BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

|  |  |
| --- | --- |
| In re: Application for staff-assisted rate case in Polk County by Pinecrest Utilities, LLC. | DOCKET NO. 20230071-WU  ORDER NO. PSC-2024-0100-PAA-WU  ISSUED: April 17, 2024 |

The following Commissioners participated in the disposition of this matter:

MIKE LA ROSA, Chairman

ART GRAHAM

GARY F. CLARK

ANDREW GILES FAY

NOTICE OF PROPOSED AGENCY ACTION ORDER

APPROVING RATE INCREASE FOR PINECREST UTILITIES, LLC.

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission (Commission) that the actions discussed herein, except for (1) the reduction of rates after four years based upon the recovery of rate case expense, (2) the granting of temporary rates in the event of protest, and (3) the requirement for proof of adjustment of books and records, are preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.). The reduction of rates after four years, the granting of temporary rates in the event of protest, and the requirement for proof of adjustment of books and records are procedural agency actions and subject to reconsideration and appeal as described below under the heading, “NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW.”

Case Background

Pinecrest Utilities, LLC (Pinecrest or Utility) is a Class C water utility serving approximately 138 residential customers in Polk County. The Utility was transferred to the present operator in 2012.[[1]](#footnote-1) Pinecrest’s rates and charges were approved in its last staff-assisted rate case (SARC) in 2013.[[2]](#footnote-2) According to the Utility’s 2022 Annual Report, total gross revenue was $59,184 and total operating expense was $82,431.

On May 26, 2023, the Utility filed its application for a SARC.[[3]](#footnote-3) A test year ended December 31, 2022, was selected for the purposes of interim and final rates. We approved an interim rate increase of $10,772 (18.20 percent) for the Utility on July 17, 2023.[[4]](#footnote-4)

A customer meeting was held on January 23, 2024, in which one customer provided comments.

We have jurisdiction in this case pursuant to Sections 367.011, 367.081, 367.0812, 367.0814, 367.091, and 367.121, Florida Statutes (F.S.).

Review and Decision

1. Quality of Service

Pursuant to Section 367.081(2)(a)1, F.S., and Rule 25-30.433(1), Florida Administrative Code (F.A.C.), in water rate cases, we shall determine the overall quality of service provided by a utility. This determination is made from an evaluation of the quality of a utility’s product and a utility’s attempt to address customer satisfaction. The Rule further states that the most recent chemical analyses for the water system, outstanding citations, violations, and consent orders on file with the DEP and the county health department, and any DEP and county health department official’s testimony concerning quality of service shall be considered. In addition, any customer testimony, comments, or complaints received by us are also reviewed. The operating condition of the water system is addressed in Section 2.

*A. Quality of Utility’s Product*

In evaluation of Pinecrest’s product quality, we reviewed the Utility’s compliance with the DEP’s primary and secondary drinking water standards. Primary standards protect public health while secondary standards regulate contaminants that may impact the taste, odor, and color of drinking water. In the DEP’s last Sanitary Survey Report dated March 20, 2023, no chemical or bacteriological exceedances were noted, and the Utility was determined to be in compliance with DEP standards. We also reviewed the DEP’s triennial Safe Drinking Water Program chemical analysis of samples taken at the point of entry on June 14, 2021, and while the Utility was determined to be in compliance by the DEP, we observed an exceedance in iron. In response to our Second Data Request,[[5]](#footnote-5) the Utility explained that this exceedance was due to iron being a part of the ground water makeup at the well. As a result, the Utility treats the water with Aqua Mag, which is used for iron sequestration. In addition, in response to our Seventh Data Request, the Utility indicated that water testing for compliance with the DEP’s water quality standards will be completed again this year.[[6]](#footnote-6)

*B. The Utility’s Attempt to Address Customer Satisfaction*

We reviewed the Commission’s Consumer Activity Tracking System (CATS) records, and discovered only one complaint recorded during the test year and four years prior for Pinecrest. The complaint was received September 21, 2022, and was regarding improper disconnection due to a water shutoff. The Utility responded timely that the event was due to planned maintenance and the complaint was then closed. We also requested all complaints received by the DEP during the test year and four years prior. The DEP responded that it did not receive any complaints for Pinecrest during this timeframe.

We performed a supplemental review of the complaints filed in CATS during the course of this docket, and one additional complaint was submitted on January 17, 2024. The complaint expressed concerns regarding the rate increase, water color, and poor customer service. The Utility responded with flushing the water line but had difficulties contacting the customer, and was advised by us to provide a written response, which addressed the need for flushing of customer faucets after vacant periods. The complaint has been closed. We also requested any customer complaints received by the DEP during the course of this docket. The DEP responded that it did not receive any complaints for Pinecrest during this timeframe.

We requested all complaints received by Pinecrest during the test year and four years prior, and the Utility provided 21 complaints received during this timeframe, one of which was duplicative of the initial complaint received through the CATS. The majority of the complaints received by the Utility were during 2020. The Utility appears to have been responsive and resolved concerns in a timely manner. Table 1 shows these complaints, as well as the comments and complaints received during the course of this docket, by source and subject.

Table 0

Number of Comments and Complaints by Source and Subject

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Subject of** | **Utility** | **CATS** | **Written/Oral** |  |
| **Complaint** | **Complaints** | **Complaints** | **Comments** | **Total\*** |
| Leaking Water Meters | 4 | 0 | 0 | 4 |
| Service Interruptions | 5 | 2 | 3 | 10 |
| Billing | 5 | 0 | 0 | 5 |
| Water Odor | 4 | 0 | 0 | 4 |
| Noise | 2 | 0 | 0 | 2 |
| Water Color | 1 | 1 | 2 | 4 |
| Improper Disconnection | 1 | 0 | 0 | 1 |
| Poor Customer Service | 0 | 1 | 1 | 2 |
| General Water Quality Concerns | 0 | 0 | 1 | 1 |
| Rate Increase Concerns | 0 | 1 | 4 | 5 |
| **Total\*** | 22 | 5 | 11 | 38 |

\*A single customer comment/complaint may be counted multiple times if it is associated with multiple categories.

A virtual customer meeting was held on January 23, 2024, and one customer provided oral comments. This customer also submitted the most recent CATS complaint and written comments to the docket file, and expressed concerns regarding the rate increase and discoloration, noting they installed a private water filtration system. Three additional written customer comments were submitted following issuance of the customer meeting notice or following the customer meeting. These addressed opposition to rate increases, frequency of interruptions due to repairs and resulting boiled water notices, water discoloration, and that the water was not suitable for consumption and caused skin reactions. One comment also complimented Utility staff’s customer service.

We note the concerns regarding secondary water quality, specifically odor and color, and service interruptions have been addressed by the Utility. Regarding water color, as discussed previously, we note that the Utility had an iron exceedance when it was last tested due to it naturally occurring in the ground water, and the Utility has responded by treating the water with Aqua Mag, and flushing customers’ water lines in response to complaints to address this issue. Regarding water odor, the Utility tested the water for compliance in response to complaints. Regarding the interruptions, in response to our Seventh Data Request, the Utility identified a total of eight service interruptions for the test year (January 1, 2022, through December 31, 2022).[[7]](#footnote-7) These interruptions were a result of either line breaks, loss of power at the water treatment plant, loss of pressure on the system as a result of a power outage, tank inspection and cleaning, emergency repairs, or leaks. The Utility issued boil water notices for each interruption, and lifted them when safe to do so.

*C. Conclusion*

Pinecrest has been responsive to customer complaints and is currently in compliance with DEP standards; therefore, we find that the quality of service be considered satisfactory.

2. Infrastructure and Operating Conditions

Rule 25-30.225(2), F.A.C., requires each water utility to maintain and operate its plant and facilities by employing qualified operators, in accordance with the rules of the DEP. Rule 25-30.433(2), F.A.C., requires consideration of whether the infrastructure and operating conditions of the plant and facilities are in compliance with Rule 25-30.225, F.A.C. In making this determination, the Commission must consider testimony of the DEP and county health department officials, sanitary surveys for water systems, citations, violations, and consent orders issued to the utility, customer testimony, comments, and complaints, and utility testimony and responses to the aforementioned items.

*A. Water System Operating Conditions*

Pinecrest’s water system has a permitted capacity of 150,000 gallons per day (gpd). The water system has two wells with pumping capacities of 200 gallons per minute (gpm) and 90 gpm, respectively, and one hydropneumatic storage tank with a capacity of 5,000 gallons. Groundwater from the wells is treated through hypochlorination. We reviewed Pinecrest’s most recent Sanitary Survey Report conducted by the DEP to determine the Utility’s overall water facility compliance. A review of the Report dated March 20, 2023, indicated that Pinecrest’s water treatment facility is in compliance with the DEP’s rules and regulations.

*B. Conclusion*

Pinecrest’s water treatment facility is currently in compliance with DEP regulations.

3. Used and Useful

As stated in Section 2, Pinecrest’s water system has two wells with pumping capacities of 200 gpm and 90 gpm, respectively, and one hydropneumatic storage tank with a capacity of 5,000 gallons. Pinecrest’s water distribution system is composed of 500 feet of 2-inch polyvinyl chloride (PVC) pipe, 6,300 feet of 3-inch PVC pipe, 3,210 feet of 4-inch PVC pipe, 5,025 feet of 6-inch PVC pipe, and 20 feet of 4-inch galvanized pipe. There are nine fire hydrants throughout the water distribution system.

*A. Used and Useful Percentages*

Rule 25-30.4325, F.A.C., addresses the method by which the U&U of a water system is determined. In its last SARC, Pinecrest’s WTP and water distribution system were found to be 100 percent U&U.[[8]](#footnote-8) The Utility has not increased the capacity of its WTP since rates were last established. The Utility’s water distribution system continues to only provide service to existing customers, the service area remains built out, and there continues to be no potential for expansion of the service area. Therefore, consistent with the Commission’s previous decision, we find that the Utility’s WTP and water distribution system be considered 100 percent U&U.

*B. Excessive Unaccounted for Water*

Rule 25-30.4325, F.A.C., additionally provides factors to be considered in determining whether adjustments to operating expenses are necessary for EUW. EUW is defined as “unaccounted for water in excess of 10 percent of the amount produced.” Unaccounted for water is all water produced that is not sold, metered, or accounted for in the records of the utility.

EUW is calculated by subtracting both the gallons sold to customers and the gallons used for other services, such as flushing, from the total gallons pumped and purchased for the test year, and dividing by the sum of gallons pumped and purchased. The amount in excess of 10 percent, if any, is the EUW percentage.

Based on monthly operating reports, Pinecrest produced 12,493,332 gallons of water during the test year (January 1, 2022, through December 31, 2022). We were able to verify the Utility sold 5,110,602 gallons of water to customers. In its 2022 Annual Report, the Utility reported that no water was purchased, and recorded 7,383,000 gallons of water loss from line flushing and other events during the test year. This calculation results in approximately zero unaccounted for water. However, upon our review, it appeared that the accounted for loss value was determined by taking the difference between gallons of water produced and gallons of water sold in each month of the Utility’s 2022 Annual Report, including a negative value for one month. As such, we requested that the Utility provide documentation supporting the values provided in the Utility’s 2022 Annual Report for water loss due to flushing and other events.

In response to our Fourth Data Request regarding the methodology used to determine the values in the 2022 Annual Report, the Utility stated that the flushing valves were unmetered, but that the Utility’s technician calculated a flushing value based on line diameter and flush duration.[[9]](#footnote-9) In response to our Fifth Data Request asking for supporting documentation for those values, the Utility responded it did not keep exact records and outlined its routine flushing events, but noted additional flushing occurs based on operating conditions, customer complaints, and other factors.[[10]](#footnote-10)

In response to our Seventh Data Request, the Utility stated it is under no mandate from the DEP to engage in additional flushing beyond routine maintenance or in response to customer complaints.[[11]](#footnote-11) We also asked if any non-flushing values were included in the reported values, which the Utility responded it also included water loss from leaks in the value. In the Utility’s supplemental response to our Seventh Data Request, and its response to our Ninth Data Request, the Utility provided estimates of water loss due to routine flushing and maintenance events, and several known water leak events that resulted in water loss.[[12]](#footnote-12) We therefore elected to use the estimates provided by the Utility to determine water loss resulting from flushing and other events for the test year, rather than the 2022 Annual Report values.

For its calculation of EUW, we excluded August and September 2022 as the Utility indicated that its flow meter had failed during these months, which resulted in low or no flow data being recorded for portions of these months.[[13]](#footnote-13) The resulting calculation ([11,408,332 + 0 – 4,330,749 – 511,378] / [11,408,332 + 0]) for unaccounted for water is 57.6 percent. Therefore, there is 47.6 percent EUW.

Pursuant to Rule 25-30.4325(10), F.A.C., we reviewed all relevant factors for the EUW value, including whether the reason for losses was known, and whether a solution has been implemented or is economically feasible. For example, the Utility’s estimates of major leaks may be subject to error due to unknown duration of the leak before it was detected and able to be repaired by the Utility. However, in reviewing the monthly values between those months with large leaks reported and those without, we did not determine any large difference in unaccounted for water. In response to our Ninth Data Request, the Utility did not state it had identified a source for the losses, but speculated that the water meters may be faulty, noting that after the flow meter failed in late 2022, the Utility conducted bucket tests on random customer meters, and determined that there was an increasing number of dead meters throughout the system.[[14]](#footnote-14) We acknowledge that faulty water meters could contribute towards the value, but the magnitude of the error made it unlikely to be the sole source. We reviewed the Utility’s annual reports for the last ten-year period to determine if a trend existed in the disparity between gallons pumped and gallons sold, as well as customer growth. Figure 1 displays gallons pumped and gallons sold data from the Utility’s annual reports.

Figure 1

Pinecrest Gallons Pumped and Gallons Sold Data

Source: Utility’s Annual Reports.

As shown in Figure 1, it appears total gallons sold slightly declined within the last five years of the period (2018 through 2022) as compared to the first five years of the period (2013 through 2017), while total gallons pumped increased substantially when comparing the same periods. Between 2017 and 2018 alone, the Utility recorded an increase in total gallons pumped of 4,040,000 gallons, while water sold declined by 734,000 gallons. Figure 2 displays the Utility’s customer growth as identified in its last ten annual reports. In comparison, the Utility’s customer base has only slightly increased within the last five years of the period as compared to the first five years.

Figure 2

Pinecrest Customer Growth

Source: Utility’s Annual Reports.

As noted previously, the Utility did not identify the source of the disparity between gallons pumped and gallons sold, but speculated that faulty meters were responsible according to its response to our data request. Therefore, while we agree that faulty water meters may be a potential source of some unaccounted for water, the trend of increasing pumped gallons appears higher than potential losses from meters without significant increases in individual water consumption.

We also note that this Commission already allows for a 10 percent unaccounted for water percentage prior to finding unaccounted for water excessive. As will be discussed in Section 4, the Utility requested a new flow meter and a meter replacement/retrofit project as part of its pro forma project requests. If the Utility is able to demonstrate that these projects rectify this issue, the Utility can seek an adjustment to eliminate any EUW adjustment through a petition for a limited proceeding or a future SARC application, which may also require rates to be reset as well to reflect the additional sales previously unaccounted for and that were not used in the determination of rates in this SARC.

During our investigation of the values provided in the Utility’s 2022 Annual Report for water loss related to flushing and other events, the Office of Public Counsel (OPC) also expressed concerns with these values. In its letter dated February 2, 2024, OPC recommended that an adjustment of 49.09 percent be made to purchased power and chemicals expenses for EUW based on allowing 10 percent of total gallons of water produced to be allotted for flushing.[[15]](#footnote-15) While we agree with OPC that an adjustment is necessary, our EUW calculation is based on information provided by the Utility regarding its flushing activities and other instances of water loss. Therefore, we find its calculated value of a 47.6 percent adjustment to purchased power and chemicals expenses is more appropriate. Based on the above analysis, we find that a 47.6 percent adjustment be made to purchased power and chemicals expenses.

*C. Service Interruption Records and Reporting*

Pursuant to Rule 25-30.251(1) and (2), F.A.C., each utility is required to maintain a record of all interruptions in service which affect 10 percent or more of its customers, and notify us of these interruptions. The record is required to show the cause of the interruption, its date, time, duration, remedy, and steps taken to prevent recurrence. In response to our Seventh Data Request, Pinecrest provided its records for the test year and four years prior; however, these records did not appear to address all items required by the Rule, nor did the Utility notify us of the interruptions.[[16]](#footnote-16) Specifically, the remedy to the interruption or steps taken to prevent recurrence did not appear to be outlined in the records. As such, we find that the Utility maintain its service interruption records meeting the 10 percent threshold in the manner outlined in Rule 25-30.251(1), F.A.C., and notify us of any such interruptions on a going-forward basis.

*D. Conclusion*

Pinecrest’s WTP and water distribution system shall be considered 100 percent U&U. Additionally, we find that a 47.60 percent adjustment to purchased power and chemicals expenses be made for EUW.

4. Average Test Year Rate Base

The appropriate components of the Utility’s rate base include utility plant in service (UPIS), land and land rights, accumulated depreciation, contributions-in-aid of construction (CIAC), accumulated amortization of CIAC, and working capital. We determined that the Utility’s books and records are in compliance with the National Association of Regulatory Utility Commissioners’ Uniform System of Accounts (NARUC USOA). A summary of each component and the approved adjustments are discussed below.

*A. Utility Plant in Service*

The Utility recorded a UPIS balance of $257,345. As part of Audit Finding 1 (AF-1), we capitalized $1,093 from operation and maintenance (O&M) account 636 related to the replacement of a control box, resulting in an increase of $1,093.[[17]](#footnote-17) Additionally, as part of AF-1, we decreased UPIS by $500 due to lack of supporting documentation from the Utility. Based on the Utility’s response to our Audit Report, we decreased UPIS by $4,000 to reflect the appropriate plant balance in Account 345 – Power Operated Equipment.[[18]](#footnote-18) Further, we decreased UPIS by $3,511 to reflect an averaging adjustment.

Pro Forma Plant Additions

Table 2 shows Pinecrest’s three requested pro forma plant projects: 1) a meter replacement/retrofit project; 2) a flow meter replacement; and 3) a lawn mower replacement. Pinecrest explained that its meter replacement/retrofit project is the same as the meter replacement program approved for Leighton Estates Utilities, LLC (Leighton) in its last SARC, as Pinecrest will be using the same software and meters.[[19]](#footnote-19) Pinecrest intends to replace 82 and retrofit 62 residential meters.

Pinecrest will also be transitioning its residential meters to Advanced Meter Infrastructure (AMI) meters for compatibility with the Beacon Software approved by us in the Leighton SARC for use by all of the Florida Utility Services 1 (FUS1) water systems. Pinecrest asserted that AMI meters will allow the Utility to electronically obtain meter readings, provide real-time data accessibility, and reduce customer service-related calls and associated work order trips.

Pinecrest requested Beacon Software for the AMI meters. The cost allocated to Pinecrest for use of the Beacon Software was $346.[[20]](#footnote-20) In response to our Sixth Data Request, the Utility indicated that the vendor will not provide a final invoice for the Beacon Software until after file integration is complete, and provided its updated estimate of $352 to be allocated to Pinecrest.[[21]](#footnote-21) Because no bid or invoice was provided to support this estimate, we included the $346 cost allocation identified in the Leighton SARC in the total meter replacement/retrofit project cost in Table 2. If the Utility can demonstrate that the final cost for incorporation of this software increased, the Utility can request the differential in a future proceeding. Pinecrest intends to replace 82 and retrofit 62 residential meters.

In addition, the Utility provided a bid reflecting the current costs for new meters and meter retrofits for compatibility from Badger Meter. In response to our Third Data Request, the Utility estimated that labor would cost about $22 for each meter replacement and retrofit.[[22]](#footnote-22) Because the meter replacement/retrofit project will be implemented by full-time employees of FUS1 already accounted for through FUS1’s payroll, labor costs have been excluded.

The flow meter replacement pro forma project is a result of Pinecrest’s current flow meter failing. In response to our Third Data Request, the Utility explained that the new flow meter was purchased from the same vendor used for the meter replacement/retrofit project for compatibility with the Beacon Software. The Utility indicated that it intends to purchase all residential and flow meters from this this vendor on a going-forward basis for this reason. In response to our Ninth Data Request, the Utility indicated that the new flow meter has been installed.[[23]](#footnote-23) The total cost for this project is included in Table 2.

Lastly, the Utility is requesting a lawn mower replacement due to the current lawn mower being near the end of its useful life. As our practice, we requested that three bids be provided for this pro forma project. However, the Utility explained that it was only able to obtain bids from two vendors within a reasonable distance as the tractor will have to be taken to the vendor to have the mower deck and attaching equipment installed. Of the two bids provided, the Utility indicated that intends to select the least-cost vendor for this project.[[24]](#footnote-24) The total cost for this project is included in Table 2. As these improvements are necessary for the Utility to provide safe and reliable service to its customers, we find that these project costs are appropriate.

Table 2

Pro Forma Plant Items

|  |  |  |
| --- | --- | --- |
| Project | Additions | Retirements |
| Acct. 334 – Meter Replacement / Retrofit | $2,368 | ($819) |
| Acct. 334 – New Flow Meter | 1,862 | (1,397) |
| Acct. 343 – New Mower | 4,066 | (3,050) |
| Total Pro Forma | $8,296 | ($5,265) |

Source: Utility responses to staff data requests.

As detailed above in Table 2, we increased UPIS by $8,296. This amount was offset by retirements of $5,265. Table 3 on the following page summarizes our adjustments to UPIS.

Table 3

Commission Adjustments to UPIS

|  |  |
| --- | --- |
| Description | Adjustment |
| To reflect capitalization of control box replacement. | $1,093 |
| To reflect adjustments from lack of supporting documentation. | (500) |
| To reflect appropriate plant balance of acct. 345. | (4,000) |
| To reflect an averaging adjustment. | (3,511) |
| To reflect pro forma additions. | 8,296 |
| To reflect pro forma retirements. | (5,265) |
| Total adjustments to UPIS. | ($3,887) |

Source: Staff calculations.

As described above and summarized in Table 3, our adjustments to UPIS result in a decrease of $3,887. Therefore, we find an average UPIS balance of $253,458 ($257,345 - $3,887).

*B. Land and Land Rights*

The Utility recorded a land and land rights balance of $6,500. No adjustments were made to land and land rights, therefore, we find land and land rights balance of $6,500.

*C. Used and Useful*

As discussed in Section 3, the Utility’s system is considered 100 percent U&U. Therefore, no U&U adjustment is necessary.

*D. Accumulated Depreciation*

The Utility recorded an accumulated depreciation balance of $192,282. As part of Audit Finding 2 (AF-2), we found the Utility was inconsistently recording accumulated depreciation since the last rate case, and therefore decreased accumulated depreciation by $3,789.[[25]](#footnote-25) Additionally, we made an averaging adjustment, decreasing accumulated depreciation by $4,565. WE also decreased accumulated depreciation by $5,079 for pro forma-related items. Therefore, we find an average accumulated depreciation balance of $178,849 ($192,282 - $3,789 - $4,565 - $5,079).

*E. Contributions-in-aid-of-Construction*

The Utility recorded a CIAC balance of $100,352. We made no adjustments to CIAC, and therefore approve an average CIAC balance of $100,352.

*F. Accumulated Amortization of CIAC*

The Utility recorded an accumulated amortization of CIAC balance of $100,352. The accumulated amortization of CIAC balance at the beginning of the test year was $97,541. As such, we made an averaging adjustment to reduce accumulated amortization of CIAC by $1,406. Therefore, we find an accumulated amortization of CIAC balance of $98,947 ($100,352 - $1,406).

*G. Working Capital Allowance*

Working capital is defined as the short-term investor-supplied funds that are necessary to meet operating expenses. Consistent with Rule 25-30.433(3), F.A.C., we used the one-eighth O&M expense (less rate case expense) formula for calculating the working capital allowance. Section 367.081(9), F.S., prohibits a utility from earning a return on the unamortized balance of rate case expense. As such, for this calculation, we removed the rate case expense of $509. This resulted in an adjusted O&M expense balance of $67,265 ($67,774 - $509). Following the application of the aforementioned formula, we find a working capital allowance of $8,408 ($67,265 ÷ 8).

*H. Rate Base Summary*

Based on the foregoing, we find that the appropriate test year average rate base is $88,111. Rate base is shown on Schedule No. 1-A. The related adjustments are shown on Schedule No. 1-B.

5. Rate of Return

The Utility’s capital structure consists of long-term debt, common equity and customer deposits. We reclassified $18,408 originally recorded as “due to parent company” on the Utility’s 2022 Annual Report, as common equity. Additionally, in response to our Sixth Data Request, the Utility stated the $8,296 pro forma cost will be paid by the Utility’s parent company, FUS1.[[26]](#footnote-26) Therefore, we applied this amount to the Utility’s common equity.

The Utility’s capital structure has been reconciled with our approved rate base. The appropriate ROE is 8.50 percent based on our current approved leverage formula.[[27]](#footnote-27) We find an ROE of 8.50 percent with a range of 7.50 percent to 9.50 percent, and an overall rate of return of 8.18 percent. The proposed ROE and overall rate of return are shown on Schedule No. 2.

6. Test Year Revenues

The Utility recorded test year operating revenue of $59,185, which included service revenues of $57,145 and miscellaneous revenues of $2,040. A review of the Utility’s billing register indicated 64 bills were related to vacant properties. We removed the bills to determine the appropriate billing determinants. The Utility also had a price index that became effective on June 1, 2023. To determine the appropriate service revenues, we annualized service revenues by applying the adjusted number of billing determinants to the rates in effect on June 1, 2023. As a result, we determined that the service revenues shall be $62,635, which is an increase of $5,490 ($62,635 - $57,145). Furthermore, we increased miscellaneous revenues by $68 to adjust for customer deposit interest that was incorrectly recorded as miscellaneous revenues. This results in miscellaneous revenues of $2,108 ($2,040 + $68) during the test year. Therefore, we find that the appropriate test year operating revenue for Pinecrest’s water system is $64,743 ($62,635 + $2,108).

7. Operating Expenses

The Utility recorded an operating expense of $79,621. The test year O&M expenses have been reviewed by us, including invoices and other supporting documentation. We have made several adjustments to the Utility’s operating expense as described below.

*A. Operation and Maintenance Expense*

After review of the Utility’s records, we made no adjustments to the recorded expenses in fuel for power production (616), materials and supplies (620), contractual services – professional (631), contractual services – testing (635), rents (640), transportation (650), insurance (655), or miscellaneous expenses (675). We find expenses for these accounts are shown on Schedule No. 3-C.

Salaries and Wages – Employees (601)

The Utility recorded salaries and wages – employees expense of $16,421. The Utility submitted a request for a pro forma salary increase intended to attract and retain qualified employees given the current economic climate.[[28]](#footnote-28) The Utility’s pro forma request was based on a compensation study.[[29]](#footnote-29) After thorough review of the Utility’s request and compensation study, we increased this account by $3,463. Therefore, we find salaries and wages – employees expense of $19,884 ($16,421 + $3,463).

Salaries and Wages – Officers and Directors (603)

The Utility recorded salaries and wages – officers and directors expense of $3,201. In its request for pro forma salary increases dated October 27, 2023, the Utility identified the need for a new Salary and Benefits Administrator to assume some of the payroll responsibilities of the Chief Financial Officer. After thorough review of the Utility’s request, we increased this account by $795. Therefore, we find salaries and wages – officers and directors expense of $3,996 ($3,201 + $795).

Employees Pensions and Benefits (604)

The Utility recorded employee pensions and benefits expense of $4. In its pro forma salary request, the Utility stated it desires to provide its employees a retirement benefit beginning in 2023. The parent company of the Utility, FUS1 believes that the addition of a retirement benefit is necessary to attract and retain future qualified employees to serve its existing and future customers, and therefore proposes to establish a “Simple IRA Plan” as defined under Section 408(b) of the Internal Revenue Code. After a thorough review of the Utility’s request, we increased this account by $402. Therefore, we find employee pensions and benefits expense of $406 ($4 + $402).

Purchased Power (615)

The Utility recorded purchased power expense of $8,350. As discussed in Section 3, we find an EUW adjustment of 47.6 percent. As such, we decreased purchased power expense by $3,975. Therefore, we find purchased power expense of $4,375 ($8,350 - $3,975).

Chemicals (618)

The Utility recorded chemicals expense of $4,887. Similarly, as discussed in Section 3, we made an EUW adjustment of 47.6 percent, reducing chemicals expense by $2,326. Therefore, we find chemicals expense of $2,561 ($4,887 - $2,326).

Contractual Services – Other (636)

The Utility recorded contractual services – other expense of $8,908. During the audit, it was found that a cost of $1,093 for the replacement of a control box for the Utility’s pumping equipment was recorded in this account. We do not find this is a recurring expense and the replacement was necessary for the pumping equipment to operate. Based on this, we decreased contractual services – other expense by $1,093 and capitalized this amount to plant account 311 consistent with AF-1. Therefore, we find contractual services – other expense of $7,815 ($8,908 - $1,093).

Regulatory Commission Expense (665)

The Utility recorded a regulatory commission expense of $816 as a deferred cost from its previous limited alternative rate increase.[[30]](#footnote-30) The Utility did not record any rate case expense for the instant docket. The Utility is required by Rule 25-22.0407, F.A.C., to mail notices of the rate case overview, interim rates, final rates, and four-year rate reduction. We calculated noticing costs to be $558. We calculated the distance from the Utility to Tallahassee as 214 miles. Based on the 2023 IRS business mileage rate of $0.655, we calculated a round-trip travel and lodging expense to the Commission Conference of $480.[[31]](#footnote-31) Additionally, the Utility paid a filing fee of $1,000.[[32]](#footnote-32)

We find a total rate case expense, consisting of noticing costs, travel and lodging expenses, and filing fee of $2,038 ($558 + $480 + $1,000), which amortized over four years is $509 ($2,038 ÷ 4 years). Therefore, we find a total regulatory commission expense of $1,325 ($816 + $509).

Bad Debt Expense (670)

The Utility recorded bad debt expense of $763. We note that it is our practice to calculate bad debt expense using a three-year average when sufficient information is available.[[33]](#footnote-33) In its three most recent Annual Reports (2020, 2021, and 2022), the Utility recorded bad debt expenses of $743, $2,357, and $763, respectively. We calculated the average bad debt expense for these previous three years to be $1,288 (($743 + $2,357 + $763) ÷ 3) which represents an increase of $525. Therefore, we find bad debt expense of $1,288 ($763 + $525).

*B. Operation and Maintenance Expense Summary*

The Utility recorded a test year O&M expense of $69,474. Based on the above adjustments, we find O&M expense be decreased by $1,700. This results in a total O&M expense of $67,774 ($69,474 - $1,700). Our approved adjustments to O&M are shown on Schedule No. 3-C.

*C. Depreciation Expense*

The Utility recorded depreciation expense of $9,020. Using the depreciation rates prescribed in Rule 25-30.140, F.A.C., we increased this amount by $869 as part of AF-2. We made adjustments decreasing depreciation expense by $1,356 to prevent over depreciation of certain plant accounts. Additionally, we increased depreciation expense by $186 due to the inclusion of pro forma plant items. These adjustments result in a net decrease of $301 ($869 - $1,356 + $186). Therefore, we find depreciation expense of $8,719 ($9,020 - $301).

*D. Amortization of CIAC*

The Utility recorded amortization of CIAC of $2,811. We made no adjustments and therefore approve amortization of CIAC of $2,811.

*E. Taxes Other Than Income (TOTI)*

The Utility recorded TOTI of $3,938. We increased TOTI by $250 to reflect the appropriate regulatory assessment fees (RAFs) based on corrected Utility test year revenues. Additionally, we increased TOTI by $270 to reflect the pro forma payroll taxes associated with the pro forma increase in salaries explained previously in O&M accounts 601 and 603. Those adjustments result in a test year TOTI increase of $520 ($250 + $270).

As discussed in Section 9, we find revenues be increased by $21,579 in order to reflect the change in revenue required to cover expenses and provide the Utility an opportunity to earn the approved rate of return. As a result, TOTI shall be increased by $971 to reflect RAFs of 4.5 percent of the change in revenues. Therefore, we find TOTI of $5,429 ($3,938 + $520 + $971).

*F. Operating Expense Summary*

The Utility recorded operating expenses of $79,621. The application of our approved adjustments to the Utility’s approved operating expenses result in a total operating expense of $79,111. Operating expenses are shown on Schedule No. 3-A, and the related adjustments are shown on Schedule No. 3-B.

8. Operating Ratio Methodology

Rule 25-30.4575(2), F.A.C., provides that, in rate cases processed under Rule 25-30.455, F.A.C., we will use the operating ratio methodology to establish a utility’s revenue requirement when its rate base is not greater than 125 percent of O&M expenses, less regulatory commission expense, and the use of the operating ratio methodology does not change a utility’s qualification for a SARC.

With respect to Pinecrest, we find a rate base of $88,111. After removal of rate case expense, we have calculated an O&M expense of $67,265 ($67,774 - $509). Based on our approved, the Utility’s rate base is 131 percent of its adjusted O&M expense. Based on this, the Utility does not qualify for application of the operating ratio methodology.

9. Revenue Requirement

Pinecrest shall be allowed an annual revenue requirement increase of $21,579 (33.33 percent). This will allow the Utility the opportunity to recover expenses and earn an 8.18 percent return on rate base. The calculation for revenue requirement is shown on Table 4 below.

Table 4

Revenue Requirement

|  |  |
| --- | --- |
| Water Rate Base | $88,111 |
| Rate of Return | 8.18% |
| Return on Rate Base | $7,210 |
| Water O&M Expense | 67,774 |
| Depreciation Expense | 8,719 |
| Amortization | (2,811) |
| Taxes Other Than Income | 5,429 |
| Revenue Requirement | $86,321 |
| Less Test Year Revenues | $64,743 |
| Annual Increase | $21,579 |
| Percent Increase | 33.33% |

Source: Staff calculations.

10. Rate Structure

Pinecrest is located in Polk County within the Southwest Florida Water Management District. The Utility provides water service to 138 residential customers and there are no general service customers. Approximately 19 percent of the residential customer bills during the test year had zero gallons, indicating a non-seasonal customer base. The average residential water demand is 3,094 gallons per month. Currently, the Utility’s water rate structure consists of a monthly base facility charge (BFC) and a charge per 1,000 gallons for residential and general service customers.

We performed an analysis of the Utility’s billing data in order to evaluate the appropriate rate structure for the residential water customers. The goal of the evaluation was to select the rate design parameters that: (1) produce the approved revenue requirement; (2) equitably distribute cost recovery among the Utility’s customers; (3) establish the appropriate non-discretionary usage threshold for restricting repression; and (4) implement, where appropriate, water conserving rate structures consistent with our practice.

For this case, we find that 40 percent of the water revenues be generated from the BFC, which will provide sufficient revenues to design gallonage charges that send pricing signals to customers using above the non-discretionary level. The average people per household served by the water system is 2.77; therefore, based on the number of people per household, 50 gallons per day per person, and the number of days per month, the non-discretionary usage threshold shall be 5,000 gallons per month. Our review of the billing data indicates that discretionary usage above 5,000 gallons represents approximately 18 percent of the bills, which accounts for approximately 24 percent of water demand. This indicates that there is a moderate amount of discretionary usage above 5,000 gallons.

We find a two-tier inclining block rate structure, which includes separate gallonage charges for non-discretionary and discretionary usage for residential water rates. The rate blocks are: 1) 0-5,000 gallons; and 2) all usage in excess of 5,000 gallons per month. Due to the moderate usage above 5,000 gallons per month, we find that it is appropriate in this case to approve a rate factor of 1.25 in the second tier because it will target those customers with higher levels of consumption. General service customers shall continue to be billed a BFC and uniform gallonage charge.

Based on our approved revenue increase of 34.5 percent, which excludes miscellaneous revenues, the residential consumption can be expected to decline by 294,000 gallons resulting in anticipated average residential demand of 2,916 gallons per month. We find a 5.8 percent reduction in test year residential gallons for rate setting purposes. As a result, the corresponding reductions are $252 for purchased power expense, $147 for chemicals expense, and $19 for RAFs to reflect the anticipated repression, which results in a post repression revenue requirement of $83,042.

The approved rate structures and monthly water rates are shown on Schedule No. 4. The Utility shall file revised tariff sheets and a proposed customer notice to reflect our approved rates. The approved rates shall 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. In addition, the approved rates shall not be implemented until our staff has approved the proposed customer notice and the notice has been received by the customers. The Utility shall provide proof of the date notice was given within 10 days of the date of the notice.

11. Appropriate Initial Customer Deposits

Rule 25-30.311, F.A.C., provides the criteria for collecting, administering, and refunding customer deposits. Customer deposits are designed to minimize the exposure of bad debt expense for the utility and, ultimately, the general body of ratepayers. An initial customer deposit ensures that the cost of providing service is recovered from the cost causer. Historically, we have set initial customer deposits equal to two times the average estimated bill. Currently, the Utility’s initial customer deposit for the residential 5/8 inch x 3/4 inch meter size is $67 for water. This amount does not cover two months’ average bills based on our approved rates. The Utility’s anticipated post-repression average monthly residential usage is 2,916 gallons per customer. Therefore, the average residential monthly bill based on our approved rates is approximately $48.86.

We find the appropriate initial customer deposit for the residential 5/8 inch x 3/4 inch meter size shall be $98. The initial customer deposits for all other residential meter sizes and all general service meter sizes shall be two times the average estimated bill. The approved initial customer deposits shall 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 shall be required to collect the approved deposits until authorized to change them by us in a subsequent proceeding.

12. Appropriate Miscellaneous Charges

The Utility is requesting to revise some of its existing miscellaneous service charges. Section 367.091, F.S., authorizes us to establish, increase, or change a rate or charge other than monthly rates or service availability charges. The Utility’s requested miscellaneous charges were accompanied by its reason for requesting the charges, as well as the cost justification required by Section 367.091(6), F.S. The Utility’s requested and revised miscellaneous service charges along with the existing are shown below.

Table 5

Pinecrest’s Existing and Requested Miscellaneous Service Charges

|  |  |  |
| --- | --- | --- |
|  | **Existing** | **Requested** |
| Initial Connection Charge | $15.00 | Actual Cost |
| Normal Reconnection Charge | $15.00 | $34.50 |
| Violation Reconnection Charge | $15.00 | $34.50 |
| Premises Visit Charge (in lieu of disconnection) | $10.00 | $34.50 |
| Late Payment Charge | $5.50 | $7.00 |

Source: Utility’s current tariff and responses to staff’s data requests.

*A. Premises Visit and Violation Reconnection Charge*

As shown on Table 5, Pinecrest’s request consists of several miscellaneous service charges. However, Rule 25-30.460, F.A.C., does not allow for initial connection and normal reconnection charges.[[34]](#footnote-34) The Utility’s requested initial connection and normal reconnection charges are obsolete and inconsistent with the rule. The Utility’s calculation for the premises visit charge and violation reconnection are shown on Table 6.

The Utility provided cost justification of $34.58 for both the premises visit and violation reconnection charges which represents the cost of a trip to perform a specified service. We find the cost justification is reasonable and supports the Utility’s requested charge of $34.50. In addition, the requested charge defrays the cost to the cost causer. However, the violation reconnection charge shall account for the discontinuance of service and the subsequent reconnection of service. Therefore, the violation reconnection charge shall account for both services at a charge of $69.00 ($34.50 x 2). Based on the rule, we find that the initial connection and normal reconnection charges be removed. We find that the Utility’s requested premises visit charge of $34.50 and a violation reconnection charge of $69.00 shall be approved.

Table 6

Calculation for Premises Visit and Violation Reconnection Charge

|  |  |
| --- | --- |
| **Activity** | **Cost** |
| Mileage ($0.67 per mile x 2/3 hour x 11) | $7.37 |
| Administrative Labor ($26.10 per hour x 1/3 hour) | 7.83 |
| Field Labor ($26.10 per hour x 1/2 hour) | 13.05 |
| CSM Labor ($25.30 per hour x 1/4 hour) | 6.33 |
| Total | $34.58 |

Source: Utility’s cost justification documentation.

*B. Late Payment Charge*

The Utility currently has a $5.50 late payment charge. The Utility is requesting a $7.00 late payment charge to recover the cost of labor, supplies, and postage associated with processing late payment notices. 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. The Utility calculated the actual costs for its late payment charges to be $7.07. The Utility 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 employee, which results in labor cost of $6.33 ($25.30 x 0.25hr). This is consistent with our prior decisions where we have allowed 5-15 minutes per account per month for the administrative labor associated with processing delinquent customer accounts.[[35]](#footnote-35)

In addition, the Utility included material cost of $0.74 for paper, envelopes, and postage, which results in total costs of $7.07 ($6.33 + $0.74). The Utility’s calculation for its costs associated with a late payment charge is shown on Table 7. We find the requested late payment charge of $7.00 be approved.

Table 7

Late Payment Charge Cost Justification

|  |  |
| --- | --- |
| **Category** | **Cost** |
| Labor | $6.33 |
| Materials | 0.08 |
| Postage | 0.66 |
| Total Cost | $7.07 |

Source: Utility’s cost justification documentation.

Table 8

Commission Approved Miscellaneous Service Charges

|  |  |
| --- | --- |
|  | **All Hours** |
| Violation Reconnection Charge | $69.00 |
| Premises Visit Charge | $34.50 |
| Late Payment Charge | $7.00 |

Source: Staff Calculations

*C. Conclusion*

Based on the above, we find that the appropriate miscellaneous service charges shown on Table 8 shall be approved. The Utility shall be required to file a proposed customer notice to reflect our approved charges. The approved charges shall 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 shall not be implemented until our staff has approved the proposed customer notice and the notice has been received by customers. The Utility shall provide proof of the date notice was given no less than 10 days after the date of the notice.

13. Four-Year Rate Reduction

Section 367.081(8), F.S., requires that the rates be reduced by the amount of rate case expense previously included in rates immediately following the expiration of the recovery period. With respect to Pinecrest, the reduction will reflect the removal of revenue associated with the amortization of rate case expense and the gross-up for RAFs. The total reduction is $533.

We find that the rates shall be reduced as shown on Schedule No. 4, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. Pursuant to Section 367.081(8), F.S., the decrease in rates shall become effective immediately following the expiration of the rate case expense recovery period. Pinecrest shall be required to file revised tariffs and a proposed customer notice setting forth the lower rates and rationale no later than one month prior to the effective date of the new rates. If the Utility files revised tariffs reflecting this reduction in conjunction with a price index, or pass-through rate adjustment, separate data shall be filed for the price index and/or pass-through increase and the reduction in the rates due to the amortized rate case expense.

14. Approval of Rates on a Temporary Basis

This Order proposes an increase in rates. A timely protest might delay a rate increase resulting in an unrecoverable loss of revenue to the Utility. Therefore, pursuant to Section 367.0814(7), F.S., in the event of a protest filed by a party other than the Utility, we approve the proposed rates on a temporary basis. Pinecrest shall file revised tariff sheets and a proposed customer notice reflecting our approved rates. The approved rates shall be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates shall not be implemented until our staff has approved the proposed notice, and it has been received by the customers. The additional revenue produced by our approved rates and collected by the Utility shall be subject to the refund provisions discussed below.

Pinecrest shall be authorized to initiate the temporary rates upon our approval of an appropriate security for the potential refund and cost of the proposed customer notice. Security shall be in the form of either a bond or letter of credit in the amount of $14,896. Alternatively, the Utility may establish an escrow agreement with an independent financial institution.

If the Utility chooses a bond for securing the potential refund, the bond shall contain wording to the effect that it will be terminated only under the following conditions:

1. We approve the rate increase; or,

2. If we deny the increase, the Utility shall refund the amount collected that is attributable to the increase.

If the Utility chooses a letter of credit for securing the potential refund, the letter of credit shall contain the following conditions:

1. The letter of credit is irrevocable for the period it is in effect.

2. The letter of credit will be in effect until a final Commission order is rendered, either approving or denying the rate increase.

If security is provided through an escrow agreement, the following conditions shall be part of the agreement:

1. The Commission Clerk, or his or her designee, must be a signatory to the escrow agreement.

2. No monies in the escrow account may be withdrawn by the Utility without the prior written authorization of the Commission Clerk, or his or her designee.

3. The escrow account shall be an interest bearing account.

4. If a refund to the customers is required, all interest earned by the escrow account shall be distributed to the customers.

5. If a refund to the customers is not required, the interest earned by the escrow account shall revert to the Utility.

6. All information on the escrow account shall be available from the holder of the escrow account to a Commission representative at all times.

7. The amount of revenue subject to refund shall be deposited in the escrow account within seven days of receipt.

8. This escrow account is established by the direction of the Florida Public Service Commission for the purpose(s) set forth in its order requiring such account. Pursuant to Cosentino v. Elson, 263 So. 2d 253 (Fla. 3d DCA 1972), escrow accounts are not subject to garnishments.

9. The account must specify by whom and on whose behalf such monies were paid.

In no instance shall the maintenance and administrative costs associated with the refund be borne by the customers. These costs are the responsibility of, and shall be borne by, the Utility. Irrespective of the form of security chosen by the Utility, an account of all monies received as a result of the rate increase shall be maintained by the Utility. If a refund is ultimately required, it shall be paid with interest calculated pursuant to Rule 25-30.360(4), F.A.C.

The Utility shall maintain a record of the amount of the bond, and the amount of revenues that are subject to refund. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility shall file reports with the Commission Clerk’s office no later than the 20th of every month indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed shall also indicate the status of the security being used to guarantee repayment of any potential refund.

15. Adjustment to Books

 Pinecrest shall be required to notify us, in writing, that it has adjusted its books in accordance with our decision. The Utility shall submit a letter within 90 days of our final order in this docket, confirming that the adjustments to all applicable NARUC USOA primary accounts have been made to the Utility’s books and records. In the event the Utility needs additional time to complete the adjustments, a notice providing good cause shall be filed not less than seven days prior to the deadline. Upon providing a notice of good cause, our staff shall be given administrative authority to grant an extension of up to 60 days.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Pinecrest has been responsive to customer complaints and is currently in compliance with Department of Environmental Protection standards; therefore, the quality of service be considered satisfactory. It is further

ORDERED that Pinecrest’s water treatment facility is currently in compliance with DEP regulations. It is further

ORDERED that Pinecrest’s WTP and water distribution system shall be considered 100 percent U&U. Therefore, a 47.6 percent adjustment shall be made to purchased power and chemicals expenses be made for excessive unaccounted for water (EUW). It is further

ORDERED that the appropriate average test year rate base for Pinecrest is $88,111. It is further

ORDERED that the appropriate return on equity (ROE) is 8.50 percent with a range of 7.50 percent to 9.50 percent. The appropriate overall rate of return is 8.18 percent. It is further

ORDERED that he appropriate test year operating revenue for Pinecrest’s water system is $64,743. It is further

ORDERED that the appropriate amount of operating expense for Pinecrest is $79,111. It is further

ORDERED that Pinecrest does not meet the requirement for application of the operating ratio methodology for calculating the revenue requirement. It is further

ORDERED that the appropriate revenue requirement is $86,321, resulting in an annual increase of $21,579 (33.33 percent). It is further

ORDERED that the approved rate structure and monthly water rates are shown on Schedule No. 4. The Utility shall file revised tariff sheets and a proposed customer notice to reflect our approved rates. The approved rates shall 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. In addition, the approved rates shall not be implemented until we have approved the proposed customer notice and the notice has been received by the customers. The Utility shall provide proof of the date notice was given within 10 days of the date of the notice. It is further

ORDERED that the appropriate initial customer deposit for the residential 5/8 inch x 3/4 inch meter size shall be $98. The initial customer deposits for all other residential meter sizes and all general service meter sizes shall be two times the average estimated bill. The approved initial customer deposits shall 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 shall be required to collect the approved deposits until authorized to change them by the Commission in a subsequent proceeding. It is further

ORDERED that the appropriate miscellaneous service charges are shown on Table 8 and shall be approved. The Utility shall be required to file a proposed customer notice to reflect the Commission-approved charges. The approved charges shall 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 shall not be implemented until Commission staff has approved the proposed customer notice and the notice has been received by customers. The Utility shall provide proof of the date notice was given no less than 10 days after the date of the notice. It is further

ORDERED that the rates shall be reduced as shown on Schedule No. 4, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. Pursuant to Section 367.081(8), F.S., the decrease in rates shall become effective immediately following the expiration of the rate case expense recovery period. Pinecrest shall be required to file revised tariffs and a proposed customer notice setting forth the lower rates and rationale no later than one month prior to the effective date of the new rates. If the Utility files revised tariffs reflecting this reduction in conjunction with a price index or pass-through rate adjustment, separate data shall be filed for the price index and/or pass-through increase and the reduction in the rates due to the amortized rate case expense. It is further

ORDERED that, pursuant to Section 367.0814(7), F.S., the approved rates are temporary and subject to refund with interest, in the event of a protest filed by a party other than the Utility. Pinecrest shall file revised tariff sheets and a proposed customer notice reflecting the approved rates. The approved rates shall be effective for services rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. It is further

ORDERED that the temporary rates shall not be implemented until Commission staff has approved the proposed notice, and the notice has been received by the customers. Further, prior to implementing any temporary rates, the Utility shall provide appropriate financial security. The approved temporary rates collected by the Utility shall be subject to the refund provisions. It is further

ORDERED that after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility shall file reports with the Commission’s Office of Commission Clerk no later than the 20th of each month indicating both the current monthly and total amount subject to refund at the end of the preceding month. The report filed shall also indicate the status of the security being used to guarantee repayment of any potential refund. It is further

ORDERED that Pinecrest shall notify us, in writing, that it has adjusted its books in accordance with our decision. Pinecrest shall submit a letter within 90 days of our final order in this docket, confirming that the adjustments to all applicable NARUC USOA primary accounts have been made to the utility’s books and records. In the event the utility needs additional time to complete the adjustments, a notice providing good cause shall be filed not less than seven days prior to the deadline. Upon providing a notice of good cause, Commission staff shall be given administrative authority to grant an extension of up to 60 days. It is further

ORDERED that if no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the Proposed Agency Action Order, a Consummating Order shall be issued. The docket shall remain open for Commission staff’s verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by Commission staff. Once these actions are complete, this docket shall be closed administratively.

By ORDER of the Florida Public Service Commission this 17th day of April, 2024.

|  |  |
| --- | --- |
|  | /s/ Adam J. Teitzman |
|  | ADAM J. TEITZMAN  Commission Clerk |

Florida Public Service Commission

2540 Shumard Oak Boulevard

Tallahassee, Florida 32399

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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

JDI

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

As identified in the body of this order, our actions are preliminary in nature, except for (1) the reduction of rates after four years based upon the recovery of rate case expense, (2) the granting of temporary rates in the event of protest, and (3) the requirement for proof of adjustment of books and records. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on May 8, 2024. If such a petition is filed, mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing. In the absence of such a petition, this order shall become effective and final upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

Any party adversely affected by the Commission's procedural action in this matter may request: (1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Office of Commission Clerk and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **PINECREST UTILITIES, LLC** | **SCHEDULE NO. 1-A** | | |
|  | **TEST YEAR ENDED 12/31/2022** | **DOCKET NO. 20230071-WU** | | |
|  | **SCHEDULE OF WATER RATE BASE** |  |  |  |
|  |  | **BALANCE** |  | **BALANCE** |
|  |  | **PER** | **COMM.** | **PER** |
|  | **DESCRIPTION** | **UTILITY** | **ADJUST.** | **COMM.** |
|  |  |  |  |  |
| 1. | UTILITY PLANT IN SERVICE | $257,345 | ($3,887) | $253,458 |
|  |  |  |  |  |
| 2. | LAND & LAND RIGHTS | 6,500 | 0 | 6,500 |
|  |  |  |  |  |
| 3. | ACCUMULATED DEPRECIATION | (192,282) | 13,433 | (178,849) |
|  |  |  |  |  |
| 4. | CIAC | (100,352) | 0 | (100,352) |
|  |  |  |  |  |
| 5. | ACCUMULATED AMORTIZATION OF CIAC | 100,352 | (1,406) | 98,947 |
|  |  |  |  |  |
| 6. | WORKING CAPITAL ALLOWANCE | $0 | $8,408 | $8,408 |
|  |  |  |  |  |
|  | WATER RATE BASE | $71,563 | $16,548 | $88,111 |

|  |  |  |  |
| --- | --- | --- | --- |
| **PINECREST UTILITIES, LLC** | **SCHEDULE NO. 1-B** | |  |
| **TEST YEAR ENDED 12/31/2022** | **DOCKET NO. 20230071-WU** | |  |
| **ADJUSTMENTS TO RATE BASE** |  |  |  |
|  |  |  |  |
|  |  | **WATER** |  |
| **UTILITY PLANT IN SERVICE** |  |  |  |
| To reflect capitalization of pumping equipment from OM Acct 636 (AF-1). | | $1,093 |  |
| To reflect audit adjustments due to lack of supporting documentation (AF-1). | | (500) |  |
| To reflect appropriate plant balance of acct 345 (Document No. 06125-2023). | | (4,000) |  |
| To reflect an averaging adjustment. |  | (3,511) |  |
| To reflect pro forma additions. |  | 8,296 |  |
| To reflect pro forma retirements. |  | (5,265) |  |
| Total |  | ($3,887) |  |
|  |  |  |  |
| **ACCUMULATED DEPRECIATION** |  |  |  |
| To reflect appropriate accumulated depreciation balance since last rate case (AF-2). | | $3,789 |  |
| To reflect an averaging adjustment. |  | 4,565 |  |
| To reflect pro forma adjustments. |  | 5,079 |  |
| Total |  | $13,433 |  |
|  |  |  |  |
| **ACCUMULATED AMORTIZATION OF CIAC** |  |  |  |
| To reflect an averaging adjustment. |  | ($1,406) |  |
|  |  |  |  |
| **WORKING CAPITAL ALLOWANCE** |  |  |  |
| To reflect 1/8 of test year O&M expenses. |  | $8,408 |  |
|  |  |  |  |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **PINECREST UTILITIES, LLC** | | | |  | **SCHEDULE NO. 2** | | | |
| **TEST YEAR ENDED 12/31/2022** | | | |  | **DOCKET NO. 20230071-WU** | | | |
| **SCHEDULE OF CAPITAL STRUCTURE** | | | |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
|  |  | **SPECIFIC** | **BALANCE** | **PRO RATA** | **BALANCE** | **PERCENT** |  |  |
|  | **PER** | **ADJUST-** | **AFTER** | **ADJUST-** | **PER** | **OF** |  | **WEIGHTED** |
| **CAPITAL COMPONENT** | **UTILITY** | **MENTS** | **ADJUSTMENTS** | **MENTS** | **COMM** | **TOTAL** | **COST** | **COST** |
|  |  |  |  |  |  |  |  |  |
| LONG-TERM DEBT | $1,726 | $0 | $1,726 | ($42) | $1,684 | 1.91% | 5.40% | 0.10% |
| SHORT-TERM DEBT | 0 | 0 | 0 | 0 | 0 | 0.00% | 0.00% | 0.00% |
| COMMON EQUITY | 76,750 | 8,296 | 85,046 | (2,089) | 82,957 | 94.15% | 8.50% | 8.00% |
| CUSTOMER DEPOSITS | 3,558 | 0 | 3,558 | (87) | 3,471 | 3.94% | 2.00% | 0.08% |
| DEFERRED INCOME TAXES | 0 | 0 | 0 | 0 | 0 | 0.00% | 0.00% | 0.00% |
| TOTAL CAPITAL | $82,034 | $8,296 | $90,330 | ($2,219) | $88,111 | 100.00% |  | 8.18% |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  | **RANGE OF REASONABLENESS** | | | **LOW** | **HIGH** |
|  |  |  |  | RETURN ON EQUITY | | | 7.50% | 9.50% |
|  |  |  |  | OVERALL RATE OF RETURN | | | 7.24% | 9.12% |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **PINECREST UTILITIES, LLC** | | | **SCHEDULE NO. 3-A** | | |
| **TEST YEAR ENDED 12/31/2022** | | | **DOCKET NO. 20230071-WU** | | |
| **SCHEDULE OF WATER OPERATING INCOME** | | |  |  |  |
|  | **TEST** | **COMM.** | **COMM.** | **ADJUST.** |  |
|  | **YEAR PER** | **ADJUST-** | **ADJUSTED** | **FOR** | **REVENUE** |
|  | **UTILITY** | **MENTS** | **TEST YEAR** | **INCREASE** | **REQUIREMENT** |
|  |  |  |  |  |  |
| **TOTAL OPERATING REVENUES** | $59,184 | $5,558 | $64,743 | $21,579 | $86,321 |
|  |  |  |  | 33.33% |  |
| **OPERATING EXPENSES:** |  |  |  |  |  |
| OPERATION & MAINTENANCE | $69,474 | ($1,700) | $67,774 | $0 | $67,774 |
|  |  |  |  |  |  |
| DEPRECIATION | 9,020 | (301) | 8,719 | 0 | 8,719 |
|  |  |  |  |  |  |
| AMORTIZATION OF CIAC | (2,811) | 0 | (2,811) | 0 | (2,811) |
|  |  |  |  |  |  |
| TAXES OTHER THAN INCOME | 3,938 | 520 | 4,458 | 971 | 5,429 |
|  |  |  |  |  |  |
| INCOME TAXES | 0 | 0 | 0 | 0 | 0 |
|  |  |  |  |  |  |
| **TOTAL OPERATING EXPENSES** | $79,621 | ($1,481) | $78,140 | $971 | $79,111 |
|  |  |  |  |  |  |
| **OPERATING INCOME / (LOSS)** | ($20,437) |  | ($13,398) |  | $7,210 |
|  |  |  |  |  |  |
| **WATER RATE BASE** | $71,563 |  | $16,548 |  | $88,111 |
|  |  |  |  |  |  |
| **RATE OF RETURN** | -25.86% |  | -80.96% |  | 8.18% |
|  |  |  |  |  |  |

|  |  |  |
| --- | --- | --- |
| **PINECREST UTILITIES, LLC** |  | **SCHEDULE 3-B** |
| **TEST YEAR ENDED 12/31/2022** | **DOCKET NO. 20230071-WU** | |
| **ADJUSTMENTS TO OPERATING INCOME** |  | **PAGE 1 OF 2** |
|  |  | **WATER** |
| **OPERATING REVENUES** |  |  |
| To reflect the appropriate test year Service Revenues. |  | $5,490 |
| To reflect the appropriate test year Miscellaneous Revenues. |  | 68 |
| Total |  | $5,558 |
|  |  |  |
| **OPERATION AND MAINTENANCE EXPENSE** |  |  |
| Salaries and Wages - Employees (601 / 701) |  |  |
| To reflect Compensation Study (Document No. 01002-2024). |  | $3,463 |
|  |  |  |
| Salaries and Wages - Officers and Directors (603 / 703) |  |  |
| To reflect Compensation Study (Document No. 01002-2024). |  | $795 |
|  |  |  |
| Employee Pensions and Benefits (604 / 704) |  |  |
| To reflect Compensation Study (Document No. 01002-2024). |  | $402 |
|  |  |  |
| Purchased Power (615 / 715) |  |  |
| To reflect EUW adjustment. |  | ($3,975) |
|  |  |  |
| Chemicals Expense (618 / 718) |  |  |
| To reflect EUW adjustment. |  | ($2,326) |
|  |  |  |
| Contractual Services - Other (636 / 736) |  |  |
| To reflect capitalization of control box replacement to plant account 311. | | ($1,093) |
|  |  |  |
| Rate Case Expense (665 / 765) |  |  |
| To reflect 1/4 rate case expense. |  | $509 |
|  |  |  |
| Bad Debt Expense (670 / 770) |  |  |
| To reflect 3-year average bad debt expense. |  | $525 |
|  |  |  |
| **TOTAL OPERATION AND MAINTENANCE ADJUSTMENTS** |  | ($1,700) |

|  |  |  |
| --- | --- | --- |
| **PINECREST UTILITIES, LLC** |  | **SCHEDULE 3-B** |
| **TEST YEAR ENDED 12/31/2022** | **DOCKET NO. 20230071-WU** | |
| **ADJUSTMENTS TO OPERATING INCOME** |  | **PAGE 2 OF 2** |
|  |  | **WATER** |
| **DEPRECIATION EXPENSE** |  |  |
| To reflect auditing adjustments. |  | $869 |
| To reflect adjustments for fully depreciated plant. |  | (1,356) |
| To reflect pro forma additions. |  | 186 |
| Total |  | ($301) |
|  |  |  |
| **TAXES OTHER THAN INCOME** |  |  |
| To reflect appropriate test year RAF’s. |  | $250 |
| To reflect pro forma payroll tax increase (Document No. 05861-2023). |  | 269 |
| Total |  | $520 |
|  |  |  |
| **TOTAL OPERATING EXPENSE ADJUSTMENTS** |  | ($1,481) |
|  |  |  |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **PINECREST UTILITIES, LLC** | | **SCHEDULE NO. 3-C** | | |  |
|  | **TEST YEAR ENDED 12/31/2022** | | **DOCKET NO. 20230071-WU** | | |  |
|  | **ANALYSIS OF WATER O&M EXPENSE** | |  |  |  |  |
|  |  |  | **TOTAL** | **STAFF** | **TOTAL** |  |
|  |  |  | **PER** | **ADJUST-** | **PER** |  |
|  | **ACCT. #** | **DESCRIPTION** | **UTILITY** | **MENT** | **STAFF** |  |
|  |  |  |  |  |  |  |
|  | 601 | Salaries and Wages - Employees | $16,421 | $3,463 | $19,884 |  |
|  | 603 | Salaries and Wages - Officers and Directors | 3,201 | 795 | 3,996 |  |
|  | 604 | Employee Pensions and Benefits | 4 | 402 | 406 |  |
|  | 615 | Purchased Power | 8,350 | (3,975) | 4,375 |  |
|  | 616 | Fuel for Power Production | 65 | 0 | 65 |  |
|  | 618 | Chemicals | 4,887 | (2,326) | 2,561 |  |
|  | 620 | Materials and Supplies | 5,421 | 0 | 5,421 |  |
|  | 631 | Contractual Services - Professional | 1,055 | 0 | 1,055 |  |
|  | 635 | Contractual Services - Testing | 2,750 | 0 | 2,750 |  |
|  | 636 | Contractual Services - Other | 8,908 | (1,093) | 7,815 |  |
|  | 640 | Rents | 2,049 | 0 | 2,049 |  |
|  | 650 | Transportation Expense | 2,561 | 0 | 2,561 |  |
|  | 655 | Insurance Expense | 8,004 | 0 | 8,004 |  |
|  | 665 | Rate Case Expense | 816 | 509 | 1,325 |  |
|  | 670 | Bad Debt Expense | 763 | 525 | 1,288 |  |
|  | 675 | Miscellaneous Expenses | 4,219 | $0 | 4,219 |  |
|  |  |  |  |  |  |  |
|  |  | Total O&M Expense | $69,474 | ($1,700) | $67,774 |  |
|  |  |  |  |  |  |  |
|  |  | Working Capital is 1/8 of O&M Less RCE |  |  | $8,408 |  |
|  |  |  |  |  |  |  |

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| **PINECREST UTILITIES, LLC** |  | **SCHEDULE NO. 4** | | |
| **TEST YEAR ENDED 12/31/2022** |  | **DOCKET NO. 20230071-WU** | | |
| **MONTHLY WATER RATES** |  |  |  |  |
|  | **RATES** | **COMMISSION-** |  |  |
|  | **PRIOR** | **APPROVED** | **COMM,.** | **4-YEAR** |
|  | **TO** | **INTERIM** | **APPROVED** | **RATE** |
|  | **FILING** | **RATES** | **RATES** | **REDUC.** |
| **Residential and General Service** |  |  |  |  |
| Base Facility Charge by Meter Size |  |  |  |  |
| 5/8” x 3/4” | $19.63 | $23.33 | $20.11 | $0.13 |
| 3/4” | $29.45 | $35.00 | $30.17 | $0.19 |
| 1” | $49.08 | $58.33 | $50.28 | $0.32 |
| 1-1/2” | $98.15 | $116.65 | $100.55 | $0.64 |
| 2” | $157.04 | $186.64 | $160.88 | $1.03 |
| 3” | $314.08 | $373.28 | $321.76 | $2.06 |
| 4” | $490.75 | $583.25 | $502.75 | $3.22 |
| 6” | $981.50 | $1,166.50 | $1,005.50 | $6.44 |
|  |  |  |  |  |
| Charge per 1,000 gallons – Residential and General Service | $5.91 | $7.02 | N/A | N/A |
|  |  |  |  |  |
| Charge per 1,000 gallons – Residential Service |  |  |  |  |
| 0 – 5,000 gallons | N/A | N/A | $9.86 | $0.06 |
| Over 5,000 gallons | N/A | N/A | $12.32 | $0.08 |
|  |  |  |  |  |
| Charge per 1,000 gallons – General Service | N/A | N/A | $10.34 | $0.07 |
|  |  |  |  |  |
| **Typical Residential 5/8” x 3/4” Meter Bill Comparison** | | |  |  |
| 3,000 gallons | $37.36 | $44.39 | $49.69 |  |
| 6,000 gallons | $55.09 | $65.45 | $81.73 |  |
| 10,000 gallons | $78.73 | $93.53 | $131.01 |  |

1. Order No. PSC-2012-0475-PAA-WU, issued on September 18, 2012, in Docket No. 20110311-WU, *In re: Application for transfer of Certificate No. 588-W from Pinecrest Ranches, Inc., in Polk County, to Pinecrest Utilities, LLC.* [↑](#footnote-ref-1)
2. Order No. PSC-2013-0320-PAA-WU, issued on July 12, 2013, in Docket No. 20120269-WU, *In re: Application for a staff-assisted rate case in Polk County by Pinecrest Utilities, LLC.* [↑](#footnote-ref-2)
3. Document No. 03388-2023, filed on May 26, 2023. [↑](#footnote-ref-3)
4. Order No. PSC-2023-0199-PCO-WU, issued on July 17, 2023, in Docket No. 20230071-WU, *In re: Application for staff-assisted rate case in Polk County by Pinecrest Utilities, LLC.* [↑](#footnote-ref-4)
5. Document No. 05912-2023, filed on November 1, 2023*.* [↑](#footnote-ref-5)
6. Document No. 00695-2024, filed on February 13, 2024. [↑](#footnote-ref-6)
7. Document No. 00695-2024, filed on February 13, 2024*.* [↑](#footnote-ref-7)
8. Order No. PSC-2013-0320-PAA-WU, issued on July 12, 2013, in Docket No. 20120269-WU, *In re: Application for staff-assisted rate case in Polk County by Pinecrest Utilities, LLC.* [↑](#footnote-ref-8)
9. Document No. 06652-2023, filed on December 18, 2023*.* [↑](#footnote-ref-9)
10. Document No. 00267-2024, filed on January 22, 2024*.* [↑](#footnote-ref-10)
11. Document No. 00695-2024, filed on February 13, 2024*.* [↑](#footnote-ref-11)
12. Document Nos. 00757-2024, filed on February 19, 2024*;* and 00913-2024, filed on February 26, 2024. [↑](#footnote-ref-12)
13. Document No. 05912-2023, filed on November 1, 2023*.* [↑](#footnote-ref-13)
14. Document No. 00913-2024, filed on February 26, 2024*.* [↑](#footnote-ref-14)
15. Document No. 00523-2024, filed on February 2, 2024*.* [↑](#footnote-ref-15)
16. Document No. 00695-2024, filed on February 13, 2024*.* [↑](#footnote-ref-16)
17. Document No. 05904-2023, filed on October 31, 2023. [↑](#footnote-ref-17)
18. Document. No. 06125-2023, filed on November 20, 2023. [↑](#footnote-ref-18)
19. Order No. PSC-2022-0435-PAA-WU, issued on December 22, 2022, in Docket No. 20220026-WU, *In re: Application for staff-assisted rate case in Marion County, and request for interim rate increase, by Leighton Estates Utilities, LLC.* [↑](#footnote-ref-19)
20. Document No. 04414-2022, filed on July 1, 2022, in Docket No. 20220026-WU, *In re: Application for staff-assisted rate case in Marion County, and request for interim rate increase, by Leighton Estates Utilities, LLC.* [↑](#footnote-ref-20)
21. Document No. 00573-2024, filed on February 5, 2024*.* [↑](#footnote-ref-21)
22. Document No. 06130-2023, filed on November 20, 2023*.* [↑](#footnote-ref-22)
23. Document No. 00913-2024, filed on February 26, 2024*.* [↑](#footnote-ref-23)
24. Document No. 00695-2024, filed on February 13, 2024*.* [↑](#footnote-ref-24)
25. Document No. 05904-2023, filed on October 31, 2023. [↑](#footnote-ref-25)
26. Document No. 00573-2024, filed on February 5, 2024. [↑](#footnote-ref-26)
27. Order No. PSC-2023-0189-PAA-WS, issued on June 28, 2023, in Docket No. 20230006-WS; *In re: Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.* [↑](#footnote-ref-27)
28. Document No. 05861-2023, filed on October 27, 2023. [↑](#footnote-ref-28)
29. Document No. 01002-2024, filed on March 4, 2024. [↑](#footnote-ref-29)
30. Order No. PSC-2020-0396-PAA-WS, issued on October 22, 2020, in Docket No. 20200152-WS; *In re: Application for a limited alternative rate increase proceeding in Polk and Marion Counties by Alturas Water, LLC, Sunrise Water, LLC, Pinecrest Utilities, LLC, and East Marion Utilities, LLC.* [↑](#footnote-ref-30)
31. https://www.irs.gov/newsroom/irs-issues-standard-mileage-rates-for-2023-business-use-increases-3-cents-per-mile. [↑](#footnote-ref-31)
32. Document No. 03753-2023, filed on June 22, 2023. [↑](#footnote-ref-32)
33. Order No. PSC-2022-0043-PAA-WU, issued on January 26, 2022, in Docket No. 20210055-WU, *In re: Application for staff-assisted rate case in Lake County by Brendenwood Waterworks, Inc.;* Order No. PSC-2021-0106-PAA-WS, issued on March 17, 2021, in Docket No. 20200169-WS, *In re: Application for staff-assisted rate case in Lake County, and request for interim rate increase, by Lake Yale Utilities, LLC.;* Order No. PSC-2021-0107-PAA-WU, issued on March 19, 2021, in Docket No. 20200168-WU, *In re: Application for staff-assisted rate case in Polk County, and request for interim rate increase, by McLeod Gardens Utilities, LLC.*  [↑](#footnote-ref-33)
34. Order No. PSC-2021-0201-FOF-WS, issued on June 4, 2021, in Docket No. 20200240-WS, *In re: Proposed amendment of Rule 25-30.460, F.A.C., Application for Miscellaneous Service Charges.* [↑](#footnote-ref-34)
35. Order Nos. PSC-2016-0041-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, and Utilities, Inc.* and PSC-2015-0569-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.* [↑](#footnote-ref-35)