

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in water rates in Broward County by Royal Waterworks, Inc.	Docket No. 20230081-WS Filed: August 14, 2023
--	--

APPLICATION OF ROYAL WATERWORKS, INC. FOR INCREASED INTERIM AND FINAL WATER AND WASTEWATER RATES IN BROWARD COUNTY

Royal Waterworks, Inc. (hereinafter referred to as "Royal" or "Utility"), by and through its undersigned representative and pursuant to Sections 367.081, Florida Statutes (F.S.), and Chapter 25-30, Florida Administrative Code (F.A.C.), hereby files this Application for increased interim and final water and wastewater rates in Broward County.

I. UTILITY INFORMATION

1. The Utility's name as it appears on its certificates and its mailing address are:

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

2. The names and addresses of the Utility's authorized representatives are:

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

3. Royal was incorporated on April 24, 2019 under the laws of Florida and is currently authorized to conduct business in Florida. The Florida Public Service

Commission approved the transfer of Certificate 259-W and 199-S from Royal Utility Company to Royal in Order No. PSC-2020-0458-PAA-WS, issued November 23, 2020. The names and addresses of the persons who own 5 percent or more of the Utility's stock are:

Gary A. Deremer
President and CEO
4939 Cross Bayou Blvd.
New Port Richey, FL 34652

Cecil Delcher
11702 Forest Hills Drive
Tampa, FL 33612

4. The Utility's rates were last established in a previous rate case by Order No. 12170, issued June 24, 1983. At that time, the utility was owned by University Utility Corporation. The utility has since been transferred twice.

5. A copy of this Application and supporting documents will be made available for public inspection regular business hours at the following address:

U.S. Water Services Corporation
4939 Cross Bayou Blvd.
New Port Richey, Florida 34652
(727) 848-8292 (Telephone)

6. The Utility is requesting interim and final water and wastewater rates which will allow it to recover all prudently incurred expenses the Utility will incur on a going-forward basis, and generate a fair rate of return on its investment in all property considered used and useful in the public service. The Utility is also requesting several pro forma plant and expense items.

7. The Utility has demonstrated through its supporting schedules within the attached **Volume I** that it is earning outside its range of reasonable returns, calculated in

accordance with Section 367.081, Florida Statutes. Submitted as part of **Volume I** are schedules of rate base (Schedules A-1 through A-19), net operating income (Schedules B-1 through B-15), cost of capital (Schedules D-1 through D-7), and rate design (Schedules E-1 through E-14), which also contain the billing analysis pursuant to Rule 25-30.437, F.A.C.

8. Attached hereto as **Exhibit "A"** is an affidavit signed by Gary Deremer, Royal's President, stating that the Applicant will comply with the notice requirements set forth in Rule 25-22.0407, F.A.C.

9. To minimize rate case expense and in light of the Royal's financial condition, the Utility requests that this case be processed using the proposed agency action ("PAA") procedures set forth in Section 367.081(8), Florida Statutes. The PAA procedures provide a cost-effective mechanism through which the Commission and its staff can thoroughly address all of the customers' and the Utility's issues related to the rate case. Royal customers will have ample opportunity to voice any concerns that they may have at customer meetings which will be held in the Utility's service territory. Royal respectfully submits that utilizing the PAA process will minimize rate case expense to the benefit of customers.

10. The appropriate filing fees of \$3,500 (water) and \$1,500 (wastewater) accompany this Application as required by Section 367.145(2), Florida Statutes, and Rule 25-30.020, Florida Administrative Code, for the Utility's requests for increased water and wastewater rates.

11. Except as may be specifically identified herein, Royal does not know of any manner in which this Application deviates from the policies, procedures or guidelines prescribed by relevant Commission rules.

12. There has been no new land recorded on the Utility's books since net book value was last established.

II. APPLICATION FOR INCREASE IN WATER RATES

13. In accordance with Rules 25-30.436 and 25-30.437, Florida Administrative Code and Form PSC/ECR 19, ten copies of Royal's Financial, Rate and Engineering Minimum Filing Requirements ("MFRs"), have been filed contemporaneously herewith.

14. Royal is requesting permission to use the Commission's current approved leverage formula to establish return on common equity ("ROE") pursuant to Section 367.081(4)(f), Florida Statutes, and Rule 25-30.433(11), Florida Administrative Code. This leverage formula produces a ROE of 10.67% for Royal.

15. There are no allocated costs and/or charges from any affiliated or related party.

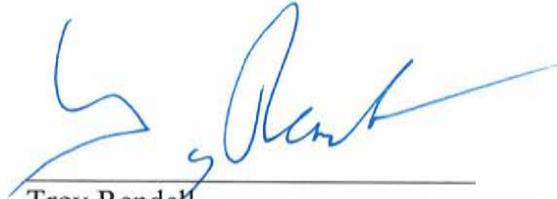
16. Two copies of Volume II to the MFRs containing the Additional Engineering Information required by Rule 25-30.440(2) – (10), Florida Administrative Code, are included with the MFRs filed herewith.

17. One copy of a detailed map of Royal's water and wastewater systems subject to the Application, showing the location and size of each system's distribution and collection lines, its water plant sites, and the location and respective classification of each system's customers, are filed simultaneously herewith pursuant to Rule 25-30.440(1), Florida Administrative Code.

WHEREFORE, the Utility respectfully requests that the Commission:

- A. Accept jurisdiction of this Application and utilize the PAA procedure set forth in Section 367.081(8), Florida Statutes;
- B. Grant interim water and wastewater rates as requested herein;
- C. Grant final water and wastewater rates as requested herein;
- D. Grant such further relief as the Commission deems fair, just, equitable and appropriate.

Respectfully submitted this 14th day of August 2023.



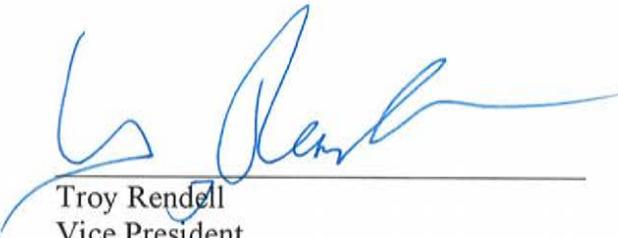
Troy Rendell
Vice President
Investor Owned Utilities
// for Royal Waterworks, Inc.
4939 Cross Bayou Blvd.
New Port Richey, Florida 34652
(727) 848-8292 (Telephone)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing Application has been furnished via U.S. Mail to the following this 7th day of April 2022:

Keith Hetrick
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Richard Gentry
Office of Public Counsel
c/o The Florida Legislature
111 W Madison St, Room 812
Tallahassee, FL 32399-1400



Troy Rendell
Vice President
Investor Owned Utilities

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

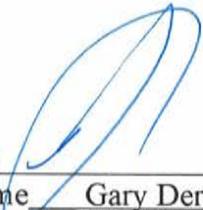
In re: Application for increase in water and wastewater rates in Broward County by Royal Waterworks, Inc.	Docket No. 20230081-WS Filed: August 14, 2023
---	--

AFFIDAVIT

STATE OF FLORIDA:
COUNTY OF PASCO:

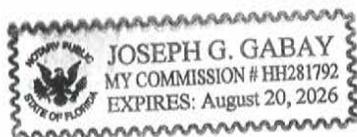
BEFORE ME, the undersigned authority, personally appeared Gary Deremer, who after being duly sworn, deposes and says:

1. That I, Gary Deremer, am the President of Royal Waterworks, Inc.
2. That I hereby affirm that Royal Waterworks, Inc. will comply with the noticing requirements set forth in Rules 25-22.0407 and 25-30.4345, Florida Administrative Code, for applications for water and wastewater rate increases.
3. Further Affiant sayeth not.

By: 
Name Gary Deremer
Title: President
 Royal Waterworks, Inc.

STATE OF FLORIDA:
COUNTY OF PASCO:

Subscribed and sworn to before me this 14th Day of August 2023, by Gary Deremer, who is personally known to me.




NOTARY PUBLIC
My Commission Expires: