

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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

DOCKET NO. 20240115-WU
ORDER NO. PSC-2025-0171-PAA-WU
ISSUED: May 28, 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 CURRENT RATES, CHARGES, DEPOSIT,
AND MISCELLANEOUS SERVICE CHARGES
AND
FINAL ORDER ACKNOWLEDGING GRANDFATHER APPLICATION AND
GRANTING CERTIFICATE NO. 690-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 grandfather application and granting Certificate No. 690-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 us. 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 (Avalon Hills or Utility) filed an application for a certificate under grandfather rights to provide water service in Citrus County for its Avalon Hills water system pursuant to Section 367.171(2), F.S., and Rule 25-30.035, F.A.C. Avalon Hills' application was found to be deficient, and we sent a deficiency letter to the Utility on September 17, 2024. The Utility cured the deficiencies on January 27, 2025.

Avalon Hills provides water service to approximately 300 residential customers in single family homes, mobile homes, and multi-unit dwellings. Wastewater service is provided by septic tank. The Utility was established in the 1980s, but was not regulated by us at that time; neither was it regulated by Citrus County in 1999, when the Citrus County Board of County Commissioners adopted Resolution No. 99-111 rescinding our jurisdiction in Citrus County.² The current owner purchased the Avalon Hills system in 2022. The Utility's service area is located in the Southwest Florida Water Management District. This order 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 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 quitclaim deed as proof of ownership of the land on which the Utility's facilities are located, an accurate territory description, and adequate service territory and system maps. The territory description is provided in Attachment A to this order.

As stated in the background, Avalon Hills serves approximately 300 residential customers. 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 Avalon Hills shall be granted Certificate No. 690-W to serve the territory described in Attachment A to this order. This order shall serve as the Utility's certificate and shall be retained by the Utility.

² Order No. PSC-99-1899-FOF-WS, issued September 24, 1999, in Docket No. 19990996-WS, *In re: Resolution by Citrus County Commission to rescind Citrus County Resolution No. 73-97 and remove jurisdiction of Florida Public Service Commission over private water and wastewater utilities in Citrus County.*

II. Rates, Charges, and Deposit

Since its inception the Utility has been either under our jurisdiction or under the jurisdiction of Citrus County; however, the Utility has never been actively regulated by either regulatory authority. The Utility has operated in Citrus County since at least 1981 without receiving a water certificate from us or a Citrus County franchise certificate. Further, the rates, charges, and initial customer deposit have never been reviewed or approved by us or Citrus County.

Under the prior owner, in 2019, a hearing was to take place for the Citrus County Water and Wastewater Authority to determine whether it would exercise its regulatory authority over the Utility. However, the prior owner never applied for the franchise certificate. In 2023, the current owner filed an application for a franchise certificate. Even though the Utility has never had a water certificate nor a franchise certificate, it has been registered with the Florida Department of Environmental Protection where it paid the annual fees and submitted monthly reports. In addition, the Utility has a water use permit issued by the Southwest Florida Water Management District.

We have verified that Avalon was charging its current rates, charges and initial customer deposit on May 28, 2024, the date Citrus County transferred jurisdiction. The Utility is currently charging its customers bi-monthly water rates which consists of a base facility charge (BFC) and gallonage charge per 1,000 gallons. The Utility's water charges consists of miscellaneous service charges and service availability charges, which includes a service availability policy. We find that Avalon's rates and charges are reasonable. However, some of the Utility's miscellaneous service charges are not consistent with Florida Statutes or Commission rules and are discussed in Section III.

A grandfathered utility's existing rates are normally continued and approved as final agency action. In this case however, where the Utility's rates were never approved by an appropriate regulatory authority, the existing rates shall be approved as proposed agency action.

Based on the above, the rates and charges shown on Schedule No. 1 shall be approved for Avalon Hills as proposed agency action. 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 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.

III. 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 the Utility's existing Violation Reconnection Charge, Late Payment Charge, and NSF Charge shall be continued; however, they shall be approved as proposed agency action because they have received no prior regulatory approval. We find that some of the Utility's existing charges that are set forth in Table

1 below shall be revised to conform with Rule 25-30.460, F.A.C. The Utility's current miscellaneous service charges for water service are shown on Table 1.

Table 1
Avalon 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 Charge (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 Commission staff's deficiencies.

Premises Visit Charge and Violation Reconnection Charge

As shown on 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. As mentioned above, the Utility has two premises visit charges. According to the Utility's tariff, the definitions for the premises visit charge is assessed for the purpose of discontinuing of service while the other definition is defined when a utility representative visits a premises except for the purposes of discontinuing service. Our rule encompasses both of the Utility definitions into one for the premises visits charge. Since the premises visit now entails a broader range of tasks, we find that the premises visit charge shall reflect the amount of the higher premises visit charge of \$45. Therefore, we find that the premises visit charge of \$30 shall be removed. We find that 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 charge 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. The rule further states that 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. As shown in Table 2, we find that the Utility's tampering charge of \$150 shall be modified and the meter tampering

charge shall be approved at actual cost. Setting the meter tampering charge at actual cost is consistent with our prior decisions.

Table 2
Commission Approved Miscellaneous Service Charges

	<u>All Hours</u>
Premises Visit Charge	\$45.00
Violation Reconnection Charge	\$45.00
Tampering Charge	Actual Cost
NSF Charge	Pursuant to Section 68.065, F.S.
Late Payment Charge	\$5.00

Conclusion

Based on the above, the Utility's existing Violation Reconnection Charge, Late Payment Charge, and NSF Charge shall be approved as proposed agency action. The remaining miscellaneous service charges shown on Table 2 shall be approved as modified, also as proposed agency action. 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(2), F.A.C. In addition, the tariff sheets shall be approved upon our staff's verification that the tariffs are consistent with our decision and that the proposed customer notice is adequate.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Hash Utilities, LLC's grandfather application for its Avalon Hills water system shall be acknowledged and the Utility shall be granted Certificate No. 690-W, effective May 28, 2024, to serve the territory described in Attachment A to this order. This order shall serve as Avalon Hills' certificate and shall be retained by the Utility. It is further

ORDERED that the rates, charges, and deposit shown on Schedule No. 1 shall be approved as proposed agency action for Avalon Hills. 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 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. It is further

ORDERED that the Utility's existing Violation Reconnection Charge, Late Payment Charge, and NSF Charge shall be approved as proposed agency action. The remaining miscellaneous service charges shown on Table 2 of this order shall be approved as modified, also as proposed agency action. 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 our staff's verification that the tariffs are consistent with our decision and that the proposed customer notice is adequate. 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, F.A.C., 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 the docket shall remain open for our staff's verification that the revised tariff sheets have been filed by the Utility and approved by staff. Once this action is complete, this docket shall be closed administratively.

By ORDER of the Florida Public Service Commission this 28th day of May, 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.

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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 is preliminary in nature, except with regard to acknowledging grandfather application and granting certificate no. 690-W. 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 June 18, 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

Avalon Hills Subdivision, Citrus County.

490 Commercial

Hills of Avalon and 1st Addition

Campbell Woods Units 2 & 3

O. K. Heights

Subdivisions of Sections 7 and 18, Township 19 South, Range 18 East County, Florida, more particularly described as follows:

Begin at the Northwest corner of the Northwest 1/4 of the Southwest 1/4 of said Section 7; thence parallel to the North line of Section 7, North 89°31'22" East to the Northeast corner of Section 7 a distance of 5,395.9 feet; thence parallel to the East line of Section 7, South 00°13'50" West a distance of 2,350 feet; thence South 45°19'21" West a distance of 2,260.05 feet; thence South 89°27'00" West a distance of 1,068.5 feet; thence South 00°21'31" East a distance of 1,019.61 feet; thence South 45°18'49" West a distance of 464.45 feet; thence North 13°34'35" West a distance of 1,404.17 feet; thence South 89°27'00" East a distance of 653.32 feet; thence North 00°29'49" West a distance of 2,597.7 feet; thence South 89°23'39" West a distance of 2,539.3 feet; thence North 00°10'09" West a distance of 163.9 feet; thence South 89°23'39" West a distance of 124.69 feet; thence North 00°45'46" West a distance of 1,155.4 feet to the Point of Beginning.

FLORIDA PUBLIC SERVICE COMMISSION

authorizes
Hash Utilities, LLC (Avalon Hills Water System)
pursuant to
Certificate Number 690-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-2025-0171-PAA-WU	05/28/2025	20240115-WU	Grandfather Certificate

**Hash Utilities, LLC (Avalon Hills Water System)
Existing Bi-Monthly Water Rates**

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

Base Facility Charge by Meter Size
5/8" X 3/4"

\$21.44

Charge Per 1,000 gallons

\$4.28

Customer Deposits

Residential and General Service

All Meter Sizes

\$85.00

Miscellaneous Service Charges

Miscellaneous Service Charges

NSF Charge

Pursuant to Section 68.065, F.S.

Late Payment Charge

\$5.00

Service Availability Charges

Customer Connection (Tap-in) Charge

5/8" X 3/4"

\$450.00

Meter Installation Charge

5/8" X 3/4"

\$650.00

1"

\$760.00

Plant Capacity Charge

Residential – Per ERC

\$795.00