

FLORIDA PUBLIC SERVICE COMMISSION

COMMISSION CONFERENCE AGENDA

CONFERENCE DATE AND TIME: Tuesday, July 1, 2025, 1:30 p.m.

LOCATION: Betty Easley Conference Center, Joseph P. Cresse Hearing Room 148

DATE ISSUED: June 19, 2025

NOTICE

Persons affected by Commission action on certain items on this agenda may be allowed to address the Commission, either informally or by oral argument, when those items are taken up for discussion at this conference. These items are designated by double asterisks (**) next to the item number.

To participate informally, affected persons need only appear at the conference and request the opportunity to address the Commission on an item listed on the agenda. Informal participation is not permitted: (1) on dispositive motions and motions for reconsideration; (2) when a recommended order is taken up by the Commission; (3) in a rulemaking proceeding after the record has been closed; or (4) when the Commission considers a post-hearing recommendation on the merits of a case after the close of the record. The Commission allows informal participation at its discretion in certain types of cases (such as declaratory statements and interim rate orders) in which an order is issued based on a given set of facts without hearing. See Florida Administrative Code Rules 25-22.0021 (agenda conference participation) and 25-22.0022 (oral argument).

Conference agendas, staff recommendations, vote sheets, and transcripts are available online at <https://www.floridapsc.com>, by selecting *Conferences & Meeting Agendas* and *Commission Conferences of the FPSC*. An official vote of "move staff" denotes that the Item's recommendations were approved.

In accordance with the Americans with Disabilities Act, persons needing a special accommodation to participate at this proceeding should contact the Office of Commission Clerk no later than five days prior to the conference at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850 or 850-413-6770 (Florida Relay Service, 1-800-955-8770 Voice or 1-800-955-8771 TDD). Assistive Listening Devices are available upon request from the Office of Commission Clerk, Gerald L. Gunter Building, Room 152.

The Commission Conference has a live video broadcast the day of the conference, which is available from the FPSC website. Upon completion of the conference, the archived video will be available from the website by selecting *Conferences & Meeting Agendas*, then *Audio and Video Event Coverage*.

EMERGENCY CANCELLATION OF CONFERENCE: If a named storm or other disaster requires cancellation of the Conference, Commission staff will attempt to give timely notice. Notice of cancellation will be provided on the Commission's website (<https://www.floridapsc.com>) under the Hot Topics link on the home page. Cancellation can also be confirmed by calling the Office of Commission Clerk at 850-413-6770.

If you have any questions, contact the Office of Commission Clerk at 850-413-6770 or Clerk@psc.state.fl.us.

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July 1, 2025

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ITEM NO.

CASE

1**

Docket No. 20250062-TP – Commission approval of Florida Telecommunications Relay, Inc.'s fiscal year 2025/2026 proposed budget.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Clark

Staff: IDM: Williams, Fogleman

GCL: Imig, Augspurger, Harper

Issue 1: Should the Commission approve FTRI's proposed Fiscal Year 2025/2026 budget as presented in Attachment A of staff's memorandum dated June 19, 2025?

Recommendation: No. Staff recommends the Commission modify FTRI's proposed budget expenses of \$4,097,190 to decrease TRS provider expense by \$409,796, decrease Legal expense by \$22,661, and increase VCP Speech Impaired expense by \$2,000. Staff recommends the Commission approve a total budget expense of \$3,666,733 for Fiscal Year 2025/2026, effective upon issuance of the consummating order. Staff recommends the Commission allow FTRI to transfer \$897,011 from the Reserve Account to offset staff's projected revenue shortfall.

Issue 2: Should the Commission maintain the current Telecommunications Relay Service (TRS) surcharge of \$0.08 per line, per month for Fiscal Year 2025/2026?

Recommendation: Yes. Staff recommends the Commission maintain the current TRS surcharge of \$0.08 per line, per month for Fiscal Year 2025/2026. Staff recommends the Commission order all local exchange companies to continue billing the \$0.08 TRS surcharge for Fiscal Year 2025/2026.

Issue 3: Should this docket be closed?

Recommendation: If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, this docket should be closed upon the issuance of a consummating order.

ITEM NO.

CASE

2

Docket No. 20250035-GU – Petition for approval of 2025 depreciation study and for approval to amortize reserve imbalance, by Florida City Gas.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Fay

Staff: ECO: Kunkler, Galloway, Richards, Wu

AFD: D. Buys, Higgins, Souchik

GCL: Sparks, Harper, Imig

(Decision on Motion for Reconsideration - Oral Argument Requested)

Issue 1: Should OPC's Request for Oral Argument on its Motion for Reconsideration of Order No. PSC-2025-0102-PCO-GU be granted?

Recommendation: No. Staff believes that the pleadings are sufficient on their face for the Commission to evaluate and rule on the Motion. However, if the Commission chooses to exercise its discretion to hear oral argument, staff recommends that 5 minutes per side is sufficient.

Issue 2: Should OPC's Motion for Reconsideration be Granted?

Recommendation: No. Staff recommends denying OPC's Motion for Reconsideration under the Commission's traditional standard of review for such motions as: OPC has failed to articulate a reason to depart from that standard; the Motion fails to raise a point of fact or law that the Prehearing Officer overlooked or failed to consider in rendering the Denial Order; and the Commission has jurisdiction to continue with this docket.

Issue 3: Should this docket be closed?

Recommendation: This docket should remain open pending the Commission's final resolution of FCG's proposed depreciation study.

ITEM NO.

CASE

3**PAA

Docket No. 20250048-EG – Petition for approval of proposed demand-side management plan, by Florida Power & Light Company.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Clark

Staff: ENG: Thompson, Ellis, King, Ramos

ECO: Hampson

GCL: Imig, Sparks

Issue 1: Should the Commission approve Florida Power & Light Company’s proposed DSM Plan, program standards, and tariffs?

Recommendation: Yes, with modifications. The programs included in FPL’s proposed DSM Plan are cost-effective based upon the Participants test, and either the Rate Impact Measure (RIM) or Total Resource Cost (TRC) test. FPL’s DSM Plan is projected to meet the annual numeric conservation goals approved by the Commission in the 2024 Goalsetting Order. In addition, staff has reviewed FPL’s program participation standards and they appear to be consistent with FPL’s DSM Plan.

However, staff recommends the following modifications to FPL’s HVAC On-Bill Pilot program: (1) require participants to also participate in FPL’s Residential HVAC program; (2) eliminate the participants’ requirement to participate in the Residential On Call program for the entire 10-, 12-, or 15-year service agreement terms; (3) cap program participation at the projections provided by FPL; and (4) cap program costs to those costs agreed upon by FPL and program participants at the time the service agreements are executed. These modifications would more closely align with the objectives of FEECA by increasing overall energy efficiency savings, remove participants’ long-term commitment for participation in a load management program, and provide additional safeguards for the general body of ratepayers during the pilot phase of the program.

If staff’s proposed modifications are approved, staff recommends that FPL submit revised versions of its Optional HVAC Services Rider tariff, Optional HVAC Services Agreement tariff, and program participation standards, as applicable, that reflect these modifications within 30 days of the Consummating Order in this docket, and that the Commission grant staff administrative authority to review and approve these documents. If the Commission approves FPL’s proposal without modifications, then the tariffs as shown in Attachment C of staff’s memorandum dated June 19, 2025, should be approved effective on the day of the Commission’s vote.

Upon final approval by the Commission, FPL may file for cost recovery of the programs included in its DSM Plan in the Energy Conservation Cost Recovery (ECCR) clause proceeding. However, FPL must demonstrate that the expenditures to implement its DSM programs are reasonable and prudent in order to recover those expenditures.

ITEM NO.

CASE

3**PAA

Docket No. 20250048-EG – Petition for approval of proposed demand-side management plan, by Florida Power & Light Company.

(Continued from previous page)

Issue 2: Should this docket be closed?

Recommendation: Yes. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, a consummating order will be issued. However, if Issue 1 is approved, the docket should remain open for staff's verification that the revised documents have been filed by the Utility and approved by staff. When the proposed agency action is final and the revised documents have been approved, this docket may be closed administratively.

ITEM NO.

CASE

4**PAA

Docket No. 20240105-SU – Application for staff-assisted rate case in Polk County, by West Lakeland Wastewater, LLC.

Critical Date(s): 12/26/25 (15-Month Effective Date (SARC))

Commissioners Assigned: All Commissioners

Prehearing Officer: Fay

Staff: ENG: Ramirez-Abundez, Ramos, Smith II

AFD: Folkman, Higgins, Kelley, Lenberg

ECO: Bruce, Richards

GCL: Farooqi, Imig

(Proposed Agency Action Except for Issue Nos. 13 and 14.)

Issue 1: Is the quality of service provided by West Lakeland Wastewater, LLC satisfactory?

Recommendation: Yes. West Lakeland has been responsive to customer complaints and is currently in compliance with the Department of Environmental Protection (DEP); therefore, the quality of service should be considered satisfactory.

Issue 2: Are the infrastructure and operating conditions of West Lakeland Wastewater, LLC's wastewater system in compliance with the DEP's regulations?

Recommendation: Yes. The West Lakeland wastewater system is currently in compliance with the DEP.

Issue 3: What are the used and useful (U&U) percentages of West Lakeland's wastewater treatment plant (WWTP) and the wastewater collections system?

Recommendation: West Lakeland's WWTP and wastewater collection system should both be considered 100 percent U&U. No adjustment to operating expenses is recommended for excessive infiltration and inflow (I&I).

Issue 4: What is the appropriate average test year rate base for West Lakeland Wastewater, LLC?

Recommendation: The appropriate average test year rate base for West Lakeland is \$10,861.

Issue 5: What is the appropriate return on equity and overall rate of return for West Lakeland Wastewater, LLC?

Recommendation: The appropriate return on equity is 11.2 percent, with a range of 10.24 percent to 12.24 percent. The appropriate overall rate of return is 5.92 percent.

Issue 6: What are the appropriate test year revenues for West Lakeland Wastewater, LLC?

Recommendation: The appropriate test year revenues for West Lakeland are \$199,727.

ITEM NO.

CASE

4**PAA

Docket No. 20240105-SU – Application for staff-assisted rate case in Polk County, by West Lakeland Wastewater, LLC.

(Continued from previous page)

Issue 7: What is the appropriate amount of operating expense for West Lakeland Wastewater, LLC?

Recommendation: The appropriate amount of operating expense for West Lakeland is \$211,272.

Issue 8: Does West Lakeland Wastewater, LLC meet the criteria for application of the operating ratio methodology?

Recommendation: Yes, West Lakeland meets the requirement for application of the operating ratio methodology for calculating the revenue requirement.

Issue 9: What is the appropriate revenue requirement for West Lakeland Wastewater, LLC?

Recommendation: The appropriate revenue requirement is \$226,272, resulting in an annual increase of \$26,545 (13.29 percent).

Issue 10: What are the appropriate rates and rate structure for West Lakeland Wastewater, LLC?

Recommendation: The recommended rate structures and monthly wastewater rates are shown on Schedule No. 4 of staff's memorandum dated June 19, 2025. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The Utility should provide proof of the date notice was given within 10 days of the date of the notice.

Issue 11: What are the appropriate initial customer deposits for West Lakeland Wastewater, LLC?

Recommendation: The appropriate initial customer deposit is \$115 for all residential meter sizes. The approved initial customer deposits should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The Utility should be required to collect the approved initial customer deposits until authorized to change them by the Commission in a subsequent proceeding.

ITEM NO.

CASE

4**PAA

Docket No. 20240105-SU – Application for staff-assisted rate case in Polk County, by West Lakeland Wastewater, LLC.

(Continued from previous page)

Issue 12: What are the appropriate miscellaneous service charges for West Lakeland Wastewater, LLC?

Recommendation: The appropriate miscellaneous service charges are shown on Table 12-4 of staff's memorandum dated June 19, 2025, and should be approved. The Utility should be required to file a proposed customer notice to reflect the Commission-approved charges. The approved charges should be effective for service rendered or connections made 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 should not be implemented until staff has approved the proposed customer notice and the notice has been received by customers. The Utility should provide proof of the date notice was given no less than 10 days after the date of the notice.

Issue 13: What is the appropriate amount by which rates should be reduced four years after the published effective date to reflect the removal of the amortized rate case expense?

Recommendation: The rates should be reduced as shown on Schedule No. 4 of staff's memorandum dated June 19, 2025, 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 should become effective immediately following the expiration of the rate case expense recovery period. West Lakeland should 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 should be filed for the price index and/or pass-through increase and the reduction in the rates due to the amortized rate case expense.

ITEM NO.

CASE

4**PAA

Docket No. 20240105-SU – Application for staff-assisted rate case in Polk County, by West Lakeland Wastewater, LLC.

(Continued from previous page)

Issue 14: Should the recommended rates be approved for West Lakeland Wastewater, LLC on temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility?

Recommendation: Yes. Pursuant to Section 367.0814(7), F.S., the recommended rates should be approved for the Utility on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility. West Lakeland should file revised tariff sheets and a proposed customer notice reflecting the Commission-approved rates. The approved rates should 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. In addition, the temporary rates should not be implemented until staff has approved the proposed notice, and the notice has been received by the customers. Further, prior to implementing any temporary rates, the Utility should provide appropriate financial security.

If the recommended rates are approved on a temporary basis, the rates collected by the Utility should be subject to the refund provisions discussed below in the staff analysis. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility should 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 should also indicate the status of the security being used to guarantee repayment of any potential refund.

Issue 15: Should West Lakeland Wastewater, LLC be required to notify the Commission within 90 days of an effective order finalizing this docket, that it has adjusted its books for all the applicable NARUC USOA?

Recommendation: Yes. West Lakeland should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission’s decision. The Utility should submit a letter within 90 days of the Commission’s 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 should be filed not less than seven days prior to the deadline. Upon providing a notice of good cause, staff should be given administrative authority to grant an extension of up to 60 days.

ITEM NO.

CASE

4**PAA

Docket No. 20240105-SU – Application for staff-assisted rate case in Polk County, by West Lakeland Wastewater, LLC.

(Continued from previous page)

Issue 16: Should this docket be closed?

Recommendation: No. 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 should be issued. The docket should remain open for staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff. Once these actions are complete, this docket should be closed administratively.

ITEM NO.

CASE

5**PAA

Docket No. 20240119-WU – Application for staff-assisted rate case in Polk County, by Alturas Water, LLC.

Critical Date(s): 12/19/25 (15-Month Effective Date (SARC))

Commissioners Assigned: All Commissioners

Prehearing Officer: Clark

Staff: ENG: Wooten, Ellis, King
AFD: Folkman, Higgins, Lenberg
ECO: Bruce, Hudson, Richards
GCL: Farooqi, Harper

(Proposed Agency Action Except for Issue Nos. 13 and 14.)

Issue 1: Is the quality of service provided by Alturas Water, LLC satisfactory?

Recommendation: Yes. Alturas has been responsive to customer complaints and the quality of the product is in compliance with the Department of Environmental Protection (DEP) standards; therefore, staff recommends that the quality of service be considered satisfactory.

Issue 2: Are the infrastructure and operating conditions of Alturas Water, LLC in compliance with the DEP's regulations?

Recommendation: Yes. The Alturas water system is currently in compliance with the DEP.

Issue 3: What are the used and useful (U&U) percentages of the Alturas Water, LLC water treatment plant (WTP) and water distribution system?

Recommendation: Alturas' WTP and its distribution system should both be considered 100 percent U&U. Additionally, a 26.2 percent adjustment for Excessive Unaccounted for Water (EUW) should be made to operating expenses for chemicals and purchased power.

Issue 4: What is the appropriate average test year rate base for Alturas Water, LLC?

Recommendation: The appropriate average test year rate base for Alturas is \$67,586.

Issue 5: What is the appropriate return on equity and overall rate of return for Alturas Water, LLC?

Recommendation: The appropriate return on equity (ROE) is 11.24 percent with a range of 10.24 percent to 12.24 percent. The appropriate overall rate of return is 7.58 percent.

Issue 6: What are the appropriate test year operating revenues for Alturas Water, LLC?

Recommendation: The appropriate test year revenues for Alturas are \$40,000.

Issue 7: What are the appropriate operating expenses for Alturas Water, LLC?

Recommendation: The appropriate amount of operating expenses for Alturas are \$45,972.

ITEM NO.

CASE

5**PAA

Docket No. 20240119-WU – Application for staff-assisted rate case in Polk County, by Alturas Water, LLC.

(Continued from previous page)

Issue 8: Does Alturas Water, LLC meet the criteria for application of the operating ratio methodology?

Recommendation: No, Alturas does not meet the requirement for application of the operating ratio methodology for calculating the revenue requirement.

Issue 9: What is the appropriate revenue requirement for Alturas Water, LLC?

Recommendation: The appropriate revenue requirement is \$51,377, resulting in an annual increase of \$11,377 (28.44 percent).

Issue 10: What are the appropriate rates and rate structure for Alturas Water, LLC?

Recommendation: The recommended rate structure and monthly water rates are shown on Schedule No. 4 of staff's memorandum dated June 19, 2025. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The Utility should provide proof of the date notice was given within 10 days of the date of the notice.

Issue 11: What are the appropriate initial customer deposits for Alturas Water, LLC?

Recommendation: The appropriate initial customer deposit should be \$131 for the 5/8 inch x 3/4 inch meter size. The initial customer deposit for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill for water. The approved initial customer deposits should be effective for connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The Utility should be required to collect the approved deposits until authorized to change them by the Commission in a subsequent proceeding.

Issue 12: What are the appropriate miscellaneous service charges for Alturas Water, LLC?

Recommendation: The appropriate miscellaneous service charges are shown on Table 12-4 of staff's memorandum dated June 19, 2025 and should be approved. The Utility should be required to file a proposed customer notice to reflect the Commission-approved charges. The approved charges should be effective for service rendered or connections made 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 should not be implemented until staff has approved the proposed customer notice and the notice has been received by customers. The Utility should provide proof of the date notice was given no less than 10 days after the date of the notice.

ITEM NO.

CASE

5**PAA

Docket No. 20240119-WU – Application for staff-assisted rate case in Polk County, by Alturas Water, LLC.

(Continued from previous page)

Issue 13: What is the appropriate amount by which rates should be reduced four years after the published effective date to reflect removal of the amortized rate case expense?

Recommendation: The rates should be reduced as shown on Schedule No. 4 of staff's memorandum dated June 19, 2025, 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 should become effective immediately following the expiration of the rate case expense recovery period. Alturas should 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 should be filed for the price index and/or pass-through increase and the reduction in the rates due to the amortized rate case expense.

Issue 14: Should the recommended rate be approved for Alturas Water, LLC on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility?

Recommendation: Yes. Pursuant to Section 367.0814(7), F.S., the recommended rates should be approved for the Utility on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility. Alturas should file revised tariff sheets and a proposed customer notice reflecting the Commission-approved rates. The approved rates should 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. In addition, the temporary rates should not be implemented until staff has approved the proposed notice, and the notice has been received by the customers. Further, prior to implementing any temporary rates, the Utility should provide appropriate financial security.

If the recommended rates are approved on a temporary basis, the rates collected by the Utility should be subject to the refund provisions discussed in the staff analysis of staff's memorandum dated June 19, 2025. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility should 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 should also indicate the status of the security being used to guarantee repayment of any potential refund.

ITEM NO.

CASE

5**PAA

Docket No. 20240119-WU – Application for staff-assisted rate case in Polk County, by Alturas Water, LLC.

(Continued from previous page)

Issue 15: Should Alturas Water, LLC be required to notify the Commission within 90 days of an effective order finalizing this docket, that it has adjusted its books for all the applicable NARUC USOA?

Recommendation: Yes. Alturas Water, LLC should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision. The Utility should submit a letter within 90 days of the Commission's 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 should be filed not less than seven days prior to the deadline. Upon providing a notice of good cause, staff should be given administrative authority to grant an extension of up to 60 days.

Issue 16: Should this docket be closed?

Recommendation: No. 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 should be issued. The docket should remain open for staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff. Once these actions are complete, this docket should be closed administratively.

ITEM NO.

CASE

6**PAA

Docket No. 20240130-WS – Application for grandfather certificate to operate water and wastewater utility in Citrus County, by CSWR-Florida Utility Operating Company, LLC.

Critical Date(s): None

Commissioners Assigned: All Commissioners

Prehearing Officer: Graham

Staff: ENG: Lewis, Ramos, Smith II

AFD: Bardin, Cicchetti, Norris, Sowards

ECO: Bruce, Sibley

GCL: Brownless

(Proposed Agency Action for Issues 3, 4, 5, 6, and 7.)

Issue 1: Should CSWR-Florida Utility Operating Company, LLC's application for grandfather water and wastewater certificates in Citrus County be acknowledged?

Recommendation: Yes. CSWR's statutory right should be acknowledged and the Utility should be granted Certificate Nos. 694-W, and 587-S, effective May 28, 2024, to serve the territory described in Attachment A of staff's memorandum dated May 21, 2025. The resultant order should serve as CSWR's certificate and should be retained by the Utility.

Issue 2: What rates and charges should be approved for CSWR-Florida Utility Operating Company, LLC?

Recommendation: Of the Utility's rates, charges, and deposits for water and wastewater services that were approved by Citrus County and in effect when Citrus County transferred jurisdiction to the Commission, the rates and charges shown on Schedule Nos. 1A and 1B of staff's memorandum dated May 21, 2025, should be approved. In addition, the Utility's existing violation reconnection charge for water should be approved. This charge, as well as the rates and charges shown in Schedule Nos. 1A and 1B, should be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets. The Utility should be required to charge the approved violation reconnection charge for water as well as the rates and charges shown in Schedule Nos. 1A and 1B, until authorized to change them by the Commission in a subsequent proceeding.

Issue 3: Should the Utility's current terms of payment be revised to conform to Rule 25-30.335(6), F.A.C.?

Recommendation: Yes. The Utility's current terms of payment should be revised to conform to Rule 25-30.335(6), F.A.C.

ITEM NO.

CASE

6**PAA

Docket No. 20240130-WS – Application for grandfather certificate to operate water and wastewater utility in Citrus County, by CSWR-Florida Utility Operating Company, LLC.

(Continued from previous page)

Issue 4: What are the appropriate initial customer deposits for CSWR?

Recommendation: The appropriate initial customer deposit should be \$40 for the residential 5/8 inch x 3/4 inch meter sizes for water and \$60 for wastewater. The initial customer deposits for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill for water and wastewater. Staff recommends that the residential rental deposit of \$60 for water and \$75 for wastewater be removed. The approved initial customer deposits should be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The Utility should be required to collect the approved deposits until authorized to change them by the Commission in a subsequent proceeding.

Issue 5: What are the appropriate meter test deposit charges for CSWR?

Recommendation: Staff recommends that the appropriate meter test deposits be revised to conform to Rule 25-30.266(2)(a), F.A.C.

Issue 6: What are the appropriate water and wastewater miscellaneous service charges for CSWR?

Recommendation: With the exception of the Utility's existing violation reconnection charge for water (which is discussed in Issue 2), the appropriate miscellaneous service charges shown on Table 6-2 of staff's memorandum dated June 19, 2025, should be approved. The Utility should be required to file a proposed customer notice to reflect the Commission-approved charges. The approved charges should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475, F.A.C. In addition, the tariff sheets will be approved upon staff's verification that the tariffs are consistent with the Commission's decision and that the proposed customer notice is adequate.

Issue 7: Should the Commission approve the removal of the CIAC Tax Impact charge from the Utility's current tariff?

Recommendation: Yes. Staff recommends that the Commission approve the removal of the Utility's CIAC Tax Impact charge from its current tariff.

Issue 8: Should this docket be closed?

Recommendation: If no person whose substantial interests are affected by the proposed agency action portion of this recommendation files a protest within 21 days of the issuance of the order, a consummating order should be issued. The docket should remain open for staff's verification that the revised tariff sheets have been filed by the Utility and approved by staff. Once this action is complete, this docket should be closed administratively if no timely protest has been filed.

ITEM NO.

CASE

7**

Docket No. 20250026-GU – Petition for approval to modify swing service charge, individual transportation service rider, and off-system service rate schedule, by Peoples Gas System, Inc.

Critical Date(s): 09/13/25 (8-Month Effective Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: McClelland

GCL: Sandy

(Tariff Filing)

Issue 1: Should the Commission approve the proposed modifications to the swing service charge, ITS rider, and OSS sharing mechanism?

Recommendation: Yes, the Commission should approve the proposed modifications to the swing service charge, ITS rider, and OSS sharing mechanism. If the Commission approves the revised OSS sharing mechanism, PGS should be required to reflect the revised OSS net revenues in its rate case docket (Docket No. 20250029-GU). The proposed changes, as a whole, are designed to improve the allocation of costs between transportation and PGA customers. The revised swing service charges (Tariff Sheet No. 7.101-3) and OSS tariff (Tariff Sheet No. 7.702-1) should become effective on the date of the Commission's vote. The revisions to the ITS rider (Tariff Sheet Nos. 7.805 and 7.805-9) should take effect 12 months after the Commission vote to allow for customer notification.

Issue 2: Should this docket be closed?

Recommendation: Yes. If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariffs should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

ITEM NO.

CASE

8**

Docket No. 20250080-GU – Petition for approval of tariff changes to implement a temporary surcharge to recovery regulatory asset, by St. Joe Natural Gas Company, Inc.

Critical Date(s): 07/19/25 (60-Day Suspension Date)

Commissioners Assigned: All Commissioners

Prehearing Officer: Administrative

Staff: ECO: Ward
GCL: Sandy

(Tariff Filing)

Issue 1: Should the Commission approve St. Joe's request to implement a temporary 10-year surcharge to recover \$77,761 associated with a regulatory asset established by the 2021 settlement?

Recommendation: Yes. The Commission should approve St. Joe's request to implement a temporary surcharge to recover \$77,761 associated with a regulatory asset established by the 2021 settlement. The surcharge as shown on proposed Tariff Sheet No. 83 should become effective on the day of the Commission's vote.

Issue 2: Should this docket be closed?

Recommendation: Yes. If Issue 1 is approved and a protest is filed within 21 days of the issuance of the order, the tariff should remain in effect, with any revenues held subject to refund, pending resolution of the protest. If no timely protest is filed, this docket should be closed upon the issuance of a consummating order.

ITEM NO.

CASE

9**PAA

Docket No. 20240108-SU – Application for increase in wastewater rates in Monroe County by K W Resort Utilities Corp.

Critical Date(s): 06/24/25 (5-Month Effective Date (PAA Rate Case))

Commissioners Assigned: All Commissioners

Prehearing Officer: Fay

Staff: ECO: Sibley, Bruce, Chambliss

AFD: Bardin, Byrne, Norris, Przygocki, Sowards, York

ENG: Ellis, King, Ramos, Wooten

GCL: Brownless

Issue 1: Should KWRU's Petition for Variance or Waiver of a Specific Provision of Rule 25-30.140, F.A.C., be granted?

Recommendation: No. KWRU has not met the requirements of Section 120.542(5), F.S., or Rule 25-30.140, F.A.C., for a rule waiver.

Issue 2: Is the overall quality of service provided by the utility satisfactory, and, if not, what action should be taken by the Commission?

Recommendation: Yes. KWRU has been responsive to customer complaints; therefore, staff recommends that the quality of service is satisfactory.

Issue 3: Are the infrastructure and operating conditions of the utility's water and wastewater systems in compliance with the Florida Department of Environmental Protection regulations?

Recommendation: Yes. KWRU's wastewater system is currently in compliance with the DEP.

Issue 4: Should any adjustments be made to the test year plant-in service balances?

Recommendation: Yes. An adjustment should be made to increase the test year plant-in-service balance by \$301,205.

Issue 5: Should any adjustments be made to the utility's pro forma plant additions?

Recommendation: No. Staff agrees that the \$2,132,047 for the net increase to UPIS is reasonable; therefore, no adjustment is needed. However, staff recommends a net salvage adjustment be made to reduce the associated pro forma accumulated depreciation and depreciation expense by \$1,385 and \$2,770, respectively.

Issue 6: What are the appropriate plant retirements to be made in this docket?

Recommendation: The appropriate total plant retirements is \$47,092.

Issue 7: Do any wastewater systems have excessive infiltration and/or inflow (I&I) and, if so, what adjustments are necessary, if any?

Recommendation: No. There is no excessive I&I; therefore, staff recommends no adjustment.

ITEM NO.

CASE

9**PAA

Docket No. 20240108-SU – Application for increase in wastewater rates in Monroe County by K W Resort Utilities Corp.

(Continued from previous page)

Issue 8: What are the appropriate used and useful percentages for the wastewater treatment facilities and collection system?

Recommendation: KWRU's WWTP should be considered 77.6 percent used and useful and KWRU's wastewater collection system should be considered 100 percent used and useful. To reflect the appropriate U&U percentage, rate base should be reduced by \$2,231,591. Corresponding adjustments should also be made to decrease net depreciation expense and property tax by \$140,864 and \$3,618, respectively.

Issue 9: Should any adjustments be made to test year accumulated depreciation?

Recommendation: Yes. Test year accumulated depreciation should be increased by \$423,905. All necessary adjustments to accumulated depreciation associated with pro forma additions should be made as set forth and discussed in Issue 5.

Issue 10: Should any adjustments be made to the test year contributions-in-aid-of-construction (CIAC) balance?

Recommendation: Yes. An adjustment should be made to increase test year CIAC by \$38,244. All necessary adjustments to CIAC associated with staff's recommended non-U&U adjustment should be made as set forth and discussed in Issue 8.

Issue 11: Should any adjustments be made to test year accumulated amortization of CIAC?

Recommendation: Yes. An adjustment should be made to increase test year accumulated amortization of CIAC by \$1,275. All necessary adjustments to accumulated amortization of CIAC associated with staff's recommended non-U&U adjustment should be made as set forth and discussed in Issue 8.

Issue 12: What is the appropriate working capital allowance?

Recommendation: The appropriate working capital allowance is \$1,442,290. As such, the working capital allowance should be increased by \$2,896.

Issue 13: What is the appropriate rate base for the June 30, 2024 test year?

Recommendation: The appropriate rate base is \$7,874,046.

Issue 14: What is the appropriate amount of customer deposits to include in the capital structure?

Recommendation: The appropriate amount of customer deposits is \$332,635.

Issue 15: What is the appropriate cost rate for long-term debt for the test year?

Recommendation: The appropriate cost rate for long-term debt is 5.90 percent.

Issue 16: What is the appropriate return on equity (ROE) for the test year?

Recommendation: The appropriate ROE is 9.95 percent.

ITEM NO.

CASE

9**PAA

Docket No. 20240108-SU – Application for increase in wastewater rates in Monroe County by K W Resort Utilities Corp.

(Continued from previous page)

Issue 17: What is the appropriate weighted average cost of capital (WACC) including the proper components, amounts and cost rates associated with the capital structure?

Recommendation: Based on the proper components, amounts, and cost rates associated with the capital structure for the 13-month average test year ended June 30, 2024, as discussed in Issues 14-16, the appropriate weighted average cost of capital for KWRU for purposes of setting rates is 7.97%, as reflected in Schedule No. 2 of staff's memorandum dated June 19, 2025.

Issue 18: Should any adjustments be made to the test year operating revenues for KWRU's wastewater system?

Recommendation: Yes. Test year operating revenues for KWRU's wastewater system should be decreased by \$14,844.

Issue 19: What is the appropriate amount of rate case expense?

Recommendation: The appropriate amount of rate case expense is \$142,924. This expense should be amortized over four years for an annual expense of \$35,731. Based on the utility's original filing, the annual amortization of rate case expense should be decreased by \$27,135.

Issue 20: Should any adjustments be made to the utility's proposed pro forma expenses?

Recommendation: Yes. Staff recommends pro forma expenses be decreased by \$16,965.

Issue 21: Should any further adjustments be made to the utility's test year O&M expenses?

Recommendation: Yes. Based on the audit adjustments recommended by staff, the following adjustments should be made as set forth in staff's analysis section of staff's memorandum dated June 19, 2025. In addition to the audit findings, staff recommends several adjustments to the O&M expenses. Staff recommends that O&M expenses be reduced by \$216,969.

Issue 22: Should any adjustments be made to test year taxes other than income?

Recommendation: Yes. Test year taxes other than income (TOTI) should be decreased by \$47,337.

Issue 23: Should any adjustments be made to test year depreciation expense?

Recommendation: Yes. In addition to the adjustments recommended in Issues 5 and 8, depreciation expense should be increased by \$66,755.

Issue 24: Should any adjustments be made to test year amortization of CIAC expense?

Recommendation: Yes. Amortization of CIAC should be increased by \$1,275. All necessary adjustments to CIAC amortization expense associated with staff's recommended non-U&U adjustment should be made as set forth and discussed in Issue 9.

ITEM NO.

CASE

9**PAA

Docket No. 20240108-SU – Application for increase in wastewater rates in Monroe County by K W Resort Utilities Corp.

(Continued from previous page)

Issue 25: What is the appropriate revenue requirement for the June 30, 2024 test year?

Recommendation: Staff recommends the following revenue requirement be approved. (Bardin)

Test Year Revenue	\$ Increase	Revenue Requirement	% Increase
\$3,905,798	\$358,534	\$4,264,332	9.18%

Issue 26: What are the appropriate rate structures and rates for the wastewater systems?

Recommendation: The appropriate rate structure and rates for wastewater service are shown on Schedule No. 4 of staff's memorandum dated June 19, 2025. The utility should file revised tariff sheets and a proposed customer notice to reflect Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by customers. The utility should provide proof of the date notice was given within 10 days of the date of the notice.

Issue 27: What are the appropriate reuse rates?

Recommendation: The appropriate rate for KWRU's reuse service is \$2.05 per 1,000 gallons. The utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475, F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The utility should provide proof of the date notice was given within 10 days of the date of the notice.

Issue 28: Should miscellaneous service charges be revised to conform to Rule 25-30.460, F.A.C.?

Recommendation: Yes. The initial connection and normal reconnections charges should be removed. The premises visit charge should be revised to \$89.50 for normal hours and \$91.36 for after hours. The definition for the premises visit charge should be updated to comply with Rule 25-30.460, F.A.C. The utility should be required to file a proposed customer notice to reflect the Commission-approved charges. The approved charges should be effective for services rendered or connections made 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 should not be implemented until staff has approved the proposed customer notice and the notice has been received by customers. The Utility should provide proof of the date notice was given no less than 10 days after the date of notice.

ITEM NO.

CASE

9**PAA

Docket No. 20240108-SU – Application for increase in wastewater rates in Monroe County by K W Resort Utilities Corp.

(Continued from previous page)

Issue 29: What is the appropriate Lift Station cleaning charge?

Recommendation: The appropriate lift station cleaning charge for KWRU is \$2,354.25. The approved charge should be effective for services rendered or connections made on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475, F.A.C. In addition, the approved charges should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. KWRU should provide proof of the date notice was given within 10 days of the date of the notice.

Issue 30: What are the appropriate initial customer deposits?

Recommendation: The appropriate initial customer deposit should be \$201 for the 5/8 inch x 3/4 inch meter size for residential service customers. The initial customer deposit for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill for wastewater. The approved initial customer deposits should be effective for connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The utility should be required to collect the approved deposits until authorized to change them by the Commission in a subsequent proceeding.

Issue 31: Should an Allowance for Funds Used During Construction (AFUDC) rate be established? If yes, what is the appropriate AFUDC rate and when will it be effective?

Recommendation: Yes. An annual AFUDC rate of 7.97 percent, effective July 1, 2024, should be approved with a discounted monthly rate of 0.006410. The approved rate should be applicable for eligible construction projects beginning July 1, 2024.

Issue 32: What is the appropriate amount by which rates should be reduced after the established effective date to reflect the removal of the amortized rate case expense?

Recommendation: KWRU's wastewater rates should be reduced as shown on Schedule No. 4 of staff's memorandum dated June 19, 2025. This is to remove rate case expense, grossed up for regulatory assessment fees, which is being amortized over a four-year period and will result in a reduction of \$37,415. The decrease in rates should become effective immediately following the expiration of the four-year rate case expense recovery period. Pursuant to Section 367.0816, F.S. KWRU should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and the reason for reduction no later than one month prior to the actual date of the required rate reduction. If the utility files this reduction in conjunction with a price index and/or pass-through rate adjustment, separate data should be filed for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense.

ITEM NO.

CASE

9**PAA

Docket No. 20240108-SU – Application for increase in wastewater rates in Monroe County by K W Resort Utilities Corp.

(Continued from previous page)

Issue 33: Should the utility be required to notify, within 90 days of an effective order finalizing this docket, that it has adjusted its books for all the applicable National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (USOA) associated with the Commission approved adjustments?

Recommendation: Yes, the utility should be required to notify the Commission, in writing, that it has adjusted its books in accordance with any Commission ordered adjustments. KWRU should submit a letter within 90 days of the final order in this docket, confirming that the adjustments to all applicable NARUC USOA accounts have been made to the utility's books and records. In the event the utility needs additional time to complete the adjustments, notice should be provided within seven days prior to the deadline. Upon providing good cause, staff should be given administrative authority to grant an extension of up to 60 days.

Issue 34: Should this docket be closed?

Recommendation: No. If no person who substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, a consummating order should be issued. The docket should remain open for staff's verification that the revised tariff sheets and customer notice have been filed by the utility and approved by staff, and the utility has notified staff that the adjustments for all the applicable NARUC USOA primary accounts have been made. Once these actions are complete, this docket should be closed administratively.