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| State of Florida  pscSEAL | | 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: | August 22, 2025 | | |
| TO: | Office of Commission Clerk (Teitzman) | | |
| FROM: | Division of Accounting and Finance (Folkman, Cohn, Higgins, G. Kelley) MC  Division of Economics (Bruce, Chambliss, Hudson) EJD  Division of Engineering (P. Buys, Ramos, Smith II) TB  Office of the General Counsel (Marquez, Farooqi) AEH | | |
| RE: | Docket No. 20240168-WU – Application for staff-assisted rate case in Highlands County, by Country Walk Utilities, Inc. | | |
| AGENDA: | 09/04/25 – Regular Agenda – Proposed Agency Action – Except for Issue Nos. 13, 14, and 15 – Interested Persons May Participate | | |
| COMMISSIONERS ASSIGNED: | | | All Commissioners |
| PREHEARING OFFICER: | | | Clark |
| CRITICAL DATES: | | | 12/26/25 (15-Month Effective Date (SARC)) |
| SPECIAL INSTRUCTIONS: | | | None |

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Case Background

Country Walk Utilities, Inc. (Country Walk or Utility) is a Class C utility providing water service to approximately 70 residential customers and one general service customer in Highlands County. The Utility’s service territory is located in the Southwest Florida Water Management District. The Utility’s last staff-assisted rate case (SARC) was in 2018.[[1]](#footnote-1) Subsequently, the Utility was approved for a limited alternative rate increase (LARI) in 2022.[[2]](#footnote-2)

The Utility was granted water Certificate No. 579-W in 2014, in Docket No. 20130294-WU.[[3]](#footnote-3)

On December 19, 2024, the Utility filed an application for a SARC.[[4]](#footnote-4) Staff selected the test year ended October 31, 2024.According to the Utility’s 2024 Annual Report, total gross revenues were $55,712 and its operating expenses were $55,896.

The Commission has jurisdiction pursuant to Sections 367.011, 367.081, 367.0812, 367.0814, 367.091, and 367.121, Florida Statutes (F.S.).

Discussion of Issues

Issue 1:

 Is the quality of service provided by Country Walk Utilities, Inc. satisfactory?

Recommendation:

 Yes. Country Walk has been responsive to customer complaints and the quality of the product is in compliance with the Department of Environmental Protection (DEP) standards; therefore, staff recommends that the quality of service be considered satisfactory. (P. Buys)

Staff Analysis:

 Pursuant to Section 367.081(2)(a)(1.), F.S., and Rule 25-30.433(1), Florida Administrative Code (F.A.C.), in water rate cases the Commission shall determine the overall quality of service provided by the Utility. This determination is made from an evaluation of the quality of the Utility’s product and the Utility’s attempt to address customer satisfaction. The Rule further states that the most recent chemical analyses for the water system, outstanding citations, violations, and consent orders on file with the DEP and the county health department, and any DEP and county health department official’s testimony concerning quality of service shall be considered. In addition, any customer testimony, comments, or complaints received by the Commission are also reviewed. The operating condition of the water system is addressed in Issue 2.

**Quality of the Utility’s Product**

In evaluation of Country Walk’s product quality, staff reviewed the Utility’s compliance with the DEP’s primary and secondary drinking water standards. Primary standards protect public health while secondary standards regulate contaminants that may impact the taste, odor, and color of drinking water. Staff reviewed the DEP’s Safe Drinking Water Program chemical analysis of samples taken at the point of entry on March 28, 2024, and November 19, 2024, and all of the contaminants were in compliance with DEP standards.[[5]](#footnote-5) In addition, staff reviewed the most current Disinfection Byproducts chemical analysis taken on August 19, 2024, and the results were in compliance with DEP standards.[[6]](#footnote-6)

**The Utility’s Attempt to Address Customer Satisfaction**

Staff reviewed the Commission’s Consumer Activity Tracking System records, and discovered that no complaints were recorded during the test year and four years prior for Country Walk. Staff requested all complaints received by Country Walk during the test year and four years prior, and the Utility provided 31 complaints it received during this timeframe. Table 1-1 shows the number of complaints, by subject and year, received by the Utility during the specified timeframe.

Table -1

Number of Utility Complaints by Subject

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Subject of Complaint** | **2020** | **2021** | **2022** | **2023** | **2024** | **Total** |
| Water Service Interruption | 4 | 0 | 3 | 7 | 2 | 16 |
| Pressure Issue | 3 | 1 | 2 | 3 | 1 | 10 |
| Water Quality | 2 | 0 | 0 | 2 | 1 | 5 |
| **Total** | 9 | 1 | 5 | 12 | 4 | 31 |

Source: Utility responses to staff data requests.

The water service interruption complaints were due to an electrical relay at the high service pump going bad and the compressor at the hydropneumatic storage tank not running in 2022 and 2023,[[7]](#footnote-7) and a main break in 2020. Country Walk made repairs and restored the service. The pressure issue complaints were due to various reasons including clogged service lines, a transfer pump had tripped, and home filters being clogged. The Utility unclogged the lines and reset the systems.[[8]](#footnote-8) The water quality complaints were about the water smell and color. In response, Country Walk flushed the water at the homes, valves, and the main lines to resolve the issues. Staff also requested all complaints received by the DEP during the test year and four years prior. The DEP responded that it did not receive any complaints during this timeframe.[[9]](#footnote-9)

A customer meeting was held on June 24, 2025. No customers spoke at the meeting. In addition, there were no customer comments filed in the docket file.

**Conclusion**

Country Walk has been responsive to customer complaints and the quality of the product is in compliance with the DEP standards; therefore, staff recommends that the quality of service be considered satisfactory.

Issue :

 Is the infrastructure and operating conditions of Country Walk Utilities, Inc. in compliance with DEP regulations?

Recommendation:

 Yes. The Country Walk water system is currently in compliance with the DEP. (P. Buys)

Staff Analysis:

 Rule 25-30.225(2), F.A.C., requires each water Utility to maintain and operate its plant and facilities by employing qualified operators in accordance with the rules of the DEP. Rule 25-30.433(2), F.A.C., requires consideration of whether the infrastructure and operating conditions of the plant and facilities are in compliance with Rule 25-30.225, F.A.C. In making this determination, the Commission must consider testimony of the DEP and county health department officials, sanitary surveys for water systems, citations, violations, and consent orders issued to the Utility, customer testimony, comments, and complaints, and Utility testimony and responses to the aforementioned items.

**Water System Operating Conditions**

Country Walk’s water system has a permitted capacity of 100,600 gallons per day. The system has one well with a pumping capacity of 80 gallons per minute (gpm), one hydropneumatic storage tank with a capacity of 5,000 gallons, and one ground storage tank with a capacity of 5,000 gallons. Groundwater from the well is treated through hypochlorination. Staff reviewed Country Walk’s most recent Sanitary Survey Report (Report) conducted by the DEP to determine the Utility’s overall water facility compliance. A review of the Report dated December 12, 2024, indicated that Country Walk’s water treatment facility was out of compliance. The DEP found that the chlorine residual was over the maximum amount, there was no valve exercising plan available on site, the bacteriological sampling plan had the wrong number of service connections, the disinfection byproducts sampling plan needed updating with the correct sample requirements, and the ammonia container was not secured. Country Walk corrected all deficiencies, and the DEP found the Utility to be in compliance on February 25, 2025.[[10]](#footnote-10)

Conclusion

The Country Walk water system is currently in compliance with the DEP.

Issue :

 What are the used and useful percentages (U&U) of Country Walk Utilities, Inc. water treatment plant (WTP) and water distribution system?

Recommendation:

 Country Walk’s WTP, storage, and water distribution system should be considered 100 percent U&U. No adjustment is recommended for excessive unaccounted for water (EUW). (P. Buys)

Staff Analysis:

 As stated in Issue 2, Country Walk’s water system has one well with a pumping capacity of 80 gpm, one hydropneumatic storage tank with a capacity of 5,000 gallons, and one ground storage tank with a capacity of 5,000 gallons. Country Walk’s water distribution system is composed of 3,815 feet of 2-inch polyvinyl chloride (PVC) pipe and 1,802 feet of 4-inch PVC pipe. There are no fire hydrants throughout the water distribution system.

**Used and Useful Percentages**

Rule 25-30.4325, F.A.C., addresses the method by which the U&U of a water system is determined. In its last SARC, Country Walk’s WTP, storage, and water distribution system were found to be 100 percent U&U.[[11]](#footnote-11) The Utility has not increased the capacity of its WTP since rates were last established. The Utility’s water distribution system continues to only provide service to existing customers, the service area remains built out, and there continues to be no potential for expansion of the service area. Therefore, consistent with the Commission’s previous decision, staff recommends that the Utility’s WTP, storage, and water distribution system be considered 100 percent U&U.

**Excessive Unaccounted for Water**

Rule 25-30.4325, F.A.C., additionally provides factors to be considered in determining whether adjustments to operating expenses are necessary for EUW. EUW is defined as “unaccounted for water in excess of 10 percent of the amount produced.” Unaccounted for water is all water produced that is not sold, metered, or accounted for in the records of the Utility.

EUW is calculated by subtracting both the gallons sold to customers and the gallons used for other services, such as flushing, from the total gallons pumped and purchased for the test year, and dividing by the sum of gallons pumped and purchased. The amount in excess of 10 percent, if any, is the EUW percentage.

Based on monthly operating reports, Country Walk produced 2,257,700 gallons of water from November 1, 2023, through October 31, 2024. No water was purchased during the test year. From the audit completed by staff, the Utility sold 1,977,000 gallons of water to customers. The Utility estimated 351,200 gallons of water usage for line flushing and main breaks. The calculation ([2,257,700 + 0 – 1,977,000 – 351,200] / [2,257,700 + 0]) results in no unaccounted for water. Therefore, there is no EUW based on this analysis. Staff recommends that no adjustments be made to purchased power and chemicals.

**Conclusion**

Country Walk’s WTP, storage, and water distribution system should be considered 100 percent U&U. No adjustment is recommended for EUW.

Issue :

 What is the appropriate average test year rate base for Country Walk Utilities, Inc.?

Recommendation:

 The appropriate average test year rate base for Country Walk Utilities, Inc. is $138,362. (Folkman, Cohn)

Staff Analysis:

 The appropriate components of the Utility’s rate base include utility plant in service (UPIS), land and land rights, accumulated depreciation, contributions in aid of construction (CIAC), accumulated amortization of CIAC, an acquisition adjustment, accumulated amortization of an acquisition adjustment, and working capital. Staff selected the test year ended October 31, 2024 for the instant rate case. Commission audit staff determined that the Utility’s books and records are in compliance with the National Association of Regulatory Utility Commissioners’ Uniform System of Accounts (NARUC USOA). A summary of each component and the recommended adjustments are discussed below.

**Utility Plant in Service**

The Utility recorded UPIS of $257,741. Staff reduced this amount by $8,019 to reflect an averaging adjustment, and therefore recommends a UPIS of $249,723.

**Land and Land Rights**

The Utility recorded a test year land and land rights balance of $1,495. Staff did not make any adjustments to this account, and therefore recommends a land and land rights balance of $1,495.

**Accumulated Depreciation**

The Utility recorded accumulated depreciation of $120,685. The Utility based depreciation on the date its plant items were placed into service. Audit staff calculated depreciation expense on a half-year basis for the first year of service, which increased accumulated depreciation by $366. Additionally, staff reduced this amount by $4,672 to reflect an averaging adjustment. Staff’s adjustments to accumulated depreciation result in a decrease of $4,306. Therefore, staff recommends an average accumulated depreciation balance of $116,380.

**Contributions In Aid of Construction**

The Utility recorded CIAC of $24,200. Staff made no adjustments, and therefore recommends an average CIAC balance of $24,200.

**Accumulated Amortization of CIAC**

The Utility recorded accumulated amortization of CIAC of $24,200. The Utility used a composite rate for all CIAC-related accounts. However, per Rule 25-30.140(9)(b), F.A.C., the specific depreciation rates of the related plant accounts should be used, and reserving the use of a composite rate when the specific associated plant accounts are unknown. As such, audit staff reduced this amount by $1,641. Staff then increased this amount by $821 to reflect an averaging adjustment. Therefore, staff recommends an average accumulated amortization of CIAC balance of $23,380.

**Acquisition Adjustment**

Country Walk recorded a negative acquisition adjustment of $20,064, which is consistent with the amount approved by the Commission in the Utility’s transfer docket.[[12]](#footnote-12) Therefore, no adjustment is necessary.

**Accumulated Amortization of Acquisition Adjustment**

The Utility recorded an accumulated amortization of acquisition adjustment of $20,064. Staff recalculated this amount based on the method set forth in Order No. PSC-14-0495-PAA-WU and beginning with the date of the issuance of the order approving the transfer.[[13]](#footnote-13) Staff’s calculation results in a decrease of $618. Therefore, staff recommends an accumulated amortization of acquisition adjustment balance of $19,446.

**Working Capital Allowance**

Working capital is defined as the short-term investor-supplied funds that are necessary to meet operating expenses. Consistent with Rule 25-30.433(3), F.A.C. and Commission practice, staff used the one-eighth of O&M expense (less rate case expense) formula for calculating the working capital allowance.[[14]](#footnote-14) As such, staff removed the annual rate case amortization expense of $671. This resulted in an adjusted O&M expense balance of $39,699. Applying this formula, staff recommends a working capital allowance of $4,962.

**Rate Base Summary**

Based on the foregoing, staff recommends that the appropriate average test year rate base is $138,362. Rate base is shown on Schedule No. 1-A. The related adjustments are shown on Schedule No. 1-B.

Issue :

 What is the appropriate return on equity and overall rate of return for Country Walk Utilities, Inc.?

Recommendation:

 The appropriate return on equity (ROE) is 8.51 percent with a range of 7.51 percent to 9.51 percent. The appropriate overall rate of return is 8.43 percent. (Folkman, Cohn)

Staff Analysis:

 The Utility’s capital structure consists of common equity and customer deposits. The Utility’s capital structure has been reconciled with staff’s recommended rate base. The appropriate ROE is 8.51 percent based on the Commission-approved leverage formula currently in effect.[[15]](#footnote-15)

Staff recommends an ROE of 8.51 percent with a range of 7.51 percent to 9.51 percent, and an overall rate of return of 8.43 percent. The ROE and overall rate of return are shown on Schedule No. 2.

Issue :

 What are the appropriate test year operating revenues for the water system of Country Walk Utilities, Inc.?

Recommendation:

 The appropriate test year operating revenues for Country Walk’s water system are $63,962. (Chambliss)

Staff Analysis:

 Country Walk recorded test year revenues of $60,989 for water. The water revenues included $60,013 of service revenues and $977 of miscellaneous revenues. To determine the appropriate service revenues, staff applied the number of billing determinants to the Utility’s existing rates. As a result, staff determined that service revenues for water should be $62,985, which is an increase of $2,972. Staff has no adjustment to miscellaneous revenues. Based on the above, staff recommends the appropriate test year operating revenues for Country Walk’s water system is $63,962.

Issue :

 What is the appropriate amount of operating expenses for Country Walk Utilities, Inc.?

Recommendation:

 The appropriate amount of operating expense for Country Walk is $55,599. (Folkman, Cohn, P. Buys)

Staff Analysis:

 The Utility recorded operating expense of $53,987. The test year operating expenses have been reviewed by staff, including invoices and other supporting documentation. Staff has made several adjustments to the Utility’s operating expense as described below.

**Pro Forma O&M**

Country Walk is requesting recovery of costs to submit a Lead and Copper Rule Revision (LCRR) inventory to the DEP. On January 15, 2021, the United States Environmental Protection Agency (EPA) issued the LCRR that amended the Lead and Copper Rule (40 C.F.R. Sections 141.80–141.93). This amendment requires all water systems to create an inventory of all its service lines. The LCRR also required the inventory to be sent to the DEP no later than October 16, 2024. Country Walk contracted with U.S. Water Service Corporation (U.S. Water) to perform this inventory. This project was outside of the normal operations the Utility already contracted for with U.S. Water. The project was completed and the LCRR inventory analysis was submitted on October 15, 2024. The invoice for this project is $4,257. Country Walk stated this amount was not included in the O&M expenses filed in this SARC.[[16]](#footnote-16) Because this project was required by the EPA, staff believes Country Walk should be allowed to recover the project’s cost. To that end, Country Walk submitted a paid invoice and the costs appear to be reasonable. Staff’s proposal for the associated amortization expense is discussed below in contractual services – other.

**Operation and Maintenance Expenses**

**Salaries and Wages – Officers and Directors (603)**

The Utility recorded salaries and wages – officers and directors expense of $2,750. Staff increased this account by $250 to reflect an auditing adjustment which was to record an expense that was not entered into the general ledger. Therefore, staff recommends a salaries and wages – officers and directors expense of $3,000.

**Purchased Power(615)**

The Utility recorded purchased power expense of $1,187. Staff made no adjustments to this amount and therefore recommends a purchased power expense of $1,187.

**Chemicals (618)**

The Utility recorded chemicals expense of $2,329. Staff made no adjustments to this amount and therefore recommends a chemicals expense of $2,329.

**Contractual Services – Accounting (632)**

The Utility recorded contractual services accounting expense of $525. Staff made no adjustments to this amount and therefore recommends a contractual services - accounting expense of $525.

**Contractual Services – Legal (633)**

The Utility recorded contractual services legal expense of $300. Staff made no adjustments to this amount and therefore recommends a contractual services - legal expense of $300.

**Contractual Services – Testing (635)**

The Utility recorded contractual services testing expense of $905. Staff made no adjustments to this amount and therefore recommends a contractual services - testing expense of $905.

**Contractual Services – Other (*636*)**

The Utility recorded contractual services other expense of $28,097. Further, during the pendency of the case, the Utility requested pro forma contractual service O&M of $4,257 for the LCRR inventory as discussed above. Pursuant to Rule 25-30.433(9), F.A.C., Staff amortized this amount over five years bringing the test year expense to $851. Therefore, staff recommends a contractual service – other expense of $28,948.

**Insurance Expense – General Liability (*657*)**

The Utility recorded insurance expense general liability of $1,630. Staff increased this figure by $145 to reflect an auditing adjustment based on the current insurance policy received. Therefore, staff recommends a general liability insurance expense of $1,775.

**Regulatory Commission Expense (*665*)**

The Utility recorded an annual rate case expense of $208. However, the amount that was authorized in Order No. PSC-2022-0141-PAA-WU was $362.[[17]](#footnote-17) Thus, audit staff made a test year adjustment increase of $154.

The Utility is required by Rule 25-22.0407, F.A.C., to mail notices of the rate case overview, interim rates, final rates, and four-year rate reduction. Staff calculated noticing costs to be $237. The Utility stated that it does not plan on attending the Commission Conference; therefore, staff did not include a travel and lodging expense. Additionally, the Utility paid a filing fee of $1,000.

Staff recommends a total rate case expense, consisting of noticing costs and filing fee of $1,237, which amortized over four years is $309. Therefore, staff recommends an increase of $463 and a total annual rate case expense of $671.

**Bad Debt Expense (*670*)**

Country Walk recorded a bad debt expense of $226 for the test year. Staff notes that it is Commission practice to calculate bad debt expense using a three-year average when the information is available.[[18]](#footnote-18) In its three most recent Annual Reports (2022, 2023, and 2024), the Utility recorded bad debt expenses of $1,031, $97, and $311, respectively. Staff calculated the average bad debt expense for these previous three years to be $480, which represents an increase of $254. Therefore, staff recommends bad debt expense of $480.

**Miscellaneous Expenses (675)**

The Utility recorded miscellaneous expense of $250. Staff made no adjustments to this amount and therefore recommends a miscellaneous expense of $250.

**Operation and Maintenance Expense Summary**

The Utility recorded test year O&M expense of $38,407. Based on the above adjustments, staff recommends O&M expense be increased by $1,963. This results in a total O&M expense of $40,370. Staff’s recommended adjustments to O&M are shown on Schedule No. 3-C.

**Depreciation Expense**

The Utility recorded depreciation expense of $11,421. Staff increased this amount by $395 to reflect an auditing adjustment. Therefore, staff recommends depreciation expense of $11,816.

**Amortization of CIAC**

The Utility recorded no amortization of CIAC. Staff increased this figure by $288 to reflect an auditing adjustment, and therefore recommends an amortization of CIAC of $288.

**Amortization of Acquisition Expense**

The Utility recorded no amortization of acquisition expense. Audit staff made an amortization of acquisition expense adjustment of $904 based on the method set forth in Order No. PSC-14-0495-PAA-WU. Therefore, staff recommends an amortization of acquisition expense of $904.

**Taxes Other Than Income (TOTI)**

The Utility recorded TOTI of $4,159. Staff increased TOTI by $164 to reflect auditing adjustment to property taxes. Additionally, staff increased TOTI by $134 to reflect the appropriate regulatory assessment fees (RAFs) based on the appropriate test year revenues.

As discussed in Issue 9, staff recommends revenues be increased by $3,303 in order to reflect the change in revenue required to cover expenses and allow the Utility an opportunity to earn an 8.43 percent return on rate base. As a result, TOTI should be increased by $149 to reflect a RAF rate of 4.5 percent of the change in revenues. Staff’s adjustments to TOTI resulted in an increase of $447. Therefore, staff recommends TOTI of $4,605.

**Total Operating Expenses Summary**

The Utility recorded operating expenses of $53,987. The application of staff’s recommended adjustments to the Utility’s recommended operating expense results in a total operating expense of $55,599, an increase of $1,613. Operating expenses are shown on Schedule No. 3-A, and the related adjustments are shown on Schedule No. 3-B.

Issue :

 Does Country Walk Utilities, Inc. meet the criteria for application of the operating ratio methodology?

Recommendation:

 No, Country Walk does not meet the requirement for application of the operating ratio methodology for calculating the revenue requirement. (Folkman, Cohn)

Staff Analysis:

 Rule 25-30.4575(2), F.A.C., indicates that rate cases processed under Rule 25-30.455, F.A.C., the Commission will use the operating ratio methodology to establish the Utility’s revenue requirement when its rate base is not greater than 125 percent of O&M expenses, less regulatory commission expense, and the use of the operating ratio methodology does not change the Utility’s eligibility for a SARC.

With respect to Country Walk, staff has recommended a rate base of $138,362. After removal of rate case expense, staff has calculated an adjusted O&M expense of $39,699. Based on staff’s recommended amounts, the Utility’s rate base is 348.53 percent of its adjusted O&M expense. Therefore, the Utility does not qualify for application of the operating ratio methodology.

Issue :

 What is the appropriate revenue requirement for Country Walk Utilities, Inc.?

Recommendation:

 The appropriate revenue requirement is $67,265, resulting in an annual increase of $3,303. (Folkman, Cohn)

Staff Analysis:

 Country Walk should be granted an annual increase of $3,303 (5.16 percent). This should allow the Utility the opportunity to recover expenses and earn 8.43 percent return on its rate base. The calculations for revenue requirement are shown on Table 9-1 below.

**Table 9-1**

**Revenue Requirement**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Water Rate Base | $138,362 | | | | |
| Rate of Return | × 8.43% | | | | |
| Return on Rate Base | | $11,666 | | | |
| Water O&M Expense | $40,370 | | | | |
| Depreciation Expense | 11,816 | | | | |
| Amortization Expense | | | | | (1,192) |
| Taxes Other Than Income | | | 4,605 | | |
| Revenue Requirement | | $67,265 | | | |
| Less Test Year Revenues | | | | $63,962 | |
| Annual Increase | $3,303 | | | | |
| Percent Increase | 5.16% | | | | |

Source: Staff calculations.

Issue :

 What are the appropriate rate structure and rates for Country Walk Utilities, Inc.?

Recommendation:

 The recommended rate structure and monthly water rates are shown on Schedule No. 4. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The Utility should provide proof of the date notice was given by affidavit within 10 days of the date of the notice. (Chambliss)

Staff Analysis:

 The Utility provides water service to 70 residential customers and one general service customer. A review of the billing data indicates approximately 13 percent of the residential customer bills during the test year had zero gallons. However, the billing data at the 1,000 gallon level indicates 38 percent of the residential customer bills, which is an indication of a seasonal customer base. The average residential water demand was 2,340 gallons per month during the test period. The average water demand, excluding zero gallons bills, was 2,689 gallons per month. The Utility’s current rate structure consists of a monthly base facility charge (BFC) and a two-tier inclining block rate structure. The rate blocks are: (1) 0–3,000 gallons and (2) all usage in excess of a 3,000 gallons per month discretionary threshold. The general service rate structure consists of a BFC and uniform gallonage charge.

Staff performed an analysis of the Utility’s billing in order to evaluate the appropriate rate structure for the residential water customers. The goal of the evaluation was to select the rate design parameters that: (1) produce the recommended revenue requirement; (2) equitably distribute cost recovery among the Utility’s customers; (3) establish the appropriate discretionary usage threshold for restricting repression; and (4) implement, where appropriate, water conserving rate structures consistent with Commission practice.

Country Walk in its application requested, due to the highly seasonality of its customer base, a rate design where 60 percent of the revenue requirement is recovered through the BFC. The Utility stated that in its last SARC, the Commission approved a rate design where 45 percent of the revenue requirement is recovered through the BFC which makes it difficult to cover O&M costs through the period where there is low occupancy.

Staff agrees that due to the Utility’s seasonal customer base coupled with low average consumption, that it is reasonable to allow 60 percent of the revenue requirement be recovered through the BFC in an effort to maintain sufficient revenue stability. The average number of people per household is two; therefore, based on the number of people per household, 50 gallons per day, per person, and the number of days per month, the discretionary threshold should remain at 3,000 gallons per month.[[19]](#footnote-19) Therefore, staff recommends that the Utility’s current rate structure remain unchanged. According to the review of the billing analysis, the discretionary usage represents approximately 14 percent of the bills, which accounts for approximately 23 percent of the water demand. This is an indication that there is a modest amount of discretionary usage above 3,000. However, due to the low revenue requirement increase, there is not enough revenues to send any additional pricing signals.

For this case, staff recommends a continuation of the Utility’s current rate structure, which includes separate gallonage charges for non-discretionary and discretionary usage for water customers. The rate blocks are: (1) 0-3,000 gallons and (2) all usage in excess of 3,000 gallons per month. General service customers should continue to be billed a BFC and a gallonage charge. The recommended rate structure and monthly water rates are shown on Schedule No. 4.

The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The Utility should provide proof of the date notice was given by affidavit within 10 days of the date of the notice.

Issue :

 What are the appropriate initial customer deposits for Country Walk Utilities, Inc.?

Recommendation:

 The appropriate initial customer deposit should be $153 for the 5/8 inch x 3/4 inch meter size. The initial customer deposit for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill for water. The approved initial customer deposits should be effective for connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The Utility should be required to collect the approved deposits until authorized to change them by the Commission in a subsequent proceeding. (Chambliss)

Staff Analysis:

 Rule 25-30.311, F.A.C., provides the criteria for collecting, administering, and refunding customer deposits. Customer deposits are designed to minimize the exposure of bad debt expense for the Utility and, ultimately, the general body of ratepayers. An initial customer deposit ensures that the cost of providing service is recovered from the cost causer. Historically, the Commission has set initial customer deposits equal to two times the average estimated bill.[[20]](#footnote-20) Currently, the Utility has an initial customer deposit of $120 for the 5/8 inch x 3/4 inch meter size. However, this amount does not cover two months’ average bills based on staff’s recommended rates. Based on the Utility’s average monthly residential consumption, the appropriate initial customer deposit should be $153 to reflect an average residential customer bill for two months. The monthly average residential bill is $76.39.

Staff recommends that the appropriate initial customer deposit should be $153 for the 5/8 inch x 3/4 inch meter size. The initial customer deposit for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill for water. The approved initial customer deposits should be effective for connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The Utility should be required to collect the approved deposits until authorized to change them by the Commission in a subsequent proceeding.

Issue :

 What are the appropriate miscellaneous service charges for Country Walk Utilities, Inc.?

Recommendation:

 Staff recommends that the initial connection and normal reconnection charges be removed, and the definition for the premises visit charge be updated to comply with Rule 25-30.460, F.A.C. The approved charge should be effective on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(2), F.A.C. In addition, the approved charge should not be implemented until staff has approved the proposed customer notice and the notice has been received by customers. The Utility should provide proof of the date notice was given by affidavit no less than 10 days after the date of notice. (Chambliss)

Staff Analysis:

 Currently, Country Walk has an initial connection charge and a normal reconnection charge. The Utility did not request to revise its existing miscellaneous service charges. However, Section 367.091, F.S., authorizes the Commission to establish, increase, or change a rate or charge other than monthly rates or service availability charges. Rule 25-30.460, F.A.C., does not allow for initial connection and normal reconnection charges. The Utility’s initial connection and normal reconnection charges are thus obsolete and inconsistent with the Rule. The definitions for initial connection charges and normal reconnection charges were subsumed into the definition of the “premises visit charge”. Therefore, the premises visit charge should be $60.62 for normal business hours and $68.68 for after-hours calls.

Based on the above, staff recommends that the initial connection and normal reconnection charges be removed, and the Utility’s definition for the premises visit charge be updated to comply with Rule 25-30.460(2)(a), F.A.C. The Utility should be required to file a proposed customer notice to reflect the Commission approved charges. The approved charges should be effective on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(2), F.A.C. In addition, the approved charge should not be implemented until staff has approved the proposed customer notice and the notice has been received by customers. The Utility should provide proof of the date notice was given by affidavit no less than 10 days after the date of notice.

Issue :

 What is the appropriate amount by which rates should be reduced four years after the published effective date to reflect the removal of the amortized rate case expense?

Recommendation:

 The rates should be reduced as shown on Schedule No. 4, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. Pursuant to Section 367.081(8), F.S., the decrease in rates should become effective immediately following the expiration of the rate case expense recovery period. Country Walk should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and rationale no later than one month prior to the effective date of the new rates. If the Utility files revised tariffs reflecting this reduction in conjunction with a price index or pass-through rate adjustment, separate data should be filed for the price index and/or pass-through increase and the reduction in the rates due to the amortized rate case expense. (Folkman, Cohn)

Staff Analysis:

 Section 367.081(8), F.S., requires that the rates be reduced immediately following the expiration of the 4-year period by the amount of the rate case expense previously included in rates. The reduction will reflect the removal of revenue associated with the amortization of rate case expense and the gross-up for RAFs. This results in a reduction of $324.

Staff recommends that the rates should be reduced as shown on Schedule No. 4, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. Pursuant to Section 367.081(8), F.S., the decrease in rates should become effective immediately following the expiration of the rate case expense recovery period. Country Walk should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and rationale no later than one month prior to the effective date of the new rates. If the Utility files revised tariffs reflecting this reduction in conjunction with a price index, or pass-through rate adjustment, separate data should be filed for the price index and/or pass-through increase and the reduction in the rates due to the amortized rate case expense.

Issue :

 Should the recommended rates be approved for Country Walk Utilities, Inc. on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility?

Recommendation:

 Yes. Pursuant to Section 367.0814(7), F.S., the recommended rates should be approved for the Utility on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility. Country Walk should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates should not be implemented until staff has approved the proposed notice, and the notice has been received by the customers. Prior to implementation of any temporary rates, the Utility should provide appropriate financial security.

If the recommended rates are approved on a temporary basis, the rates collected by the Utility should be subject to the refund provisions discussed below in the staff analysis. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility should file reports with the Commission’s Office of Commission Clerk no later than the 20th of each month indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund. (Folkman, Cohn)

Staff Analysis:

 This recommendation proposes an increase in rates. A timely protest might delay a rate increase resulting in an unrecoverable loss of revenue to the Utility. Therefore, pursuant to Section 367.0814(7), F.S., in the event of a protest filed by a party other than the Utility, staff recommends that the recommended rates be approved as temporary rates. Country Walk should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates should not be implemented until staff has approved the proposed notice, and the notice has been received by the customers. The recommended rates collected by the Utility should be subject to the refund provisions discussed below.

The Utility should be authorized to collect the temporary rates upon staff’s approval of an appropriate security for the potential refund and the proposed customer notice. Security should be in the form of a bond or letter of credit in the amount of $2,265. Alternatively, the Utility could establish an escrow agreement with an independent financial institution.

If the Utility chooses a bond for securing the potential refund, the bond should contain wording to the effect that it will be terminated only under the following conditions:

1. The Commission approves the rate increase; or,

2. If the Commission denies the increase, the Utility shall refund the amount collected that is attributable to the increase.

If the Utility chooses a letter of credit for securing the potential refund, the letter of credit should contain the following conditions:

1. The letter of credit is irrevocable for the period it is in effect.

2. The letter of credit will be in effect until a final Commission order is rendered, either approving or denying the rate increase.

If security is provided through an escrow agreement, the following conditions should be part of the agreement:

1. The Commission Clerk, or his or her designee, must be a signatory to the escrow agreement.

2. No monies in the escrow account may be withdrawn by the Utility without the prior written authorization of the Commission Clerk, or his or her designee.

3. The escrow account shall be an interest bearing account.

4. If a refund to the customers is required, all interest earned by the escrow account shall be distributed to the customers.

5. If a refund to the customers is not required, the interest earned by the escrow account shall revert to the Utility.

6. All information on the escrow account shall be available from the holder of the escrow account to a Commission representative at all times.

7. The amount of revenue subject to refund shall be deposited in the escrow account within seven days of receipt.

8. This escrow account is established by the direction of the Florida Public Service Commission for the purpose(s) set forth in its order requiring such account. Pursuant to *Cosentino v. Elson,* 263 So. 2d 253 (Fla. 3d DCA 1972), escrow accounts are not subject to garnishments.

9. The account must specify by whom and on whose behalf such monies were paid.

In no instance should the maintenance and administrative costs associated with the refund be borne by the customers. These costs are the responsibility of, and should be borne by, the Utility. Irrespective of the form of security chosen by the Utility, an account of all monies received as a result of the rate increase should be maintained by the Utility. If a refund is ultimately required, it should be paid with interest calculated pursuant to Rule 25-30.360(4), F.A.C.

The Utility should maintain a record of the amount of the bond, and the amount of revenues that are subject to refund. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility should file reports with the Commission Clerk’s office no later than the 20th of every month indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund.

Issue :

 Should Country Walk Utilities, Inc. be required to notify the Commission within 90 days of an effective order finalizing this docket, that it has adjusted its books for all the applicable NARUC USOA primary accounts?

Recommendation:

 Yes. Country Walk should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission’s decision. The Utility should submit a letter within 90 days of the Commission’s final order in this docket, confirming that the adjustments to all applicable NARUC USOA primary accounts have been made to the Utility’s books and records. In the event the Utility needs additional time to complete the adjustments, a notice providing good cause should be filed not less than seven days prior to the deadline requesting an extension. Upon providing a notice of good cause, staff should be given administrative authority to grant an extension of up to 60 days. (Folkman, Cohn)

Staff Analysis:

 Country Walk should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission’s decision. The Utility should submit a letter within 90 days of the Commission’s final order in this docket, confirming that the adjustments to all applicable NARUC USOA primary accounts have been made to the Utility’s books and records. In the event the Utility needs additional time to complete the adjustments, a notice providing good cause should be filed not less than seven days prior to the deadline requesting an extension. Upon providing a notice of good cause, staff should be given administrative authority to grant an extension of up to 60 days.

Issue :

 Should this docket be closed?

Recommendation:

 No. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the proposed agency action order, a consummating order should be issued. The docket should remain open for staff’s verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff. Once these actions are complete, this docket should be closed administratively. (Marquez, Farooqi)

Staff Analysis:

 If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the proposed agency action order, a consummating order should be issued. The docket should remain open for staff’s verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff.

Once these actions are complete, this docket should be closed administratively.

Schedule No. 1-A

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **COUNTRY WALK UTILITIES, INC.** | **SCHEDULE NO. 1-A** | | |  |
|  | **TEST YEAR ENDED 10/31/2024** | **DOCKET NO. 20240168-WU** | | |  |
|  | **SCHEDULE OF WATER RATE BASE** |  |  |  |  |
|  |  | **BALANCE** |  | **BALANCE** |  |
|  |  | **PER** | **STAFF** | **PER** |  |
|  | **DESCRIPTION** | **UTILITY** | **ADJ.** | **STAFF** |  |
|  |  |  |  |  |  |
| 1. | UTILITY PLANT IN SERVICE | $257,741 | ($8,019) | $249,723 |  |
|  |  |  |  |  |  |
| 2. | LAND & LAND RIGHTS | 1,495 | 0 | 1,495 |  |
|  |  |  |  |  |  |
| 3. | ACCUMULATED DEPRECIATION | (120,685) | 4,306 | (116,380) |  |
|  |  |  |  |  |  |
| 4. | CIAC | (24,200) | 0 | (24,200) |  |
|  |  |  |  |  |  |
| 5. | ACCUM. AMORT. CIAC | 24,200 | (821) | 23,380 |  |
| 6. | ACQUISITION ADJUSTMENT | (20,064) | 0 | (20,064) |  |
| 7. | ACCUM. AMORT. ACQ. ADJ. | 20,064 | (618) | 19,446 |  |
| 8. | WORKING CAPITAL ALLOWANCE | $4,869 | $93 | $4,962 |  |
|  |  |  |  |  |  |
|  | WATER RATE BASE | $143,420 | ($5,058) | $138,362 |  |
|  |  |  |  |  |  |

Schedule No. 1-B

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **COUNTRY WALK UTILITIES, INC.** | **SCHEDULE NO. 1-B** | |  |
|  | **TEST YEAR ENDED 10/31/2024** | **DOCKET NO. 20240168-WU** | |  |
|  | **ADJUSTMENTS TO RATE BASE** |  |  |  |
|  |  |  | **WATER** |  |
|  | **UTILITY PLANT IN SERVICE** |  |  |  |
| 1. | To reflect averaging adjustments. |  | ($8,019) |  |
|  |  |  |  |  |
|  | **ACCUM. DEPRECIATION** |  |  |  |
| 1. | To reflect auditing adjustments. |  | ($366) |  |
| 2. | To reflect averaging adjustments. |  | 4,672 |  |
|  | Total |  | $4,306 |  |
| 1.  2.  1. | **ACCUM. AMORT. CIAC**  To reflect auditing adjustments.  To reflect averaging adjustments.  Total  **ACCUM. AMORT. ACQ. ADJ.**  To reflect an auditing adjustment. |  | ($1,641)  821  ($821)  ($618) |  |
|  | **WORKING CAPITAL ALLOWANCE** |  |  |  |
|  | To reflect 1/8 of test year O&M expenses (less RCE). |  | $93 |  |
|  |  |  |  |  |

Schedule No. 2

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **COUNTRY WALK UTILITIES, INC.** | | | **SCHEDULE NO. 2** | | | |  |
|  | **TEST YEAR ENDED 10/31/2024** | | | **DOCKET NO. 20240168-WU** | | | |  |
|  | **SCHEDULE OF CAPITAL STRUCTURE** | | |  |  |  |  |  |
|  |  |  | **PRO** | **BALANCE** | **PERCENT** |  |  |  |
|  | **CAPITAL** | **PER** | **RATA** | **PER** | **OF** |  | **WEIGHTED** |  |
|  | **COMPONENT** | **UTILITY** | **ADJ.** | **STAFF** | **TOTAL** | **COST** | **COST** |  |
|  |  |  |  |  |  |  |  |  |
| 1. | COMMON EQUITY | $194,713 | (57,953) | 136,760 | 98.84% | 8.51% | 8.41% |  |
| 2. | CUSTOMER DEPOSITS | 2,280 | (679) | 1,601 | 1.16% | 2.00% | 0.02% |  |
|  | TOTAL CAPITAL | $196,993 | ($58,631) | $138,362 | 100.00% |  | 8.43% |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  | **RANGE OF REASONABLENESS** | | | **LOW** | **HIGH** |  |
|  |  |  | RETURN ON EQUITY | | | 7.51% | 9.51% |  |
|  |  |  | OVERALL RATE OF RETURN | | | 7.44% | 9.42% |  |
|  |  |  |  | | |  |  |  |

Schedule No. 3-A

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **COUNTRY WALK UTILITIES, INC.** | | | **SCHEDULE NO. 3-A** | | |  |
|  | **TEST YEAR ENDED 10/31/2024** | | | **DOCKET NO. 20240168-WU** | | |  |
|  | **SCHEDULE OF WATER OPERATING INCOME** | | |  |  |  |  |
|  |  | **TEST** | **STAFF** | **STAFF** | **ADJ.** |  |  |
|  |  | **YEAR PER** | **ADJUST-** | **ADJUSTED** | **FOR** | **REVENUE** |  |
|  |  | **UTILITY** | **MENTS** | **TEST YEAR** | **INCREASE** | **REQUIREMENT** |  |
|  |  |  |  |  |  |  |  |
| 1. | **TOTAL OPERATING REVENUES** | $60,990 | $2,972 | $63,962 | $3,303 | $67,265 |  |
|  |  |  |  |  | 5.16% |  |  |
|  | **OPERATING EXPENSES:** |  |  |  |  |  |  |
| 2. | OPERATION & MAINTENANCE | $38,407 | $1,963 | $40,370 |  | $40,370 |  |
| 3.  4. | DEPRECIATION (NET)  AMORTIZATION (NET) | 11,421  0 | 395  (1,192) | 11,816  (1,192) |  | 11,816  (1,192) |  |
| 5. | TAXES OTHER THAN INCOME | 4,159 | 298 | 4,456 | 149 | 4,605 |  |
|  | **TOTAL OPERATING EXPENSES** | $53,987 | $1,464 | $55,450 | $149 | $55,599 |  |
|  |  |  |  |  |  |  |  |
| 6. | **OPERATING INCOME/(LOSS)** | $7,003 |  | $8,512 |  | $11,666 |  |
|  |  |  |  |  |  |  |  |
| 7. | **WATER RATE BASE** | $143,420 |  | (5,058) |  | $138,362 |  |
|  |  |  |  |  |  |  |  |
| 8. | **RATE OF RETURN** |  |  |  |  | 8.43% |  |
|  |  |  |  |  |  |  |  |

Schedule No. 3-B

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **COUNTRY WALK UTILITIES, INC.** | **SCHEDULE NO. 3-B** | | | | |  |
|  | **TEST YEAR ENDED 10/31/2024** | **DOCKET NO. 20240168-WU** | | | | |  |
|  | **ADJUSTMENTS TO OPERATING INCOME** | | |  | |  |  |
|  |  | |  | | | **WATER** |  |
|  | **OPERATING REVENUES** | |  | | |  |  |
| 1. | To reflect an averaging adjustment. | |  | | | $2,972 |  |
|  |  | |  | | |  |  |
|  | **OPERATION & MAINTENANCE EXPENSE** | |  | | |  |  |
| 1. | Salaries and Wages – Officer and Directors (603) | |  | | |  |  |
|  | To reflect an auditing adjustment. | |  | | | $250 |  |
|  |  | |  | | |  |  |
| 2. | Contractual Services – Other (636) | |  | | |  |  |
|  | To reflect LCRR pro forma project amortized over five years. | |  | | | $851 |  |
|  |  | |  | | |  |  |
| 3. | Insurance Expense – General Liability (657) | |  | | |  |  |
|  | To reflect an auditing adjustment. | |  | | | $145 |  |
|  |  | |  | | |  |  |
| 4. | Rate Case Expense (665) | |  | | |  |  |
|  | To reflect an auditing adjustment. | |  | | | $154 |  |
|  | To reflect one-quarter of rate case expense. | |  | | | 309 |  |
|  | Subtotal | |  | | | $463 |  |
|  |  | |  | | |  |  |
| 5. | Bad Debt Expense (670) | |  | | |  |  |
|  | To reflect three-year average of Bad Debt expense. | |  | | | $254 |  |
|  |  | |  | | |  |  |
|  | **TOTAL OPERATION & MAINTENANCE ADJUSTMENTS** | | | |  | $1,963 |  |
|  |  | | | |  |  |  |
|  | **DEPRECIATION EXPENSE** | | |  | |  |  |
|  | To reflect an auditing adjustment. | | |  | | $395 |  |
|  |  | | |  | |  |  |
|  | **AMORTIZATION EXPENSE (NET)** | | |  | |  |  |
|  | To reflect amortization of CIAC. | | |  | | ($288) |  |
|  | To reflect amortization of the acquisition adjustment. | | |  | | (904) |  |
|  | Subtotal | | |  | | ($1,192) |  |
|  |  | | |  | |  |  |
|  | **TAXES OTHER THAN INCOME** | | |  | |  |  |
|  | To reflect an auditing adjustment to property tax. | | |  | | $164 |  |
|  | To reflect appropriate test year RAFs. | | |  | | 134 |  |
|  | To reflect appropriate revenue requirement increase RAFs. | | |  | | 149 |  |
|  | Subtotal | | |  | | $447 |  |
|  |  | | |  | |  |  |
|  | **TOTAL OPERATING EXPENSE ADJUSTMENTS** | | |  | | $1,613 |  |
|  |  | | |  | |  |  |

Schedule No. 3-C

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **COUNTRY WALK UTILITIES, INC.** | | **SCHEDULE NO. 3-C** | | |
| **TEST YEAR ENDED 10/31/2024** | | **DOCKET NO. 20240168-WU** | | |
| **ANALYSIS OF WATER O&M EXPENSES** | |  | | |
|  |  | **TOTAL** | **STAFF** | **TOTAL** |
|  |  | **PER** | **ADJUST-** | **PER** |
| **ACCT.#** | **DESCRIPTION** | **UTILITY** | **MENT** | **STAFF** |
|  |  |  |  |  |
| 603 | Salaries and Wages – Officers and Directors | $2,750 | $250 | $3,000 |
| 615 | Purchased Power | 1,187 | 0 | 1,187 |
| 618 | Chemicals | 2,329 | 0 | 2,329 |
| 632 | Contractual Services – Accounting | 525 | 0 | 525 |
| 633  635 | Contractual Services – Legal  Contractual Services – Testing | 300  905 | 0  0 | 300  905 |
| 636 | Contractual Services – Other | 28,097 | 851 | 28,948 |
| 657 | Insurance Expense – General Liability | 1,630 | 145 | 1,775 |
| 665 | Regulatory Commission Expense | 208 | 463 | 671 |
| 670 | Bad Debt Expense | 226 | 254 | 480 |
| 675 | Miscellaneous Expenses | $250 | $0 | $250 |
|  | Total O&M Expense | $38,407 | $1,963 | $40,370 |
|  | Working Capital is 1/8 of O&M less RCE |  |  | $4,962 |

Schedule No. 4

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **COUNTRY WALK UTILITIES, INC.** |  |  | **SCHEDULE NO. 4** | |
| **TEST YEAR ENDED OCTOBER 31, 2024** |  | **DOCKET NO. 20240168-WS** | | |
| **MONTHLY WATER RATES** |  |  | |  |
|  | **UTILITY** | **STAFF** | | **4-YEAR** |
|  | **CURRENT** | **RECOMMENDED** | | **RATE** |
|  | **RATES** | **RATES** | | **REDUCTION** |
|  |  |  | |  |
| **Residential and General Service** |  |  | |  |
| Base Facility Charge by Meter Size |  |  | |  |
| 5/8"X 3/4" | $33.05 | $46.74 | | $0.22 |
| 3/4" | $49.58 | $70.11 | | $0.33 |
| 1" | $82.63 | $116.85 | | $0.55 |
| 1-1/2" | $165.25 | $233.70 | | $1.10 |
| 2" | $264.40 | $373.92 | | $1.76 |
| 3" | $528.80 | $747.84 | | $3.51 |
| 4" | $826.25 | $1,168.50 | | $5.49 |
| 6" | $1,652.50 | $2,337.00 | | $10.98 |
|  |  |  | |  |
| Charge per 1,000 gallons - Residential |  |  | |  |
| 0 - 3,000 gallons | $14.81 | $12.67 | | $0.06 |
| Over 3,000 gallons | $26.92 | $15.84 | | $0.07 |
|  |  |  | |  |
|  |  |  | |  |
| Charge per 1,000 gallons - General Service | $17.22 | $13.41 | | $0.06 |
|  |  |  | |  |
|  |  |  | |  |
| **Typical Residential 5/8" x 3/4" Meter Bill Comparison** |  |  | |  |
| 2,000 Gallons | $62.67 | $72.08 | |  |
| 4,000 Gallons | $104.40 | $100.59 | |  |
| 6,000 Gallons | $158.24 | $132.27 | |  |
|  |  |  | |  |
|  |  |  | |  |

1. Order No. PSC-2018-0553-PAA-WU, issued November 19, 2018, in Docket No. 20180021-WU, *In re: Application for staff-assisted rate case in Highlands County by Country Walk Utilities, Inc.* [↑](#footnote-ref-1)
2. Order No. PSC-2022-0141-PAA-WU, issued April 12, 2022, in Docket No. 20210182-WU, *In re: Application for a limited alternative rate increase proceeding in Highlands County by Country Walk Utilities, Inc.* [↑](#footnote-ref-2)
3. Order No. PSC-2014-0495-PAA-WU, issued September 17, 2014, in Docket No. 20130294-WU, *In re: Application for transfer of water systems and Certificate No. 549-W in Highlands County from Holmes Utilities, Inc. to Country Walk Utilities, Inc.* [↑](#footnote-ref-3)
4. Document No. 10302-2024, filed December 19, 2024*.* [↑](#footnote-ref-4)
5. Document No. 00411-2025, filed January 23, 2025*.* [↑](#footnote-ref-5)
6. Document No. 01129-2025, filed February 26, 2025*.* [↑](#footnote-ref-6)
7. Document No. 03013-2025, filed April 21, 2025*.* [↑](#footnote-ref-7)
8. Document No. 00411-2025, filed January 23, 2025*.* [↑](#footnote-ref-8)
9. Document No. 02512-2025, filed April 1, 2025*.* [↑](#footnote-ref-9)
10. Document No. 01129-2025, filed February 26, 2025*.* [↑](#footnote-ref-10)
11. Order No. PSC-2018-0553-PAA-WU, issued November 9, 2018, in Docket No. 201800021-WU, *In re: Application for staff-assisted rate case in Highlands County by Country Walk Utilities, Inc.* [↑](#footnote-ref-11)
12. Order No. PSC-2014-0495-PAA-WU, issued September 17, 2014, in Docket No. 20130294-WU, *In re: Application for transfer of water systems and Certificate No. 579-W in Highlands County from Holmes Utilities, Inc. to Country Walk Utilities, Inc.* [↑](#footnote-ref-12)
13. Ibid, pp. 5–6. [↑](#footnote-ref-13)
14. *See* Order No. PSC-2025-0284-PAA-SU, issued July 22, 2025, in Docket No. 20240105-SU, *In re: Application for staff-assisted rate case in Polk County, by West Lakeland Wastewater, LLC*; Order No. PSC-2025-0285-PAA-WU, issued July 22, 2025, in Docket No. 20240119-WU, *In re: Application for staff-assisted rate case in Polk County, by Alturas Water, LLC.* [↑](#footnote-ref-14)
15. Order No. PSC-2025-0213-PAA-WS, issued on June 18, 2025, in Docket No. 20250006-WS; *In re: Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.* [↑](#footnote-ref-15)
16. Document No. 00411-2025, filed January 23, 2025, in Docket No. 20240168-WU, *In re: Application for staff-assisted rate case in Highlands County by Country Walk Utilities, Inc.* [↑](#footnote-ref-16)
17. Order No. PSC-2022-0141-PAA-WU, issued April 12, 2022, in Docket No. 20210182-WU, *In re: Application for limited alternative rate increase in Highlands County by County Walk Utilities, Inc.* [↑](#footnote-ref-17)
18. *See e.g.,* Order No. PSC-2025-0285-PAA-WU, issued July 22, 2025, in Docket No. 20240119-WU, *In re: Application for staff-assisted rate case in Polk County, by Alturas Water, LLC;* Order No. PSC-2025-0284-PAA-SU, issued July 22, 2025, in Docket No. 20240105-SU, *In re: Application for staff-assisted rate case in Polk County, by West Lakeland Wastewater, LLC.* [↑](#footnote-ref-18)
19. Average person per household was obtained from www.census.gov/quickfacts/highlandscounty, Florida. [↑](#footnote-ref-19)
20. Order No. PSC-15-0142-PAA-SU, issued March 26, 2015, in Docket No. 130178-SU, *In re: Application for staff assisted rate case in Polk County by Crooked Lake Park Sewerage Company.* [↑](#footnote-ref-20)