

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. 150071-SU
ORDER NO. PSC-15-0379-PCO-SU
ISSUED: September 11, 2015

The following Commissioners participated in the disposition of this matter:

ART GRAHAM, Chairman
LISA POLAK EDGAR
RONALD A. BRISÉ
JULIE I. BROWN
JIMMY PATRONIS

ORDER SUSPENDING K W RESORT UTILITIES CORP. FINAL RATES

BY THE COMMISSION:

Background

K W Resort Utilities Corp. (K W Resort or utility) is a Class A utility providing wastewater services to approximately 2,061 customers in Monroe County. Wastewater rates were last established for this utility in its 2007 rate case.¹

On July 1, 2015, K W Resort filed its application for the rate increase at issue in the instant docket. On July 30, 2015, staff sent K W Resort a letter indicating deficiencies in the filing of its minimum filing requirements (MFRs). Corrections to the MFRs were filed on August 28, 2015. The utility requested that the application be processed using the Proposed Agency Action (PAA) procedure and did not request interim rates. The test year that will be used to establish final rates is the 13-month-average period ended December 31, 2014. K W Resort contends that its earnings are outside its authorized range of return on equity. The utility is requesting an increase to recover all expenses it will incur in order to generate a fair rate of return on its investment, including the requested pro forma plant improvements. K W Resort is requesting final rates designed to generate annual revenues of \$2,931,759. This represents a revenue increase of \$1,438,382 (96.3 percent).

The 60-day statutory deadline for us to suspend the utility's requested final rates is August 30, 2015. This Order addresses the suspension of K W Resort's requested final rates. We have jurisdiction pursuant to Section 367.081, Florida Statutes (F.S.).

¹ Order No. PSC-09-0057-FOF-SU, issued January 27, 2009, in Docket No. 070293-SU, In re: Application for increase in wastewater rates in Monroe County by K W Resort Utilities Corp.

Decision

Section 367.081(6), F.S., provides that we may, for good cause, withhold consent to the implementation of requested rates within 60 days after the date the rate request is filed. Further, Section 367.081(8), F.S., permits the proposed rates to go into effect (secured and subject to refund) at the expiration of five months from the official date of filing (1) if we have not acted upon the requested rate increase or (2) if the PAA order is protested by a party other than the utility. It should be noted that, because the utility's MFRs in this docket were deficient, an official filing date has not been set. The MFR corrections were due August 31, 2015. A response was received on August 28, 2015.

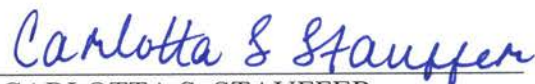
We have reviewed the filing and considered the information filed in support of the rate application and the proposed final rates. We find that further investigation of this information, including on-site investigation by Commission staff, is necessary. To date, staff has initiated an audit of K W Resort's books and records. The audit is tentatively due on September 8, 2015. In addition, staff sent a data request to K W Resort on August 12, 2015, and the response is due September 14, 2015. Further, staff believes additional requests will be necessary to process this case. Based on the foregoing, the utility's proposed final rate increase shall be suspended.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the final water rate increase requested by K W Resort Utilities Corp. is hereby suspended in accordance with Section 367.081(6), F.S. It is further

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

By ORDER of the Florida Public Service Commission this 11th day of September, 2015.



CARLOTTA S. STAUFFER
Commission Clerk
Florida Public Service Commission
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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.

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.