

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for grandfather certificate to operate water utility in Citrus County by Hash Utilities, LLC. (Dunnellon Hills Water System)

DOCKET NO. 20240114-WU
ORDER NO. PSC-2025-0180-PAA-WU
ISSUED: May 30, 2025

The following Commissioners participated in the disposition of this matter:

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

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING MISCELLANEOUS SERVICE CHARGES
AND
FINAL ORDER ACKNOWLEDGING GRANDFATHER APPLICATION,
GRANTING WATER CERTIFICATE NO. 689-W, AND
CONTINUING EXISTING RATES, CHARGES, AND DEPOSITS

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission (Commission) that the action discussed herein is preliminary in nature—except with regard to acknowledging the grandfather application, granting Certificate No. 689-W, and continuing existing rates, charges, and deposits—and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

Background

On May 28, 2024, the Board of County Commissioners of Citrus County (County) adopted Resolution No. 2024-040 (Resolution), transferring regulation of the privately-owned, for-profit water and wastewater utilities in Citrus County to us. Effective upon the adoption of the Resolution, all non-exempt water and wastewater systems in Citrus County became subject to the provisions of Chapter 367, Florida Statutes (F.S.). By Order No. PSC-2024-0267-FOF-WS, we acknowledged the Resolution.¹

¹ Order No. PSC-2024-0267-FOF-WS, issued July 25, 2024, in Docket No: 20240095-WS, *In re: Resolution of the Board of County Commissioners of Citrus County declaring Citrus County subject of the provisions of Sections 367, F.S.*

Pursuant to Section 367.171(2)(b), F.S., each utility engaged in the operation or construction of a system shall be entitled to receive a certificate for the area served by such utility on the day the chapter becomes applicable to the utility. On August 6, 2024, Hash Utilities, LLC (Dunnellon Hills or Utility) filed an application for a certificate under grandfather rights to provide water service in Citrus County for its Dunnellon Hills water system pursuant to Section 367.171(2), F.S., and Rule 25-30.035, F.A.C. Dunnellon Hills' application was found to be deficient and Commission staff sent deficiency letters to the Utility on September 17, 2024, and October 21, 2024. The Utility cured the deficiencies on January 27, 2025.

Dunnellon Hills provides water service to approximately 45 residential customers, in single family homes and mobile homes. Wastewater service is provided by septic tank. The Utility was granted Certificate No. 396-W in 1983.² In 1999, the Citrus County Board of County Commissioners adopted Resolution No. 99-111 (1999 Resolution) rescinding our jurisdiction in Citrus County. We subsequently issued an order acknowledging the County's 1999 Resolution and canceling the certificates of the regulated water and wastewater utilities in the County, including Certificate No. 396-W.³ The current owner purchased the system in 2008. The Utility's service area is located in the Southwest Florida Water Management District. This Order addresses the application for a grandfather water certificate and rates and charges. We have jurisdiction over this matter pursuant to Section 367.171, F.S.

Decision

I. Acknowledgment of Application for Grandfather Water Certificate

The Utility's application for a certificate under grandfather rights to provide water service in Citrus County is in compliance with Section 367.171(2)(b), F.S., and Rule 25-30.035, F.A.C. The application contains a quitclaim deed as proof of ownership of the land on which the Utility's facilities are located, an accurate territory description, and adequate service territory and system maps. The territory description is provided in Attachment A.

As stated in the Background above, Dunnellon Hills serves approximately 45 residential customers. The Utility does not currently have any outstanding citations, violations, or consent orders on file with the Florida Department of Environmental Protection.

The Utility is aware of its obligation to submit its 2024 Annual Report pursuant to Rule 25-30.110, F.A.C., and is also aware of its obligation to pay regulatory assessment fees pursuant to Rule 25-30.120, F.A.C. In addition, the Utility is aware that it must maintain its books and records according to the National Association of Regulatory Utility Commissioners' Uniform System of Accounts.

² Order No. 11870, issued April 21, 1983, in Docket No. 19820396-W, *In re: Application of Utility Systems, Inc., for original certificate to operate a water system in Citrus County (Dunnellon Hills), Florida.*

³ Order No. PSC-99-1899-FOF-WS, issued September 24, 1999, in Docket No. 19990996-WS, *In re: Resolution by Citrus County Commission to rescind Citrus County Resolution No. 73-97 and remove jurisdiction of Florida Public Service Commission over private water and wastewater utilities in Citrus County.*

Based on the foregoing, we hereby grant Dunnellon Hills Certificate No. 689-W to serve the territory described in Attachment A. This Order shall serve as the Utility's certificate and shall be retained by the Utility.

II. Rates, Charges, and Deposits

Citrus County Water and Wastewater Authority approved the Utility's current monthly rates by Final Order 23-03 on August 14, 2023. The bi-monthly water rates consist of a base facility charge (BFC) and gallonage charge per 1,000 gallons. However, it appears the Utility has not been billing the appropriate rates, which will be addressed below in Section IV. We approve the rates that were last approved in Final Order 23-03 by Citrus County to be billed to customers.

Dunnellon Hills' water charges consist of miscellaneous service charges and service availability charges, which include a service availability policy. The miscellaneous service charges were established under the prior owner, but some of the miscellaneous service charges are not consistent with the Florida Statutes or Commission Rules and are addressed in Section III. The Utility's existing Violation Reconnection Charge, Late Payment Charge, and NSF Charge, however, shall remain unchanged and are hereby approved. The Utility's service availability charges were approved in Final Order 24-01 on January 29, 2024.

We find that, of the Utility's rates, charges, and deposits that were approved by Citrus County and in effect when Citrus County transferred jurisdiction to us, only the rates, charges, and initial customer deposit shown on Schedule No. 1, and the Utility's existing Violation Reconnection Charge, Late Payment Charge, and NSF Charge, are appropriate and, therefore, are approved. The rates, charges, and initial customer deposit shown in Schedule No. 1 shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets. The Utility shall be required to charge the approved Violation Reconnection Charge, Late Payment Charge, and NSF Charge, as well as the rates, charges, and initial customer deposit shown in Schedule No. 1 until authorized to change them by us in a subsequent proceeding.

III. Miscellaneous Service Charges

Dunnellon Hills did not request to revise its existing miscellaneous service charges. The Utility's current miscellaneous service charges for water service consist of various charges and are shown on Table 1. Section 367.091, F.S., authorizes us to establish, increase, or change a rate or charge other than monthly rates or service availability charges. We find that some of the Utility's existing charges that are set forth in Table 1 must be revised to conform with Rule 25-30.460, F.A.C. As discussed in Section II, the Utility's existing Violation Reconnection Charge, Late Payment Charge, and NSF Charge are approved without modification, but are shown below for illustrative purposes.

Table 1
Hash Utilities, LLC (Dunnellon Hills Water System)
Existing Miscellaneous Service Charges

| | <u>Existing Charges</u> |
|--|----------------------------------|
| Initial Connection Charge | \$45.00 |
| Normal Reconnection Charge | \$45.00 |
| Violation Reconnection Charge | \$45.00 |
| Premises Visit Charge (in lieu of disconnection) | \$45.00 |
| Premises Visit Charge | \$30.00 |
| Late Payment Charge | \$5.00 |
| NSF Charge | Pursuant to Section 68.065, F.S. |
| Tampering Charge | \$150.00 |

Source: Document No. 08240-2024, filed on August 6, 2024, in Docket No. 20240114-WU.

Premises Visit Charge and Violation Reconnection Charge

As shown on Table 1, the Utility currently has an initial connection charge, a normal reconnection charge, a violation reconnection charge, and a premises visit charge (in lieu of disconnection) of \$45. The Utility also has a separate “Premises Visit Charge” of \$30. However, pursuant to Rule 25-30.460(2)(a), F.A.C., initial connection and reconnection charges are subsumed within the definition of the premises visit charge. Therefore, the initial and normal reconnection charges shall be removed.

According to Dunnellon Hills, the premises visit charge of \$30 is assessed when customers request a meter re-read. A meter re-read is usually assessed when an initial reading is not an error of the utility. Therefore, the premises visit charge of \$30 shall be removed as it is covered under the general premises visit charge of \$45. The Utility’s definition for “premises visit charge” shall be updated to comply with Rule 25-30.460, F.A.C.

Tampering or Prohibited Connection or Use Charge

The Utility has a tampering charge of \$150 for water service. Rule 25-30.320(2)(j), F.A.C., provides that a utility may refuse or discontinue service without notice in the event of unauthorized or fraudulent use of service. Whenever service is discontinued for fraudulent use of such service, the Utility, before restoring service, may require the customer to make at their own expense all changes in piping or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the deficiency in revenue resulting from the customer’s fraudulent use before restoring service. Based on the above, we find that the Utility’s tampering charge of \$150 must be modified and shall be approved at actual cost. The appropriate water miscellaneous service charges shown on Table 2 are hereby approved.

Table 2
Hash Utilities, LLC (Dunnellon Hills Water System)
Commission-Approved Miscellaneous Service Charges

| | <u>All Hours</u> |
|--|----------------------------------|
| Premises Visit | \$45.00 |
| Violation Reconnection | \$45.00 |
| Tampering or Prohibited Connection or Use Charge | Actual Cost |
| NSF Charge (Water and Wastewater) | Pursuant to Section 68.065, F.S. |
| Late Payment Charge | \$5.00 |

The Utility's existing Violation Reconnection Charge, Late Payment Charge, and NSF Charge remain unchanged and were approved in Section II. They are included above for illustrative purposes. The Utility shall be required to file a proposed customer notice to reflect our approved charges. The approved charges shall 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(2), F.A.C. In addition, the tariff sheets shall be approved upon Commission staff's verification that the tariffs are consistent with our decision and that the proposed customer notice is adequate.

IV. Unauthorized Rates

Dunnellon Hills is currently charging rates that were not authorized by Citrus County. As reflected in the current tariff, Dunnellon Hills bills a bi-monthly BFC of \$21.96 for its residential and general service customers and a gallonage charge of \$5.03 per 1,000 gallons. However, Citrus County Final Order 23-03 only authorizes a monthly BFC of \$21.35 and a gallonage charge of \$4.89 per 1,000 gallons. Commission staff contacted the County which indicated that the Utility's last price index increase was approved in Final Order 23-03 on August 14, 2023.

On March 4, 2024, the County issued Final Order 24-04 which authorized the Utility to *apply* for a 3.24 percent price index increase which Dunnellon Hills allegedly did. As reflected in unissued Citrus County Final Order 24-05, County staff had identified application deficiencies which suggested that 2.84 percent would be the more appropriate price index adjustment for the Utility. However, draft Final Order 24-05 was never signed or issued by the Citrus County Water and Wastewater Authority because the May 20, 2024 meeting to officially decide that matter was canceled due to the change of Citrus County jurisdiction in progress with this Commission. It appears that the Utility mistakenly implemented a 2.84 percent increase to its 2023 approved rates before Citrus County Water and Wastewater Authority rendered a decision. Therefore, according to the Utility's tariff, customers are being overcharged.

In light of the above, Dunnellon Hills did not bill the appropriate rates per Citrus County Final Order 23-03. A new docket shall be opened to investigate the Utility's billing practices and determine the appropriate action.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Hash Utilities, LLC's grandfather application for its Dunnellon Hills water system is hereby acknowledged and Hash Utilities, LLC is granted Certificate No. 689-W, effective May 28, 2024, to serve the territory described in Attachment A of this Order. This Order shall serve as Hash Utilities, LLC's certificate and shall be retained by Hash Utilities, LLC. It is further

ORDERED that the rates, charges, and initial customer deposit shown on attached Schedule No. 1 are appropriate and approved. In addition, Hash Utilities, LLC's existing Violation Reconnection Charge, Late Payment Charge, and NSF Charge for its Dunnellon Hills water system are approved. These charges, as well as the rates, charges, and initial customer deposit shown in Schedule No. 1, shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets. Hash Utilities, LLC shall charge the approved Violation Reconnection Charge, Late Payment Charge, and NSF Charge, as well as the rates, charges, and initial customer deposit shown in Schedule No. 1, until authorized to change them by this Commission in a subsequent proceeding. It is further

ORDERED that the appropriate miscellaneous service charges shown in Table 2 are hereby approved. Hash Utilities, LLC shall file a proposed customer notice to reflect the Commission-approved charges for its Dunnellon Hills water system. The approved charges shall 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(2), F.A.C. In addition, the tariff sheets shall be approved upon Commission staff's verification that the tariffs are consistent with our decision and that the proposed customer notice is adequate. It is further

ORDERED that Commission staff shall open a new docket to investigate Hash Utilities, LLC's charging of unauthorized rates in its Dunnellon Hills water system. It is further

ORDERED that the provisions of this Order that are issued as proposed agency action shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall remain open for Commission staff's verification that the revised tariff sheets and customer notice were filed by Hash Utilities, LLC and approved by Commission staff. Once this action is complete, this docket shall be closed administratively.

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By ORDER of the Florida Public Service Commission this 30th day of May, 2025.



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

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

CMM

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 that is available under Section 120.57, 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 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.

The action proposed herein, except with regard to acknowledging the grandfather application and granting Certificate No. 689-W and continuing existing rates, charges, and deposits, is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on June 20, 2025.

In the absence of such a petition, this Order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

Any party adversely affected by the Commission's final action in this matter may request:

- 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or
- 2) judicial review by the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

DESCRIPTION OF TERRITORY SERVED

Hash Utilities, LLC
Dunnellon Hills Subdivision, Citrus County

Section 2, Township 17 South, Range 18 East, Citrus County, Florida.

Begin at the Southwest corner of the Northeast 1/4 of the Northwest 1/4 of Section 2, Township 17 South, Range 18 East, thence North $00^{\circ}37'57''$ West a distance of 666.39 feet; thence North $89^{\circ}21'02''$ East a distance of 1,096.97 feet; thence South $46^{\circ}36'10''$ East a distance of 306.71 feet; thence South $00^{\circ}10'31''$ East a distance of 458.16 feet; thence South $89^{\circ}34'07''$ West a distance of 1,313.85 feet, to the Point of Beginning.

FLORIDA PUBLIC SERVICE COMMISSION

authorizes
Hash Utilities, LLC (Dunnellon Hills Water System)
pursuant to
Certificate Number 689-W

to provide water service in Citrus 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> |
|----------------------|--------------------|----------------------|-------------------------|
| PSC-2025-0180-PAA-WU | 05/30/2025 | 20240114-WU | Grandfather Certificate |

**Hash Utilities, LLC (Dunnellon Hills Water System)
Existing Bi-Monthly Water Rates**

Residential and General Service

Base Facility Charge by Meter Size
5/8" X 3/4"

\$21.35

Charge per 1,000 gallons

\$4.89

Customer Deposits

Residential and General Service

All Meter Sizes

\$85.00

Miscellaneous Service Charges

Miscellaneous Service Charges

Late Payment Charge

\$5.00

NSF Charge

Pursuant to Section 68.065, F.S.

Service Availability Charges

Customer Connection (Tap-in) Charge

5/8" X 3/4"

\$650.00

Meter Installation Charge

5/8" X 3/4"

\$650.00

1"

\$750.00

Plant Capacity Charge

Residential – Per ERC (GPD)

\$795.00