FILED 3/9/2018 DOCUMENT NO. 02200-2018 FPSC - COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for Gross-Up of CIAC in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties by Utilities, Inc. of Florida

Docket No. 20180025 - WS

NOTICE OF FILING

Applicant, UTILITIES, INC. OF FLORIDA, by and through its undersigned attorneys,

hereby gives notice of filing, in the above-referenced docket, of the Affidavit of Mailing

evidencing that the AFPI and CIAC Gross-up Notices were mailed to those persons who had

sent written requests for service within the past year and who are not connected.

Respectfully submitted this 9th day of March, 2018, by:

FRIEDMAN & FRIEDMAN, P.A. 766 N. Sun Drive, Suite 4030 Lake Mary, FL 32746 Telephone: (407) 830-6331 Fax: (407) 878-2178 mfriedman@ff-attorneys.com

/s/ Martin S. Friedman

MARTIN S. FRIEDMAN For then Firm

AFFIDAVIT OF MAILING

STATE OF FLORIDA

COUNTY OF SEMINOLE

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared Susan M. DiPasquale, who, after being duly sworn on oath, did depose on oath and says that on behalf of Utilities, Inc. of Florida, on March 8, 2018, she did send by regular U.S. Mail, a copy of the Notice, attached hereto, to those persons who had requested service within the past year and who are not connected.

FURTHER AFFIANT SAYETH NAUGHT.

Susan M. DiPasquale Administrative Assistant

Sworn to and subscribed before me this $\frac{8}{2}$ day of March, 2018, by Susan M. DiPasquale who is personally known to me.



Print Name: Kathy ANN Sill.toc NOTARY PUBLIC My Commission Expires: 12126/20

TO PROPERTY OWNERS REQUESTING SERVICE FROM UTILITIES, INC. OF FLORIDA March 8, 2018

On March 1, 2018, the Florida Public Service Commission approved several changes in Utilities, Inc. of Florida's service availability charges for new connections to the water and wastewater systems. The approved charges are effective for connections made on or after five day from the date of this letter. If you have any questions about these charges, please contact the utility at (866) 842-8432.

Gross-Up of Service Availability Charges and Contributed Property

Congress has passed, and the President has signed, the Tax Cuts and Jobs Act, effective January 1, 2018, which, among other things, removes the exemption from federal income taxes for contributions-in-aid-of-construction ("CIAC"). Thus, effective January 1. 2018, utilities will have to begin paying incomes taxes on cash and property CIAC they receive. This will amount to an increase in the approved service availability charges of thirty-three percent, and will require the payment to the Utility of thirty-three percent of the cost of any infrastructure donated to the Utility. The Utility will report annually to the Florida Public Service Commission and if the Utility's actual income rate is not twenty-one then you will get a refund of any overpayment.

Allowance for Funds Prudently Invested ("AFPI") Charges

Pursuant to Commission Rules, an AFPI Charge is a mechanism designed to allow a utility the opportunity earn a fair rate of return on prudently constructed plan held for future use from customers who will be served by that plant. This one-time charge is assessed based on the date the future customer connects to the Utility's system, and are as set forth below.

		Formerly UIF Ma			
		Marion Count	У		
	2016	<u>2017</u>	<u>2018</u>	<u>2019</u>	2020
January	\$ 6.97	\$ 90.83	\$ 177.36	\$ 266.73	\$ 359.16
February	\$ 13.94	\$ 98.03	\$ 184.79	\$ 274.41	\$ 367.11
March	\$ 20.91	\$ 105.22	\$ 192.21	\$ 282.09	\$ 375.06
April	\$ 27.88	\$ 112.41	\$ 199.64	\$ 289.77	\$ 383.01
May	\$ 34.85	\$ 119.60	\$ 207.06	\$ 297.45	\$ 390.96
June	\$ 41.82	\$ 126.79	\$ 214.49	\$ 305.13	\$ 398.91
July	\$ 48.79	\$ 133.98	\$ 221.92	\$ 312.81	\$ 406.86
August	\$ 55.76	\$ 141.17	\$ 229.34	\$ 320.49	\$ 414.82
September	\$ 62.73	\$ 148.36	\$ 236.77	\$ 328.17	\$ 422.77
October	\$ 69.70	\$ 155.55	\$ 244.19	\$ 335.85	\$ 430.72
November	\$ 76.67	\$ 162.74	\$ 251.62	\$ 343.53	\$ 438.67
December	\$ 83.64	\$ 169.93	\$ 259.05	\$ 351.21	\$ 446.62

The approved AFPI charges, which are based on one equivalent residential connection (ERC), will be collected from 67 additional ERCs as of December 31, 2015. If by December 31, 2020, any number of ERCs remain unconnected, the remaining ERCs shall be charged the constant maximum charge of \$298.31 until all 67 additional ERCs are connected, after which the charge will cease. _

TO PROPERTY OWNERS REQUESTING SERVICE FROM UTILITIES, INC. OF FLORIDA March 8, 2018

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Gross-Up of Service Availability Charges and Contributed Property

Congress has passed, and the President has signed, the Tax Cuts and Jobs Act, effective January 1, 2018, which, among other things, removes the exemption from federal income taxes for contributions-in-aid-of-construction ("CIAC"). Thus, effective January 1. 2018, utilities will have to begin paying incomes taxes on cash and property CIAC they receive. This will amount to an increase in the approved service availability charges of thirty-three percent, and will require the payment to the Utility of thirty-three percent of the cost of any infrastructure donated to the Utility. The Utility will report annually to the Florida Public Service Commission and if the Utility's actual income rate is not twenty-one then you will get a refund of any overpayment.

Allowance for Funds Prudently Invested ("AFPI") Charges

Pursuant to Commission Rules, an AFPI Charge is a mechanism designed to allow a utility the opportunity earn a fair rate of return on prudently constructed plan held for future use from customers who will be served by that plant. This one-time charge is assessed based on the date the future customer connects to the Utility's system, and are as set forth below.

Formerly Lake Utility Services, Inc.

Lake	County
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	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
January	\$ 18.00	\$ 234.72	\$ 460.02	\$ 694.53	\$ 938.89
February	\$ 36.00	\$ 253.43	\$ 479.50	\$ 714.82	\$ 960.06
March	\$ 54.00	\$ 272.14	\$ 498.97	\$ 735.11	\$ 981.22
April	\$ 72.00	\$ 290.86	\$ 518.45	\$ 755.40	\$ 1,002.39
May	\$ 90.00	\$ 309.57	\$ 537.92	\$ 775.69	\$ 1,023.55
June	\$ 108.00	\$ 328.28	\$ 557.40	\$ 795.99	\$ 1,044.71
July	\$ 126.01	\$ 346.99	\$ 576.87	\$ 816.28	\$ 1,065.88
August	\$ 144.01	\$ 365.70	\$ 596.34	\$ 836.57	\$ 1,087.04
September	\$ 162.01	\$ 384.42	\$ 615.82	\$ 856.86	\$ 1,108.20
October	\$ 180.01	\$ 403.13	\$ 635.29	\$ 877.15	\$ 1,129.37
November	\$ 198.01	\$ 421.84	\$ 654.77	\$ 897.44	\$ 1,150.53
December	\$ 216.01	\$ 440.55	\$ 674.24	\$ 917.73	\$ 1,171.70

The approved AFPI charges, which are based on one equivalent residential connection (ERC), will be collected from 1,471 additional ERCs as of December 31, 2015. If by December 31, 2020, any number of ERCs remain unconnected, the remaining ERCs shall be charged the constant maximum charge of \$1,171.70 until all 1,471 additional ERCs are connected, afterwhich the charge will cease.

TO PROPERTY OWNERS REQUESTING SERVICE FROM UTILITIES, INC. OF FLORIDA March 8, 2018

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Gross-Up of Service Availability Charges and Contributed Property

Congress has passed, and the President has signed, the Tax Cuts and Jobs Act, effective January 1, 2018, which, among other things, removes the exemption from federal income taxes for contributions-in-aid-of-construction ("CIAC"). Thus, effective January 1. 2018, utilities will have to begin paying incomes taxes on cash and property CIAC they receive. This will amount to an increase in the approved service availability charges of thirty-three percent, and will require the payment to the Utility of thirty-three percent of the cost of any infrastructure donated to the Utility. The Utility will report annually to the Florida Public Service Commission and if the Utility's actual income rate is not twenty-one then you will get a refund of any overpayment.

Allowance for Funds Prudently Invested ("AFPI") Charges

Pursuant to Commission Rules, an AFPI Charge is a mechanism designed to allow a utility the opportunity earn a fair rate of return on prudently constructed plan held for future use from customers who will be served by that plant. This one-time charge is assessed based on the date the future customer connects to the Utility's system.

Formerly Labrador Utilities, Inc.	
Pasco County	

	2016	2017	<u>2018</u>	<u>2019</u>	<u>2020</u>
January	\$ 23.21	\$ 302.88	\$ 595.78	\$ 902.87	\$ 1,225.15
February	\$ 46.43	\$ 327.19	\$ 621.27	\$ 929.61	\$ 1,253.24
March	\$ 69.64	\$ 351.50	\$ 646.75	\$ 956.36	\$ 1,281.33
April	\$ 92.86	\$ 375.81	\$ 672.24	\$ 983.10	\$ 1,309.43
May	\$ 116.07	\$ 400.12	\$ 697.72	\$ 1,009.85	\$ 1,337.52
June	\$ 139.28	\$ 424.43	\$ 723.21	\$ 1,036.59	\$ 1,365.61
July	\$ 162.50	\$ 448.74	\$ 748.70	\$ 1,063.34	\$ 1,393.70
August	\$ 185.71	\$ 473.05	\$ 774.18	\$ 1,090.08	\$ 1,421.79
September	\$ 208.93	\$ 497.36	\$ 799.67	\$ 1,116.83	\$ 1,449.88
October	\$ 232.14	\$ 521.67	\$ 825.15	\$ 1,143.57	\$ 1,477.97
November	\$ 255.35	\$ 545.98	\$ 850.64	\$ 1,170.32	\$ 1,506.07
December	\$ 278.57	\$ 570.29	\$ 876.13	\$ 1,197.06	\$ 1,534.16

The approved AFPI charges, which are based on one equivalent residential connection (ERC), will be collected from 155 additional ERCs as of December 31, 2015. If by December 31, 2020, any number of ERCs remain unconnected, the remaining ERCs shall be charged the constant maxmium charge of \$1,534.16 until all 155 additional ERCs are connected, afterwhich the charge will cease.

TO PROPERTY OWNERS REQUESTING SERVICE FROM UTILITIES, INC. OF FLORIDA March 8, 2018

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Gross-Up of Service Availability Charges and Contributed Property

Congress has passed, and the President has signed, the Tax Cuts and Jobs Act, effective January 1, 2018, which, among other things, removes the exemption from federal income taxes for contributions-in-aid-of-construction ("CIAC"). Thus, effective January 1. 2018, utilities will have to begin paying incomes taxes on cash and property CIAC they receive. This will amount to an increase in the approved service availability charges of thirty-three percent, and will require the payment to the Utility of thirty-three percent of the cost of any infrastructure donated to the Utility. The Utility will report annually to the Florida Public Service Commission and if the Utility's actual income rate is not twenty-one then you will get a refund of any overpayment.

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Pursuant to Commission Rules, an AFPI Charge is a mechanism designed to allow a utility the opportunity earn a fair rate of return on prudently constructed plan held for future use from customers who will be served by that plant. This one-time charge is assessed based on the date the future customer connects to the Utility's system.

Formerly Lake Placid Utilities, Inc. Highlands County					
	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	2020
January	\$ 6.16	\$ 80.33	\$ 157.35	\$ 237.47	\$ 320.87
February	\$ 12.32	\$ 86.72	\$ 164.01	\$ 244.40	\$ 328.09
March	\$ 18.48	\$ 93.12	\$ 170.66	\$ 251.32	\$ 335.31
April	\$ 24.64	\$ 99.52	\$ 177.32	\$ 258.25	\$ 342.53
May	\$ 30.80	\$ 105.92	\$ 183.97	\$ 265.17	\$ 349.75
June	\$ 36.96	\$ 112.31	\$ 190.62	\$ 272.10	\$ 356.97
July	\$ 43.12	\$ 118.71	\$ 197.28	\$ 279.02	\$ 364.19
August	\$ 49.28	\$ 125.11	\$ 203.93	\$ 285.95	\$ 371.41
September	\$ 55.45	\$ 131.51	\$ 210.58	\$ 292.87	\$ 378.62
October	\$ 61.61	\$ 137.91	\$ 217.24	\$ 299.80	\$ 385.84
November	\$ 67.77	\$ 144.30	\$ 223.89	\$ 306.72	\$ 393.06
December	\$ 73.93	\$ 150.70	\$ 230.54	\$ 313.65	\$ 400.28

The approved AFPI charges, which are based on one equivalent residential connection (ERC), will be collected from 226 additional ERCs as of December 31, 2015. If by December 31, 2020, any number of ERCs remain unconnected, the remaining ERCs shall be charged the constant maxmium charge of \$400.28 until all 226 additional ERCs are connected, afterwhich the charge will cease.

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Formerly Mid-County Services, Inc. Pinellas County					
	<u>2016</u>	2017	<u>2018</u>	<u>2019</u>	2020
January	\$ 5.23	\$ 68.19	\$ 133.47	\$ 201.28	\$ 271.75
February	\$ 10.46	\$ 73.61	\$ 139.11	\$ 207.13	\$ 277.84
March	\$ 15.69	\$ 79.03	\$ 144.74	\$ 212.98	\$ 283.93
April	\$ 20.92	\$ 84.46	\$ 150.37	\$ 218.84	\$ 290.01
May	\$ 26.15	\$ 89.88	\$156.00	\$ 224.69	\$ 296.10
June	\$ 31.38	\$ 95.30	\$ 161.63	\$ 230.54	\$ 302.19
July	\$ 36.61	\$ 100.73	\$ 167.26	\$ 236.40	\$ 308.28
August	\$ 41.84	\$ 106.15	\$ 172.90	\$ 242.25	\$ 314.37
September	\$ 47.07	\$ 111.57	\$ 178.53	\$ 248.10	\$ 320.46
October	\$ 52.30	\$ 117.00	\$ 184.16	\$ 253.95	\$ 326.55
November	\$ 57.53	\$ 122.42	\$ 189.79	\$ 259.81	\$ 332.63
December	\$ 62.76	\$ 127.84	\$ 195.42	\$ 265.66	\$ 338.72

The approved AFPI charges, which are based on one equivalent residential connection (ERC), will be collected from 203 additional ERCs as of December 31, 2015. If by December 31, 2020, any number of ERCs remain unconnected, the remaining ERCs shall be charged the constant maxmium charge of \$338.72 until all 203 additional ERCs are connected, afterwhich the charge will cease.