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June 26, 2017

Chairman Julie Brown  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Re: Docket No. 170141-SU: Application for increase in wastewater rates in Monroe County  
by K W Resort Utilities Corp.  
Our File No. 34000.04

Dear Chairman Brown:

By letter docketed on June 9, 2017, K W Resort Utilities Corp. ("Company") requested approval of a June 30, 2017, test year for its upcoming rate case, and further requested that the rate case proceed pursuant to the PAA process, as is its right pursuant to Section 367.081(8), Florida Statutes. This letter is to supplement the information in that letter.

The Company, upon further reflection, has determined to forego the PAA process and will utilize the process to proceed directly to hearing. Prefiled testimony will be filed accordingly.

The Company requested a historic test year ending June 30, 2017. The requested test year is representative of a normal full year of operation. The new wastewater treatment plant has been in operation, and the reduction in billable gallons due to several large customers installing irrigation meters has occurred. There will be pro forma adjustments to billable gallons to reflect annualized billable gallons based on the reduction in flows due to repression, as well as expenses to reflect annualized expenses in the years when rates will be in effect as a result of increases in chemicals, sludge hauling, purchased power and testing that were not fully recognized in the recently completed rate case.

The Company anticipates including pro forma plant additions, which will be completed and placed into service within 24 months of the end of the proposed June 30, 2017 test year. The pro forma plant consists of rehabilitating the existing WWTPs in the approximate amount of \$771,000, replacement of a lift station in the approximate amount of \$215,000, and installation of

vacuum pits and a vacuum line extension to allow eighteen (18) properties to connect in the amount of \$644,173.54. The pro forma plant additions are not growth related.<sup>1</sup>

In all other respects the Company's original test year request letter is unchanged. Should you or members of the Staff have any questions regarding this request, please do not hesitate to contact me.

Very truly yours,



Martin S. Friedman  
For the Firm

cc: Bart Smith, Esquire (via e-mail)  
Chris Johnson (via e-mail)  
Keith Hedrick, Esquire (via e-mail)  
Andrew Maurey (via e-mail)  
Carlotta S. Stauffer, PSC Clerk (via e-filing)  
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<sup>1</sup> The eighteen properties provide less than 100 EDUs to a system that currently services over 4,000 EDUs.