties by Farmton Water Resources LLC*, p. 26; Order No. PSC-92-0104-FOF-WU, issued March 27, 1992, in Docket No. 19910114-WU, *In re: Application for water certificate in Brevard, Orange and Osceola Counties by East Central Florida Services, Inc.*, pp. 33-34.

**Issue 2:** What are the appropriate water and wastewater rates and return on investment for Middleton Utility Company, LLC?

**Recommendation:** Staff's recommended water and wastewater rates, shown on Schedule Nos. 4-A and 4-B, are reasonable and should be approved. The overall cost of capital should be set at 7.77 percent. A return on equity (ROE) of 7.84 percent with a range of plus or minus 100 basis points should also be approved. The approved rates should be effective for services rendered or 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 charge the approved rates until authorized to change them by the Commission in a subsequent proceeding. (Sewards, Bruce, Hudson)

**Staff Analysis:**

**Projected Rate Base**

Consistent with Commission practice in applications for original certificates, rate base is identified only as a tool to aid in setting initial rates and is not intended to formally establish rate base. Based on Middleton's growth projections, the Utility anticipates operating at 80 percent of its design capacity in 2039. The Utility's proposed water and wastewater rate base calculations, as well as staff adjustments, are described below.

The Utility proposed plant in service balances of \$20,395,890 for water and \$26,955,649 for wastewater. On June 30, 2022, Middleton filed a notice advising the installation of mobile read water meters that were more expensive than those included in the original filing.<sup>9</sup> Based on staff's calculations, water plant in service should be increased by \$3,925,062 to account for the updated water meter costs. Additionally, the Utility proposed intangible plant balances of \$1,220,320 for water and \$3,599,155 for wastewater. These balances represent estimated plant capacity fees paid to Gibson. Staff has recalculated intangible plant using the plant capacity fees established for Gibson by the Commission.<sup>10</sup> As such, plant in service should be increased by \$6,518,980 for water and \$19,232,745 for wastewater. Based on the adjustments above, staff recommends plant in service balances of \$30,839,932 for water and \$46,188,394 for wastewater.

Middleton proposed an accumulated depreciation balance of \$4,112,276 for water and \$7,025,132 for wastewater. Based on corresponding adjustments to plant in service, accumulated depreciation should be increased by \$4,748,078 for water and \$7,933,508 for wastewater. As such, staff recommends accumulated depreciation balances of \$8,860,354 for water and \$14,958,640 for wastewater.

In its filing, the Utility proposed contributions in aid of construction (CIAC) balances of \$15,371,202 for water and \$19,961,062 for wastewater. As discussed further below, staff has recommended an adjustment to the plant and main capacity charges, as well as an updated meter installation charge that was not included in Middleton's proposed CIAC calculation for the water system. As a result, staff recommends an adjustment to increase CIAC by \$7,387,936 for water

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<sup>9</sup> Document No. 04369-2022

<sup>10</sup> Document No. 10117-2022; Gibson's plant capacity fees were approved at the November 1, 2022 Commission Conference.

and \$7,389,558 for wastewater. Based on these adjustments, staff recommends CIAC balances of \$22,759,138 for water and \$27,350,620 for wastewater.

Middleton proposed accumulated amortization of CIAC balances of \$2,950,381 for water and \$4,707,109 for wastewater. As discussed further below, staff has recommended an adjustment to the plant and main capacity charges, as well as an updated meter installation charge that was not included in Middleton's proposed CIAC calculation for the water system. Additionally, using the depreciation rates pursuant to Rule 25-30.140, F.A.C., staff has adjusted accumulated amortization of CIAC to reflect the use of the proper accounts in determining amortization rates for the plant capacity and main extension charges. As a result, staff recommends adjustments to increase accumulated amortization by \$2,214,149 for water and \$703,217 for wastewater. Based on these adjustments, staff recommends accumulated amortization of CIAC balances of \$5,164,530 for water and \$5,410,326 for wastewater.

Middleton proposed a working capital allowance of \$202,375 for water and \$516,169 for wastewater based on the one-eighth of the estimated operation and maintenance (O&M) expenses for each system. The Commission has previously allowed this methodology in original certificate cases as the O&M expenses are just an estimate.<sup>11</sup> Based on the adjustments discussed in the operation and maintenance expenses section below, staff recommends a working capital allowance of \$221,175 for water and \$667,304 for wastewater.

In total, the Utility proposed a rate base of \$4,065,168 for water and \$5,192,733 for wastewater. Based on the adjustments discussed above, staff recommends that the rate base be increased by \$540,977 for water and \$4,764,031 for wastewater. As such, staff recommends an adjusted rate base of \$4,606,145 for water and \$9,956,764 for wastewater be approved. Rate base calculations for the water and wastewater systems are shown on Schedule Nos. 1-A and 1-B, respectively. Staff's adjustments are shown on Schedule No. 1-C.

### **Cost of Capital**

Middleton proposed an ROE of 7.88 percent, based on the leverage formula in effect at the time of filing. However, staff recommends the Utility's ROE be based on the current leverage formula in effect.<sup>12</sup> Using the current leverage formula, staff recommends an ROE of 7.84 percent. As such, staff recommends an overall cost of capital of 7.77 percent. The appropriate ROE for Middleton is 7.84 percent, with a range of plus or minus 100 basis points, as shown on Schedule No. 2.

### **Net Operating Income**

The Utility projected net operating income (NOI) for the water and wastewater systems of \$316,271 and \$403,994, respectively. Based on the adjustments above, staff calculated an NOI of \$358,060 for water and \$773,992 for wastewater. The calculated NOI for the water and wastewater systems are shown in Schedule Nos. 3-A and 3-B, respectively.

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<sup>11</sup> Order No. PSC-2018-0271-PAA-WS, issued May 30, 2018, in Docket No. 20160220-WS, *In re: Application for original water and wastewater certificates in Sumter County, by South Sumter Utility Company, LLC.*, p. 4.

<sup>12</sup> Order No. PSC-2022-0208-PAA-WS, issued June 15, 2022, in Docket No. 20220006-WS, *In re: Water and wastewater industry annual reestablishment of authorized range of return on common equity of water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.*

### **Operation and Maintenance Expenses**

Middleton proposed total O&M expenses of \$1,618,998 for water and \$4,129,354 for wastewater. Middleton purchases bulk services from Gibson. Included in the utility's proposed O&M expense is purchased water of \$940,308 and purchased wastewater treatment of \$3,201,508. The purchased water and purchased wastewater treatment expense is based on the bulk service rates that Gibson will assess to Middleton for services. In the Gibson proceeding (Docket No. 2020185-WS), the Commission approved bulk service rates which reflected Gibson at 80 percent design capacity and Middleton at 18 percent design capacity. For original certificates, consistent with Commission practice, initial rates are set based on 80 percent design capacity. According to the two utilities' projected timelines for development, Gibson will be at 100 percent when Middleton reaches 80 percent. In this proceeding, for purposes of calculating O&M expenses for Middleton, staff assumed in its calculations the bulk service rates to reflect Middleton at 80 percent design capacity and Gibson at 100 percent design capacity, which equitably distributes costs based on the stage of development for each respective utility.

As a result, staff determined purchased water should be \$1,099,713 and purchased wastewater should be \$4,410,586. This results in an increase of \$150,405 ( $\$1,099,713 - \$940,308$ ) to purchased water and \$1,209,078 ( $\$4,410,586 - \$3,201,508$ ) to wastewater. Based on these adjustments, staff recommends O&M expenses of \$1,769,403 ( $\$1,618,998 + \$150,405$ ) for water and \$5,338,432 ( $\$4,129,354 + \$1,209,078$ ) for wastewater.

### **Net Depreciation Expense**

The Utility reflected depreciation expense, net of CIAC amortization, of \$89,535 for water and \$113,296 for wastewater. Based on staff's adjustments to rate base, corresponding adjustments should be made to increase net depreciation expense by \$94,477 for water and \$394,512 for wastewater. Additionally, Middleton reflected amortization expense balances of \$62,466 for water and \$90,704 for wastewater to reflect amortization of organization costs. Organization costs are typically recorded in Accounts 301 and 351 and amortized pursuant to Rule 25-30.140, F.A.C. As such, staff has reclassified organization costs for water and wastewater as depreciation expense. These adjustments result in net depreciation expense of \$246,478 ( $\$89,535 + \$94,477 + \$62,466$ ) for water, and \$598,512 ( $\$113,296 + \$394,512 + \$90,704$ ) for wastewater.

### **Amortization Expense**

Middleton reflected amortization expense balances of \$62,466 for water and \$90,704 for wastewater to reflect amortization of organization costs. Organization costs are typically recorded in Accounts 301 and 351 and amortized pursuant to Rule 25-30.140, F.A.C. As such, staff has reclassified organization costs for water and wastewater as depreciation expense and included them in its calculation of net depreciation expense above.

### **Taxes Other Than Income**

In its filing, Middleton included taxes other than income (TOTI) expense of \$426,144 for water and \$714,904 for wastewater. Middleton's calculation of proposed property tax expense for each system was based on the Sumter County millage rate from 2020. Staff recalculated the property tax expense for each system using the most recent millage rate and recommends an adjustment be made to decrease property tax by \$7,468 for water and \$15,727 for wastewater. Staff also made a corresponding adjustment to increase regulatory assessment fees (RAFs) by \$13,156 for



water and \$92,255 for wastewater to reflect staff's recommended revenue requirement. Therefore, staff recommends a TOTI balance of \$431,832 for water and \$791,432 for wastewater.

### **Revenue Requirement**

The Utility's projected revenues include O&M expenses, net depreciation expense, taxes other than income, as well as a return on investment. As a limited liability company, staff notes that Middleton has no income tax expense. The Utility proposed revenue requirements for water and wastewater of \$2,513,414 and \$5,452,252, respectively. Staff recommends adjusted revenue requirements of \$2,805,774 for water and \$7,502,369 for wastewater to be used to set initial rates for service. The calculation of Middleton's projected water and wastewater revenue requirements are shown on Schedule Nos. 3-A and 3-B, respectively. Staff's adjustments are shown on Schedule No. 3-C.

### **Rates and Rate Structure**

Middleton's proposed rates are in accordance with Rule 25-30.033(2), F.A.C., which requires that a base facility charge and usage rate structure, as defined in Rule 25-30.437(6), F.A.C., be utilized for metered service. The Utility's proposed rates were designed to generate the Utility's requested revenue requirements of \$2,513,414 for its water system and \$5,452,252 for its wastewater system.

Staff's recommended water rates shown on Schedule No. 4-A reflect the recommended revenue requirement of \$2,805,774 for the water system less projected miscellaneous revenues of \$7,276. The Utility projects an average residential consumption of approximately 6,844 gallons per month. The Utility proposed a residential rate structure consisting of a base facility charge (BFC) and two-tier inclining blocks with rate blocks of 1) 0-7,000 gallons and 2) all usage in excess of 7,000 gallons per month. The Utility's proposed rate structure for the general service water customers consists of a BFC and uniform gallonage charge rate structure. The Utility's proposed water rates recover 40 percent of the water revenues through the BFC. Staff believes the Utility's proposed water rate structure is reasonable and consistent with the Commission's methodology in determining water rate structures.

Staff's recommended wastewater rates shown on Schedule 4-B reflect the recommended revenue requirement of \$7,495,092 less projected miscellaneous revenues of \$7,276. Middleton's proposed wastewater rates include a BFC and uniform gallonage charge rate structure for its residential and general service customers. The residential wastewater rate includes a gallonage cap of 10,000 gallons. The Utility proposed recovering 50 percent of the revenues through the BFC. Staff believes the Utility's proposed wastewater rate structure is reasonable and consistent with the Commission's methodology in determining wastewater rate structures.

Based on the above, staff's recommended water and wastewater rates and rate structures shown on Schedule Nos. 4-A and 4-B should be approved. The approved rates should be effective for services rendered on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, F.A.C. Middleton Utility should be required to charge the approved rates until authorized to change them by the Commission in a subsequent proceeding.

**Conclusion**

Staff's recommended water and wastewater rates, shown on Schedule Nos. 4-A and 4-B, are reasonable and should be approved. The overall cost of capital should be set at 7.77 percent. An ROE of 7.84 percent with a range of plus or minus 100 basis points should also be approved. The approved rates should be effective for services rendered or 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 charge the approved rates until authorized to change them by the Commission in a subsequent proceeding.

**Issue 3:** Should Middleton Utility Company, LLC's requested initial customer deposits be approved?

**Recommendation:** No. The appropriate initial customer deposits are \$78 for water and \$207 for wastewater service for the residential 5/8" x 3/4" meter size. The initial customer deposits 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 service 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 collect the approved deposits until authorized to change them by the Commission in a subsequent proceeding. (Bruce)

**Staff Analysis:** Rule 25-30.311, F.A.C., contains criteria for collecting, administering, and refunding customer deposits. Rule 25-30.311(1), F.A.C., requires that each company's tariff shall contain its specific criteria for determining the amount of initial deposits. The Utility requested initial customer deposits of \$71.70 for water and \$150.26 for wastewater for the residential 5/8" x 3/4" meter sizes and two times the average estimated monthly bill for all others. Customer deposits are designed to minimize the exposure of bad debt expense for the Utility and, ultimately, the general body of rate payers. In addition, collection of customer deposits is consistent with one of the fundamental principles of rate making which ensures 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 not to exceed an amount equal to the average actual charge for water and/or wastewater 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 bills based on the average consumption for a 12-month period for each class of customers. Based on the billing determinants and average residential bill provided in the application, staff determined that the anticipated average residential usage will be approximately 6,844 gallons per month for both water and wastewater. Consequently, the average residential monthly bill will be approximately \$38.97 for water and \$103.35 for wastewater service, based on staff's recommended rates.

Based on the above, the appropriate initial customer deposits are \$78 for water and \$207 for wastewater service for the residential 5/8" x 3/4" 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 service 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 collect the approved deposits until authorized to change them by the Commission in a subsequent proceeding.

**Issue 4:** Should the temporary meter deposit requested by Middleton Utility Company, LLC be approved?

**Recommendation:** Yes. The Utility's requested temporary meter deposit for general service customers at actual cost pursuant to Rules 25-30.315 and 25-30.345, F.A.C., is reasonable and should be approved. The approved deposit should be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. Middleton should be required to collect the approved deposit, which covers the anticipated costs of installing and removing facilities and materials for temporary service, until authorized to change it by the Commission in a subsequent proceeding. (Bruce)

**Staff Analysis:** Middleton requested a temporary meter deposit for general service customers consistent with Rules 25-30.315 and 25-30.345, F.A.C., which allows the Utility to charge an applicant a reasonable charge to defray the costs of installing and removing facilities and materials for temporary service. This deposit would be collected from commercial entities requesting a temporary meter for construction activities. Once temporary meter service is terminated, Middleton will credit the customer with the reasonable salvage value of the service facilities and materials consistent with Rules 25-30.315 and 25-30.345, F.A.C.

Based on the above, the Utility's requested temporary meter deposit for general service customers at actual cost pursuant to Rules 25-30.315 and 25-30.345, F.A.C., is reasonable and should be approved. The approved deposit should be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. Middleton should be required to collect the approved deposit, which covers the anticipated costs of installing and removing facilities and materials for temporary service, until authorized to change it by the Commission in a subsequent proceeding.

**Issue 5:** Should the collection device cleaning charge requested by Middleton Utility Company, LLC be approved?

**Recommendation:** Yes. The Utility's requested collection device cleaning charge at actual cost for general service customers should be approved. The approved charge should be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. Middleton should be required to charge the approved charge until authorized to change it by the Commission in a subsequent proceeding. (Bruce)

**Staff Analysis:** Middleton requested a collection device cleaning charge at actual cost for general service customers who fail to perform the required actions after receiving written notice from the Utility with an estimate of potential charges. Cleaning the collection device helps prevent damage and operational problems in the wastewater collection and treatment system by removing fats, oil, and grease (FOG) from the wastewater stream prior to it entering the collection system. Once FOG is introduced into the wastewater system, it then cools, solidifies, accumulates and restricts wastewater flow within the pipes. Restaurants are the most common type of general service customer to have higher concentrations of FOG in their discharged wastewater.

Middleton is requiring all customers with a grease interceptor be required to have a quarterly cleaning schedule, provide a cleaning manifest to the Utility, and perform any needed maintenance that has been identified by the customer's grease interceptor cleaning contractor. If a cleaning manifest is not received by the Utility on time or if necessary maintenance has not been performed, a reminder letter will be sent to the customer with an estimate of charges for cleaning the grease interceptor and giving the customer 15 days to come into compliance. If the customer fails to come into compliance by the notified deadline, the Utility will hire a contractor to perform the cleaning and the contractor's cost will be passed through to the general service customer at the actual cost to the Utility.

Staff believes the Utility's proposed collection device cleaning charge is a reasonable, proactive approach to avoid operational problems in the Utility's collection and treatment facilities. The Utility's request is consistent with Rule 20-30.225(6), F.A.C., which provides that Middleton may require that each customer be responsible for cleaning and maintaining sewer laterals to the point of delivery. Staff believes the Utility's requested charge is reasonable and consistent with the Commission's approval of a collection device cleaning charge in prior dockets.<sup>13</sup>

Therefore, staff recommends the Utility's request to charge a collection device cleaning charge is reasonable and should be approved. This charge may be levied if circumstances are consistent with those discussed in this issue and will be set forth in the Utility's tariff. The approved charge should be effective for service 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 charge until authorized to change it by the Commission in a subsequent proceeding.

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<sup>13</sup> Order No. PSC-2018-0271-PAA-WS, issued May 30, 2018, in Docket No. 20160220-WS, *In re: Application for original water and wastewater certificates in South Sumter County by South Sumter Utility Company, LLC.*

**Issue 6:** What are the appropriate miscellaneous service charges for Middleton Utility Company, LLC?

**Recommendation:** The appropriate miscellaneous service charges are shown on Table 6-4 and should be approved. The Utility should file revised tariff sheets to reflect the Commission-approved charges. The approved charges should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. Middleton should be required to charge the approved miscellaneous service charges until authorized to change them by the Commission in a subsequent proceeding. (Bruce)

**Staff Analysis:** Section 367.091, F.S., authorizes the Commission to establish miscellaneous service charges. Middleton's request was accompanied by its reason for requesting the charges as well as the cost justification required by Section 367.091(6), F.S. The purpose of these charges is to place the burden for requesting or causing these services on the cost causer rather than the general body of ratepayers.

### **Premises Visit and Violation Reconnection Charges**

The Utility requested initial connection, normal reconnection, violation reconnection, and premise visit charges of \$46.05 during normal business hours. Additionally, Middleton requested that its violation reconnection charge for its wastewater system be actual cost pursuant to Rule 25-30.460(1)(c), F.A.C. It should be noted that the Utility's request for initial connection and normal reconnection charges do not conform to the miscellaneous service charges rule. Effective June 24, 2021, Rule 25-30.460, F.A.C., was amended to remove initial connection and normal reconnection charges.<sup>14</sup> The definitions for initial connection charges and normal reconnection charges were subsumed in the definition of the premises visit charge. Therefore, Middleton's proposed initial connection and normal reconnection charges are obsolete based on the revised rule.

The Utility's cost justification for its requested premises visit and water violation reconnection charge is shown below in Table 6-1. Staff believes the premises visit and water violation reconnection charges are reasonable and should be approved pursuant to Rule 25-30.460, F.A.C. Middleton Utility's requested wastewater violation reconnection charge should be actual cost pursuant to Rule 25-30.460(1)(c), F.A.C.

**Table 6-1**  
**Premises Visit and Water Violation Reconnection Charge Cost Justification**

Field Labor	\$34.92
Administrative Labor	\$11.13
Total	\$46.05

Source: Utility's Cost Justification

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<sup>14</sup> Order No. PSC-2021-0201-FOF-WS, issued June 4, 2020, in Docket No. 20200240-WS, *In re: Proposed amendment of Rule 25-30.460, F.A.C., Application for Miscellaneous Service Charges.*

**Late Payment Charge**

The Utility requested a \$5.50 late payment charge to recover administrative and supply cost for processing late payment notices. The Utility’s cost justification for its requested late payment charge is shown below on Table 6-2. Staff believes the requested late payment charge is reasonable and should be approved.

**Table 6-2  
 Late Payment Cost Justification**

Labor	\$4.59
Supplies/Postage	\$.75
Mark Up for RAFs	.26
Calculated Total	\$5.60
Requested Charge	\$5.50

Source: Utility’s Cost Justification

**Nonsufficient Funds Charges (NSF)**

The Utility requested NSF charges pursuant to Section 68.065, F.S. Staff believes that Middleton 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,
- 4) or 5 percent of the face amount of the check, whichever is greater.

The Utility’s proposed and staff’s recommended miscellaneous service charges are shown in Tables 6-3 and 6-4.

**Table 6-3  
 Utility Proposed Miscellaneous Service Charges**

	<u>Normal Hours</u>	<u>After Hours</u>
Initial Connection Charge	\$46.05	N/A
Normal Reconnection Charge	\$46.05	N/A
Violation Reconnection Charge	Actual Cost	Actual Cost
Premises Visit Charge (in lieu of disconnection)	\$46.05	N/A
Late Payment Charge	\$5.50	
NSF Charges	Pursuant to Section 68.065, F.S.	

**Table 6-4  
 Staff Recommended Miscellaneous Service Charges**

	<u>Normal Hours</u>	<u>After Hours</u>
Violation Reconnection Charge - Water	\$46.05	Actual Cost
Violation Reconnection Charge -Wastewater	Actual Cost	Actual Cost
Premises Visit Charge	\$46.05	N/A
Late Payment Charge	\$5.50	
NSF Charges	Pursuant to Section 68.065, F.S.	

The appropriate miscellaneous service charges are shown above and should be approved. The utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved charges. The approved charges should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. Middleton should be required to charge the approved miscellaneous service charges until authorized to change them by the Commission in a subsequent proceeding.



**Issue 7:** Should the meter tampering charge requested by Middleton Utility Company, LLC be approved?

**Recommendation:** Yes. The Utility's requested meter tampering charge of actual cost should be approved. The approved charge should be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. Middleton should be required to charge the approved charge until authorized to change it by the Commission in a subsequent proceeding. (Bruce)

**Staff Analysis:** Rule 25-30.320(2)(i), F.A.C., provides that a customer's service may be discontinued without notice in the event of tampering with the meter or other facilities furnished or owned by the Utility. In addition, Rule 25-30.320(2)(j), F.A.C., provides that a customer's service may be discontinued in the event of an unauthorized or fraudulent use of service. The rule allows Middleton to require the customer to reimburse the Utility for all changes in piping or equipment necessary to eliminate the illegal use and to pay an amount reasonably estimated as the deficiency in revenue resulting from the customer's fraudulent use before restoring service.

Based on the above, the Utility's requested meter tampering charge of actual cost should be approved. The approved charge should be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. Middleton should be required to charge the approved charge until authorized to change it by the Commission in a subsequent proceeding.

**Issue 8:** Should Middleton Utility Company, LLC's request to implement a backflow prevention assembly testing charge be approved?

**Recommendation:** Yes. The Utility's requested backflow prevention assembly testing charge for general service customers at actual cost should be approved. The approved charge should be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. Middleton should be required to charge the approved charge until authorized to change it by the Commission in a subsequent proceeding. (Bruce)

**Staff Analysis:** The Utility requested a backflow prevention assembly testing charge to recover the costs the Utility would incur for performing annual testing on behalf of non-compliant commercial customers. The DEP requires customers with cross-connections into the water system to install a backflow prevention assembly on the potable water line. In addition, the DEP requires that certain backflow prevention assemblies be field-tested at least once a year by a certified contractor. The residential customers of Middleton are not required to annually test their backflow prevention assembly devices because residential customers will have a double check valve which cannot be tested. DEP recommends that the double check valve be replaced every five to ten years pursuant to Rule 62-555.360, Cross-Connection Control for Public Water Systems, F.A.C., which is typically done at the customer's expense.

It is the responsibility of the general service customer to annually test their backflow prevention assembly. The Utility would only administer this charge if a general service customer fails to test their backflow prevention device in accordance with the DEP requirements. This charge would be imposed after 30 days' notice to the customer and would include an estimate of the amount which will be charged. This noticing period will provide the customer a final opportunity to come into compliance before the Utility performs the necessary testing on the customer's behalf. The Utility is requesting this charge at actual cost in order to pass on the amount it will incur from a contractor performing the necessary testing. Staff believes the Utility's requested charge is reasonable and consistent with the Commission's approval of a backflow prevention assembly testing charge in a prior docket.<sup>15</sup>

Based on the above, the Utility's requested backflow prevention assembly testing charge for general service customers at actual cost should be approved. The approved charge should be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. Middleton should be required to charge the approved charge until authorized to change it by the Commission in a subsequent proceeding.

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<sup>15</sup> Order No. PSC-2018-0271-PAA-WS, issued May 30, 2018, in Docket No. 20160220-WS, *In re: Application for original water and wastewater certificates in South Sumter County by South Sumter Utility Company, LLC.*

**Issue 9:** What are the appropriate service availability charges for Middleton Utility Company, LLC?

**Recommendation:** The appropriate service availability charges are a meter installation charge of \$571.50 for the residential 5/8" x 3/4" meter size and actual cost for all other residential and general service meter sizes. The main extension charge of \$2,222 per equivalent residential connection (ERC) and plant capacity charge of \$1,224 per ERC for the Utility's water system should be approved. Additionally, a main extension charge of \$2,298 per ERC and a plant capacity charge of \$2,530 per ERC for the Utility's wastewater system should be approved. The recommended main extension and plant capacity charges should be based on 225 gallons per day (gpd). The approved charges should be effective for connections made 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 charges until authorized to change them by the Commission in a subsequent proceeding. (Bruce)

**Staff Analysis:** Middleton requested a meter installation charge of \$571.50 for 5/8" x 3/4" meters and actual cost for all other meter sizes and service availability charge of \$2,716 per ERC, which includes a main extension charge of \$2,215 per ERC and plant capacity charge of \$501 per ERC for its water system. For its wastewater system, the Utility requested a service availability charge of \$3,527 per ERC, which includes a main extension charge of \$2,668 per ERC and plant capacity charge of \$859 per ERC. The Utility's proposed ERC is 225 gpd. The Utility asserts that the requested charges are in compliance with Rule 25-30.580, F.A.C., in that at design capacity the CIAC will not be in excess of 75 percent, and will not be less than the percentage of facilities and plant represented by the distribution and collection systems.

Rule 25-30.580(1)(a), F.A.C., provides that the maximum amount of CIAC, net of amortization, should not exceed 75 percent of the total original cost, net of accumulated depreciation, of the Utility's facilities and plant when the facilities and plant are at their design capacity. The maximum guideline is designed to ensure that the Utility retains an investment in the system. Rule 25-30.580(1)(b), F.A.C., provides that the minimum amount of CIAC should not be less than the percentage of such facilities and plant that is represented by the distribution and collection systems. The service availability charges are discussed below.

### **Meter Installation Charges**

Middleton is requesting approval of a meter installation charge of \$571.50 for 5/8" x 3/4" meters. All other meter sizes will be installed at the Utility's actual cost. The Utility's proposed meter installation charge of \$571.50 is based on the estimated cost to install remote read water meters and the required backflow prevention device for the 5/8" x 3/4" meter size. Staff recommends the meter installation charges, as proposed, are reasonable and should be approved.

### **Main Extension Charges**

The main extension charge is designed to allow customers to pay their pro rata share of the cost of the water distribution and wastewater collection systems, which is installed by the Utility. The Commission approves main extension charges based on the average cost of the distribution and collection systems and the anticipated capacity in ERCs. Based on staff's recommended utility plant in service, the main extension charge per ERC should be \$2,222 for water and \$2,298 for wastewater.

### Plant Capacity Charges

A plant capacity charge allows the Utility to recover each customer’s pro rata share of the cost of facilities and stay within the guidelines prescribed in Rule 25-30.580, F.A.C., which provides minimum and maximum guidelines for designing service availability charges. The Utility proposed plant capacity charges of \$501 for water and \$859 for wastewater, resulted in contribution levels of 75 percent for water and wastewater, which is the maximum guideline provided in the rule mentioned above.

However, based on staff’s recommended utility plant in service, a plant capacity charge of \$1,229 per ERC should be approved for water and \$2,298 per ERC should be approved for wastewater. Staff’s recommended plant capacity charges result in contribution levels of 75 percent for both water and wastewater, which is equivalent to the contribution levels proposed by the Utility. Staff’s recommended charges are consistent with Rule 25-30.580, F.A.C., and will allow Middleton to maintain an appropriate level of investment in its system. Table 9-1 below displays the Utility’s proposed and staff’s recommended service availability charges for its water and wastewater systems.

**Table 9-1  
 Service Availability Charges**

Charge	Utility Proposed		Staff Recommended	
	Water	Wastewater	Water	Wastewater
Meter Installation Charge	\$571.50	N/A	\$571.50	N/A
Main Extension Charge ERC = 225 gpd	\$2,215	\$2,268	\$2,222	\$2,298
Plant Capacity Charge ERC = 225 gpd	\$501	\$859	\$1,229	\$2,530

Source: Utility’s Cost Justification and Staff Calculations

Based on the above, the appropriate service availability charges are a meter installation charge of \$571.50 for the residential 5/8” x 3/4” meter size and actual cost for all other residential and general service meter sizes. The main extension charge of \$2,222 per ERC and plant capacity charge of \$1,229 per ERC for the Utility’s water system should be approved. Additionally, a main extension charge of \$2,298 per ERC and a plant capacity charge of \$2,530 per ERC for the Utility’s wastewater system should be approved. The approved charges should be effective for connections made 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 charges until authorized to change them by the Commission in a subsequent proceeding.

**Issue 10:** Should this docket be closed?

**Recommendation:** No. If no person whose substantial interests are affected by the proposed agency actions in Issues 2 through 9 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 have been filed by the Utility and approved by staff. Once these actions are complete, this docket should be closed administratively. (Brownless)

**Staff Analysis:** If no person whose substantial interests are affected by the proposed agency actions in Issues 2 through 9 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 have been filed by the Utility and approved by staff. Once these actions are complete, this docket should be closed administratively.

**Middleton Utility Company, LLC.**  
**Description of Water and Wastewater Service Territory**

**Sumter County**

THAT PORTION OF SECTIONS 15, 16, 17, 20, 21, 22, 27, 28 AND 29, TOWNSHIP 20 SOUTH, RANGE 23 EAST, SUMTER COUNTY, FLORIDA, DESCRIBED AS FOLLOWS:

COMMENCE AT THE NORTHEAST CORNER OF THE NORTHEAST 1/4 OF AFORESAID SECTION 17; THENCE ALONG THE NORTH LINE THEREOF, RUN N89°41'47"W, 1,333.69 FEET TO THE NORTHWEST CORNER OF THE EAST 1/4 OF SAID SECTION 17; THENCE DEPARTING SAID NORTH LINE AND ALONG THE WEST LINE OF SAID EAST 1/4, RUN S00°05'18"E, 50.00 FEET TO THE SOUTH RIGHT OF WAY LINE OF COUNTY ROAD C470 FOR THE POINT OF BEGINNING; THE FOLLOWING SEVEN (7) COURSES BEING ALONG SAID SOUTH RIGHT OF WAY LINE: RUN S89°41'47"E, 1,299.79 FEET; THENCE S00°18'13"W, 10.00 FEET; THENCE S89°41'47"E, 33.60 FEET; THENCE S89°47'31"E, 166.50 FEET; THENCE N00°12'29"E, 10.00 FEET; THENCE S89°47'31"E, 2,529.50 FEET; THENCE S89°52'59"E, 375.37 FEET; THENCE DEPARTING SAID SOUTH RIGHT OF WAY LINE, RUN S00°00'00"E, 462.00 FEET; THENCE S89°52'33"E, 2,419.01 FEET; THENCE S00°00'00"E, 155.00 FEET; THENCE S89°43'47"E, 1,012.01 FEET; THENCE S00°00'00"E, 208.39 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 120.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°00'00", AN ARC DISTANCE OF 188.50 FEET TO THE POINT OF TANGENCY; THENCE N90°00'00"E, 26.91 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 30.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 90°00'00", AN ARC DISTANCE OF 47.12 FEET TO THE POINT OF TANGENCY; THENCE S00°00'00"E, 47.20 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 257.06 FEET AND A CHORD BEARING AND DISTANCE OF S06°41'16"E, 56.07 FEET TO WHICH A RADIAL LINE BEARS S89°34'23"W; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 12°31'19", AN ARC DISTANCE OF 56.18 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 226.00 FEET AND A CHORD BEARING AND DISTANCE OF S51°13'29"E, 293.96 FEET TO WHICH A RADIAL LINE BEARS S79°20'38"W; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 81°08'13", AN ARC DISTANCE OF 320.04 FEET; THENCE ALONG A NON-TANGENT LINE, RUN S05°18'27"E, 20.45 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 2,148.00 FEET AND A CHORD BEARING AND DISTANCE OF S71°13'53"W, 978.64 FEET TO WHICH A RADIAL LINE BEARS N05°36'03"W; THENCE WESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 26°20'08", AN ARC DISTANCE OF 987.31 FEET TO THE POINT OF TANGENCY; THENCE S58°03'49"W, 181.42 FEET TO THE

POINT OF CURVATURE OF A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 2,018.00 FEET; THENCE WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 21°46'48", AN ARC DISTANCE OF 767.11 FEET TO A POINT OF COMPOUND CURVATURE OF A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 87.00 FEET; THENCE WESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 49°55'05", AN ARC DISTANCE OF 75.80 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 138.00 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 20°09'36", AN ARC DISTANCE OF 48.56 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 87.00 FEET; THENCE NORTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 49°36'57", AN ARC DISTANCE OF 75.34 FEET; THENCE ALONG A RADIAL LINE, RUN S69°13'03"W, 15.00 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 330.00 FEET AND A CHORD BEARING AND DISTANCE OF N21°58'39"W, 13.76 FEET TO WHICH A RADIAL LINE BEARS N69°13'03"E; THENCE NORTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 02°23'23", AN ARC DISTANCE OF 13.76 FEET; THENCE ALONG A NON-TANGENT LINE RUN S68°34'03"W, 75.04 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE NORTHWESTERLY, HAVING A RADIUS OF 75.00 FEET AND A CHORD BEARING AND DISTANCE OF S32°40'15"W, 124.87 FEET TO WHICH A RADIAL LINE BEARS N66°18'57"E; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 112°42'37", AN ARC DISTANCE OF 147.54 FEET; THENCE ALONG A NON-TANGENT LINE RUN S01°36'46"E, 130.53 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 90.41 FEET AND A CHORD BEARING AND DISTANCE OF S34°50'13"E, 111.37 FEET TO WHICH A RADIAL LINE BEARS N17°08'32"E; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 76°02'30", AN ARC DISTANCE OF 119.99 FEET; THENCE ALONG A NON-TANGENT LINE, RUN S00°00'00"E, 253.60 FEET; THENCE S10°30'22"W, 52.36 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 2,199.00 FEET AND A CHORD BEARING AND DISTANCE OF S04°26'00"E, 250.89 FEET TO WHICH A RADIAL LINE BEARS S88°50'13"W; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 06°32'26", AN ARC DISTANCE OF 251.02 FEET; THENCE ALONG A NON-TANGENT LINE RUN S52°12'57"E, 14.30 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 2,189.00 FEET AND A CHORD BEARING AND DISTANCE OF S13°47'24"E, 443.92 FEET TO WHICH A RADIAL LINE BEARS S82°01'47"W; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 11°38'22", AN ARC DISTANCE OF 444.68 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 315.35 FEET AND A CHORD BEARING AND DISTANCE OF S30°38'13"W, 142.88 FEET TO WHICH A RADIAL LINE BEARS N46°16'10"W; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 26°11'14", AN ARC DISTANCE OF 144.13 FEET TO A POINT ON THE ARC

OF A NON-TANGENT CURVE CONCAVE NORTHERLY, HAVING A RADIUS OF 199.85 FEET AND A CHORD BEARING AND DISTANCE OF S84°04'45"W, 85.35 FEET TO WHICH A RADIAL LINE BEARS S18°15'03"E; THENCE WESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 24°39'36", AN ARC DISTANCE OF 86.01 FEET; THENCE ALONG A NON-TANGENT LINE RUN N86°00'00"W, 42.50 FEET; THENCE S04°00'00"W, 146.00 FEET; THENCE S74°35'56"E, 53.59 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE NORTHERLY, HAVING A RADIUS OF 232.00 FEET AND A CHORD BEARING AND DISTANCE OF S88°40'03"E, 86.65 FEET TO WHICH A RADIAL LINE BEARS S12°05'45"W; THENCE EASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 21°31'36", AN ARC DISTANCE OF 87.16 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 129.00 FEET; THENCE EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 41°30'21", AN ARC DISTANCE OF 93.45 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 202.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 11°03'01", AN ARC DISTANCE OF 38.96 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 208.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 57°36'46", AN ARC DISTANCE OF 209.15 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 129.22 FEET; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 11°00'42", AN ARC DISTANCE OF 24.83 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 117.21 FEET AND A CHORD BEARING AND DISTANCE OF S21°41'08"E, 8.72 FEET TO WHICH A RADIAL LINE BEARS N66°10'56"E; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 04°15'51", AN ARC DISTANCE OF 8.72 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 31.00 FEET AND A CHORD BEARING AND DISTANCE OF S04°04'14"W, 25.71 FEET TO WHICH A RADIAL LINE BEARS N69°34'22"E; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 48°59'46", AN ARC DISTANCE OF 26.51 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE EASTERLY, HAVING A RADIUS OF 34.17 FEET AND A CHORD BEARING AND DISTANCE OF S19°24'24"E, 51.08 FEET TO WHICH A RADIAL LINE BEARS N61°02'16"W; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 96°44'17", AN ARC DISTANCE OF 57.69 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 31.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 49°11'47", AN ARC DISTANCE OF 26.62 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE NORTHEASTERLY AND HAVING A RADIUS OF 520.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 09°45'13", AN ARC DISTANCE OF 88.52 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 496.00 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID



CURVE THROUGH A CENTRAL ANGLE OF 01°47'40", AN ARC DISTANCE OF 15.53 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 2,405.00 FEET AND A CHORD BEARING AND DISTANCE OF S13°00'07"E, 252.07 FEET TO WHICH A RADIAL LINE BEARS N73°59'39"E; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 06°00'28", AN ARC DISTANCE OF 252.18 FEET; THENCE ALONG A NON-TANGENT LINE RUN S02°09'22"W, 49.85 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 2,395.00 FEET AND A CHORD BEARING AND DISTANCE OF S04°37'50"E, 350.92 FEET TO WHICH A RADIAL LINE BEARS N81°10'05"E; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 08°24'09", AN ARC DISTANCE OF 351.23 FEET TO THE POINT OF TANGENCY; THENCE S00°25'46"E, 18.64 FEET; THENCE S45°25'46"E, 14.14 FEET; THENCE S00°25'46"E, 106.32 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE EASTERLY AND HAVING A RADIUS OF 1,466.00 FEET; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 20°45'03", AN ARC DISTANCE OF 530.94 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 1,465.03 FEET AND A CHORD BEARING AND DISTANCE OF S25°14'50"E, 207.88 FEET TO WHICH A RADIAL LINE BEARS S68°49'16"W; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 08°08'12", AN ARC DISTANCE OF 208.05 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE WESTERLY, HAVING A RADIUS OF 153.50 FEET AND A CHORD BEARING AND DISTANCE OF S11°56'20"W, 202.39 FEET TO WHICH A RADIAL LINE BEARS N60°41'46"E; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 82°29'10", AN ARC DISTANCE OF 220.99 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 2,270.00 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 10°35'18", AN ARC DISTANCE OF 419.50 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 739.68 FEET AND A CHORD BEARING AND DISTANCE OF S30°40'48"W, 312.69 FEET TO WHICH A RADIAL LINE BEARS N47°07'03"W; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 24°24'19", AN ARC DISTANCE OF 315.07 FEET; THENCE ALONG A NON-TANGENT LINE RUN S01°38'04"E, 108.91 FEET; THENCE S72°01'05"E, 104.73 FEET; THENCE N28°04'56"E, 101.44 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 585.00 FEET AND A CHORD BEARING AND DISTANCE OF N30°34'50"E, 247.09 FEET TO WHICH A RADIAL LINE BEARS N71°36'41"W; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 24°23'02", AN ARC DISTANCE OF 248.96 FEET TO A POINT OF COMPOUND CURVATURE OF A CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 2,135.00 FEET; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 11°30'16", AN ARC DISTANCE OF 428.69 FEET; THENCE ALONG A RADIAL LINE RUN S35°43'23"E, 5.00 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 2,130.00 FEET AND A CHORD BEARING AND DISTANCE OF N54°29'05"E, 15.45 FEET TO WHICH A RADIAL

LINE BEARS N35°43'23"W; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 00°24'56", AN ARC DISTANCE OF 15.45 FEET TO A POINT OF COMPOUND CURVATURE OF A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 82.00 FEET; THENCE EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 47°53'21", AN ARC DISTANCE OF 68.54 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 143.00 FEET; THENCE EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 16°33'43", AN ARC DISTANCE OF 41.34 FEET TO THE POINT OF REVERSE CURVATURE OF A CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 82.00 FEET; THENCE EASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 47°30'10", AN ARC DISTANCE OF 67.98 FEET TO THE POINT OF TANGENCY; THENCE S46°28'40"E, 6.34 FEET; THENCE S43°57'33"E, 84.49 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE NORTHEASTERLY, HAVING A RADIUS OF 1,280.30 FEET AND A CHORD BEARING AND DISTANCE OF S63°49'48"E, 710.72 FEET TO WHICH A RADIAL LINE BEARS S42°17'04"W; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 32°13'45", AN ARC DISTANCE OF 720.17 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 1,421.74 FEET AND A CHORD BEARING AND DISTANCE OF S56°05'31"E, 1,042.04 FEET TO WHICH A RADIAL LINE BEARS N12°24'37"E; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 42°59'44", AN ARC DISTANCE OF 1,066.89 FEET; THENCE ALONG A NON-TANGENT LINE RUN S34°34'27"E, 424.30 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHWESTERLY AND HAVING A RADIUS OF 2,498.93 FEET; THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 16°48'49", AN ARC DISTANCE OF 733.32 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE SOUTHEASTERLY, HAVING A RADIUS OF 130.41 FEET AND A CHORD BEARING AND DISTANCE OF S24°18'38"W, 34.80 FEET TO WHICH A RADIAL LINE BEARS N58°01'20"W; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 15°20'05", AN ARC DISTANCE OF 34.90 FEET; THENCE ALONG A NON-TANGENT LINE, RUN S68°48'08"W, 163.90 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE SOUTHEASTERLY AND HAVING A RADIUS OF 1,045.05 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 39°38'24", AN ARC DISTANCE OF 723.02 FEET TO THE POINT OF TANGENCY; THENCE S29°09'44"W, 375.87 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 990.04 FEET; THENCE SOUTHWESTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 38°56'09", AN ARC DISTANCE OF 672.79 FEET TO THE POINT OF TANGENCY; THENCE S68°05'53"W, 603.20 FEET; THENCE S12°54'01"E, 129.31 FEET; THENCE N68°05'53"E, 623.43 FEET TO THE POINT OF CURVATURE OF A CURVE CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 1,117.76 FEET; THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 39°17'34", AN ARC DISTANCE OF 766.55 FEET TO A POINT ON THE ARC OF A NON-TANGENT CURVE CONCAVE EASTERLY, HAVING A RADIUS

OF 1,184.71 FEET AND A CHORD BEARING AND DISTANCE OF S14°32'01"W, 73.68 FEET TO WHICH A RADIAL LINE BEARS N73°41'03"W; THENCE SOUTHERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 03°33'51", AN ARC DISTANCE OF 73.70 FEET; THENCE ALONG A NON-TANGENT LINE RUN S09°22'37"W, 767.20 FEET; THENCE S11°51'35"W, 709.59 FEET; THENCE S37°41'39"W, 193.08 FEET; THENCE S43°55'09"W, 260.30 FEET; THENCE S47°26'49"W, 575.05 FEET; THENCE S33°01'26"W, 331.30 FEET; THENCE S63°15'46"W, 1,034.19 FEET; THENCE S69°01'13"W, 989.19 FEET; THENCE S87°49'31"W, 549.01 FEET; THENCE N51°33'25"W, 860.05 FEET; THENCE S81°15'13"W, 91.34 FEET; THENCE S44°36'37"W, 721.85 FEET; THENCE S86°34'18"W, 1,509.65 FEET; THENCE N80°32'15"W, 126.72 FEET; THENCE N78°14'53"W, 718.30 FEET TO THE SOUTHEAST CORNER OF THE NORTH 1/2 OF THE NORTHEAST 1/4 OF AFORESAID SECTION 29; THENCE ALONG THE SOUTH LINE THEREOF RUN N89°38'49"W, 2,694.68 FEET TO THE SOUTHWEST CORNER THEREOF; THENCE ALONG THE WEST LINE THEREOF RUN N00°25'41"E, 1,335.19 FEET TO THE SOUTHEAST CORNER OF THE SOUTHWEST 1/4 OF AFORESAID SECTION 20; THENCE ALONG THE SOUTH LINE THEREOF RUN N89°43'54"W, 2,681.21 FEET TO THE SOUTHWEST CORNER THEREOF; THENCE ALONG THE WEST LINE THEREOF RUN N00°16'44"E, 2,658.68 FEET TO THE NORTHWEST CORNER THEREOF; THENCE ALONG THE NORTH LINE OF THE SOUTH 1/2 OF SAID SECTION 20 RUN S89°39'12"E, 4,028.43 FEET TO THE SOUTHWEST CORNER OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SAID SECTION 20; THENCE ALONG THE WEST LINE THEREOF RUN N00°24'57"E, 2,656.98 FEET TO THE SOUTHEAST CORNER OF THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF AFORESAID SECTION 17; THENCE ALONG THE SOUTH LINE THEREOF RUN N89°35'34"W, 1,334.84 FEET TO THE SOUTHWEST CORNER THEREOF; THENCE ALONG THE WEST LINE THEREOF RUN N00°04'35"W, 1,330.43 FEET TO THE NORTHWEST CORNER THEREOF; THENCE ALONG THE NORTH LINE THEREOF RUN S89°37'37"E, 1,334.55 FEET TO THE SOUTHWEST CORNER OF THE EAST 1/4 OF SAID SECTION 17; THENCE ALONG THE WEST LINE THEREOF RUN N00°05'18"W, 3,944.46 FEET TO THE POINT OF BEGINNING.

**FLORIDA PUBLIC SERVICE COMMISSION**  
**Authorizes**  
**Middleton Utility Company, LLC**  
**Pursuant to**  
**Certificate Number 681-W**

to provide water service in Sumter County accordance with the provision of Chapter 367, Florida Statutes, the Rules, 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 suspended, cancelled or revoked by Orders of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
*	*	20220088-WS	Original Certificate

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

**FLORIDA PUBLIC SERVICE COMMISSION**  
**Authorizes**  
**Middleton Utility Company, LLC**  
**Pursuant to**  
**Certificate Number 581-S**

to provide wastewater service in Sumter County accordance with the provision of Chapter 367, Florida Statutes, the Rules, 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 suspended, cancelled or revoked by Orders of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
*	*	20220088-WS	Original Certificate

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

<b>Middleton Utility Company, LLC</b>		<b>Schedule No. 1-A</b>	
<b>Schedule of Water Rate Base</b>		<b>20220088-WS</b>	
<b>80% Design Capacity</b>			
<b>Description</b>	<b>Test Year Per Utility</b>	<b>Staff Adjust- ments</b>	<b>Staff Adjusted Test Year</b>
1 Plant in Service	\$20,395,890	\$10,444,042	\$30,839,932
2 Accumulated Depreciation	(4,112,276)	(4,748,078)	(8,860,354)
3 CIAC	(15,371,202)	(7,387,936)	(22,759,138)
4 Amortization of CIAC	2,950,381	2,214,149	5,164,530
5 Working Capital Allowance	<u>202,375</u>	<u>18,800</u>	<u>221,175</u>
6 <b>Rate Base</b>	<u>\$4,065,168</u>	<u>\$540,977</u>	<u>\$4,606,145</u>

<b>Middleton Utility Company, LLC</b>		<b>Schedule No. 1-B</b>	
<b>Schedule of Wastewater Rate Base</b>		<b>20220088-WS</b>	
<b>80% Design Capacity</b>			
<b>Description</b>	<b>Test Year Per Utility</b>	<b>Staff Adjust- ments</b>	<b>Staff Adjusted Test Year</b>
1 Plant in Service	\$26,955,649	\$19,232,745	\$46,188,394
2 Accumulated Depreciation	(7,025,132)	(7,933,508)	(14,958,640)
3 CIAC	(19,961,062)	(7,389,558)	(27,350,620)
4 Amortization of CIAC	4,707,109	703,217	5,410,326
5 Working Capital Allowance	<u>516,169</u>	<u>151,135</u>	<u>667,304</u>
6 <b>Rate Base</b>	<u>\$5,192,733</u>	<u>\$4,764,031</u>	<u>\$9,956,764</u>

<b>Middleton Utility Company, LLC</b>		<b>Schedule No. 1-C</b>	
<b>Adjustments to Rate Base</b>		<b>20220088-WS</b>	
<b>80% Design Capacity</b>			
<b>Explanation</b>		<b>Water</b>	<b>Wastewater</b>
<b>Plant In Service</b>			
1	To reflect appropriate amount for meters.	\$3,925,062	\$0
2	To reflect appropriate amount for intangible plant.	<u>6,518,980</u>	<u>19,232,745</u>
	<b>Total</b>	<u>\$10,444,042</u>	<u>\$19,232,745</u>
<b>Accumulated Depreciation</b>			
1	To reflect appropriate amount for meters.	(\$2,059,000)	\$0
2	To reflect appropriate amount for intangible plant.	<u>(2,689,079)</u>	<u>(7,933,508)</u>
	<b>Total</b>	<u>(\$4,748,078)</u>	<u>(\$7,933,508)</u>
<b>CIAC</b>			
	To reflect appropriate level of CIAC.	<u>\$7,387,936</u>	<u>\$7,389,558</u>
<b>Accumulated Amortization of CIAC</b>			
	To reflect appropriate level of accumulated amortization of CIAC.	<u>\$2,214,149</u>	<u>\$703,217</u>
<b>Working Capital</b>			
	To reflect appropriate level of working capital.	<u>\$18,800</u>	<u>\$151,135</u>



Middleton Utility Company, LLC Capital Structure-13-Month Average 80% Design Capacity							Schedule No. 2 20220088-WS		
Description	Total Capital	Specific Adjustments	Subtotal Adjusted Capital	Prorata Adjustments	Capital Reconciled to Rate Base	Ratio	Cost Rate	Weighted Cost	
<b>Per Staff</b>									
1	Long-Term Debt	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%	
2	Short-Term Debt	0	0	0	0	0.00%	0.00%	0.00%	
3	Preferred Stock	0	0	0	0	0.00%	0.00%	0.00%	
4	Common Equity	9,092,162	0	9,092,162	5,305,001	14,397,163	98.86%	7.84%	7.75%
5	Customer Deposits	165,746	0	165,746	0	165,746	1.14%	2.00%	0.02%
6	Tax Credits-Zero Cost	0	0	0	0	0	0.00%	0.00%	0.00%
7	Deferred Income Taxes	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>	0.00%	<u>0.00%</u>
8	<b>Total Capital</b>	<u>\$9,257,908</u>	<u>\$0</u>	<u>\$9,257,908</u>	<u>\$5,305,001</u>	<u>\$14,562,909</u>	<u>100.00%</u>		<u>7.77%</u>
						<b><u>LOW</u></b>	<b><u>HIGH</u></b>		
RETURN ON EQUITY						<u>6.84%</u>	<u>8.84%</u>		
OVERALL RATE OF RETURN						<u>6.78%</u>	<u>8.76%</u>		

<b>Middleton Utility Company, LLC</b>				<b>Schedule No. 3-A</b>	
<b>Statement of Water Operations</b>				<b>20220088-WS</b>	
<b>80% of Design Capacity</b>					
<b>Description</b>	<b>Proposed Per Utility</b>	<b>Staff Adjustments</b>	<b>Staff Adjusted</b>	<b>Revenue Increase</b>	<b>Revenue Requirement</b>
1 <b>Operating Revenues:</b>	<u>\$2,513,414</u>	<u>\$0</u>	<u>\$2,513,414</u>	<u>\$292,360</u> 11/63%	<u>\$2,805,774</u>
<b>Operating Expenses</b>					
2 Operation & Maintenance	\$1,618,998	150,405	\$1,769,403		\$1,769,403
3 Depreciation	89,535	156,943	246,478		246,478
4 Amortization	62,466	(62,466)	0		0
5 Taxes Other Than Income	426,144	(7,468)	418,676	13,156	431,832
6 <b>Total Operating Expense</b>	<u>2,197,143</u>	<u>237,414</u>	<u>2,434,557</u>	<u>13,156</u>	<u>2,447,713</u>
7 <b>Operating Income</b>	<u>\$316,271</u>	<u>(\$237,414)</u>	<u>\$78,857</u>	<u>\$279,203</u>	<u>\$358,060</u>
8 <b>Rate Base</b>	<u>\$4,065,168</u>		<u>\$4,606,145</u>		<u>\$4,606,145</u>
9 <b>Rate of Return</b>	<u>7.78%</u>		<u>1.71%</u>		<u>7.77%</u>

<b>Middleton Utility Company, LLC</b>	<b>Schedule No. 3-B</b>
<b>Statement of Wastewater Operations</b>	<b>20220088-WS</b>
<b>80% of Design Capacity</b>	

Description	Adjusted Test Year Per Utility	Staff Adjustments	Staff Adjusted Test Year	Revenue Increase	Revenue Requirement
1 <b>Operating Revenues:</b>	<u>\$5,452,252</u>	<u>\$0</u>	<u>\$5,452,252</u>	<u>\$2,050,117</u> 37.60%	<u>\$7,502,369</u>
<b>Operating Expenses</b>					
2     Operation & Maintenance	\$4,129,354	\$1,209,078	\$5,338,432		\$5,338,432
3     Depreciation	113,296	485,216	598,512		598,512
4     Amortization	90,704	(90,704)	0		0
5     Taxes Other Than Income	714,904	(15,727)	699,177	92,255	791,432
6 <b>Total Operating Expense</b>	<u>5,048,258</u>	<u>1,587,863</u>	<u>6,636,121</u>	<u>92,255</u>	<u>6,728,376</u>
7 <b>Operating Income</b>	<u>\$403,994</u>	<u>(\$1,587,863)</u>	<u>(\$1,183,869)</u>	<u>\$1,957,861</u>	<u>\$773,992</u>
8 <b>Rate Base</b>	<u>\$5,192,733</u>		<u>\$9,956,764</u>		<u>\$9,956,764</u>
9 <b>Rate of Return</b>	<u>7.78%</u>		<u>-11.89%</u>		<u>7.77%</u>

<b>Middleton Utility Company, LLC</b>		<b>Schedule No. 3-C</b>	
<b>Adjustments to Operating Income</b>		<b>20220088-WS</b>	
<b>80% Design Capacity</b>			
<b>Explanation</b>		<b>Water</b>	<b>Wastewater</b>
<b>Operation and Maintenance Expense</b>			
To reflect correct amount of purchased water and sewage treatment expense.		<u>\$150,405</u>	<u>\$1,209,078</u>
<b>Depreciation Expense - Net</b>			
1 To reflect correct levels of plant in service and amortization rate for CIAC.		\$94,477	\$394,512
2 To reclassify amortization expense to depreciation expense.		<u>62,466</u>	<u>90,704</u>
<b>Total</b>		<u>\$156,943</u>	<u>\$485,216</u>
<b>Amortization-Other Expense</b>			
To reclassify amortization expense to depreciation expense.		<u>(\$62,466)</u>	<u>(\$90,704)</u>
<b>Taxes Other Than Income</b>			
To reflect the most current millage rate for property tax calculation.		<u>(\$7,468)</u>	<u>(\$15,727)</u>

<b>MIDDLETON UTILITY COMPANY, LLC.</b>		<b>SCHEDULE NO. 4-A</b>	
<b>MONTHLY WATER RATES</b>		<b>DOCKET NO. 20220088-WS</b>	
	<b>UTILITY REQUESTED RATES</b>	<b>STAFF RECOMMENDED RATES</b>	
<b><u>Residential Service</u></b>			
Base Facility Charge	\$11.01	\$11.87	
Gallonage Charge			
0- 7,000 gallons	\$3.49	\$3.96	
Over 7,000 gallons	\$4.36	\$4.95	
<b><u>General Service</u></b>			
Base Facility Charge by Meter Size			
5/8" x 3/4"	\$11.01	\$11.87	
3/4"	\$16.52	\$17.81	
1"	\$27.53	\$29.68	
1-1/2" Turbine	\$55.05	\$59.35	
2" Turbine	\$88.08	\$94.96	
3" Turbine	\$192.68	\$207.73	
Charge per 1,000 gallons - General Service	\$3.63	\$4.11	
<b><u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u></b>			
3,000 Gallons	\$21.48	\$23.75	
7,000 Gallons	\$35.44	\$39.59	
10,000 Gallons	\$48.52	\$54.44	

<b>MIDDLETON UTILITY COMPANY, LLC.</b>	<b>SCHEDULE NO. 4-B</b>	
<b>MONTHLY WASTEWATER RATES</b>	<b>DOCKET NO. 20220088-WS</b>	
	<b>UTILITY REQUESTED RATES</b>	<b>STAFF RECOMMENDED RATES</b>
<b><u>Residential Service</u></b>		
Base Facility Charge- All Meter Sizes	\$17.03	\$23.41
Charge per 1,000 gallons- Residential 10,000 gallon cap	\$8.49	\$11.68
<b><u>General Service</u></b>		
Base Facility Charge by Meter Size		
5/8" x 3/4"	\$17.03	\$23.41
3/4"	\$25.55	\$35.12
1"	\$42.58	\$58.53
1-1/2" Turbine	\$85.15	\$117.05
2" Turbine	\$136.24	\$187.28
3" Turbine	\$298.03	\$409.68
Charge per 1,000 gallons - General Service	\$10.18	\$14.02
<b><u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u></b>		
3,000 Gallons	\$42.50	\$58.45
6,000 Gallons	\$67.97	\$93.49
10,000 Gallons	\$101.93	\$140.21