

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 20240117-WU
ORDER NO. PSC-2025-0144-PAA-WU
ISSUED: April 24, 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 CONTINUING
EXISTING RATES, CHARGES AND DEPOSITS
AND
FINAL ORDER ACKNOWLEDGING GRANDFATHER APPLICATION AND GRANTING
WASTEWATER CERTIFICATE NO. 687-W

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature, except with regard to acknowledging the grandfather application and granting Certificate No. 687-W, 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 the Florida Public Service Commission (Commission). Effective upon the adoption of the Resolution, all non-exempt water and wastewater systems in Citrus County became subject of 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 (Forest Hills or Utility) filed an application for a certificate under grandfather rights to provide water service in Citrus County for its Forest Hills water system pursuant to Section 367.171(2), F.S., and Rule 25-30.035, Florida Administrative Code (F.A.C.). Forest Hills' application was found to be deficient, and staff sent a deficiency letter to the Utility on September 17, 2024.² The Utility cured the deficiencies on January 27, 2025.³

Forest Hills was established in 1972 and provides water service pursuant to a bulk water purchase agreement to approximately 81 residential customers, in single family homes and duplexes, and one general service customer. Wastewater service is provided by septic tank. The Utility's service area is located in the Southwest Florida Water Management District. This recommendation addresses the application for a grandfather water certificate and rates and charges. We have jurisdiction pursuant to Section 367.171, F.S.

Decision

I. Acknowledgment of Application for Grandfather Water and Wastewater 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 bulk water purchase agreement with the Citrus County Municipal Service Benefit Unit. Because the Utility does not have a water treatment plant but purchases the water it provides to customers, it does not require proof of access to the land under the treatment plan. Forest Hills also provided an adequate service territory description, and system maps. The territory description is provided in Attachment A.

As stated in the case background, Forest Hills serves approximately 81 residential customers and one general service customer. 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.

Based on the above, we find that Forest Hills shall be granted Certificate No. 687-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.

² Document No. 09054-2024, filed September 17, 2024, in Docket No. 20240117-WU.

³ Document No. 00495-2025, filed January 27, 2025, in Docket No. 20240117-WU.

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 that the Utility has not been billing the appropriate rates, which will be addressed in Issue 4. We approve the rates that were last approved in Final Order 23-03 by Citrus County to be billed to customers.

The Utility's water charges consist of miscellaneous service charges and service availability charges, which include a service availability policy. The miscellaneous service charges were put in place under the prior owner. The remaining miscellaneous service charges are not consistent with the Florida Statutes or Commission Rules and are discussed in Issue 3. 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 in effect when Citrus County transferred jurisdiction to us, only the rates, charges, and initial customer deposit shown on Schedule No. 1 are approved. The rates, charges, and initial customer deposit shown in Schedule No. 1 shall be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets. The Utility shall charge the approved rates, charges and initial customer deposit shown in Schedule No. 1 until authorized to change them by this Commission in a subsequent proceeding.

III. Miscellaneous Service Charges

The Utility did not request to revise its existing miscellaneous service charges. 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 be revised to conform with Rule 25-30.460, F.A.C. The Utility's current miscellaneous service charges for water service consist of various charges and are shown on Table 1.

Table 1
Forest Hills Utilities, LLC 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 Fee (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: Utility's current tariff and response to staff's deficiencies

Initial Connection, Normal Reconnection Charge, Violation Reconnection Fee, and Premises Visit Fee

As shown in Table 1, the Utility currently has an initial connection charge, a normal reconnection charge, a violation reconnection charge, and a premises visit charge of \$45. The Utility also has a premises visit charge of \$30. However, pursuant to Rule 25-30.460, F.A.C., initial and reconnection charges are obsolete and are subsumed in the definition of the premises visit charge. Therefore, the initial and reconnection charges shall be removed. According to the Utility owner, 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 premises visit charge of \$45. The definition for the 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 fee 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 his 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, the Utility's tampering charge of \$150 shall be approved at actual cost.

Table 2
Approved Miscellaneous Service Charges

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

Conclusion

Based on the above, the appropriate water miscellaneous service charges shown on Table 2 are approved. The Utility shall be required to file a proposed customer notice to reflect the 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 sheet pursuant to Rule 25-30.475(2), F.A.C. In addition, the tariff sheets will be approved upon our staff's verification that the tariffs are consistent with our decision and that the proposed customer notice is adequate.

IV. Unauthorized Rates

As mentioned in Issue 2, the Utility is currently charging unauthorized rates. As reflected in the current tariff, Forest Hills bills a bi-monthly BFC of \$27.16 and a gallonage charge of \$5.10 for its residential, multi-residential, and general service customers. We contacted Citrus County, which indicated that the Utility's last price index increase was approved in Final Order 23-03 on August 14, 2023.

Subsequently, Citrus County Water and Wastewater Authority was scheduled to meet, on May 20, 2024, to make its decision on Final Order 24-04 for the 2024 price index increase, which was expected to be a 3.24 percent increase. However, the meeting was canceled due to the change of Citrus County jurisdiction in progress with this Commission. The Utility implemented the 3.24 percent increase to its rates in March of 2024 before Citrus County Water and Wastewater Authority could decide on the rates. According to the Utility's tariff, the customers are being overcharged. We determine that this matter shall be investigated further.

Based on the above, the Utility did not bill the appropriate rates pursuant to Citrus County Final Order 23-03. We order that a docket be opened to investigate improper 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 regarding the Forest Hills Water System shall be acknowledged and the Utility shall be issued Certificate No. 687-W, effective May 28, 2024, to serve the territory described in Attachment A to this Order. This Order shall serve as Forest Hills Water System's certificate and shall be retained by the Utility. It is further

ORDERED that of the Utility's rates, charges, and deposits for water and wastewater service that were in effect when Citrus County transferred jurisdiction to us, only the rates, charges, and initial customer deposits shown in Schedule No. 1, attached to this Order, are appropriate and shall be approved. The rates, charges, and initial customer deposits shown in Schedule No. 1 shall be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets. The Utility shall be required to charge the approved rates, charges, and initial customer deposits shown in Schedule No. 1 until authorized to change them by us in a subsequent proceeding.


ORDERED that the appropriate water and wastewater miscellaneous service charges are shown on Table 2 herein. The Utility shall be required to file a proposed customer notice to reflect the approved charges. The approved charges shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475 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 staff shall open a new docket to investigate and address the Utility's charging of unauthorized rates. It is further

ORDERED that the provisions of this Order, 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" 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 have been filed by the Utility and approved by Commission staff. Once this action is complete, this docket shall be closed administratively.

By ORDER of the Florida Public Service Commission this 24th day of April, 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.

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. 687-W, 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 May 15, 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/these docket(s) 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 Florida Supreme Court in the case of an electric, gas or telephone utility or 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
Forest Hills Subdivision, Citrus County.

That part of the Southwest 1/4 of the Southeast 1/4 of Section 30, Township 18 South, Range 18 East, Citrus County, Florida, lying North of State Road No. 44, more particularly described as follows:

Begin at the Northwest corner of the Southwest 1/4 of the Southeast 1/4 of Section 30, Township 18 South, Range 18 East, which is the Point of Beginning. Thence go North 88°46'34" East along the North line of said Southwest 1/4 of the Southeast 1/4 a distance of 1,272.6 feet, which is the South side of Safari Rd; thence South 45°02'06" East to the East line of said Southwest 1/4 of the Southeast 1/4 a distance of 164.96 feet; thence South 00°03'06" East along the East line of said Southwest 1/4 of the Southeast 1/4 a distance of 1,220 feet to the Southeast corner of the Southwest 1/4 of the Southeast 1/4 of Section 30; thence South 88°46'34" West a distance of 176.1 feet; thence North 00°03'36" West a distance of 309.5 feet; thence South 88°46'34" West a distance of 168.97 feet; thence North 00°03'36" West a distance of 160.36 feet; thence South 88°46'34" West a distance of 168.97 feet; thence North 00°03'36" West a distance of 80.18 feet; thence South 88°46'34" West a distance of 168.97 feet; thence North 00°03'36" West a distance of 80.18 feet; thence South 88°46'34" West a distance of 168.98 feet; thence North 00°03'36" West a distance of 80.18 feet; thence South 88°46'34" West a distance of 336.41 feet; thence North 00°11'48" West a distance of 46.46 feet; thence South 88°46'34" West a distance of 195.1 feet; thence North 00°11'48" West a distance of 595 feet to the Point of Beginning.

FLORIDA PUBLIC SERVICE COMMISSION

authorizes
Hash Utilities, LLC (Forest Hills)
pursuant to
Certificate Number 687-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-2025-0144-PAA-WU	04/24/2025	20240117-WU	Grandfather Certificate

**Forest Hills Utilities, LLC
Existing Bi-Monthly Water Rates**

**Residential, Multi-Residential, and General
Service**

Base Facility Charge by Meter Size 5/8" X 3/4"	\$26.33
Charge Per 1,000 gallons	\$4.94

Customer Deposits

Residential and General Service All Meter Sizes	\$85.00
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Miscellaneous Service Charges

Miscellaneous Service Charges

Late Fee	\$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