

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase
in wastewater rates in Monroe
County by K W Resort Utilities Corp.

Docket No. 20170141-SU

NOTICE OF FILING

Applicant, KW Resort Utilities Corp., by and through its undersigned attorneys, hereby gives notice of filing, in the above-referenced docket, of the Affidavit of Mailing, evidencing that the Initial Customer Notice was sent by regular mail on February 1, 2018, to all customers of the Utility.

Respectfully submitted this 2nd day of
February, 2018, by:

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

/s/ Martin S. Friedman

MARTIN S. FRIEDMAN
For the Firm

CERTIFICATE OF SERVICE
DOCKET NO. 150071-SU

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by

E-mail to the following parties this 2nd day of February, 2018:

Erik L. Sayler, Esquire
Office of Public Counsel
c/o The Florida Legislature
111 W. Madison Street, Room 812
Tallahassee, FL 32399-1400
SAYLER.ERIK@leg.state.fl.us

Kyesha Mapp, Esquire
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
kmapp@psc.state.fl.us

Robert Scheffel Wright, Esquire
John T. LatVia, III, Esquire
Gardner, Bist, Bowden, Bush, Dee, LaVia & Wright, P.A.
1300 Thomaswood Drive
Tallahassee, FL 32308
schef@gbwlegal.com
jlavia@gbwlegal.com

/s/ Martin S. Friedman

MARTIN S. FRIEDMAN
For the Firm

AFFIDAVIT OF MAILING

STATE OF FLORIDA

COUNTY OF MONROE

Before me, the undersigned authority, authorized to administer oaths and take acknowledgments, personally appeared Christopher A. Johnson, who, after being duly sworn on oath, did depose on oath and say that on behalf of K W Resort Utilities Corp. ("Utility"), on February 1, 2018, a copy of the Initial Customer Notice, attached hereto, was sent to all customers of the Utility by regular U.S. Mail.

FURTHER AFFIANT SAYETH NAUGHT.



Christopher A. Johnson
President

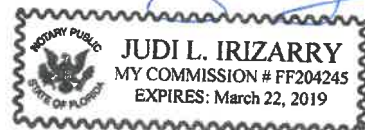
Sworn to and subscribed before me this 1st day of February, 2018, by Christopher A. Johnson, who is personally known to me or has produced _____ as identification.



Print Name:

NOTARY PUBLIC

My Commission Expires:



BEFORE THE PUBLIC SERVICE COMMISSION

INITIAL CUSTOMER NOTICE

TO THE CUSTOMERS OF
K W RESORT UTILITIES CORP.
AND
ALL OTHER INTERESTED PERSONS

RE: DOCKET NO. 20170141-SU

APPLICATION FOR INCREASE IN WASTEWATER RATES IN
MONROE COUNTY BY K W RESORT UTILITIES CORP.

DATED: February 1, 2018

BACKGROUND

K W Resort Utilities Corp. (the "Utility") is a wastewater utility whose corporate offices are located at 6630 Front Street, Key West, Florida 33040. The Utility's wastewater facilities are located in Monroe County, Florida.

On November 21, 2017, the Utility filed an application with the Florida Public Service Commission (the "Commission") for increased wastewater rates for its customers in Monroe County based on a historical test year ending June 30, 2017, for final rates. The application is assigned Docket No. 20170141-SU and December 13, 2017, was established as the official date of filing.

The Utility is requesting a rate increase because the existing rates do not provide sufficient revenues to cover the required expenses of operations on a going-forward basis and an opportunity to earn a fair return on the Utility's investment in used and useful property for the public use. The Utility has incurred substantial additional operating costs and capital investment. The Utility has requested a permanent revenue increase of \$1,349,690 (57.86%). The requested increase would produce annual revenues of \$3,682,216. The Utility has requested that the Commission approve interim rates that will provide a revenue increase of \$146,041 (6.26%), producing annual revenues of \$2,478,567. The rate of return on equity requested in this proceeding is 10.39%. The overall rate of return requested is 7.45%. The Company's last rate proceeding before the Commission was in Docket No. 20150071-SU, utilizing a test year ending December 31, 2014, which culminated in Order No. PSC-2017-0091-FOF-SU dated March 13, 2017.

All of the information on file at the Commission is open to the public and is available for review at the Commission offices in Tallahassee and on its website: <http://www.psc.state.fl.us/ClerkOffice/DocketFiling?docket=20170141>. The MFRs filed by the Utility are also available for inspection at the following locations:

Monroe County Public Library 700 Fleming Street Key West, FL 33040	Hours: Monday - Tuesday: 9:30 a.m. to 6:00 p.m. Thursday – Friday: 9:30 a.m. to 6:00 p.m. Wednesday: 9:30 a.m. to 8:00 p.m. Saturday: 10:00 a.m. to 6:00 p.m. Sunday: Closed
K W Resort Utilities Corp. 6630 Front Street Key West, FL 33040	Office Hours: Monday through Friday 7:30 a.m. to 4:30 p.m.

The test period for setting rates is the historical average thirteen-month period ended June 30, 2017.

RATES

The current wastewater rates and the Utility's requested interim and final wastewater rates are set forth at the end of this notice. The interim wastewater rates are subjects to change and will be ruled upon at the February 6, 2017, Commission Conference. The final wastewater rates are subject to change based on information gathered at the customer meeting, further Staff review, and the final decision by the Commissioners.

SERVICE AVAILABILITY CHARGES

The Utility is not requesting any changes to its service availability charges. Even though not requested to do so, the Commission may review and adjust service availability charges.

MISCELLANEOUS SERVICE CHARGES

The Utility is also requesting changes to some of its miscellaneous service charges as set forth at the end of this notice.

PROCEDURES AFTER CUSTOMER MEETINGS

The following tentative schedule was established by the Commission for the remaining major events in the Utility's rate case (a customer meeting will be scheduled and you will be provided with a separate notice of its date, time and location):

<u>Schedule Item</u>	<u>Due Date</u>
Prehearing Conference	05/01/2018
Service Hearing	05/15/2018
Technical Hearing	05/15-17/2018
Briefs Due from Parties	06/06/2018
Staff Recommendation	07/26/2018
Agenda Conference on Final Rates	08/07/2018

HOW TO CONTACT THE COMMISSION

Any person who wishes to comment or provide information to Commission staff may do so at the meetings, either orally or in writing. Other written comments regarding the Utility and the proposed rates, or requests to be placed on the mailing list for this case, may be directed to this address:

Florida Public Service Commission
 Director, Office of Commission Clerk
 2540 Shumard Oak Boulevard
 Tallahassee, Florida 32399-0870

A courtesy copy of written comments and complaints may be mailed to the following:

Martin S. Friedman, Esquire
 Friedman & Friedman, P.A.
 766 North Sun Drive, Suite 4030
 Lake Mary, Florida 32746
 Email: mfriedman@ff-attorneys.com

Barton W. Smith, Esquire
 Smith | Hawks
 138 Simonton Street
 Key West, FL 33040
 Email: bart@smithhawks.com

All correspondence should refer to "Docket No. 20170141-SU, K W Resort Utilities Corp. Your letter will be placed in the correspondence file of this docket. You may also submit comments through the Florida Public Service Commission's toll-free facsimile line at 1-800-511-0809, the Commission's e-mail at contact@psc.state.fl.us, or the Commission's website available at <http://floridapsc.com/ConsumerAssistance/ComplaintForm>.

If you wish to contact the Florida Public Service Commission regarding complaints about service, you may call the Commission's Division of Consumer Assistance and Outreach at the following toll-free number 1-800-342-3552.

This notice was prepared by the Utility and approved by Commission staff for distribution by the Utility to its customers. If you have any questions, please call the Utility's office at (305) 295-3301.

K W Resort Utilities Corp.

CURRENT AND REQUESTED RATES

	<u>Current Rates</u>	<u>Utility's Requested Interim Rates</u>	<u>Utility's Requested Final Rates</u>
<u>Residential Service</u>			
Base Facility Charge all Meter Sizes	\$31.86	\$33.79	\$50.74
Charge per 1,000 gallons 10,000 gallon cap	\$5.28	\$5.60	\$8.41
<u>General Service</u>			
Base Facility Charge by Meter Size			
5/8" x 3/4 "	\$31.86	\$33.79	\$50.74
1"	\$79.65	\$84.48	\$126.84
1.5"	\$159.30	\$168.95	\$253.69
2"	\$254.88	\$270.33	\$405.90
3"	\$509.76	\$540.65	\$811.79
4"	\$796.50	\$844.77	\$1,268.43
6"	\$1,593.00	\$1,689.54	\$2,536.85
8"	\$2,548.80	\$2,703.26	\$4,058.96
8" Turbo	\$2,867.40	\$3,041.16	\$4,566.33
Charge per 1,000 gallons	\$6.33	\$6.71	\$10.08

Reclaimed Water

Charge per 1,000 gallons	\$1.34	\$1.42	\$2.13
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	<u>Current</u> <u>Rates</u>	<u>Utility's</u> <u>Requested</u> <u>Interim Rates</u>	<u>Utility's</u> <u>Requested</u> <u>Final Rates</u>
Private Lift Station Owners			
Base Facility Charge by Meter Size			
5/8" x 3/4 "	\$25.49	\$27.03	\$40.59
1"	\$63.72	\$67.58	\$101.47
1.5"	\$127.44	\$135.16	\$202.95
2"	\$203.90	\$216.26	\$324.71
3"	\$407.81	\$432.52	\$649.44
4"	\$637.20	\$675.81	\$1,014.74
6"	\$1,274.40	\$1,351.63	\$2,029.48
8"	\$2,039.04	\$2,162.61	\$3,247.17
Charge per 1,000 gallons	\$6.33	\$6.71	\$10.08
Harbor Shores			
Base Facility Charge	\$2,198.34	\$2,331.56	\$3,500.86
Gallorage Charge Per 1,000 Gallons 690,000 gallon cap	\$5.28	\$5.60	\$8.41

CURRENT AND REQUESTED MISCELLANEOUS SERVICE CHARGES

Charge	Current		Requested	
	Normal Hours	After Hours	Normal Hours	After Hours
Initial Connection	\$59.50	\$65.80	\$62.14	\$68.72
Normal Reconnection	\$65.80	\$76.10	\$68.72	\$79.47
Premises Visit	\$45.70	\$52.00	\$47.73	\$54.31
Violation Reconnection	Actual Cost	Actual Cost	Actual Cost	Actual Cost
Late Payment Fee	\$7.15		\$7.47	
Lift Station Cleaning Charge (Monroe County Detention Center)	\$1,462.00		\$1,526.82	