

Lake Talquin Water Company, Inc.

June 4, 2018

Office of Commission Clerk
Florida Public Service Commission
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32311

Re: Petition for Variance or Waiver of Rule 25-30.120, Florida Administrative Code by Lake Talquin Water Company, Inc. in Leon County until such time as Lake Talquin Water is authorized to increase its rates pursuant to Section 367.081(4)(b), FS.

Dear Commission Clerk,

Lake Talquin Water Company, Inc. hereby petitions the Florida Public Service Commission for a variance or waiver of a requirement of Rule 25-30.120, Florida Administrative Code (FAC) pursuant to Section 120.542, Florida Statutes (F.S.). In support of this Petition, Lake Talquin Water Company, Inc. asserts the following:

1. The name and address of the Petitioner is:

Lake Talquin Water Company, Inc.
24396 Lone Star Ct., Tallahassee FL 32310
Telephone: (850) 575-9355

2. This Petition is related to Docket No. 20170253-WU, application for grandfather water certificate in Leon County by Lake Talquin Water Company, Inc.

3. Pursuant to Order No. PSC-2017-0357-FOF-WS, issued September 20, 2017: On June 20, 2017, the Board of County Commissioners of Leon County (County) passed and adopted Resolution No. RI7-12, transferring regulation of the privately-owned, for profit water and wastewater utilities in Leon County to this Commission. Effective upon the adoption of the resolution, all non-exempt water and wastewater systems in Leon County became subject to the provisions of Chapter 367, Florida Statutes (F.S.).

4. Pursuant to Sections 367.17 1(2), F.S. and Rule 25-30.035, FAC, Lake Talquin Water Company, Inc. filed its application for a Grandfather Certificate on November 30, 2017.

5. Rule 25-30.120(2), FAC states "The obligation to remit regulatory assessment fees for any year shall apply to any utility that is subject to the Commission's jurisdiction on or before December 31 of that year or any part of that year.

6. The Commission's regulatory assessment fees are not included in the current existing rates for Lake Talquin Water Company, Inc. as the utility was not regulated by the Commission prior to June 2017, and the petitioner has not received a grandfather certificate. My understanding is that a pass through of the regulatory assessment fees is not permissible until such time as the utility receives its Grandfather Certificate.

7. This places Lake Talquin Water Company, Inc. at a financial disadvantage and places a financial hardship on the utility due to its inability to collect these regulatory assessment fees in its rates.

8. Section 120.542(2), F.S. states that, "Variances and waivers shall be granted when the person subject to the rule demonstrates that the purpose of the underlying statute will be or has been achieved by other means by the person and when the application of the rule would create a substantial hardship or would violate the principles of fairness."

9. Section 120.542(5), F.S. states that, "A person who is subject to regulation by an agency rule may file a petition with that agency, with a copy to the committee, requesting a variance or waiver from the agency's rule."

10. Section 367.145(3), states that the "Fees collected by the commission pursuant to this section may only be used to cover the cost of regulating water and wastewater systems."

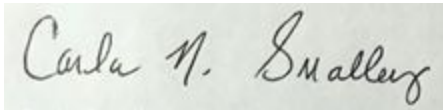
11. Lake Talquin Water Company, Inc. contends that absent the review of its grandfather application, there have been minimal to no regulatory costs to the Commission caused by Lake Talquin Water Company, Inc. under Section 367, F.S

12. Lake Talquin Water Company, Inc. paid the applicable filing fee of \$100 as required by Section 367.145(2), F.S., and Rule 25-30.020, FAC for the processing of its Grandfather filing.

13. Application of Section 367.145, F.S. and Rule 25-30.120. FAC to Lake Talquin Water Company, Inc. would create a substantial hardship for the utility and violate the principles of fairness as defined in Section 120.542(2), F.S. without the concurrent opportunity to automatically increase the existing rates pursuant to Section 367.081(4)(b), F.S. WHEREAS, Section 120.542(2), F.S., authorizes the Commission to grant variances or waivers from agency rules where the petitioner subject to the rule has demonstrated that the purpose of the underlying statute will be or has been achieved by

other means, and that a strict application of the rule would cause the applicant substantial hardship or would violate the principles of fairness. "Substantial hardship" as defined in this section means demonstrated economic, technological, legal, or other hardship. A violation of the "principles of fairness" occurs when the literal application of a rule affects a particular person in a manner significantly different from the way it affects other similarly situated persons who are subject to the rule. WHEREFORE, Lake Talquin Water Company, Inc., INC. requests this Commission grant a full waiver or variance of the provisions of Rule 25-30.120, FAC until such time as Lake Talquin Water Company, Inc. receives a grandfather certificate and is authorized to apply to increase its rates pursuant to Section 367.081(4)(b), F.S.

Respectfully submitted,

A rectangular box containing a handwritten signature in cursive script that reads "Carla N. Smalley".

Carla Smalley
Lake Talquin Water Company, Inc. Company , Inc.