

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in wastewater
rates in Monroe County by K W Resort
Utilities Corp.

DOCKET NO. 20240108-SU
ORDER NO. PSC-2025-0046-PCO-SU
ISSUED: February 10, 2025

The following Commissioners participated in the disposition of this matter:

MIKE LA ROSA, Chairman
ART GRAHAM
GARY F. CLARK
ANDREW GILES FAY
GABRIELLA PASSIDOMO SMITH

ORDER SUSPENDING FINAL RATES

BY THE COMMISSION:

BACKGROUND

K W Resort Utilities Corp. (KWRU or utility) is a Class A wastewater utility providing service to approximately 1,844 customers in Monroe County. Water service is provided by the Florida Keys Aqueduct Authority. The utility's rates were last established in 2017 in Docket No. 20170141-SU.¹ According to the utility's 2023 annual report, the utility recorded total company operating revenues of \$3,880,373 and operating expenses of \$2,725,885 for wastewater.

On December 13, 2024, KWRU filed its application for approval of wastewater rate increases.² In its application, the utility requested that the Commission process the utility's rate case using the proposed agency action procedure as provided in Section 367.081(10), Florida Statutes (F.S.). On January 10, 2025, staff sent the utility a letter indicating deficiencies in the filing of its minimum filing requirements. The utility's response to the deficiencies was filed on January 15, 2025. Staff established the official filing date by letter on January 24, 2025.

KWRU's application for increased wastewater rates is based on the historical test year ending June 30, 2024. The utility is requesting a wastewater increase to recover all expenses it will incur in order to generate a fair rate of return on its investment and pro forma plant projects. The pro forma plant projects consist of replacing the South Wastewater Treatment Plant blowers and an electrical upgrade to the treatment plant. KWRU's requested rates are designed to generate revenues of \$4,834,390 for wastewater operations. This represents a revenue increase of \$913,843, or 23.31 percent for wastewater.

On September 4, 2024, the Office of Public Counsel (OPC) filed a notice of intervention. OPC's intervention was acknowledged by Order No. PSC-2024-0407-PCO-SU, issued September 5,

¹ Order No. PSC-2018-0446-FOF-SU, issued September 4, 2018, in Docket No. 20170141-SU, *In re: Application for increase in wastewater rates in Monroe County by K W Resort Utilities Corp.*

² Document No. 08049-2024, filed on July 29, 2024.

2024.³ The 60-day statutory deadline for the Commission to suspend the utility's requested final rates is February 11, 2025. This order addresses the suspension of the utility's requested rates. We have jurisdiction pursuant to Sections 367.081 and 367.082, F.S.

DECISION

Section 367.081(6), F.S., provides that the rates proposed by a utility shall become effective within sixty days after filing unless we vote to withhold consent of implementation of the requested rates. Further, the above referenced statute permits the proposed rates to go into effect, under bond, escrow, or corporate undertaking eight months after filing, unless we take final action on the requested rates.

We have reviewed the filing and the proposed rates, the revenues thereby generated, and the information filed in support of the rate application. We find that it is necessary to require further explanation of this data, and to require production of additional and/or corroborative data. This further examination will include a review by our accountants and engineers. On January 15, 2024, KWRU was advised that an audit of KWRU's books and records would be conducted to examine allocated investment and operating expenses. This audit is due to be completed on or about February 11, 2025. For these reasons, we find it appropriate to suspend the utility's proposed rate increase to allow sufficient time to adequately and thoroughly examine the appropriateness of the utility's request for rate relief.

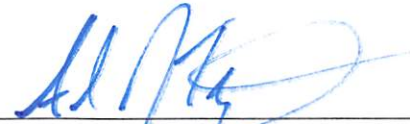
Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that K W Resort Utilities Corporation's proposed wastewater rates shall be suspended to allow sufficient time for Commission staff to adequately and thoroughly examine the appropriateness of the utility's request for final rate relief. It is further

ORDERED that this docket shall remain open pending our final agency action on K W Resort Utilities Corporation's requested rate increase.

³ Order No. PSC-2024-0407-PCO-SU, issued September 5, 2024, in Docket No. 20240108-SU, *In re: Application for increase in wastewater rates in Monroe County by K W Resort Utilities Corp.*

By ORDER of the Florida Public Service Commission this 10th day of February, 2025.



ADAM J. FEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

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

SBr

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.

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.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, 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. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.