

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for staff-assisted rate case in  
Polk County, by West Lakeland Wastewater,  
LLC.

DOCKET NO. 20240105-SU  
ORDER NO. PSC-2025-0284-PAA-SU  
ISSUED: July 22, 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 RATE INCREASE FOR WEST LAKE LAND WASTEWATER, LLC

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission (Commission) that the actions discussed herein, except for (1) the reduction of rates after four years based upon the recovery of rate case expense, and (2) the granting of temporary rates in the event of protest are preliminary in nature 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.). The reduction of rates after four years and the granting of temporary rates in the event of protest are procedural agency actions and subject to reconsideration and appeal as described below under the heading, "NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW."

**Case Background**

West Lakeland Wastewater, LLC (West Lakeland or Utility) is a Class C utility providing wastewater service to approximately 316 residential customers in Polk County. Water service is provided by the City of Lakeland Utilities. The Utility's last staff-assisted rate case (SARC) was in 2018.<sup>1</sup> In June 2023, the Utility, along with several other sister utilities, was approved for a limited alternative rate increase.<sup>2</sup> According to the Utility's 2024 annual report, its operating revenues were \$194,398 and operating expenses were \$200,505.

<sup>1</sup> Order No. PSC-2019-0503-PAA-SU, issued November 25, 2019, in Docket No. 20180202-SU, *In re: Application for staff-assisted rate case in Polk County by West Lakeland Wastewater, LLC*.

<sup>2</sup> Order No. PSC-2023-0192-PAA-WS, issued June 30, 2023, in Docket No. 20220185-WS, *In re: Application for limited alternative rate increase in Hardee, Manatee, Marion, Polk, and Pasco Counties, by Charlie Creek Utilities, LLC, Crestridge Utilities, LLC, East Marion Utilities, LLC, Heather Hills Utilities, LCC, Holiday Gardens Utilities,*

West Lakeland has been in existence since 1972 and was granted a Grandfather Certificate by the Commission in 2001 in the name of ABCA, Inc., and was subsequently transferred to West Lakeland Wastewater, Inc.<sup>3</sup> In 2009, the Utility was abandoned and Michael Smallridge was appointed as receiver of the wastewater system.<sup>4</sup> Subsequent to the abandonment, the Utility was transferred to West Lakeland Wastewater, LLC.<sup>5</sup>

On July 25, 2024, the Utility filed an application for a SARC and the official filing date was established as September 20, 2024. The 12-month period ending on June 30, 2024, was selected as the test year. A customer meeting occurred on April 2, 2025, no customers provided comment. We have jurisdiction pursuant to Sections 367.011, 367.081, 367.0812, 367.0814, 367.091, and 367.121, F.S.

## **Review and Decision**

### **1. Quality of Service**

Pursuant to Section 367.081(2)(a)1, F.S., and Rule 25-30.433(1), F.A.C., in wastewater rate cases, we shall determine the overall quality of service provided by the utility. This determination is made from an evaluation of the utility's attempt to address customer satisfaction. The Rule further states that the most recent outstanding citations, violations, and consent orders on file with the Florida Department of Environmental Protection (DEP), the county health department, and any DEP and county health department officials' testimony concerning quality of service shall be considered. In addition, any customer testimony, comments, or complaints received by us are also reviewed. The operating condition of the wastewater system is addressed in Section 2.

#### ***A. The Utility's Attempt to Address Customer Satisfaction***

We reviewed the complaints filed in the Commission's Consumer Activity Tracking System (CATS), received by the Utility, and filed with the DEP for the test year and four years prior. There were no complaints recorded in CATS, 1 complaint recorded by the DEP, and 19 complaints recorded by the Utility. Out of the 19 complaints recorded by the Utility, 14 were regarding quality of service, and 5 pertained to billing. The 14 quality of service complaints consisted of noise complaints due to the wastewater treatment plant alarm sounding, odor, and

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LLC, Lake Yale Utilities, LLC, McLeod Garden Utilities, LLC, Orange Land Utilities, LLC, Sunny Shores Utilities, LLC, Sunrise Water, LLC and West Lakeland Wastewater, LLC.

<sup>3</sup> Order Nos. PSC-98-0752-FOF-SU, issued June 1, 1998, in Docket No. 19971531-SU, *In re: Application for grandfather certificate to operate wastewater utility in Polk County by ABCA, Inc.* and PSC-01-1271-PAA-SU, issued June 6, 2001, in Docket No. 20010382-SU, *In re: Application for transfer of Certificate No. 515-S in Polk County from ABCA, Inc. to West Lakeland Wastewater, Inc.*

<sup>4</sup> Order No. PSC-09-0607-FOF-SU, as amended by PSC-09-0607A-FOF-SU, issued February 16, 2010, in Docket No. 20090154-SU, *In re: Notice of abandonment of wastewater system for The Village of Lakeland Mobile Home Park in Polk County, by West Lakeland Wastewater, Inc.*

<sup>5</sup> Order No. PSC-2018-0377-PAA-SU, issued July 30, 2018, in Docket No. 20170246-SU, *In re: Application for authority to transfer facilities and certificate No. 515-S in Polk County from West Lakeland Wastewater, Inc. to West Lakeland Wastewater, LLC.*

the sewer system backing up. The five billing complaints consisted of incorrect billing and late fees. The Utility indicated that all 19 complaints have been resolved. As stated above, the DEP received one complaint regarding a lift station spill near a customer's house. The Utility addressed the issue to the DEP's satisfaction, and the complaint was closed. As stated in the case background, West Lakeland serves approximately 316 customers.

A customer meeting was held on April 2, 2025, no customers spoke at the meeting; however, one customer comment was placed in the docket file. The customer comment opposed the proposed rate increase. We performed a supplemental review, through May 16, 2025, of complaints filed in CATS following the customer meeting and found no additional complaints.

### *B. Conclusion*

West Lakeland has been responsive to customer complaints and is currently in compliance with the DEP standards; therefore, we find that the quality of service is satisfactory.

## 2. Infrastructure and Operating Conditions

Rule 25-30.225(2), F.A.C., requires each wastewater utility to maintain and operate its plant and facilities by employing qualified operators in accordance with the rule 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, we must consider testimony of the DEP and county health department officials, compliance evaluations, inspections, citations, violations, consent orders issued to the utility, customer testimony, comments, complaints, utility testimony, and responses to the aforementioned items.

### *A. Wastewater System Operating Conditions*

West Lakeland's wastewater system is a Type III contact stabilization domestic wastewater treatment facility with a permitted capacity of 70,000 gallons per day (GPD), based on a Three-Month Rolling Average Daily Flow. This facility is operated to provide secondary treatment with basic disinfection. Liquid chlorine disinfection is applied prior to wastewater effluent flowing into the percolation ponds and spray field. We reviewed the Utility's compliance evaluation inspections conducted by the DEP to determine the Utility's overall wastewater facility compliance. A review of the inspection conducted on April 17, 2024, indicated that the DEP noted minor deficiencies with flow measurement and the Sanitary Sewer Overflow Survey. All deficiencies were corrected with information provided during and after the inspection. West Lakeland's wastewater treatment facility is in compliance with the DEP's rules and regulations.

While West Lakeland is currently in compliance with the DEP, prior to its most recent inspection, it entered into a Settlement Agreement (Settlement) with the DEP due to an overflow

issue at a lift station.<sup>6</sup> This Settlement was executed on October 4, 2024, as a result of a reported unauthorized discharge of approximately 1,920 gallons of untreated wastewater on February 21, 2024. In lieu of a civil penalty, the Utility opted to install a Mission Auto Dialer on lift station number two, as well as building an earthen berm around the lift station to contain any possible overflows. Both the Auto Dialer and earthen berm projects took place at the same lift station where the unauthorized discharge originally occurred. On January 6, 2025, the DEP acknowledged that the requirements of the Settlement have been completed by the Utility.<sup>7</sup> The earthen berm project was completed during the test year. Therefore, those costs are reflected in the Utility's test year plant in service. However, the Mission Auto Dialer is part of the Utility's pro forma request and is discussed further in Section 4.

### *B. Conclusion*

The West Lakeland wastewater system is currently in compliance with DEP regulations.

### 3. Used and Useful

As stated in Section 2, West Lakeland's wastewater treatment plant (WWTP) is permitted by the DEP as a 70,000 GPD facility. According to the Utility, its wastewater collection system is comprised of 1,835 feet of 4-inch polyvinyl chloride (PVC) force mains and 13,376 feet of 6-inch PVC collecting mains. There are 12 manholes and three lift stations throughout the service area. Liquid chlorine disinfection is applied prior to wastewater effluent flowing into the percolation ponds and spray field.

#### *A. Wastewater Treatment Plant and Collection System U&U*

In its last rate case, the Commission found the WWTP and wastewater collection system to be 100 percent U&U.<sup>8</sup> There has been no change in service area or plant additions in the past five years, and there are no plans for expansion; therefore, in accordance with the Commission's previous order, we approve a U&U of 100 percent for the WWTP and wastewater collection system.

#### *B. Infiltration and Inflow*

Rule 25-30.432, F.A.C., provides that in determining the amount of U&U plant, we will consider infiltration and inflow (I&I). We calculated the allowable infiltration based on system parameters, and calculates the inflow based on the water sold to customers. The sum of these amounts is the allowable I&I. We next calculated the estimated amount of wastewater returned from customers. The estimated return is determined by summing 80 percent of the water sold to residential customers with 90 percent of the water sold to non-residential customers. Adding the estimated return to the allowable I&I yields the maximum amount of wastewater that shall be

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<sup>6</sup> This is a separate incident than the one addressed in Section 1 of this Order.

<sup>7</sup> Document No. 00479-2025, filed January 27, 2025.

<sup>8</sup> Order No. PSC-2019-0503-PAA-SU, issued November 25, 2019, in Docket No. 20180202-SU, *In re: Application for staff-assisted rate case in Polk County by West Lakeland Wastewater, LLC*.

treated by the wastewater system without incurring an adjustment to operating expenses. By convention, the allowance for infiltration is 500 gpd per inch diameter pipe per mile, and an additional 10 percent of residential water billed is allowed for inflow.

Using the pipe lengths of West Lakeland's collection system, the infiltration allowance is calculated to be 3,027,703 gallons per year. Ten percent of the total gallons sold to customers is allowed for inflow, which totals 2,885,600 gallons. The sum of these amounts is the total allowable I&I, which is 5,913,303 gallons per year. The amount calculated for estimated return is 23,084,800 gallons per year. To find the total amount of wastewater allowed, the total allowable I&I and the estimated return are summed, yielding 28,998,103 gallons per year. Finally, this total is compared to the total wastewater treated during the test year, which is 17,519,000 gallons according to the Utility's daily flow report. This is less than the estimated maximum amount allowable. Therefore, there is no excessive I&I, and no adjustment to operating expenses is necessary.

### *C. Conclusion*

West Lakeland's WWTP and wastewater collection system shall be considered 100 percent U&U. Additionally, we find that there is no excessive I&I, and no adjustment to operating expenses is necessary.

### 4. Average Test Year Rate Base

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, and working capital. We selected the test year ended June 30, 2024, for the instant rate case. We determined that the Utility's books and records are in compliance with the currently applicable National Association of Regulatory Utility Commissioners' Uniform System of Accounts (NARUC USOA). A summary of each component and the approved adjustments are discussed below.

#### *A. Utility Plant In Service*

The Utility recorded UPIS of \$309,485. We made an averaging adjustment to reduce test year UPIS by \$69. Two pro forma projects were requested by the Utility: 1) the installation of a Mission Auto Dialer in the amount of \$7,980; and, 2) the allocated cost of a dump trailer in the amount of \$656.<sup>9</sup> Therefore, we approve an average UPIS balance of \$318,051 (\$309,485 - \$69 + \$656 + \$7,980).

### **Pro Forma Plant Additions**

Table 1 shows West Lakeland's two pro forma plant items and their costs. The first item was the result of a DEP Settlement for an unauthorized discharge, as stated in Section 2. The

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<sup>9</sup> Document No. 02110-2025, filed March 25, 2025.

Utility opted to install a Mission Auto Dialer, which is a device attached to the lift station panel that notifies the Utility and its operators of any problems. This device gives the Utility the ability to respond to an emergency before any raw sewage gets to the ground, as its lift station is gravity flow. We find that this project will benefit customers, more so than the Utility paying a fine, by helping prevent overflows at this lift station. Therefore, we find that the cost of the Mission Auto Dialer shall be recovered through rates. The Mission Auto Dialer was installed on October 31, 2024, with a total cost of \$7,980.

The Utility also requested cost recovery for a dump trailer for hauling and dumping dirt, sod, or larger items for wastewater line repairs. Other uses include tree removals and other utility repairs. The dump trailer was purchased by the Utility's parent company, Florida Utility Services 1, LLC (FUS1), on December 2, 2024, to be used by all subsidiary systems including West Lakeland, for a total of \$7,294. The percentage allocated to West Lakeland is nine percent, for a total amount of \$8,636. These amounts are shown below in Table 1.

**Table 1**  
**Pro Forma Plant Items**

<b>Project</b>	<b>Acct. No.</b>	<b>Amount</b>
Auto Dialer	396	\$7,980
Dump Trailer	391	\$656
Net Adjustment		\$8,636

The Auto Dialer was installed by Consta Flow, the Utility's operator. When asked if three bids were obtained - as is Commission practice - the Utility stated that it was unaware of any other companies in the area that performed this type of work. We find that the Utility provided a reasonable response for not obtaining additional bids. In addition, the Utility provided a paid invoice for this item.

West Lakeland also did not provide multiple bids for the dump trailer. In response to our staff's data request, the Utility stated that it chose the vendor because they were the only company within a reasonable distance who could provide any needed repairs or warranty services.<sup>10</sup> We find that the Utility provided a reasonable response for why no other bids were obtained. In addition, the Utility provided a paid invoice for the dump trailer. We find that these pro forma items costs are appropriate.

*B. Used and Useful*

As discussed in Section 3, the Utility's system is considered 100 percent U&U. Therefore, no U&U adjustment is necessary.

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<sup>10</sup> Document No. 02110-2025, filed March 25, 2025.

*C. Accumulated Depreciation*

The Utility recorded accumulated depreciation of \$271,797. We reduced this amount by \$5,005 to align the Utility's records with regulatory standards and correct prior-year discrepancies. Additionally, we increased accumulated depreciation by \$3,774 to reflect an averaging adjustment. We further increased this account by \$817 to reflect the appropriate accumulated depreciation adjustments for the pro forma projects discussed above. Therefore, we approve an average accumulated depreciation balance of \$271,383 ( $\$271,797 - \$5,005 + \$3,774 + \$817$ ).

*D. Contributions-In-Aid of Construction*

The Utility recorded CIAC of \$221,480. We made no adjustments to CIAC, and therefore approve an average CIAC balance of \$221,480.

*E. Land and Land Rights*

The Utility recorded land and land rights balance of \$356. We made no adjustment to land and land rights, and therefore approve a land and land rights balance of \$356.

*F. Accumulated Amortization of CIAC*

The Utility recorded accumulated amortization of CIAC of \$164,343. We decreased this balance by \$1,600 to reflect an averaging adjustment. Therefore, we approve an average accumulated amortization of CIAC balance of \$162,743 ( $\$164,343 - \$1,600$ ).

*G. 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., we used the one-eighth operation and maintenance (O&M) expense (less rate case expense) formula for calculating the working capital allowance. As such, for this calculation, we removed the rate case expense of \$718. This resulted in an adjusted O&M expense balance of \$180,593 ( $\$181,311 - \$718$ ). Applying this formula, we approve a working capital allowance of \$22,574 ( $\$180,593 \div 8$ ).

*H. Rate Base Summary*

Based on the foregoing, we find that the appropriate average test year rate base is \$10,861. Rate base is shown on Schedule No. 1-A, and the related adjustments are also shown on Schedule No. 1-B.

5. Rate of Return

The Utility's capital structure consists of long-term debt and customer deposits. The Utility recorded \$123,013 as negative retained earnings in common equity. It is Commission

practice to remove all negative retained earnings when calculating an overall rate of return. Therefore, we approve an adjustment zeroing out common equity.

The Utility's capital structure has been reconciled with our approved rate base. The appropriate return on equity (ROE) is 11.24 percent based on the Commission-approved leverage formula currently in effect.<sup>11</sup> Therefore, we approve an ROE of 11.24 percent, with a range of 10.24 percent to 12.24 percent, and an overall rate of return of 5.92 percent. The ROE and overall rate of return are shown on Schedule No. 2.

#### 6. Test Year Revenues

West Lakeland recorded total test year revenues of \$190,996, which included \$183,393 of service revenues and \$7,603 of miscellaneous revenues. We made three adjustments to service revenues. Subsequent to the audit, we reviewed the billing data and discovered a few customers with significantly high usage. We contacted the Utility and in response to our inquiry, the Utility adjusted the billing data to reflect the three customers that were incorrectly billed. The Utility also recorded \$58 for general service revenues; however, there are no general service customers. Therefore, we removed the revenues of \$58 reflected for the general service customers. The Utility also had a price index that became effective on June 1, 2024. As a result, we have annualized service revenues by applying the number of adjusted billing determinants to the rates in effect as of June 1, 2024, and approved service revenues shall be \$191,977, which is an increase of \$8,584.

In addition, we made an adjustment to miscellaneous revenues to reflect revenues collected as a result of occurrences during the test year. Therefore, we have increased miscellaneous revenues by \$147 to reflect total miscellaneous revenues of \$7,750 (\$7,603 + \$147). Based on the above, we find that the appropriate test year revenues for West Lakeland are \$199,727 (\$191,977+ \$7,750).

#### 7. Operating Expenses

The Utility recorded an operating expense of \$207,252. The test year O&M expenses have been reviewed by us, including invoices and other supporting documentation. We have made several adjustments to the Utility's operating expense as described below.

##### *A. Operation and Maintenance Expense*

##### **New Maintenance Technician Position**

On January 27, 2025, the Utility requested a new maintenance technician position to be added to FUS1's currently approved positions. The maintenance technician's responsibilities include weekly lift station maintenance, spray field sprinkler maintenance, percolation pond

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<sup>11</sup> Order No. PSC-2024-0165-PAA-WS, issued May 22, 2024, in Docket No. 20240006-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)(j), F.S.*



maintenance, mowing grass, bar screen cleaning, digester tank skimming, tree trimming, hurricane season prep, running generators, sludge hauling, and cleaning up spills or sewage overflows. According to the Utility, this new maintenance technician is required, as FUS1 intends to promote a current employee to the level of Operations Supervisor, which would reduce the maintenance technician positions from 4 to 3 employees.

The Utility stated that reliance on overtime from current employees and using outside contractors has been required to maintain FUS1's systems. West Lakeland provided invoices from outside contractors and overtime payroll information to justify the need for a new maintenance technician position.<sup>12</sup> Additionally, the Utility filed a letter from Consta Flow, West Lakeland's outside Contractor, which addresses an operations cost increase for West Lakeland due to new technology, insurance costs, and employment costs.<sup>13</sup>

As such, we approve the addition of a new maintenance technician position in order to maintain the number of maintenance technician positions and reduce the additional costs incurred from overtime and outside contractors.

#### **Salaries and Wages – Employees (701)**

The Utility recorded \$42,711 for salaries and wages – employees. We increased this amount by \$4,732 to reflect the Utility's allocated portion of an additional maintenance position discussed above.<sup>14</sup> Therefore, we approve a salaries and wages – employees expense of \$47,443 (\$42,711 + \$4,732).

#### **Salaries and Wages – Officers and Directors (703)**

The Utility recorded \$7,197 for salaries and wages – officers and directors. We made no adjustment to this amount, and therefore approve a salaries and wages – officers and directors expense of \$7,197.

#### **Employee Pensions and Benefits (704)**

The Utility recorded \$5 for employee pensions and benefits. We decreased this amount by \$5 to reflect the removal of non-utility related expenses. Therefore, we approve an employee pensions and benefits expense of \$0 (\$5 - \$5).

#### **Purchased Wastewater Treatment (710)**

The Utility recorded \$560 for purchased wastewater treatment. We decreased this amount by \$3 due to lack of supporting documentation. Therefore, we approved a purchased wastewater treatment expense of \$557 (\$560 - \$3).

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<sup>12</sup> Document No. 03158-2025, filed April 23, 2025.

<sup>13</sup> Document No. 10119-2024, filed December 2, 2024.

<sup>14</sup> Document No. 00478-2025, filed January 27, 2025.

**Sludge Removal Expense (711)**

The Utility recorded \$33,918 for sludge removal. We decreased this amount by \$443 due to lack of supporting documentation. Therefore, we approve a sludge removal expense of \$33,475 (\$33,918 - \$443).

**Purchased Power (715)**

The Utility recorded \$13,338 for purchased power. We made no adjustment to this amount and therefore approve a purchased power expense of \$13,338.

**Chemicals (718)**

The Utility recorded \$2,715 for chemicals expense. we made no adjustment to this amount and therefore we approved a chemicals expense of \$2,715.

**Materials and Supplies (720)**

The Utility recorded \$8,000 for materials and supplies. We decreased this amount by \$863 due to lack of supporting documentation. We further decreased this amount by \$12 to remove non-utility related expenses. Therefore, we approve a materials and supplies expense of \$7,125 (\$8,000 - \$863 - \$12).

**Contractual Services – Professional (731)**

The Utility recorded \$1,092 for contractual services – professional. We made no adjustment to this amount and therefore approve contractual services – professional expense of \$1,092.

**Contractual Services – Testing (735)**

The Utility recorded \$1,240 for contractual services – testing. We made no adjustment to this amount and therefore approve a contractual services – testing expense of \$1,240.

**Contractual Services – Other (736)**

The Utility recorded \$30,148 for contractual services – other. We decreased this amount by \$807 due to lack of supporting documentation. The Utility submitted a new contract from Consta Flow, reflecting an increase in monthly costs from \$965 (\$11,580 annually) to \$1,062 (\$12,744 annually).<sup>15</sup> This represents an annual increase of \$1,164 (\$12,744 - \$11,580). Therefore, We approve a contractual services – other expense of \$30,505 (\$30,148 - \$807 + \$1,164).

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<sup>15</sup> Document No. 10119-2024, filed December 6, 2024.

### **Rents (740)**

The Utility recorded \$9,591 for rental expense. We decreased this amount by \$2,659 to reflect the appropriate allocated portion of rental expense. Therefore, we approve a rental expense of \$6,932 (\$9,591 - \$2,659).

### **Transportation Expense (750)**

The Utility recorded \$7,985 for transportation expense. We made no adjustment to this amount and therefore approve a transportation expense of \$7,985.

### **Insurance Expense (755)**

The Utility recorded \$8,506 for insurance expense. We made no adjustment to this amount and therefore approve an insurance expense of \$8,506.

### **Rate Case Expense (765)**

The Utility did not record any rate case expense. The Utility is required by Rule 25-22.0407, F.A.C., to mail notices of the rate case overview, final rates, and four-year rate reduction. We calculated noticing costs to be \$1,103. We calculated the distance from the Utility to Tallahassee as 226 miles. Based on the 2025 Internal Revenue Service business mileage rate of \$0.70, we calculated the round-trip mileage expense to the Commission Conference of \$316 plus \$200 for lodging for a total of \$516.<sup>16</sup> However, because the Utility representative will be attending the Commission Conference for a sister utility as well, we have only allocated 50 percent, or \$258, of travel expense to West Lakeland.<sup>17</sup> Additionally, the Utility paid a filing fee of \$1,000.<sup>18</sup>

On May 22, 2025, the Utility submitted its invoices for consulting fees from OCBOA Consulting, LLC, which serves as the Utility's accounting firm.<sup>19</sup> The summary of expenses attached to the invoices reflect rate case expense of \$154, \$214, and \$143 for March, April, and May 2025, respectively. There was an additional estimated expense of \$380 included in the summary. We did not include the estimated portion, but believes the March, April and May amounts are reasonable. As such, we included \$511 for consulting fees as part of rate case expense.

Based on the above, we approve a total rate case expense, consisting of noticing costs, 50 percent of travel expense, filing fee, and consulting fee of \$2,872 (\$1,103 + \$258 + \$1,000 + \$511), which amortized over four years is \$718 (\$2,872 ÷ 4 years).

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<sup>16</sup> <https://www.irs.gov/tax-professionals/standard-mileage-rates>

<sup>17</sup> Alturas Water, LLC, as Docket No. 20240119-WU, is currently scheduled for the same Commission Conference.

<sup>18</sup> Document No. 09132-2024, filed September 20, 2024.

<sup>19</sup> Document No. 03852-2025, filed May 22, 2025.

**Bad Debt Expense (770)**

The Utility recorded bad debt expense of \$4,506. It is Commission practice to calculate bad debt expense using a three-year average when the information is available. Using its 2021, 2022, and 2023 Annual Reports, the Utility recorded annual bad debt expenses of \$750, \$2,566 and \$3,914, respectively. We calculated the average bad debt expense for these previous three years to be \$2,410  $((\$750 + \$2,566 + \$3,914) \div 3)$  which represents a decrease of \$2,096. Therefore, we approve a total bad debt expense of \$2,410  $(\$4,506 - \$2,096)$ .

**Miscellaneous Expenses (775)**

The Utility recorded \$10,563 for miscellaneous expenses. We decreased this amount by \$467 and further decreased this amount by \$23 to remove allocated costs due to lack of supporting documentation. Therefore, we approve miscellaneous expenses of \$10,073  $(\$10,563 - \$467 - \$23)$ .

*B. Operation and Maintenance Expense Summary*

The Utility recorded test year O&M expense of \$182,075. Based on the above adjustments, we approve O&M expense be reduced by \$764. This results in a total O&M expense of \$181,311  $(\$182,075 - \$764)$ . Our approved adjustments to O&M are shown on Schedule No. 3-C.

*C. Depreciation Expense*

The Utility recorded depreciation expense of \$9,516. Using the depreciation rates prescribed in Rule 25-30.140, F.A.C., we increased this amount by \$1,757. Additionally, we increased depreciation expense by \$817 to reflect the appropriate rates associated with the Utility's pro forma projects. Therefore, we approve a depreciation expense of \$12,090  $(\$9,516 + \$1,757 + \$817)$ .

*D. Amortization of CIAC*

The Utility recorded amortization of CIAC of \$3,200. We made no adjustments and therefore approve amortization of CIAC of \$3,200.

*E. Taxes Other Than Income (TOTI)*

The Utility recorded TOTI of \$12,461; this amount included \$755 for property taxes, \$3,111 for payroll taxes and \$8,595 for RAFs.

We decreased property taxes by \$58 to reflect the appropriate amount of tangible property tax and real estate property tax.<sup>20</sup> Further, we increased property taxes by \$102 to

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<sup>20</sup> Tangible property tax calculated at \$587 and real estate property tax calculated at \$110.

reflect the increase in plant associated with pro forma. As such, we approve property taxes of \$799 (\$755 - \$58 + \$102).

Based on the Utility's response to the initial Commission staff report, we increased payroll taxes by \$210.<sup>21</sup> As part of the Utility's request for a pro forma increase for an additional maintenance position, we further increased payroll taxes by \$369.<sup>22</sup> As such, we approve payroll taxes of \$3,690 (\$3,111 + \$210 + \$369).

We increased TOTI by \$389 to reflect the appropriate regulatory assessment fees (RAFs) based on corrected Utility test year revenues. Based on revenues discussed in Issue 6, TOTI shall be increased by \$4 to reflect RAFs of 4.5 percent of the change in revenues. As such, we find the appropriate amount of test year RAFs to be \$8,988 (\$8,595 + \$389 + \$4).

As discussed in Section 9, we find revenues be increased by \$26,545 in order to reflect the change in revenue required to cover expenses and allow the Utility to earn an operating margin of \$15,000. As a result, TOTI shall be increased by \$1,195 to reflect RAFs of 4.5 percent of the change in revenues. Therefore, we approve TOTI of \$14,671 (\$799 + \$3,690 + \$8,988 + \$1,195).

#### *F. Operating Expense Summary*

The Utility recorded operating expenses of \$207,252. The application of Commission approved adjustments to the Utility's operating expense results in a total operating expense of \$211,272. Operating expenses are shown on Schedule No. 3-A, and the related adjustments are shown on Schedule No. 3-B.

#### 8. Operating Ratio Methodology

Rule 25-30.4575(2), F.A.C., provides that, in 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 qualification for a SARC.

With respect to West Lakeland, we approved a rate base of \$10,861. After removal of rate case expense, we calculated an O&M expense of \$180,593 (\$181,311 - \$718). Based on Commission approved amounts, the Utility's rate base is 6.01 percent of its adjusted O&M expense. Based on this, the Utility qualifies for application of the operating ratio methodology.

Rule 25-30.4575, F.A.C., limits the operating ratio adjustment to \$15,000; therefore, we find that the appropriate margin is \$15,000.

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<sup>21</sup> Document No. 00955-2025, filed February 13, 2025.

<sup>22</sup> Document No. 00478-2025, filed January 27, 2025.

## 9. Revenue Requirement

West Lakeland shall be allowed an annual increase of \$26,545 (13.29 percent). This will allow the Utility the opportunity to recover expenses and earn an operating margin of \$15,000. The calculations for revenue requirement are shown on Table 2.

**Table 2**  
**Revenue Requirement**

Adjusted O&M Expense	\$180,036
Operating Margin (%)	<u>12.00%</u>
Operating Margin (\$)	<u>\$15,000</u>
Wastewater O&M Expense	\$181,311
Depreciation Expense	12,090
Amortization	3,200
Taxes Other Than Income	<u>14,671</u>
Revenue Requirement	<u>\$226,272</u>
Less Test Year Revenues	\$199,727
Annual Increase	\$26,545
Percent Increase	13.29%

Source: Staff calculations.

## 10. Rate Structure

West Lakeland provides wastewater service to approximately 316 residential customers and no general service customers. Currently, the wastewater rate structure for residential customers consists of a monthly uniform base facility charge (BFC) for all meter sizes and gallonage charge with a 6,000 gallonage cap. The general service rate structure consists of BFCs by meter size and a gallonage charge that is 1.2 times higher than the residential gallonage charge.

We performed an analysis of the Utility's billing data in order to evaluate various BFC cost recovery percentages and gallonage caps for the residential wastewater customers. The goal of the evaluation was to select the rate design parameters that: 1) produce the approved revenue requirement; 2) equitably distribute cost recovery among the Utility's customers; and 3) implement a gallonage cap, where appropriate, that considers approximately the amount of water that may return to the wastewater system.

Consistent with Commission practice, we allocated 50 percent of the wastewater revenue to the BFC due to the capital intensive nature of wastewater plants. The Utility's current wastewater gallonage cap is set at 6,000 gallons per month. The wastewater gallonage cap recognizes that not all water used by the residential customers is returned to the wastewater system. Based on our review of the billing data, we find that the gallonage cap for residential customers shall remain at 6,000 gallons. We also find that the general service gallonage charge shall continue to be 1.2 times greater than the residential gallonage charge, which is consistent with Commission practice.

In addition, wastewater rates are calculated on customers' water demand; if those customers' water demand is expected to decline due to repression, then the billing determinants used to calculate wastewater rates shall be adjusted accordingly. In determining the number of wastewater gallons subject to repression, we used the gallons between the non-discretionary threshold and the wastewater gallonage cap and applies the percentage reduction in water gallons. In this case, there is no water system to calculate repression. Therefore, a repression adjustment for wastewater is not applicable.

The approved rate structures and monthly water rates are shown on Schedule No. 4. The Utility shall file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates shall 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 shall not be implemented until our staff has approved the proposed customer notice and the notice has been received by the customers. The Utility shall provide proof of the date notice was given within 10 days of the date of the notice.

#### 11. Appropriate Initial Customer Deposits

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, we have set initial customer deposits equal to two times the average estimated bill.<sup>23</sup> Currently, the Utility has an initial customer deposit of \$78. However, this amount does not cover two months' average bills based on our approved rates. According to the Utility's billing data, the average monthly residential wastewater usage is 3,319 gallons per customer. Therefore, the average residential monthly bill based on our approved rates is approximately \$57.49.

We find that the appropriate initial customer deposit shall be \$115 for all residential meter sizes. The approved initial customer deposits shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The Utility shall be required to collect the approved initial customer deposits until authorized to change them by us in a subsequent proceeding.

#### 12. Appropriate Miscellaneous Charges

West Lakeland is requesting to revise its existing miscellaneous service charges to reflect an increase in the amount of some of the charges. The Utility's existing miscellaneous service charges for wastewater were established in 1997.<sup>24</sup> The Utility's late payment charge was

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<sup>23</sup> Order No. PSC-15-0142-PAA-SU, issued March 26, 2015, in Docket No. 20130178-SU, *In re: Application for staff assisted rate case in Polk County by Crooked Lake Park Sewerage Company.*

<sup>24</sup> Order No. PSC-98-0752-FOF-SU, issued June 1, 1998, in Docket No. 19971531-SU, *In re: Application for grandfather certificate to operate wastewater Utility in Polk County by ABCA, Inc.*

approved in 2011.<sup>25</sup> The Utility's convenience charge was approved in 2013.<sup>26</sup> Section 367.091, F.S., authorizes us to change miscellaneous service charges. The Utility's violation reconnection charge and convenience charge shall remain unchanged. The Utility's requested increase of miscellaneous service charges were accompanied with cost justification as required by Section 367.091(6), F.S. The Utility's existing and requested miscellaneous service charges are shown below in Table 3.

**Table 3**  
**West Lakeland's Existing and Requested Miscellaneous Service Charges**

	<u>Existing</u>	<u>Requested</u>
Initial Connection Charge	\$15.00	\$80.00
Normal Reconnection Charge	\$15.00	\$80.00
Violation Reconnection Charge	Actual Cost	Actual Cost
Premises Visit Charge	\$10.00	\$80.00
Late Payment Charge	\$7.00	\$7.85
Convenience Charge	\$2.50	N/A

Source: Utility's current tariffs and cost justification documentation.

*A. Premises Visit Charge*

As shown on Table 3, the Utility is requesting to increase the amount of some of its existing miscellaneous service charges. The existing miscellaneous service charges include initial connection and normal reconnection charges which are obsolete and inconsistent with the Rule 25-30.460, F.A.C. The Utility provided cost justification of \$81.02; however, the Utility requested a charge of \$80.00 for the premises visit which represents the cost of a trip to perform a specified service. We find that the cost justification is reasonable and impose the cost on the cost causer. Based on the rule, we find that the initial connection and normal reconnection charges shall be removed. We also find that the definition for the premises visit charge shall be updated to comply with Rule 25-30.460, F.A.C. The premises visit charge shall be \$80.00. The Utility's calculation for the premises visit charge is shown below on Table 4.

**Table 4**  
**Calculation for Requested Premises Visit**

	<u>Cost</u>
Mileage (\$0.70 per mile x 40)	\$28.00
Labor – Tech – Round Trip Drive (\$27.85 x 1.15)	32.03
Labor – Tech – Location Labor Time (\$27.85 x 0.50)	13.93
Labor – Tech – Customer Care Representative (28.25 x 0.25)	7.06
Total	<u>\$81.02</u>

Source: Utility's cost justification documentation.

<sup>25</sup> Order No. PSC-11-0204-TRF-SU, issued April 25, 2011, in Docket No. 20100413-SU, *In re: Request for approval of tariff amendment to include a late fee of \$14.00 in Polk County by West Lakeland Wastewater.*

<sup>26</sup> Order No. PSC-13-0426-TRF-SU, issued September 19, 2013, in Docket No. 20120289-SU, *In re: Request for approval of tariff sheets for miscellaneous service charges in Polk County by West Lakeland Wastewater LLC.*



*B. Late Payment Charge*

The Utility currently has a \$7.00 late payment charge. The Utility is requesting a \$7.85 late payment charge to recover the cost of labor, supplies, and postage associated with processing late payment notices. The purpose of this charge is not only to provide an incentive for customers to make timely payment, thereby reducing the number of delinquent accounts, but also to place the cost burden of processing delinquent accounts solely upon those who are cost causers. The Utility calculated the actual costs for its late payment charges to be \$7.85. The Utility indicated that it will take approximately 15 minutes per account to research, compile, and produce late notices. The delinquent customer accounts will be processed by the administrative employee, which results in labor cost of \$7.06 ( $\$28.25 \times 0.25\text{hr}$ ). This is consistent with prior Commission decisions where we have allowed 5-15 minutes per account per month for the administrative labor associated with processing delinquent customer accounts.<sup>27</sup> In addition, the Utility included material cost of \$0.79 for paper, envelopes, and postage, which results in total costs of \$7.85 ( $\$7.06 + \$0.79$ ). The Utility's calculation for its costs associated with a late payment charge is shown on Table 5. Therefore, we approve the requested late payment charge of \$7.85.

**Table 5**  
**Calculation of Proposed Late Payment Charge**

	<u><b>Cost</b></u>
Supply – Paper Envelope ( $\$0.10 \times 1.00$ )	\$0.10
Supply – Postage ( $\$0.69 \times 1.00$ )	0.69
Labor – Customer Care Representative ( $\$28.25 \times 0.25$ )	<u>7.06</u>
Total	<u><b>\$7.85</b></u>

Source: Utility's cost justification documentation.

**Table 6**  
**Commission Approved Miscellaneous Service Charges**

Premises Visit Charge	\$80.00
Late Payment Charge	<u>\$7.85</u>

Source: Staff's Calculations.

*C. Conclusion*

Based on the above, we find that the appropriate miscellaneous service charges shown on Table 6 shall be approved. The Utility shall be required to file a proposed customer notice to reflect our approved charges. The approved charges shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charge shall not be implemented until our staff has

<sup>27</sup> Order Nos. PSC-16-0041-TRF-WU, issued January 25, 2016, in Docket No. 20150215-WU, *In re: Request for approval of tariff amendment to include miscellaneous service charges for the Earlene and Ray Keen Subdivisions, the Ellison Park Subdivision and the Lake Region Paradise Island Subdivision in Polk County, by Keen Sales, and Utilities, Inc.* and PSC-15-0569-PAA-WS, issued December 16, 2015, in Docket No. 20140239-WS, *In re: Application for staff-assisted rate case in Polk County by Orchid Springs Development Corporation.*

approved the proposed customer notice and the notice has been received by customers. The Utility shall provide proof of the date notice was given no less than 10 days after the date of the notice.

### 13. Four-Year Rate Reduction

Section 367.081(8), F.S., requires that the rates be reduced by the amount of rate case expense previously included in rates immediately following the expiration of the recovery period. With respect to West Lakeland, the reduction will reflect the removal of revenue associated with the amortization of rate case expense and the gross-up for RAFs. The total reduction is \$752.

We find that the rates shall 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 shall become effective immediately following the expiration of the rate case expense recovery period. West Lakeland shall 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 shall be filed for the price index and/or pass-through increase and the reduction in the rates due to the amortized rate case expense.

### 14. Approval of Rates on a Temporary Basis

This Order 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, we approve the proposed rates on a temporary basis. West Lakeland shall file revised tariff sheets and a proposed customer notice reflecting our approved rates. The approved rates shall 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 shall not be implemented until our staff has approved the proposed notice, and it has been received by the customers. The additional revenue produced by our approved rates and collected by the Utility shall be subject to the refund provisions discussed below.

West Lakeland shall be authorized to initiate the temporary rates upon our staff's approval of an appropriate security for the potential refund and cost of the proposed customer notice. Security shall be in the form of either a bond or letter of credit in the amount of \$18,208. Alternatively, the Utility may establish an escrow agreement with an independent financial institution.

If the Utility chooses a bond for securing the potential refund, the bond shall 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 shall 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 shall 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 shall the maintenance and administrative costs associated with the refund be borne by the customers. These costs are the responsibility of, and shall 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 shall be maintained by the Utility. If a refund is ultimately required, it shall be paid with interest calculated pursuant to Rule 25-30.360(4), F.A.C.

The Utility shall 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 shall 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 shall also indicate the status of the security being used to guarantee repayment of any potential refund.

15. Adjustment to Books

West Lakeland shall be required to notify us, in writing, that it has adjusted its books in accordance with the our decision. The Utility shall submit a letter within 90 days of our 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 shall be filed not less than seven days prior to the deadline. Upon providing a notice of good cause, our staff shall be given administrative authority to grant an extension of up to 60 days.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that West Lakeland has been responsive to customer complaints and is currently in compliance with Department of Environmental Protection standards; therefore, the quality of service is satisfactory. It is further

ORDERED that West Lakeland's wastewater system is currently in compliance with Department of Environmental Protection regulations. It is further

ORDERED that West Lakeland's WWTP and wastewater collection system shall be considered 100 percent U&U. Additionally, we find that there is no excessive I&I, and no adjustment to operating expenses is necessary. It is further

ORDERED that the appropriate average test year rate base for West Lakeland is \$10,861. It is further

ORDERED that the appropriate return on equity (ROE) is 11.24 percent with a range of 10.24 to 12.24 percent. The appropriate overall rate of return is 5.92 percent. It is further

ORDERED that the appropriate test year operating revenue for West Lakeland's wastewater system is \$199,727. It is further

ORDERED that the appropriate amount of operating expense for West Lakeland is \$211,272. It is further

ORDERED that West Lakeland meets the requirement for application of the operating ratio methodology for calculating the revenue requirement with a margin of \$15,000.

ORDERED that the appropriate revenue requirement is \$226,272, resulting in an annual increase of \$26,545 (13.29 percent). It is further

ORDERED that the approved rate structure and monthly wastewater rates are shown on Schedule No. 4. The utility shall file revised tariff sheets and a proposed customer notice to reflect our approved rates. The approved rates shall 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 shall not be implemented until we have approved the proposed customer notice and the notice has been received by the customers. The Utility shall provide proof of the date notice was given within 10 days of the date of the notice. It is further

ORDERED that the appropriate initial customer deposit for the appropriate initial customer deposit shall be \$115 for all residential meter sizes. The approved initial customer deposits shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The Utility shall be required to collect the approved initial customer deposits until authorized to change them by us in a subsequent proceeding. It is further

ORDERED that the appropriate miscellaneous service charges are shown on Table 6 and shall be approved. The Utility shall be required to file a proposed customer notice to reflect the Commission-approved charges. The approved charges shall be effective on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved charge shall not be implemented until Commission staff has approved the proposed customer notice and the notice has been received by customers. The Utility shall provide proof of the date notice was given no less than 10 days after the date of the notice. It is further

ORDERED that the rates shall 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 shall become effective immediately following the expiration of the rate case expense recovery period. West Lakeland shall 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 shall be filed for the price index and/or pass-through increase and the reduction in the rates due to the amortized rate case expense. It is further

ORDERED that, pursuant to Section 367.0814(7), F.S., the approved rates are temporary and subject to refund with interest, in the event of a protest filed by a party other than the Utility. West Lakeland shall file revised tariff sheets and a proposed customer notice reflecting our approved rates. The approved rates shall 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. It is further

ORDERED that the temporary rates shall not be implemented until Commission staff has approved the proposed notice, and the notice has been received by the customers. Further, prior to implementing any temporary rates, the Utility shall provide appropriate financial security. The approved temporary rates collected by the Utility shall be subject to refund provisions. It is further

ORDERED that after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility shall file reports with the Commission's Office of Commission Clerk no later than the 20th of each month indicating both the current monthly and total amount subject to refund at the end of the preceding month. The report filed shall also indicate the status of the security being used to guarantee repayment of any potential refund. It is further

ORDERED that West Lakeland shall notify us, in writing, that it has adjusted its books in accordance with our decision. West Lakeland shall submit a letter within 90 days of our 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 shall be filed not less than seven days prior to the deadline. Upon providing a notice of good cause, Commission staff shall be given administrative authority to grant an extension of up to 60 days. It is further

ORDERED that 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 shall be issued. The docket shall remain open for Commission staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by Commission staff. Once these actions are complete, this docket shall be closed administratively.

By ORDER of the Florida Public Service Commission this 22nd day of July, 2025.



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ADAM J. TEITZMAN  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399  
(850) 413-6770  
[www.floridapsc.com](http://www.floridapsc.com)

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, 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 or judicial review will be granted or result in the relief sought.

As identified in the body of this order, our actions are preliminary in nature, except for (1) the reduction of rates after four years based upon the recovery of rate case expense, and (2) the granting of temporary rates in the event of protest. 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, at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on August 12, 2025. If such a petition is filed, 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. In the absence of such a petition, this order shall become effective and final upon the issuance of a Consummating Order.

Any objection or protest filed in this docket 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 procedural action in this matter may request: (1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 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 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.

WEST LAKELAND WASTEWATER, LLC TEST YEAR ENDED 06/30/2024 SCHEDULE OF WASTEWATER RATE BASE		SCHEDULE NO. 1-A DOCKET NO. 20240105-SU	
DESCRIPTION	BALANCE PER UTILITY	COMM. ADJ.	BALANCE PER COMM.
1. UTILITY PLANT IN SERVICE	\$309,485	\$8,566	\$318,051
2. LAND & LAND RIGHTS	356	0	356
3. ACCUMULATED DEPRECIATION	(271,797)	414	(271,383)
4. CIAC	(221,480)	0	(221,480)
5. ACCUMULATED AMORTIZATION OF CIAC	164,343	(1,600)	162,743
6. WORKING CAPITAL ALLOWANCE	<u>\$0</u>	<u>\$22,574</u>	<u>\$22,574</u>
WASTEWATER RATE BASE	<u>(\$19,093)</u>	<u>\$29,954</u>	<u>\$10,861</u>



WEST LAKELAND WASTEWATER, LLC		SCHEDULE NO. 1-B
TEST YEAR ENDED 6/30/2024		DOCKET NO. 20240105-SU
ADJUSTMENTS TO RATE BASE		
		WASTEWATER
<b><u>UTILITY PLANT IN SERVICE</u></b>		
1.	To reflect an averaging adjustment.	(\$69)
2.	To reflect pro forma plant additions.	8,636
	Total	<u>\$8,566</u>
<b><u>ACCUMULATED DEPRECIATION</u></b>		
1.	To reflect auditing adjustments.	\$5,005
2.	To reflect an averaging adjustment.	(3,774)
3.	To reflect pro forma adjustments.	<u>(817)</u>
	Total	<u>\$414</u>
<b><u>ACCUMULATED AMORTIZATION OF CIAC</u></b>		
	To reflect an averaging adjustment.	<u>(\$1,600)</u>
<b><u>WORKING CAPITAL ALLOWANCE</u></b>		
	To reflect 1/8 O&M expense (less RCE).	<u>\$22,574</u>

**SCHEDULE NO. 2**  
**DOCKET NO. 20240105-SU**

WEST LAKELAND WASTEWATER, LLC TEST YEAR ENDED 6/30/2024 SCHEDULE OF WASTEWATER OPERATING INCOME				SCHEDULE NO. 3-A DOCKET NO. 20240105-SU	
	TEST YEAR PER UTILITY	COMM. ADJUST- MENTS	COMM. ADJUSTED TEST YEAR	ADJUST. FOR INCREASE	REVENUE REQUIREMENT
1. TOTAL OPERATING REVENUES	\$190,996	\$8,731	\$199,727	\$26,545 13.29%	\$226,272
<b>OPERATING EXPENSES:</b>					
2. OPERATION & MAINTENANCE	\$182,075	(\$764)	\$181,311	\$0	\$181,311
3. DEPRECIATION	9,516	2,574	12,090	0	12,090
4. AMORTIZATION	3,200	0	3,200	0	3,200
5. TAXES OTHER THAN INCOME	<u>\$12,461</u>	<u>\$1,016</u>	<u>\$13,477</u>	<u>\$1,195</u>	<u>\$14,671</u>
TOTAL OPERATING EXPENSES	<u>\$207,252</u>	<u>\$2,826</u>	<u>\$210,078</u>	<u>\$1,195</u>	<u>\$211,272</u>
6. OPERATING INCOME/(LOSS)	(\$16,256)		(\$10,351)		\$15,000
7. WASTEWATER RATE BASE	(\$19,093)		\$29,954		\$10,861
8. OPERATING MARGIN					12.00%

WEST LAKELAND WASTEWATER, LLC TEST YEAR ENDED 6/30/2024 ADJUSTMENTS TO OPERATING INCOME		SCHEDULE 3-B DOCKET NO. 20240105-SU PAGE 1 OF 2
		WASTEWATER
<b>OPERATING REVENUES</b>		
1.	To reflect an auditing adjustment to Service Revenues.	\$8,642
2.	To reflect the appropriate test year Service Revenues.	(58)
3.	To reflect the appropriate test year Miscellaneous Revenues.	147
	Total	<u>\$8,731</u>
<b>OPERATION AND MAINTENANCE EXPENSES</b>		
1.	Salaries and Wages – Employees (701) To reflect pro forma additional maintenance position.	<u>\$4,732</u>
2.	Employee Pensions and Benefits (704) To reflect removal of non-utility related expense.	<u>(\$5)</u>
3.	Purchased Sewage (710) To reflect an audit adjustment.	<u>(\$3)</u>
4.	Sludge Removal Expense (711) To reflect audit adjustments.	<u>(\$443)</u>
5.	Materials and Supplies (720) a. To reflect an audit adjustment.	(\$863)
	b. To reflect removal of non-utility related expense.	(12)
	Total	<u>(\$875)</u>
6.	Contractual Services – Other (736) a. To reflect audit adjustments.	(\$807)
	b. To reflect increase in Consta Flow contract.	1,164
	Total	<u>\$357</u>
7.	Rental Expense (740) To reflect an audit adjustment.	<u>(\$2,659)</u>
8.	Rate Case Expense (765) To reflect 1/4 rate case expense.	<u>\$718</u>
9.	Bad Debt Expense (770) To reflect three-year average of bad debt expense.	<u>(\$2,096)</u>
10.	Miscellaneous Expense (775) a. To reflect audit adjustments.	(\$467)
	b. To reflect removal of allocated cost due to lack of support.	(23)
	Total	<u>(\$490)</u>
<b>TOTAL O&amp;M ADJUSTMENT</b>		<u>(\$764)</u>

<b>WEST LAKELAND WASTEWATER, LLC.</b>		<b>SCHEDULE 3-B</b>
<b>TEST YEAR ENDED 6/30/2024</b>		<b>DOCKET NO. 20240105-SU</b>
<b>ADJUSTMENTS TO OPERATING INCOME</b>		<b>PAGE 2 OF 2</b>
		<b>WASTEWATER</b>
<b>DEPRECIATION EXPENSE</b>		
1.	To reflect appropriate test year depreciation expense.	\$1,757
2.	To reflect pro forma additions.	<u>817</u>
	Total	<u>\$2,574</u>
<b>TAXES OTHER THAN INCOME</b>		
1.	To reflect an auditing adjustment for RAFs.	\$389
2.	To reflect appropriate test year RAFs	4
3.	To reflect appropriate property taxes.	(58)
4.	To reflect appropriate test year payroll taxes.	210
5.	To reflect pro forma payroll taxes.	369
6.	To reflect property taxes associated with pro forma additions.	<u>102</u>
	Total	<u>\$1,016</u>
<b>TOTAL OPERATING EXPENSE ADJUSTMENTS</b>		<u>\$2,826</u>

WEST LAKELAND WASTEWATER, LLC		SCHEDULE NO. 3-C		
TEST YEAR ENDED 6/30/2024		DOCKET NO. 20240105-SU		
ANALYSIS OF WASTEWATER O&M EXPENSE				
<u>ACCT.#</u>	<u>DESCRIPTION</u>	<u>TOTAL PER UTILITY</u>	<u>COMM. ADJUST- MENT</u>	<u>TOTAL PER STAFF</u>
701	Salaries and Wages – Employees	\$42,711	\$4,732	\$47,443
703	Salaries and Wages – Officers	7,197	0	7,197
704	Employee Pensions and Benefits	5	(5)	0
710	Purchased Wastewater Treatment	560	(3)	557
711	Sludge Removal Expense	33,918	(443)	33,475
715	Purchased Power	13,338	0	13,338
718	Chemicals	2,715	0	2,715
720	Materials and Supplies	8,000	(875)	7,125
731	Contractual Services – Professional	1,092	0	1,092
735	Contractual Services – Testing	1,240	0	1,240
736	Contractual Services – Other	30,148	357	30,505
740	Rents	9,591	(2,659)	6,932
750	Transportation Expense	7,985	0	7,985
755	Insurance Expense	8,506	0	8,506
765	Rate Case Expense	0	718	718
770	Bad Debt Expense	4,506	(2,096)	2,410
775	Miscellaneous Expenses	<u>\$10,563</u>	<u>(\$490)</u>	<u>\$10,073</u>
	Total O&M Expense	<u>\$182,075</u>	<u>(\$764)</u>	<u>\$181,311</u>
	Working Capital is 1/8 O&M Less RCE			\$22,574

WEST LAKELAND WASTEWATER, LLC		SCHEDULE NO. 4	
TEST YEAR ENDED 6/30/24		DOCKET NO. 20240105-SU	
MONTHLY WASTEWATER RATES			
	UTILITY'S CURRENT RATES	COMM. APPROVED RATES	4 YEAR RATE REDUCTION
<b><u>Residential</u></b>			
Base Facility Charge - All Meter Sizes	\$22.61	\$28.75	\$0.09
Charge per 1,000 gallons (6,000 gallon cap)	\$8.41	\$8.66	\$0.03
-			
<b><u>General Service</u></b>			
Base Facility Charge by Meter Size			
5/8" x 3/4"	\$22.61	\$28.75	\$0.09
3/4"	\$33.92	\$43.13	\$0.14
1"	\$56.53	\$71.88	\$0.23
1-1/2"	\$113.05	\$143.75	\$0.45
2"	\$180.88	\$230.00	\$0.72
3"	\$361.76	\$460.00	\$1.44
4"	\$565.25	\$718.75	\$2.25
6"	\$1,130.50	\$1,437.50	\$4.50
8"	\$1,808.80	\$2,300.00	\$7.20
Charge per 1,000 gallons	\$10.09	\$10.40	\$0.03
<b><u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u></b>			
3,000 Gallons	\$47.84	\$54.73	
6,000 Gallons	\$73.07	\$80.71	
8,000 Gallons	\$73.07	\$80.71	