



Dean, Mead, Egerton, Bloodworth, Capouano & Bozarth, P.A.
420 South Orange Avenue, Suite 700
P.O. Box 2346
Orlando, FL 32801

(407) 841-1200
(407) 423-1831 Fax
www.deanmead.com

Attorneys and Counselors at Law
Orlando
Fort Pierce
Naples
Viera/Melbourne
Vero Beach

MARTIN FRIEDMAN
407-310-2077
mfriedman@deanmead.com

January 15, 2025
via efilings

Adam Teitzman, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 20240108-SU - Application for increase wastewater rates in Monroe County by K W Resort Utilities Corp.

Dear Mr. Teitzman:

On behalf of K W Resort Utilities Corp. ("Utility") the following are responses to the Staff's Deficiency Letter dated January 13, 2025.

1. Rule 25-30.437(1), Florida Administrative Code (F.A.C.), requires a utility to complete MFRs. For the following items listed below, please correct the filings to address the errors as well as correct any fallout figures:
 - a. For wastewater, the private lift station and general service 3/4" rates shown on Schedule E-2 do not match the tariffed rates shown on Schedule E-1. Please address the fall out for any changes made
 - i. Schedule E-2, pg.1 of 1, line 09, column 4
 - ii. Schedule E-2, pg.1 of 1, line 34, column 4

RESPONSE: The revised pages are attached. There is no fallout because the changes affected no customers.

January 15, 2025

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- b. For wastewater, the private lift station cumulative gallons presented at the 11,000 consumption level is incorrect for the 1.5-inch meter size shown on Schedule E-14. Therefore, the total gallons are understated by 9,000 gallons. Please address the fall out for any changes made.

RESPONSE: The revised pages, including any fall-out are attached. An excel file will be provided to Staff.

Should you or Staff have any questions regarding this response please do not hesitate to contact me.

Very truly yours,

/s/ Martin S. Friedman
Martin Friedman

MSF:

Billing Analysis Schedules

Florida Public Service Commission

Company: K W Resort Utilities Corp

Schedule: E-14

Docket No.: 20240108-SU

Page 1 of 1 REVISED

Test Year Ended: 6/30/2024

Preparer: Milian, Swain & Associates, Inc.

Water [x] or Sewer [x]

Customer Class: Private Lift Station Owners

Meter Size: 1.5"

Explanation: Provide a billing analysis for each class of service by meter size. For applicants having master metered multiple dwellings, provide number of bills at each level by meter size or number of bills categorized by the number of units. Round consumption to nearest 1,000 gallons & begin at zero. If a rate change occurred during the test year, provide a separate billing analysis which coincides with each period.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Line No.	Consumption Level	Number of Bills	Cumulative Bills	Gallons Consumed (1)x(2)	Cumulative Gallons	Reversed Bills	Consolidated Factor [(1)x(6)]+(5)	Percentage of Total
1	0	36	36	0	0	24	0	0.00%
2	9	1	37	9	9	23	216	22.55%
2	11	1	38	11	20	22	262	27.35%
3	12	1	39	12	32	21	284	29.65%
4	13	1	40	13	45	20	305	31.84%
5	14	2	42	28	73	18	325	33.92%
6	15	1	43	15	88	17	343	35.80%
7	17	1	44	17	105	16	377	39.35%
8	18	2	46	36	141	14	393	41.02%
9	20	1	47	20	161	13	421	43.95%
10	26	1	48	26	187	12	499	52.09%
11	30	1	49	30	217	11	547	57.10%
12	41	1	50	41	258	10	668	69.73%
13	43	1	51	43	301	9	688	71.82%
14	44	1	52	44	345	8	697	72.76%
15	47	1	53	47	392	7	721	75.26%
16	52	1	54	52	444	6	756	78.91%
17	54	1	55	54	498	5	768	80.17%
18	57	2	57	114	612	3	783	81.73%
19	63	1	58	63	675	2	801	83.61%
20	82	1	59	82	757	1	839	87.58%
21	201	1	60	201	958	0	958	100.00%

Schedule of Wastewater Net Operating Income

Florida Public Service Commission

Company: K W Resort Utilities Corp

Docket No.:20240108

Test Year Ended: 06/30/2024

Interim [] Final [X]

Historic [X] Projected []

Schedule: B-2

Page 1 of 1 REVISED

Preparer: Milian, Swain & Associates, Inc.

Explanation: Provide the calculation of net operating income for the test year. If amortization (Line 4) is related to any amount other than an acquisition adjustment, submit an additional schedule showing a description and calculation of charge.

Line No.	(1) Description	(2) Balance Per Books	(3) Utility Test Year Adjustments	(4) Utility Adjusted Test Year	(5) Requested Revenue Adjustment	(6) Requested Annual Revenues	(7) Supporting Schedule(s)
1	OPERATING REVENUES	\$ 3,851,481	\$ 69,161 (A)	\$ 3,920,642	\$ 913,747 (A)	\$ 4,834,389	B-4, B-3
2							
3	Operation & Maintenance	2,832,631	253,623 (B)	3,086,254		3,086,254	B-6, B-3
4							
5	Depreciation, net of CIAC Amort.	424,360	142,619 (C)	566,979		566,979	B-14, B-3
6							
7	Amortization			-		-	
8							
9	Taxes Other Than Income	288,955	23,995 (D)	312,949	41,119 (D)	354,068	B-15, B-3
10							
11	Provision for Income Taxes			-		-	C-1, B-3
12							
13	OPERATING EXPENSES	3,545,945	420,237	3,966,182	41,119	4,007,301	
14							
15	NET OPERATING INCOME	\$ 305,536	\$ (351,076)	\$ (45,540)	\$ 872,628	\$ 827,089	
16							
17							
18	RATE BASE	\$ 6,817,622	\$ 3,444,023	\$ 10,261,645		\$ 10,261,645	
19							
20							
21	RATE OF RETURN	4.48 %		--	%	8.06%	

Schedule of Adjustments to Operating Income

Company: K W Resort Utilities Corp

Docket No.:20240108

Schedule Year Ended: 06/30/2024

Interim [] Final [X]

Historic [X] Projected []

Florida Public Service Commission

Schedule: B-3

Page 1 of 2 REVISED

Preparer: Milian, Swain & Associates, Inc.

Explanation: Provide a detailed description of all adjustments to operating income per books, with a total for each line item shown on the net operating income statement.

Line No.	Description	Wastewater
1	(A) Adjustments to Revenues	
2	(1) Annualized Revenue	
3	Annualized water/sewer revenues per Schedule E-2	\$3,920,642
4	Test Year water/sewer revenues per Schedule E-2	3,851,481
5	Annualized Revenue Adjustment	\$ 69,161
6		
7	Total Adjustment to Test Year Revenue	\$ 69,161
8		
9	(2) Revenue Increase	
10	Increase in revenue required by the Utility to realize a	
11	8.06% % rate of return	\$ 913,747
12		
13	Total Adjustments to Revenues	\$ 982,908
14		
15	(B) (1) Pro Forma Adjustments to Operations & Maintenance Expenses	
16	To reflect annualized O&M expenses:	
17	701 Salaries & Wages - Employees	50,313
18	703 Salaries & Wages - Officers, Etc.	1,039
19	704 Employee Pensions & Benefits:	
20	TY actual 23.36% X proforma salaries	11,994
21	Additional 1% cost of traditional pension X total salaries	14,326
22	711 Sludge Hauling	2,747
23	715 Purchased Power	
24	718 Chemicals	6,808
25	731 Engineering DEP permit renewal amortized over 5 years.	8,000
26	731 Engineering - Collection System Action Plan amortized over 5 years	67,000
27	757 Insurance - General Liability	12,688
28	758 Insurance - Workman's Comp.	2,214
29		
30	Total pro forma adjustments to O & M Expense	\$ 177,128
31		
32	(2) Amortization of rate case expense per Schedule B-10	\$ 76,494
33		
34	Total Adjustment required to O&M Expenses	\$ 253,623

Revenue Schedule at Test Year Rates - Proof of Revenue

Company: K W Resort Utilities Corp

Docket No.:20240108

Test Year Ended: 06/30/2024

Interim [] Final [x]

Water [] Sewer [x]

Florida Public Service Commission

Schedule E-2

Page 1 of 1 REVISED

Preparer: Milian, Swain & Associates, Inc.

Explanation: Provide a calculation of revenues at present and proposed rates using the billing analysis. Explain any differences between these revenues and booked revenues. If a rate change occurred during the test year, a revenue calculation must be made for each period.

Line No.	(1) Class/Meter Size	(2) Total Bills Test Year		(3) Total Billable Gls (in 000's) Test Year	(4) Test Year Rates Effective Sept 2024	(5) Test Year / Annualized Revenue	(6) Proposed Rates	(7) Revenues at Proposed Rates
		June	2024	June	2024			
1	Residential Service							
2	All Residential Meters		17,211		\$53.24	\$916,314	\$65.95	\$1,135,065
3	All Residential Gallons (Max 10k gallons)			62,847	\$8.82	\$554,311	\$10.93	\$686,918
4								
5	Total Residential Service		17,211	62,847		\$1,470,624		\$1,821,983
6	Average Residential Bill					\$85		\$106
7	General Service - Base Charge							
8	5/8"		1,821		\$53.24	\$96,950	\$65.95	\$120,095
9	3/4"		0		\$79.86	\$0	\$98.93	\$0
10	1"		96		\$133.10	\$12,778	\$164.88	\$15,828
11	1.5"		84		\$266.20	\$22,361	\$329.75	\$27,699
12	2"		120		\$425.92	\$51,110	\$527.60	\$63,312
13	3"		24		\$851.84	\$20,444	\$1,055.20	\$25,325
14	4"		12		\$1,331.00	\$15,972	\$1,648.75	\$19,785
15	6"		12		\$2,662.00	\$31,944	\$3,297.50	\$39,570
16	8"		0		\$4,259.20	\$0	\$5,276.00	\$0
17	8" Turbo		12		\$4,791.60	\$57,499	\$5,935.50	\$71,226
18								
19	Total General Service BFC		2,181			\$309,058		\$382,840
20	General Service - Gallons							
21	Gallonge Charge per 1,000 gallons			99,604	\$10.58	\$1,053,810	\$13.11	\$1,305,808
22								
23	Total General Service		2,181	99,604		\$1,362,869		\$1,688,648
24	Average General Service Bill					\$625		\$774
25	General Service - Harbor Shores							
26	Base Facility Charge		12		\$3,673.56	\$44,083	\$4,550.81	\$54,610
27	Gallonge Charge per 1,000 gallons			2,256	\$8.82	\$19,898	\$10.93	\$24,658
28				2,256				
29	Total Harbor Shores		12	2,256		\$63,981		\$79,268
30	Average General Service Bill					\$5,332		\$6,606
31								
32	Private Lift Station Owners							
33	5/8"		2,425		\$42.60	\$103,305	\$52.77	\$127,967
34	3/4"		0		\$63.90	\$0	\$79.16	\$0
35	1"		72		\$106.50	\$7,668	\$131.93	\$9,499
36	1.5"		60		\$213.00	\$12,780	\$263.86	\$15,832
37	2"		48		\$340.80	\$16,358	\$422.18	\$20,265
38	3"		0		\$681.60	\$0	\$844.37	\$0
39	4"		0		\$1,065.00	\$0	\$1,319.32	\$0
40	6"		36		\$2,130.00	\$76,680	\$2,638.64	\$94,991
41	8"		12		\$3,408.00	\$40,896	\$4,221.83	\$50,662
42	Gallonge Charge per 1,000 gallons			54,304	\$10.58	\$574,536	\$13.11	\$711,676
43								
44	Total Private Lift Station Owners		2,653	54,304		\$832,224		\$1,030,891
45	Average Private Lift Station Bill					\$314		\$389
46	Reuse Service							
47	Gallonge Charge per 1,000 gallons		36	51,892	\$1.88	\$97,557	\$2.33	\$120,846
48	Other Miscellaneous Revenues					\$93,388		\$93,388
49	Total Other Revenues					\$93,388		\$93,388
50	Test Year Accruals					\$0		\$0
51	Deferred Income - Residential					\$8,803		\$8,803
51	Adjusted Test Year/ Annualized / Proposed Revenues					\$3,920,642		\$4,835,025
52	Total Per Books / Requested Annual Revenues					\$3,842,678		\$4,834,389
53	Deferred Income - Residential					\$8,803		\$8,803
54	Adjusted per Books /Annualized					\$3,851,481		\$4,843,188
55	Difference					\$69,161		\$635
56	Percentage					1.80%		0.01%

Note:

This information reflects corrections made after the test year.