

State of Florida



# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

---

**DATE:** February 17, 2022  
**TO:** Docket No. 20210095-WU  
**FROM:** Adam J. Teitzman, Commission Clerk, Office of Commission Clerk  
**RE:** Rescheduled Commission Conference Agenda Item

---

AT

Staff's memorandum assigned DN 00378-2022 was filed on January 20, 2022, for the February 1, 2022 Commission Conference. As the vote sheet reflects, this item was deferred. This item has been placed on the March 1, 2022 Commission Conference Agenda.

/ajt

RECEIVED-FPSC  
2022 FEB 17 AM 8:32  
COMMISSION  
CLERK

State of Florida



## Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

**-M-E-M-O-R-A-N-D-U-M-**

---

**DATE:** January 20, 2022

**TO:** Office of Commission Clerk (Teitzman)

**FROM:** Division of Engineering (Maloy, Ramos) *TB*  
Division of Accounting and Finance (Blocker, Fletcher) *ALM*  
Division of Economics (Sibley) *JGH*  
Office of the General Counsel (Lherisson) *JSC*

**RE:** Docket No. 20210095-WU – Application for transfer of water facilities of Sunshine Utilities of Central Florida, Inc. and Water Certificate No. 363-W to CSWR-Florida Utility Operating Company, LLC, in Marion County.

**AGENDA:** 02/01/22 – Regular Agenda – Proposed Agency Action for Issues 2 and 3 - Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Graham

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** Please place item on Agenda immediately after Docket No. 20210093-WS.

---

### Case Background

Sunshine Utilities of Central Florida, Inc. (SUCF, Utility, or Seller) is a Class A water utility providing service to approximately 3,934 residential customers in Marion County. The Utility is comprised of 23 water systems and is located in the St. Johns River Water Management District (SJRWMD) in the Water Resource Caution Area. Wastewater service is provided by septic tanks. In its 2020 Annual Report, SUCF reported total operating revenues of \$1,104,634.

Docket No. 20210095-WU

Date: January 20, 2022

The Florida Public Service Commission (Commission) granted an original water certificate to Sunshine Utility Company in 1982.<sup>1</sup> Subsequently, the Commission approved 21 certificate amendments and transfers, including the Quail Run system in 2002,<sup>2</sup> the Sandy Acres system in 2002,<sup>3</sup> and the Ponderosa Pines system in 2003.<sup>4</sup> The rates for the Utility were last set by the Commission in 2012.<sup>5</sup>

On May 5, 2021, CSWR-Florida Utility Operating Company, LLC (CSWR-Sunshine or Buyer) filed an application with the Commission for the transfer of Certificate No. 363-W from SUCF to CSWR-Sunshine in Marion County. The sale will close after the Commission has voted to approve the transfer. In its application, the Buyer has requested a positive acquisition adjustment, which is discussed in Issue 3.

Intervention by the Office of Public Counsel (OPC) was acknowledged on August 26, 2021. OPC and staff have issued a number of discovery or data requests to CSWR-Sunshine in this docket.

This recommendation addresses the transfer of the water system and Certificate No. 363-W, the appropriate net book value of the water system for transfer purposes, and the request for an acquisition adjustment. The Commission has jurisdiction pursuant to Sections 367.071 and 367.081, Florida Statutes (F.S.).

---

<sup>1</sup> Order No. 11138, issued September 3, 1982, in Docket Nos. 19810386-W, *In re: Application of Sunshine Utility Company for a certificate to operate a utility in Marion County, Florida.*

<sup>2</sup> Order No. PSC-02-1292-PAA-WU, issued September 23, 2002, in Docket No. 20020256-WU, *In re: Application for transfer of Certificate No. 380-W from A. P. Utilities, Inc. in Marion County to Sunshine Utilities of Central Florida, Inc., holder of Certificate No. 363-W, for amendment of Certificate No. 363-W, and for cancellation of Certificate No. 380-W.*

<sup>3</sup> Order No. PSC-02-1832-PAA-WU, issued December 20, 2002, in Docket No. 20011632-WU, *In re: Application for transfer of Certificate No. 364-W from Linadale Water Company in Marion County to Sunshine Utilities of Central Florida, Inc.*

<sup>4</sup> Order No. PSC-03-1333-PAA-WU, issued November 24, 2003, in Docket No. 20030340-WU, *In re: Application for transfer of facilities of Community Water Co-Op, Inc., an exempt utility in Marion County, to Sunshine Utilities of Central Florida, Inc. (holder of Certificate No. 363-W); and for amendment of Certificate No. 363-W to add territory.*

<sup>5</sup> Order Nos PSC-12-0357-PAA-WU and PSC-12-0396-PAA-WU, issued July 10, 2012 and August 1, 2012, in Docket No. 20100048-WU, *In re: Application for increase in water rates in Marion County by Sunshine Utilities of Central Florida, Inc.*

## Discussion of Issues

**Issue 1:** Should the transfer of Certificate No. 363-W in Marion County from Sunshine Utilities of Central Florida, Inc. to CSWR-Florida Utility Operating Company, LLC be approved?

**Recommendation:** Yes. The transfer of the water system and Certificate No. 363-W is in the public interest and should be approved effective the date that the sale becomes final. The resultant Order should serve as the Buyer's certificate and should be retained by the Buyer. The Buyer should submit the executed and recorded deed for continued access to the land upon which its facilities are located and copies of its permit transfer applications to the Commission within 60 days of the Order approving the transfer, which is final agency action. If the sale is not finalized within 60 days of the resultant Order, the Buyer should file a status update in the docket file. The Utility's existing rates and charges, including the modification to miscellaneous service charges pursuant to Rule 25-30.460, Florida Administrative Code (F.A.C.), should remain in effect until a change is authorized by the Commission in a subsequent proceeding. The tariff pages reflecting the transfer should be effective on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. The Seller is current with respect to annual reports and regulatory assessment fees (RAFs) through December 31, 2020. The Buyer should be responsible for filing annual reports and paying RAFs for all future years. (Maloy, Blocker, Sibley)

**Staff Analysis:** On May 5, 2021, CSWR-Sunshine filed an application for the transfer of Certificate No. 363-W from SUCF to CSWR-Sunshine in Marion County. The application complies with Section 367.071, F.S., and Commission rules concerning applications for transfer of certificates. The sale to CSWR-Sunshine will become final after Commission approval of the transfer, pursuant to Section 367.071(1), F.S.

### Noticing, Territory, and Land Ownership

CSWR-Sunshine provided notice of the application pursuant to Section 367.071, F.S., and Rule 25-30.030, F.A.C. No objections to the transfer were filed, and the time for doing so has expired. The application contains a description of the service territory, which is appended to this recommendation as Attachment A. In its response to staff's September 8, 2021 deficiency letter, CSWR-Sunshine provided an unrecorded warranty deed as evidence that the buyer will have long-term use of the land upon which the treatment facilities are located pursuant to Rule 25-30.037(2)(s), F.A.C. CSWR-Sunshine should submit the executed and recorded deed to the Commission within 60 days of the Order.

### Purchase Agreement and Financing

Pursuant to Rule 25-30.037(2)(g), (h), and (i), F.A.C., the application contains a statement regarding financing and a copy of the purchase and sale agreement, which includes the purchase price, terms of payment, and a list of the assets purchased. There are no guaranteed revenue contracts, customer advances, or debt of SUCF that must be disposed of with regard to the transfer. CSWR-Sunshine will review all leases and developer agreements and will assume or renegotiate those agreements on a case-by-case basis prior to closing. Any customer deposits will be refunded to customers by the Seller prior to the closing. According to the purchase and sale agreement, the total purchase price for the assets is \$6,000,000. According to the Buyer, the

closing has not yet taken place and is dependent on Commission approval of the transfer, pursuant to Section 367.071(1), F.S.

### **Facility Description and Compliance**

The Utility consists of 23 separate water systems. Raw water is drawn from ground well(s), is primarily treated by hypochlorination, and stored in hydropneumatic tank(s) until distribution for each of the Utility's respective water systems. The most recent inspections conducted by the Florida Department of Environmental Protection (DEP) determined all 23 systems were in compliance with DEP's rules and regulations. On December 21, 2021, Sun Ray Estates, one of the Utility's 23 systems, was issued a Warning Letter by the DEP for failure to monitor disinfection by-products (DBPs) contaminants during September 2021. Staff notes that the DEP has notified the Utility in the past of this same violation and once notified, it appears the Utility remits its monitoring reports for DBPs to the DEP as required.

CSWR-Sunshine provided copies of the Utility's current permits from the DEP and SJRWMD pursuant to Rule 25-30.037(2)(r)(1), F.A.C. The Buyer should provide copies of its permit transfer applications, reflecting the change in ownership, to the Commission within 60 days of the Order. In Exhibit G of the Buyer's application, CSWR-Sunshine provided its assessment of SUCF's water systems, and lists several improvements and repairs it recommends be made to the systems. The Buyer's suggested repairs and improvements, which do not appear to be required by a governmental authority, are discussed further in Issue 3.

### **Technical and Financial Ability**

Pursuant to Rule 25-30.037(2)(l) and (m), F.A.C., the application contains statements describing the technical and financial ability of the Buyer to provide service to the proposed service area. As referenced in the transfer application, the Buyer will fulfill the commitments, obligations, and representation of the Seller with regards to Utility matters. CSWR-Sunshine's application states that it owns and operates more than 257 water/wastewater systems in Missouri, Arkansas, Kentucky, Louisiana, Texas, and Tennessee that service more than 48,860 water and 77,595 wastewater customers. The Buyer plans to use qualified and licensed contractors to provide routine operation and maintenance of the systems, as well as to handle billing and customer service. Staff reviewed the financial statements of CSWR-Sunshine and believes the Buyer has documented adequate resources to support the Utility's water operations. Based on the above, staff recommends that the Buyer has demonstrated the technical and financial ability to provide service to the existing service territory.

### **Rates and Charges**

Sunshine's rates and charges were last approved in a file and suspend rate case in 2012. Since the Utility's last rate case, the rates have been changed by four price index rate increases and a rate decrease to remove an expired rate case amortization.<sup>6</sup> Rule 25-9.044(1), F.A.C., provides that, in the case of a change of ownership or control of a utility, the rates, classifications, and regulations of the former owner must continue unless authorized to change by the Commission. Therefore, staff recommends that Sunshine's existing rates and charges as shown on Schedule No. 1-A, remain in effect, until a change is authorized by the Commission.

---

<sup>6</sup> Order No. PSC-12-0357-PAA-WU, issued July 10, 2012, in Docket No. 20100048-WU, *In re: Application for increase in water rates in Marion County by Sunshine Utilities of Central Florida, Inc.*

With respect to miscellaneous service charges, effective June 24, 2021, Rule 25-30.460, F.A.C., was amended to remove initial connection and normal reconnection charges.<sup>7</sup> The definitions for initial connection charges and normal reconnection charges were subsumed in the definition of the premises visit charge. It was envisioned that the utility tariffs would be reviewed by staff on a prospective basis to ensure conformance with the amended rule.

The Utility's miscellaneous service charges consist of initial connection and normal reconnection charges. These charges are the same as the premises visit charge. Therefore, staff believes it is appropriate at this time to remove the initial connection and normal reconnection charges and update the definition for the premises visit charge to comply with amended Rule 25-30.460, F.A.C. The appropriate miscellaneous service charges are shown on Schedule No. 1-B.

### **Regulatory Assessment Fees and Annual Report**

Staff has verified that the Utility is current with respect to annual reports and RAFs through December 31, 2020. CSWR-Sunshine will be responsible for filing annual reports and paying RAFs upon the date of closing and thereafter.

### **Conclusion**

Based on the foregoing, staff recommends the transfer of the water system and Certificate No. 363-W is in the public interest and should be approved effective the date that the sale becomes final. The resultant Order should serve as the Buyer's certificate and should be retained by the Buyer. The Buyer should submit the executed and recorded deed for continued access to the land upon which its facilities are located and copies of its permit transfer applications to the Commission within 60 days of the Order approving the transfer, which is final agency action. If the sale is not finalized within 60 days of the transfer Order, the Buyer should file a status update in the docket file. The Utility's existing rates and charges including the modification to miscellaneous service charges pursuant to Rule 25-30.460, F.A.C., should remain in effect until a change is authorized by the Commission in a subsequent proceeding. The tariff pages reflecting the transfer should be effective on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. The Seller is current with respect to annual reports and RAFs through December 31, 2020. CSWR-Sunshine should be responsible for filing annual reports and paying RAFs for 2021 and all future years.

---

<sup>7</sup> Order No. PSC-2021-0201-FOF-WS, issued June 4, 2020, in Docket No. 20200240-WS, *In re: Proposed amended of Rule 25-30.460, F.A.C., Application for Miscellaneous Service Charges.*

**Issue 2:** What is the appropriate net book value for the CSWR-Sunshine water system for transfer purposes?

**Recommendation:** For transfer purposes, the net book value (NBV) of the water system is \$248,089 as of May 31, 2021. Within 90 days of the date of the Consummating Order, CSWR-Sunshine should be required to notify the Commission in writing, that it has adjusted its books in accordance with the Commission's decision. The adjustments should be reflected in CSWR-Sunshine's 2022 Annual Report when filed. (Blocker)

**Staff Analysis:** Rate base was last established on July 10, 2012, by Order No. PSC-12-0357-PAA-WU.<sup>8</sup> The purpose of establishing NBV for transfers is to determine whether an acquisition adjustment should be approved. CSWR-Sunshine's request for a positive acquisition adjustment is addressed in Issue 3. The NBV does not include normal ratemaking adjustments for used and useful plant or working capital. The Utility's NBV has been updated to reflect balances as of May 31, 2021.<sup>9</sup> Staff's recommended NBV, as described below, is shown on Schedule No. 2.

### **Utility Plant in Service (UPIS)**

According to the Utility's general ledger, the total UPIS balance was \$3,331,335 as of May 31, 2021. Staff auditors reviewed the Utility's records since the last rate case and determined that several Commission-ordered adjustments were incorrectly recorded. Additionally, staff auditors reviewed plant additions and retirements to UPIS from December 31, 2010, to May 31, 2021, and determined that several other adjustments are necessary. Accordingly, staff recommends that the UPIS balance be reduced by \$131,410 as of May 31, 2021.

### **Land**

The Utility's general ledger reflected a land balances of \$80,777 as of May 31, 2021. There have been no additions to land since December 31, 2010. Therefore, staff recommends no adjustments to its land balances.

### **Accumulated Depreciation**

According to the Utility's general ledger, the total accumulated depreciation balance was \$2,686,158 as of May 31, 2021. Staff auditors recalculated depreciation accruals for all water accounts since that last rate case through May 31, 2021, using audited UPIS balances and the depreciation rates established by Rule 25-30.140, F.A.C. Accordingly, staff recommends that the accumulated depreciation balance be increased by \$50,210 as of May 31, 2021.

### **Contributions-in-Aid-of-Construction (CIAC) and Accumulated Amortization of CIAC**

According to the Utility's general ledger, the balances for CIAC and accumulated amortization of CIAC were \$2,036,044, and \$1,574,029, respectively, as of May 31, 2021. Staff auditors traced CIAC and accumulated amortization of CIAC balances from December 31, 2010, to May 31, 2021, using supporting documentation. Staff determined that the Utility did not start with the

---

<sup>8</sup> Order No. PSC-12-0357-PAA-WU, issued July 10, 2012, in Docket No. 20100048-WU, *In re: Application for increase in water rates in Marion County by Sunshine Utilities of Central Florida, Inc.*

<sup>9</sup> Net book value is calculated through the date of the closing. According to the Utility's application, the closing will not occur until after the transaction receives Commission approval. Therefore, staff is relying on the most current information provided to staff auditors at the time of the filing.

Commission-approved balances in Order No. PSC-12-0357-PAA-WU.<sup>10</sup> Staff recalculated CIAC using the audited plant balances and depreciation rates established by Rule 25-30.140(2), F.A.C. Staff also recalculated accumulated amortization of CIAC using the audited CIAC balances and the rates established by Rule 25-30.140(2), F.A.C. Accordingly, staff recommends that the CIAC balance be reduced by \$3,015 as of May 31, 2021. Staff also recommends that the accumulated amortization of CIAC balance be increased by \$162,755 as of May 31, 2021.

### **Net Book Value**

The Utility's general ledger reflected a NBV of \$263,939 as of May 31, 2021. Based on the adjustments described above, staff recommends a NBV of \$248,089 as of May 31, 2021. Staff's recommended NBV and the National Association of Regulatory Utility Commissioners, Uniform System of Accounts (NARUC USOA) balances for UPIS and accumulated depreciation are shown on Schedule No. 2 as of May 31, 2021. As addressed in Issue 3, a positive acquisition adjustment should not be recognized for rate making purposes.

### **Conclusion**

Based on the above, staff recommends a NBV of \$248,089 as of May 31, 2021, for transfer purposes. Within 90 days of the date of the Consummating Order, the Buyer should be required to notify the Commission in writing, that it has adjusted its books in accordance with the Commission's decision. The adjustments should be reflected in CSWR-Sunshine's 2022 Annual Report when filed.

---

<sup>10</sup> Order No. PSC-12-0357-PAA-WU, issued July 10, 2012, in Docket No. 20100048-WU, *In re: Application for increase in water rates in Marion County by Sunshine Utilities of Central Florida, Inc.*

**Issue 3:** Should a positive acquisition adjustment be recognized for ratemaking purposes?

**Recommendation:** No. Pursuant to Rule 25-30.0371, F.A.C., a positive acquisition adjustment should not be granted as CSWR-Sunshine failed to demonstrate extraordinary circumstances. (Blocker, Maloy)

**Staff Analysis:** In its filing, the Utility requested a positive acquisition adjustment be included in the calculation of CSWR-Sunshine's rate base. An acquisition adjustment results when the purchase price differs from the NBV of the assets at the time of acquisition. Pursuant to Rule 25-30.0371, F.A.C., a positive acquisition adjustment results when the purchase price is greater than the NBV and a negative acquisition adjustment results when the purchase price is less than the NBV. A positive acquisition adjustment, if approved, increases rate base.

According to the purchase agreement, the Buyer will purchase the Utility for \$6,000,000. As discussed in Issue 2, staff is recommending a total NBV of \$248,089. This would result in a total positive acquisition adjustment of \$5,751,911.

Any entity that believes a full or partial positive acquisition adjustment should be made has the burden to prove the existence of extraordinary circumstances. Rule 25-30.0371(2), F.A.C., states:

In determining whether extraordinary circumstances have been demonstrated, the Commission shall consider evidence provided to the Commission such as anticipated improvements in quality of service, anticipated improvements in compliance with regulatory mandates, anticipated rate reductions or rate stability over a long-term period, anticipated cost efficiencies, and whether the purchase was made as part of an arms-length transaction.

One of the Buyer's justifications for the purchase price is to ensure sale proceeds are sufficient to cover the fair market value of the Utility's land. While the factors listed in the rule are listed by way of example and other evidence may be offered, the purpose of the rule is to provide incentive for the acquisition of small, troubled systems, the elimination of substandard operating conditions, and allow customers to receive benefits which amount to a better quality of service at a reasonable rate. Order No. PSC-02-0997-FOF-WS, issued July 23, 2002, in Docket No. 20001502-WS, *In re: Proposed Rule 25-30.0371, F.A.C., Acquisition Adjustment*. The items enumerated in the rule are consistent with the promotion of benefits to customers and bringing troubled systems into regulatory compliance; covering the fair market value of land is not.

Staff believes the Buyer failed to demonstrate the extraordinary circumstances necessary to support the inclusion of a positive acquisition adjustment, as discussed below.

#### **Improvements in Quality of Service and Compliance with Regulatory Mandates**

In its application, CSWR-Sunshine listed six business practices that it believes will improve the quality of service to its customers: (1) provision of 24-hour emergency service phone numbers; (2) on-call emergency service personnel who are required to respond to emergency service calls within prescribed time limits; (3) a computerized maintenance management system; (4) access to resources not usually available to comparably sized systems and the ability to supplement local

personnel with resources owned by the parent and sister companies; (5) online bill payment options; and (6) an updated website for customer communication, bulletins, procedures, etc. In response to staff's data requests, CSWR-Sunshine provided a list of several improvements it plans to make after its acquisition which it believes will improve both quality of service and compliance with regulatory mandates relating to the Utility's chemical storage, electrical system, ground well, as well as the installation of new flow meters on wells, blow off valves in distribution systems, and remote monitoring system.<sup>11</sup>

Staff reviewed the complaints filed with the Commission for the five-year period prior to the application, May 2016 to May 2021. For the five-year period, the Commission recorded a total of 13 complaints, out of its approximately 3,934 customers, of which pertaining to billing (7 complaints), communication with customers (3 complaint), outages caused by electrical issues (2 complaints), or safety issues (1 complaint). Of the 3 communication-related customer complaints, 2 were regarding the timing of a boil water notice and the third was regarding a situation where the utility was digging in the right-of-way near the customer's residence, and the customer was not provided advanced notice of the digging. In response, the Utility provided its contact information to these customers to improve future communications. There were 2 customer complaints attributable to incoming power fluctuations which caused outages; the Utility installed adjustable voltage controls in the pumps to remedy the unstable electricity. Further, in the analyzed period, 1 customer reported a safety concern with a plastic water meter cover that was damaged from vehicle traffic and the Utility replaced it with a concrete cover and installed a pole in front of the meter box to resolve this issue. Based on the foregoing analysis, the Utility appears to respond and resolve customer complaints in a timely manner. As discussed in Issue 1, the Utility is currently in compliance with the DEP's rules and regulations. Staff also reviewed the DEP inspection reports for the three years prior to the Utility's transfer application and found that the Utility was also in compliance during that time frame. If an area of concern was identified by the DEP, it was corrected promptly by SUCF. There was no record of DEP compliance enforcement action within the past three years and there appears to be no pending regulatory requirements from any governmental authority, with the exception of the recently issued DEP Warning Letter regarding a monitoring violation, as discussed previously in Issue 1.

Based on the Commission's complaint data and the DEP's reports, it does not appear that the Utility currently has issues with respect to quality of service and regulatory compliance, such that they would warrant extraordinary efforts to remedy. For this reason, staff does not believe CSWR-Sunshine has demonstrated extraordinary circumstances for its requested positive acquisition adjustment. Instead, staff believes that the proposed anticipated improvements in quality of service and compliance with regulatory mandates demonstrates CSWR-Sunshine's intention to responsibly execute its obligations as a utility owner. While staff does not believe the Utility's anticipated improvements justify its requested positive acquisition adjustment, these improvements may be considered for prudence and cost recovery in a future rate proceeding.

### **Anticipated Cost Efficiencies and Rates**

---

<sup>11</sup> Document Nos. 11931-2021 and 12743-2021.

In its application, the Buyer stated that based on its size and anticipated consolidation of many small systems under one financial and managerial entity would result in operational cost efficiencies particularly in the areas of:

- PSC and environmental regulatory reporting
- Managerial and operational oversight
- Utility asset planning
- Engineering planning
- Ongoing utility maintenance
- Utility record keeping
- Customer service responsiveness
- Improved access to capital necessary to repair and upgrade Sunshine's systems to ensure compliance with all health and environmental requirements and ensure service to customers remains safe and reliable

The Buyer also stated that CSWR-Sunshine would bring long-term rate stability to the Utility, should the transfer be approved. Staff agrees that economies of scale and potential consolidation of several systems in Florida, as proposed by CSWR-Sunshine, could bring some amount of long-term rate stability. However, absent specific and detailed support for these assertions, the Buyer has failed to meet its burden for demonstrating extraordinary circumstances. Instead, much of the information provided by the Buyer lacks specificity and was provided nearly verbatim in each of the other two CSWR-Sunshine transfer dockets.<sup>12</sup>

Staff and OPC made several requests for quantifiable information to support the Buyer's assertions, such as anticipated rate impact and potential/projected cost efficiencies. The Buyer repeatedly stated that it was unable to provide quantitative information at the granularity requested by staff. However, staff does not believe its requests were unreasonable given that the burden of proof lies with the Buyer. This is particularly true in the instant case when the requested relief is a positive acquisition adjustment of \$5,751,911, which is approximately 23 times greater than the system's current NBV of \$248,089. Further, in response to staff's first data request for an estimate and breakdown of projected operation and maintenance (O&M) expenses, the Buyer stated that the benefit from the increase in economies of scale and other advantages provided by CSWR-Sunshine would not necessarily be reflected in cost savings compared to current Sunshine operations.

Staff's recommendation is also consistent with the Commission's decision in Order No. PSC-2020-0458-PAA-WS.<sup>13</sup> In that docket, Royal Waterworks, Inc. (RWI) identified estimates of anticipated cost efficiencies, including a reduction in O&M expense and a reduction of cost of

---

<sup>12</sup> Docket No. 20210093-WS, *In re: Application for transfer of water and wastewater systems of Aquarina Utilities, Inc., Water Certificate No. 517-W, and Wastewater Certificate No. 450-S to CSWR-Florida Utility Operating Company, LLC, in Brevard County*, and Docket No. 20210133-SU, *In re: Application for transfer of water facilities of North Peninsula Utilities Corporation and Wastewater Certificate No. 249-S to CSWR-Florida Utility Operating Company, LLC, in Volusia County*.

<sup>13</sup> Order No. PSC-2020-0458-PAA-WS, issued November, 23, 2020, in Docket No. 20190170-WS, *In re: Application for transfer of facilities and Certificate Nos. 259-W and 199-S in Broward County from Royal Utility Company to Royal Waterworks, Inc.*

capital that would result from the transfer. Additionally, RWI provided several improvements it made to the water treatment plant and wastewater lift station since acquisition to improve the quality of service and compliance with regulatory mandates. While the Commission acknowledged that RWI accomplished cost savings, it did not believe the actions performed demonstrated extraordinary circumstances that would justify approval of a positive acquisition adjustment.<sup>14</sup>

### **Conclusion**

Pursuant to Rule 25-30.0371, F.A.C., staff believes a positive acquisition adjustment should not be granted, as CSWR-Sunshine did not demonstrate extraordinary circumstances. Staff believes the Buyer's anticipated improvements in quality of service and compliance with regulatory mandates does not illustrate extraordinary circumstances and instead demonstrates CSWR-Sunshine's intentions to responsibly execute its obligations as a utility owner. Additionally, the fair market value of the Utility's land is not a factor considered in the request of a positive acquisition adjustment pursuant to Rule 25-30.0371(2), F.A.C.

---

<sup>14</sup> Although decided prior to the adoption of the acquisition adjustment rule in 2010, the Commission has previously denied a requested positive acquisition adjustment, stating that the utility relied primarily upon the improvement of service as a basis for a positive acquisition adjustment; however, "compliance with wastewater treatment standards is a requirement of statute and rule, and not an extraordinary circumstance which would warrant the allowance of a positive acquisition adjustment." Order No. 13578, issued August 9, 1984, in Docket No. 19830568-SU, *In re: Application of P.I. Utilities Co., Inc., for a Certificate to Operate a Sewer Utility in Volusia County, Florida, and Petition of Peninsula Utilities, Inc., to Substitute Applicant.*

**Issue 4:** Should this docket be closed?

**Recommendation:** Yes. If no protest to the proposed agency action is filed by a substantially affected person within 21 days of the date of the issuance of the Order, a Consummating Order should be issued and the docket should be closed administratively upon Commission staff's verification that the revised tariff sheets have been filed, the Buyer has notified the Commission in writing that it has adjusted its books in accordance with the Commission's decision, that the Buyer has submitted the executed and recorded warranty deed and that the Buyer has submitted copies of its applications for permit transfers to the DEP and the SJRWMD, within 60 days of the Commission's Order approving the transfer, which is final agency action. (Lherisson)

**Staff Analysis:** If no protest to the proposed agency action is filed by a substantially affected person within 21 days of the date of the issuance of the Order, a Consummating Order should be issued and the docket should be closed administratively upon Commission staff's verification that the revised tariff sheets have been filed, the Buyer has notified the Commission in writing that it has adjusted its books in accordance with the Commission's decision, that the Buyer has submitted the executed and recorded warranty deed and that the Buyer has submitted copies of its applications for permit transfers to the DEP and the SJRWMD, within 60 days of the Commission's Order approving the transfer, which is final agency action.

In re: Application for transfer of water facilities of Sunshine Utilities of Central Florida, Inc. and Water Certificate No. 363-W to CSWR-Florida Utility Operating Company, LLC, in Marion County.

Revised Exh. E. Legal Description

DESCRIPTION OF TERRITORY SERVED

TOWNSHIP 14 SOUTH RANGE 22 EAST  
SECTION 21

SUTTON'S DUPLEXES:

THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4  
AND  
THE WEST 1/2 OF THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 21.

SECTION 27  
ELEVEN OAKS SUBDIVISION:

THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 27.

SECTION 33  
EMIL MARR:

THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 33.

FLOYD CLARK SUBDIVISION:

THE NORTH 1/2 OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 33, AND THE WEST 3/4 OF THE SOUTH 1/4 OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 33, EXCEPT THE EAST 200.00 FEET OF THE WEST 475.00 FEET, THE NORTH 50.00 FEET, AND THE SOUTH 25.00 FEET THEREOF.

HARVILLE HEIGHTS:

THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 33.

SECTION 32  
NORTHWOODS

THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 32.

TOWNSHIP 14 SOUTH RANGE 22 EAST  
SECTION 34

PEARL BRITAIN:

THE NORTH 1/2 OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 34.

STONEHILL SUBDIVISION:

THE SOUTH 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4, AND THE WEST 1 / 2 OF THE SOUTHEAST 2/4 OF THE SOUTHWEST 1/4, AND THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 34.

BOULDER HILL:

THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF THE SOUTH 1/2 OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 AND THE SOUTHWEST 1/4 OF SAID SECTION 34.

SECTION 3 TOWNSHIP 15 SOUTH RANGE 22 EAST  
BALDWIN HEIGHTS

THE EAST 140.00 FEET OF THE WEST 465.00 FEET OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 3, EXCEPT THE SOUTH 200.00 FEET THEREOF.

SECTION 4  
SUNRAY SUBDIVISION

THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 4.

JASON'S LANDING

THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 AND THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 4.

SECTION 19  
BURK'S QUADRAPLEXES

THE SOUTH 1/2 OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 19.

SECTION 24  
OAKHURST SUBDIVISION

THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 24.

SECTION 10 TOWNSHIP 17 SOUTH RANGE 22 EAST  
SUNLIGHT ACRES

THE WEST 1/2 OF THE NORTHEAST 1/4 OF SAID SECTION 10.

SECTION 15 & 16 TOWNSHIP 17 SOUTH RANGE 23 EAST  
LITTLE LAKE WIER:

THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF SAID SECTION 15 AND THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 15 AND THE WEST 1/2 OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 15 AND THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 16 AND THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF SECTION 16 AND THE NORTH 1/2 OF THE NORTHWEST 1/4 OF SECTION 15

SECTION 4  
LAKE WEIR MOBILE HOME PARK

A PARCEL OF LAND IN THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 4 MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FROM A POINT-OF-BEGINNING AT THE INTERSECTION OF THE EAST RIGHT-OF-WAY LINE OF MAUD AVENUE, AS IT IS NOW CONSTRUCTED, AND THE NORTH RIGHT-OF-WAY LINE OF ALTERNATE HIGHWAY 441/27 (ALSO BAY STREET) AS IT IS NOW CONSTRUCTED THEN RUN EASTERLY FOR 375.00 FEET ALONG SAID R-O-W LINE TO A POINT AT THE INTERSECTION OF SAID LINE WITH THE WEST R-O-

W LINE OF BANANA AVENUE AS NOW CONSTRUCTED; THEN NORTHERLY ALONG SAID R-O-W LINE FOR 583.25 FEET TO A POINT AT THE INTERSECTION OF SAID R-O-W LINE AND THE SOUTH R-O-W LINE OF STRAWBERRY STREET AS NOW CONSTRUCTED; THEN WESTERLY ALONG SAID LINE FOR 375.00 FEET TO A POINT AT THE INTERSECTION OF SAID LINE AND R-O-W OF SAID MAUD AVENUE, THEN SOUTHERLY ALONG SAID LINE FOR 583.25 FEET TO THE POINT-OF-BEGINNING.

SECTIONS 4, 5, 6, AND 9  
OKLAWAHA

THE NORTH 1/2 OF SECTION 9  
AND  
THE SOUTH 1/2 AND THE NORTHWEST 1/4 OF SAID SECTION 4  
AND  
ALL OF SECTION 5 NORTH OF LAKE WEIR  
AND  
THE EAST 1/2 THE NORTHEAST 1/4 OF SAID SECTION 6 NORTH OF LAKE WEIR  
AND  
THE EAST 1/4 OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SAID SECTION 6

ALSO IN TOWNSHIP 16 SOUTH, RANGE 24 EAST

SECTION 32  
OKLAWAHA

THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 32.

SECTION 32, TOWNSHIP 16 SOUTH, RANGE 23 EAST  
BELLEVUE OAKS I & II

THE EAST 1/2 OF THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 AND THE WEST 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 AND THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SAID SECTION 32.  
AND  
THE WEST 1/2 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 LYING SOUTH OF U.S. HIGHWAY 441 ALTERNATE, EXCEPT THE WEST 210 FEET AND THE WEST 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 AND THE EAST 1/2 OF THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 EXCEPT THAT PART OF COUNTY ROAD 25A.

ORDER NO. PSC-00-1062-FOF-WU

TOWNSHIP 14 SOUTH, RANGE 21 EAST, SECTION 25  
TOWNSHIP 14 SOUTH, RANGE 21 EAST, SECTION 36

OAKHAVEN AND EVANS ACRES

THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 25 AND THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 36 AND THE EAST 1/3 OF THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 36 AND THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 36 AND COMMENCING AT THE NORTHEAST CORNER OF THE SOUTHEAST 1/4 OF SECTION 36; THENCE SOUTH 89°10'00" WEST ALONG THE NORTH BOUNDARY OF SAID SE 1/4 A DISTANCE OF 2,014.05 FEET; THENCE SOUTH 00°38'35" EAST 25.00 FEET TO A POINT ON THE WESTERLY ROW LINE OF NW 20TH AVE. (GARDNER AVE 50.00 FEET WIDE) AND THE POINT OF BEGINNING; THENCE SOUTH 00°38'35" EAST ALONG SAID WESTERLY ROW LINE 152.96 FEET TO A POINT ON THE SOUTH BOUNDARY OF LOT 1 BLOCK A OF AHOME ACRES®; SAID POINT ALSO BEING ON THE NORTH BOUNDARY OF LOT 2, BLOCK A OF SAID AHOME ACRES®; THENCE SOUTH 89°09'01" WEST ALONG SAID SOUTH BOUNDARY OF LOT 1 AND ALONG SAID NORTH BOUNDARY OF LOT 2, 611.86 FEET TO A POINT ON THE WEST BOUNDARY OF SAID AHOME ACRES®; THENCE NORTH 00°13'06" WEST ALONG SAID WEST BOUNDARY 153.14 FEET TO A POINT ON THE SOUTH ROW LINE OF NW 42 STREET (BLOWERS LANE 50.00 FEET WIDE) THENCE NORTH 89°10'00" EAST ALONG SAID SOUTH ROW LINE 610.73 FEET TO THE POINT OF BEGINNING.

SECTION 34 TOWNSHIP 14 SOUTH RANGE 22 EAST  
SUGAR PLUM ESTATES

THE WEST 1/2 OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 34.  
AND  
THE NORTH 1/4 OF THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 34.  
AND  
THE NORTH 1/2 OF THE SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 34.  
AND  
THE EAST 1/2 OF THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 34.  
AND  
THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 34.  
AND  
THE EAST 1/2 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 34.  
LESS  
THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4, AND THE NORTH 1/2 OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 34.

SECTION 29 TOWNSHIP 14 SOUTH RANGE 22 EAST  
FORE OAKS

A PORTION OF THE WEST 1/2 OF THE SW 1/4 OF SAID SECTION 29, BEING MORE FULLY DESCRIBED AS FOLLOWS:

FOR A POINT OF REFERENCE COMMENCE AT THE SOUTHWEST CORNER OF SAID SECTION 29; THENCE NORTH ALONG THE WEST BOUNDARY OF SAID SECTION 29, 232.71 FEET; TO THE POINT OF BEGINNING; THENCE CONTINUE NORTH ALONG SAID WEST BOUNDARY 681.75 FEET; THENCE EAST 85.00 FEET; THENCE NORTH 715.20 FEET; THENCE EAST 563.25 FEET; THENCE NORTH 04°40'02" EAST, 202.61 FEET; THENCE WEST 689.83 FEET TO THE EAST BOUNDARY OF THE WEST 1/2 OF THE SW 1/4 OF SAID SECTION 29; THENCE SOUTH 00°02'38" EAST ALONG SAID EAST BOUNDARY, 1313.09 FEET; THENCE SOUTH 89°51'15" WEST, 300.00 FEET; THENCE SOUTH 00°02'38" EAST, 435.60 FEET TO THE NORTH RIGHT-OF-WAY OF COUNTY ROAD #3.0 (NE 49TH STREET); THENCE SOUTH 89°51'35" WEST ALONG SAID NORTH RIGHT-OF-WAY, 496.60 FEET; THENCE NORTH 420.00 FEET; THENCE SOUTH 89°51'35" WEST, 315.00 FEET; THENCE SOUTH, 211.29 FEET; THENCE SOUTH 89°51'35" WEST 210.00 FEET TO THE POINT OF BEGINNING.

SECTION 31 TOWNSHIP 14 SOUTH RANGE 22 EAST  
BALLARD ACRES

THE NORTH 1/2 OF THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 31.

SECTION 29 TOWNSHIP 14 SOUTH RANGE 22 EAST  
COVENTRY

THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE NORTH 1/2 OF THE SOUTHWEST 1/4 OF SAID SECTION 29.

SECTION 29 TOWNSHIP 14 SOUTH RANGE 22 EAST  
ASHLEY HEIGHTS

THE WEST 1/2 OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 29.

SECTION 18 TOWNSHIP 15 SOUTH RANGE 23 EAST  
OCALA HEIGHTS

THE NORTHEAST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 18 EXCEPT THE EAST 688 FEET OF THE NORTH, 813 FEET OF SAID SECTION 18.

SILVERWOOD VILLAS

THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 AND THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 18.

SPANISH PALMS AND COUNTRY AIRE

THE NORTHWEST 1/4 OF THE NORTHEAST 1/4 OF SAID SECTION 18.

SECTION 17 TOWNSHIP 15 SOUTH RANGE 23 EAST  
REYNOLDS

THE WEST 1/2 OF THE NORTHWEST 1/4 OF SAID SECTION 17.

SECTION 6 TOWNSHIP 15 SOUTH RANGE 25 EAST  
WINDING WATERS

ALL OF SAID SECTION 6.

SECTION 31 TOWNSHIP 15 SOUTH RANGE 25 EAST  
WINDING WATERS

ALL OF SAID SECTION 31.

SECTION 36 TOWNSHIP 15 SOUTH RANGE 25 EAST

THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SAID SECTION 31.

SECTION 25 TOWNSHIP 15 SOUTH RANGE 22 EAST  
WHISPERING SANDS

THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 EXCEPT THE AREA NORTH OF SOUTHEAST 28TH STREET AND THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 25.

SECTION 6 TOWNSHIP 16 SOUTH RANGE 23 EAST  
FLORIDA HEIGHTS

THE NORTHEAST 1/4 OF THE NORTH EAST 1/4 OF SAID SECTION 6.

AMENDMENT

SECTION 3 TOWNSHIP 15 SOUTH RANGE 22 EAST  
CAROL ESTATES

THAT PORTION OF THE NORTH 654.00 FEET OF THE WEST 1717.00 FEET LYING EAST OF NORTHEAST 25TH AVENUE,  
AND

THE SOUTH 804 FEET OF THE NORTH 1457 FEET OF THE WEST 1917 FEET LYING EAST OF THE  
NORTHEAST 25TH AVENUE,  
AND  
THE NORTH 330 FEET OF THE EAST 1524 FEET OF THE WEST 3772 FEET,  
AND  
THE SOUTH 1124 FEET OF THE NORTH 1454 FEET OF THE EAST 1863 FEET OF THE WEST 3781 FEET  
OF SAID SECTION 3.

SECTION 6 TOWNSHIP 17 SOUTH RANGE 23 EAST  
COUNTRY WALK

THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF SAID SECTION 6.

SECTION 2 TOWNSHIP 17 SOUTH RANGE 23 EAST  
HILLTOP

THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SAID SECTION 2.

SECTION 29, 30, 31 AND 32  
TOWNSHIP 17 SOUTH, RANGE 26 EAST  
SANDY ACRES

THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 29.  
THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 29.  
THE SOUTHEAST 1/4 OF SECTION 30.  
THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 31.  
THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 32.

SECTION 25 TOWNSHIP 16 SOUTH RANGE 21 EAST  
QUAL RUN

SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 25.

SECTION 2, TOWNSHIP 17 SOUTH, RANGE 23 EAST  
HILLTOP SERVICE AREA

THE SOUTHWEST 1/4; THE WEST 1/2 OF THE NORTHWEST 1/4; THE SOUTHEAST 1/4 OF THE THE  
NORTHWEST 1/4; THE SOUTH 1/2 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4.

SECTION 19, TOWNSHIP 15 SOUTH, RANGE 25 EAST  
PONDEROSA PINES SERVICE AREA

THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 AND THE SOUTHWEST 1/4 OF THE  
SOUTHEAST 1/4 AND THE SOUTHEAST 1/4 OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 AND THE  
NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 AND THE EAST 1/2 OF THE  
SOUTHWEST 1/4 OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 AND THE EAST 1/2 OF THE  
SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4.

SECTIONS 17 & 18, TOWNSHIP 15 SOUTH, RANGE 23 EAST  
LEXINGTON ESTATES

PARCEL 1:  
THE NW 1/4 OF THE SW 1/4 OF SECTION 17, TOWNSHIP 15 SOUTH, RANGE 23 EAST, MARION COUNTY,  
FLORIDA, LESS AND EXCEPT THE SOUTH 786 FEET OF THE WEST 40 FEET THEREOF.

PARCEL 2:

THE EASTERLY 634 FEET OF THE SOUTHERLY 350 FEET OF THE NE 1/4 OF SECTION 18, TOWNSHIP 15 SOUTH, RANGE 23 EAST AND THE EASTERLY 634 FEET OF THE NORTHERLY 534 FEET OF THE SE 1/4 OF SECTION 18, TOWNSHIP 15 SOUTH, RANGE 23 EAST, MARION COUNTY, FLORIDA.

SECTION 29 TOWNSHIP 17S RANGE 26E  
SANDY ACRES SUBDIVISION

THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 29  
THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 29  
THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 29

**FLORIDA PUBLIC SERVICE COMMISSION**  
**authorizes**  
**CSWR- Florida Utility Operating Company, LLC**  
**pursuant to**  
**Certificate Number 363-W**

to provide water service in Marion County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
11138	09/03/82	19810386-W (MC)	Grandfather
11680	03/07/83	19810423-W, 19810363-W, 19820409-W, 19820408-W, 19820367-W	Transfer/Amendment
14206	03/21/85	19840087-WU	Amendment
14978	09/20/85	19840089-WU	Amendment
15296	10/25/85	19850280-WU	Amendment
17161	02/06/87	19861526-WU	Amendment
17733	06/22/87	19870181-WU	Transfer/ Amendment
18081	09/01/87	19860724-WU	Amendment
20707	02/06/89	19880907-WU	Transfer
22239	11/29/89	19891177-WU	Name Change
PSC-98-0385-FOF-WU	03/11/98	19971297-WU	Amendment
PSC-99-2390-FOF -WU	12/07/99	19980543-WU	Amendment
PSC-00-1 062-FOF-WU	06/02/00	19991681-WU	Amendment
PSC-02-1832-PAA-WU	12/20/02	20011632-WU	Amendment
PSC-02-1292-PAA-WU	09/23/02	20020256-WU	Transfer/ Amendment
PSC-03-0244-FOF-WU	02/20/03	20021034-WU	Amendment
PSC-03-1099-FOF-WU	10/02/03	20030128-WU	Amendment
PSC-03-1333-PAA-WU	11/24/03	20030340-WU	Transfer/Amendment
PSC-04-1032-FOF-WU	10/25/04	20040388-WU	Amendment
PSC-06-0478-FOF-WU	06/05/06	20060283-WU	Amendment
PSC-1 0-0557-FOF-WU	09/07/10	20100156-WU	Amendment
PSC-1 0-0679-FOF-WU	11/15/10	20100377-WU	Transfer/Amendment
*	*	20210095-WU	Transfer

**\*Order Number and date to be provided at time of issuance**

**CSWR- Florida Utility Operating Company, LLC  
(Sunshine Utilities of Central Florida, Inc.)  
Monthly Water Rates**

**Residential and General Service**

**Unified Systems and Sandy Acres**

Base Facility Charge by Meter Size

5/8" x 3/4"	\$8.72
3/4"	\$13.08
1"	\$21.80
1 1/4"	\$32.70
1 1/2"	\$43.60
2"	\$69.76
3"	\$139.52
4"	\$218.00
6"	\$436.00
8"	\$784.80
10"	\$1,264.40

Charge Per 1,000 gallons (RS1)	\$2.03
0 – 5,000 gallons	\$2.21
5,001 – 10,000 gallons	\$4.42
Over 10,000 gallons	

Charge Per 1,000 gallons (GS1)	\$2.42
--------------------------------	--------

**Residential and General Service**

**Ponderosa Pines and Quail Run**

Base Facility Charge by Meter Size

5/8" x 3/4"	\$9.57
3/4"	\$14.36
1"	\$23.93
1 1/4"	\$35.89
1 1/2"	\$47.85
3"	\$153.12
4"	\$239.25
6"	\$478.50
8"	\$861.30
10"	\$1,387.65

Charge Per 1,000 gallons (GS2 & RS2)	\$2.53
--------------------------------------	--------

**CSWR- Florida Utility Operating Company, LLC  
(Sunshine Utilities of Central Florida, Inc.)**

**Service Availability Charges**

**Meter Installation Charge**

5/8" x 3/4"	\$115.00
1"	\$195.00
1 1/2"	\$530.00
2"	\$700.00
3"	\$1,030.00
4"	\$2,035.00
6"	\$3,560.00

**Customer Connection (Tap-in) Charge**

Same Side of Road	\$750.00
Opposite Side of Road	\$1,115.00

**Customer Deposits**

All Meter Sizes	<u>Residential Service</u>	<u>General Service</u>
	2 x Average estimated bill	2 x Average estimated bill

**CSWR- Florida Utility Operating Company, LLC  
(Sunshine Utilities of Central Florida, Inc.)**

**Miscellaneous Service Charges**

	<u>Normal Hours</u>	<u>After Hours</u>
Initial Connection Charge	\$21.00	\$42.00
Normal Reconnection Charge	\$21.00	\$42.00
Violation Reconnection Charge	\$21.00	\$42.00
Premises Visit Charge	\$21.00	\$42.00
(in lieu of disconnection)		
Late Payment Charge		\$5.00
Investigation of Meter Tampering Charge	\$50.00	\$50.00

**Staff Recommended  
Miscellaneous Service Charges**

	<u>Normal Hours</u>	<u>After Hours</u>
Premises Visit Charge	\$21.00	\$42.00
Violation Reconnection Charge	\$21.00	\$42.00
Late Payment Charge		\$5.00
Investigation of Meter Tampering Charge	\$50.00	\$50.00

**CSWR-Florida Utility Operating Company, LLC  
(Sunshine Utilities of Central Florida, Inc.)  
Water System**

**Schedule of Net Book Value as of May 31, 2021**

<u>Description</u>	<u>Balance Per Utility</u>	<u>Adjustments</u>		<u>Staff</u>
Utility Plant in Service	\$3,331,335	(\$131,410)	A	\$3,199,925
Land & Land Rights	80,777	-		80,777
Accumulated Depreciation	(2,686,158)	(50,210)	B	(2,736,368)
CIAC	(2,036,044)	3,015	C	(2,033,029)
Accumulated Amortization of CIAC	<u>1,574,029</u>	<u>162,755</u>	D	<u>1,736,784</u>
Total	<u>\$263,939</u>	<u>(\$15,850)</u>		<u>\$248,089</u>

**CSWR-Florida Utility Operating Company, LLC  
(Sunshine Utilities of Central Florida, Inc.)  
Water System**

**Explanation of Adjustments to Net Book Value as of May 31, 2021**

<b>Explanation</b>	<b>Amount</b>
A. Utility Plant in Service To reflect the appropriate amount of UPIS.	(\$131,410)
B. Accumulated Depreciation To reflect the appropriate amount of accumulated depreciation.	(50,210)
C. Contributions in Aid of Construction To reflect the appropriate amount of CIAC.	3,015
D. Accumulated Amortization of CIAC To reflect the appropriate amount of accumulated amortization of CIAC.	<u>162,755</u>
Total Adjustments to Net Book Value as of May 31, 2021	<u>(\$15,850)</u>

**CSWR-Florida Utility Operating Company, LLC  
(Sunshine Utilities of Central Florida, Inc.)  
Water System**

**Schedule of Staff's Recommended Account Balances as of May 31, 2021**

<b>Account No.</b>	<b>Description</b>	<b>UPIS</b>	<b>Accumulated Depreciation</b>
301	Organization	\$1,660	\$1,521
304	Structures & Improvements	11,434	4,842
307	Wells & Springs	120,006	108,291
309	Supply Mains	110,236	47,589
310	Power Generation Equip.	92,882	67,840
311	Pumping Equip.	539,881	515,322
320	Water Treatment Equip.	204,274	200,216
330	Distribution Reservoirs	120,373	41,750
331	Transmission and Distribution Mains	1,083,369	1,011,498
333	Services	149,227	58,233
334	Meters and Meter Install.	235,187	181,711
339	Other Plant And Misc.	25,858	25,858
340	Office Furniture & Equip.	79,087	52,925
341	Trans. Equip.	113,594	113,562
342	Stores Equip.	4,425	3,815
343	Tools, Shop and Garage Equip.	39,491	32,454
345	Power Operated Equip.	5,200	5,200
346	Communication Equip.	10,912	10,912
347	Misc. Equip.	17,436	17,436
348	Other Tangible Plant	<u>235,393</u>	<u>235,393</u>
	Total	<u>\$3,199,925</u>	<u>\$2,736,368</u>