

Dean, Mead, Egerton, Bloodworth, Capouano & Bozarth, P.A.  
420 South Orange Avenue, Suite 700  
P.O. Box 2346 (ZIP 32802-2346)  
Orlando, FL 32801

(407) 841-1200  
(407) 423-1831 Fax  
www.deanmead.com

**Attorneys and Counselors at Law**

Orlando

Fort Pierce

Naples

Viera/Melbourne

Vero Beach

Stuart (By Appointment)

**MARTIN FRIEDMAN**

407-310-2077

mfriedman@deanmead.com

July 29, 2024

Via email only: Commissioner.LaRosa@psc.state.fl.us

Chairman Mike La Rosa  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Re: K W Resort Utilities Corp.  
2024 TY General Rate Increase Application

Dear Chairman La Rosa:

This letter, pursuant to Rule 25-30.430, Florida Administrative Code, requests approval of a test year for K W Resort Utilities Corp. (the "Company"). The Company intends to submit an application for general rate relief to the Florida Public Service Commission for its wastewater system located in Monroe County, Florida. The Company intends to submit the minimum filing requirements ("MFRs") on or before December 31, 2024.

The Company's last rate proceeding was in Docket No. 20170141-SU, utilizing a test year ending June 30, 2017, which resulted in the issuance of Order No. PSC-2018-0446-FOF-SU on September 4, 2018.

The Company requests a historic test year ending June 30, 2024. The requested test year is representative of a normal full year of operation. However, there will be pro forma expenses in the approximate amount of \$335,000 for the preparation of a Collection System Action Plan required by Rule 62-600.705(2), F.A.C., and the engineering expense of the permit renewal estimated to be \$40,000.

Additionally, the Company's loan matures on November 22, 2024, and will be renewed and its interest rate is anticipated to increase from its current fixed rate of 4% to the current market interest rate which is anticipated to be higher due to the current United States Federal Reserve Target Interest being 5.25 – 5.5% and current loan rates being approximately 7.5 – 7.75%. It

anticipates adjusting the interest expense based on the actual renewed loan interest rate when renewed.

The Company anticipates including a pro forma capital project, which will be completed and placed into service within 24 months of the end of the proposed June 30, 2024, test year. The pro forma project consists of the replacement of the South WWTP blowers and an electrical upgrade to the Treatment Plant, both of which are past their useful life. This project is estimated to cost \$2,550,000.

Pursuant to Section 367.081(8), Florida Statutes, the Company requests that the Commission process this petition for rate relief using the proposed agency action procedure. The Company may also request interim rates based on the historic test year.

Should you or members of the Staff have any questions regarding this request, please do not hesitate to contact me.

Very truly yours,

/s/Martin S. Friedman

Martin S. Friedman

For the Firm

cc: Andrew Maurey (via e-mail)  
Adam Teitzman, PSC Clerk (via e-filing)  
Ana Ortega (via email)