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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in water and wastewater rates in Brevard, Citrus, Duval, Highlands, Marion, and Volusia Counties by CSWR-Florida Utility Operating Company.	DOCKET NO. 20250052-WS ORDER NO. PSC-2026-0164-PHO-WS ISSUED: May 26, 2026

PREHEARING ORDER

Pursuant to Notice and in accordance with Rule 28-106.209, Florida Administrative Code (F.A.C.), a Prehearing Conference was held on May 14, 2026, in Tallahassee, Florida, before Commissioner Gary Clark, as Prehearing Officer.

APPEARANCES:

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On behalf of CSWR-Florida Utility Operating Company, LLC (CSWR-Florida).

WALT TRIERWEILER, PATRICIA A. CHRISTENSEN, and AUSTIN WATROUS, ESQUIRES, Office of Public Counsel, c/o The Florida Legislature, 111 W. Madison Street, Room 812, Tallahassee, Florida 32399-1400
On behalf of Office of Public Counsel (OPC).

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Florida Public Service Commission General Counsel.

I. CASE BACKGROUND

Central States Water Resources-Florida Operating Company, LLC (CSWR-Florida or Utility) is a Florida domestic limited liability company formed on March 31, 2021. The Utility is a wholly-owned subsidiary of CSWR-Florida Utility Holding Company, LLC. In 2022 and 2023, CSWR-Florida acquired the water and wastewater facilities of eleven Florida utilities operating in Brevard, Citrus, Duval, Highlands, Marion, and Volusia counties. On March 25, 2025, the Utility filed a letter requesting approval of a historic test year ending on January 31, 2025, for purposes of establishing final rates. CSWR-Florida's test year was approved on April 8, 2025, for the purposes of filing a rate increase petition. The Utility filed its petition requesting a base rate increase along with minimum filing requirement (MFR) schedules and testimony supporting the request on May 30, 2025. All MFR deficiencies were cured and the MFRs were deemed complete on November 24, 2025, which became the official date of filing.

On April 4, 2025, the Office of Public Counsel filed a Notice of Intervention which was acknowledged by Order No. PSC-2025-0113-PCO-WS, issued April 7, 2025.

This proceeding has been scheduled for an administrative hearing beginning June 8, 2026. June 9-12, 2026 are reserved for continuation of the hearing if needed.

II. CONDUCT OF PROCEEDINGS

Pursuant to Rule 28-106.211, F.A.C., this Prehearing Order is issued to prevent delay and to promote the just, speedy, and inexpensive determination of all aspects of this case.

III. JURISDICTION

This Commission is vested with jurisdiction over the subject matter by the provisions of Chapter 367, Florida Statutes (F.S.). This hearing will be governed by said Chapter and Chapters 25-30, 25-22, and 28-106, F.A.C., as well as any other applicable provisions of law.

IV. PROCEDURE FOR HANDLING CONFIDENTIAL INFORMATION

Information for which proprietary confidential business information status is requested pursuant to Section 367.156, F.S., and Rule 25-22.006, F.A.C., shall be treated by the Commission as confidential. The information shall be exempt from Section 119.07(1), F.S., pending a formal ruling on such request by the Commission or pending return of the information to the person providing the information. If no determination of confidentiality has been made and the information has not been made a part of the evidentiary record in this proceeding, it shall be returned to the person providing the information. If a determination of confidentiality has been made and the information was not entered into the record of this proceeding, it shall be returned to the person providing the information within the time period set forth in Section 367.156, F.S. The Commission may determine that continued possession of the information is necessary for the Commission to conduct its business.

It is the policy of this Commission that all Commission hearings be open to the public at all times. The Commission also recognizes its obligation pursuant to Section 367.156, F.S., to protect proprietary confidential business information from disclosure outside the proceeding. Therefore, any party wishing to use any proprietary confidential business information, as that term is defined in Section 367.156, F.S., at the hearing shall adhere to the following:

(1) When confidential information is used in the hearing that has not been filed as prefiled testimony or prefiled exhibits, parties must have copies for the Commissioners, necessary staff, and the court reporter, in red envelopes clearly marked with the nature of the contents and with the confidential information highlighted. Any party wishing to examine the confidential material that is not subject to an order granting confidentiality shall be provided a copy in the same fashion as provided to the Commissioners, subject to execution of any appropriate protective agreement with the owner of the material.

(2) Counsel and witnesses are cautioned to avoid verbalizing confidential information in such a way that would compromise confidentiality. Therefore, confidential information should be presented by written exhibit when reasonably possible.

At the conclusion of that portion of the hearing that involves confidential information, all copies of confidential exhibits shall be returned to the proffering party. If a confidential exhibit has been admitted into evidence, the copy provided to the court reporter shall be retained in the Office of Commission Clerk's confidential files. If such material is admitted into the evidentiary record at hearing and is not otherwise subject to a request for confidential classification filed with the Commission, the source of the information must file a request for confidential classification of the information within 21 days of the conclusion of the hearing, as set forth in Rule 25-22.006(8)(b), F.A.C., if continued confidentiality of the information is to be maintained.

V. <u>PREFILED TESTIMONY AND EXHIBITS; WITNESSES</u>

Testimony of all witnesses to be sponsored by the parties and Commission staff has been prefiled and will be inserted into the record as though read after the witness has taken the stand and affirmed the correctness of the testimony and associated exhibits. All testimony remains subject to timely and appropriate objections. Upon insertion of a witness' testimony, exhibits appended thereto may be marked for identification. Each witness will have the opportunity to orally summarize his or her testimony at the time he or she takes the stand. Summaries of testimony shall be limited to five minutes. If a witness has filed both direct and rebuttal testimonies, he or she will receive five minutes for direct and five minutes for rebuttal. If both direct and rebuttal testimonies are taken together, those witnesses will be given up to ten minutes total.

Witnesses are reminded that, on cross-examination, responses to questions calling for a simple yes or no answer shall be so answered first, after which the witness may explain his or her answer. After all parties and staff have had the opportunity to cross-examine the witness, the exhibit may be moved into the record. All other exhibits may be similarly identified and entered into the record at the appropriate time during the hearing.

The Commission frequently administers the testimonial oath to more than one witness at a time. Therefore, when a witness takes the stand to testify, the attorney calling the witness is directed to ask the witness to affirm whether he or she has been sworn.

The parties shall avoid duplicative or repetitious cross-examination. Further, friendly cross-examination will not be allowed. Cross-examination shall be limited to witnesses whose testimony is adverse to the party desiring to cross-examine. Any party conducting what appears to be a friendly cross-examination of a witness should be prepared to indicate why that witness' direct testimony is adverse to its interests.

All parties must refer to the exhibit number established by the Comprehensive Exhibit List when referencing an exhibit during cross-examination.

VI. ORDER OF WITNESSES

Each witness whose name is preceded by a plus sign (+) will present direct and rebuttal testimony together.

Witness	Proffered By	Issues #
Direct		
Josiah Cox	CSWR-Florida	2, 17, 40-41, and 43
Jacob Freeman	CSWR-Florida	1, 2, and 7-13
Todd Thomas	CSWR-Florida	1, 2, and 7
Michael Duncan	CSWR-Florida	40-41, and 43
Brent Thies	CSWR-Florida	3-6, 9-39, 47-48, 32A
Aaron J. Silas	CSWR-Florida	1, 42, and 44-46
Ralph Smith	OPC	3, 17, 19, 22, 25, 26, 36, 37, 38, 39
Curt Mouring	Staff	As Needed
John F. Plescow	Staff	1
Rebuttal		
Josiah Cox	CSWR-Florida	2, 17, 40-41, and 43
Jacob Freeman	CSWR-Florida	1, 2, and 7-13

Witness	Proffered By	Issues #
Todd Thomas	CSWR-Florida	1, 2, and 7
Brent Thies	CSWR-Florida	3-6, 9-39, 47-48, and 32A
Aaron J. Silas	CSWR-Florida	1, 42, and 44-46

VII. BASIC POSITIONS

CSWR-Florida: In order to allow CSWR-Florida to recover its reasonable and prudent expenses, including pro forma expenses, and to have an opportunity to earn a reasonable return on its property used and useful in the public service, it is entitled to annual revenues in the amount of $6,747,048 for water operations and $3,705,189 for wastewater operations. These revenue requirement calculations reflect the continued inclusion of the financial impact of three acquisition adjustments as well as the impact of certain Staff Audit Findings as detailed in the rebuttal testimony of Mr. Thies.

OPC: The burden of proof in a Commission proceeding is always on a utility seeking a rate change and any other parties seeking to change established rates. *Fla. Power Corp. v. Cresse*, 413 So.2d 1187, 1191 (Fla. 1982). CSWR has the burden to prove that the costs for which they seek recovery through the requested rate increase are reasonable and prudent. Accordingly, the Commission may only approve the parts of Central States Water Resources-Florida's (CSWR) rate request which are just reasonable and not unfairly discriminatory.

The Commission has an opportunity in this case to remind Utility companies that Florida is open for business, but not bad business decisions. CSWR has failed to demonstrate that its proposed revenue requirement is just, reasonable, or in the public interest and therefore should be rejected. OPC expert Ralph Smith has demonstrated that any increase should be limited to no more than $3,056,866 for water and 232,507 for wastewater.

At its core, this case reflects a fundamental misalignment between CSWR's business model and the needs of its water an d wastewater systems. CSWR has pursued an aggressive acquisition strategy focused on purchasing small "distressed" systems and rapidly expanding their footprint, increasing customer bills, and providing minimal service improvements. The evidence in this docket demonstrates that the Company's current practices prioritize growth and the reanimation of previously denied acquisitions adjustments, over quality of service, to the detriment of existing customers.

CSWR's proposed increases are driven in significant part by grossly overpaying on acquisition-related growth that does not reflect prudent investment in utility infrastructure, and which instead shift financial burdens arising from imprudent corporate decisions onto rate payers. Approval of the requested adjustments would undermine the principle of administrative finality, undercut judicial economy, and encourage future attempts to recover transaction-based costs absent clear quantifiable public benefits. An example of this can be found in the purchase of the Sunshine Utility Inc., of Central Florida for approximately 23 times over book value.[1]

The Company's focus on expansion of rate base has outpaced its ability to effectively manage and operate the systems it already owns. As evidenced by CSWR requesting zero pro forma projects to remediate such "distressed" systems. The Commission's ratemaking determinations must prioritize safe, reliable, at reasonable and prudent costs; not customers subsidizing shareholders through excessive growth in rate base.

STAFF: Staff's positions are preliminary and based on materials filed by the parties and on discovery. The preliminary positions are offered to assist the parties in preparing for the hearing. Staff's final positions will be based upon all the evidence in the record and may differ from the preliminary positions stated herein.

VIII. ISSUES AND POSITIONS

QUALITY OF SERVICE

ISSUE 1: Is the overall quality of service provided by the Utility satisfactory, and, if not, what systems have quality of service issues and what action should be taken by the Commission?

CSWR-Florida: The quality of service is satisfactory for all systems. (Silas, Freeman, Thomas)

OPC: No. At a minimum, the quality of service of CSWR's systems is deficient. The Commission should find these systems have marginal or unsatisfactory quality of service. The Commission should reduce the leverage graph-determined return on equity for the Utility by 25 basis points.

STAFF: Staff has no position at this time.

[1] Though not included in this case, this imprudent activity has continued in Docket No. 20250136. CSWR purchased the Rolling Oaks system, which had a depreciated net book value of $555,680, for $33,000,000 and requested a positive acquisition adjustment of over $32,444,319.

ISSUE 2: **Are the infrastructure and operating conditions of the Utility's water and wastewater systems in compliance with Florida Department of Environmental Protection regulations?**

CSWR-Florida: Yes, in part. Current non-compliance does not result from the actions or inactions of CSWR-Florida. Instead, the systems that the Company acquired, since its inception in 2022, all exhibited significantly deteriorated water and wastewater assets with long histories of failing to comply with FDEP regulations. The Company has, through extensive replacements, repairs and upgrades to facilities, as well as improved system operations and maintenance, made significant improvements to these distressed systems. The Company is committed to making additional capital improvements until all systems fully comply with FDEP regulations. (Freeman, Cox, Thomas)

OPC: CSWR-Florida has multiple ongoing compliance issues with the Department of Environmental Protection. CSWR's post-acquisition trend of ongoing encounters with the Florida Department of Environmental Protection is indicative of chronic compliance problems.

STAFF: Staff has no position at this time.

RATE BASE

ISSUE 3: **What adjustments, if any, should be made to account for the audit adjustments related to rate base?**

CSWR-Florida: Adjustments to rate base should be made for four of Staff's Audit Findings: (1) Plant Sample for Years Ended January 31, 2022, and January 31, 2023; (2) Retirement and Net Salvage Value of Plant; (3) portions of Land & Land Rights; and (4) Revised Contributions-in-Aid-of-Construction CIAC and CIAC Amortization. As to Audit Finding 3 (Land & Land Rights), CSWR-Florida agrees with the increase of $33,672 for the Tymber Creek, Rolling Oaks, and Sebring Ridge systems and disagrees with the reduction of $32,768 for the Sunshine Utilities Ponderosa Pines and Quail Run systems. (Thies)

OPC: The acquisition adjustments of Aquarina, North Peninsula, and Sunshine have not been approved by this Commission and should not be included in Rate Base. (Smith)

STAFF: Staff has no position at this time.

ISSUE 4: Should any adjustments be made to test year plant-in-service balances?

CSWR-Florida: Yes, adjustments should be made relating to Staff Audit Findings: (1) Plant Sample for Years Ended January 31, 2022, and January 31, 2023, and (2) Retirements and Net Salvage Value of Plant. (Thies)

OPC: Yes. The record supports that plant-in-service adjustments should be made.

STAFF: Staff has no position at this time.

ISSUE 5: Should any adjustments be made to the Utility's pro forma plant additions?

CSWR-Florida: The Utility has no pro forma plant additions. (Thies)

OPC: CSWR has no proposed pro forma plant additions in this case. There is no evidence supporting pro forma plant adjustments.

STAFF: Staff has no position at this time.

ISSUE 6: What are the appropriate plant retirements to be made in this docket?

CSWR-Florida: CSWR-Florida agrees with Audit Finding 2 (Retirement and Net Salvage Value of Plant). (Thies)

OPC: Yes. The record supports that adjustments should be made for plant retirements.

STAFF: Staff has no position at this time.

ISSUE 7: Do any water systems have excessive unaccounted for water and, if so, what adjustments are necessary, if any?

CSWR-Florida: Certain of the water systems have excessive unaccounted for water during the test year as shown on the MFR F-1 schedules, however no adjustments should be made due to the condition of the systems acquired by CSWR-Florida. (Thomas, Freeman)

OPC: Yes. The following systems have excessive unaccounted for water: Aquarina (29%), C.F.A.T (16%), Neighborhood (27%), Rolling Oaks (28%), Sunshine Utilities (23%), Tradewinds (78%), and Tymber Creek (24%). Any excessive unaccounted for water for each system determined by the Commission must have applicable corresponding reductions to purchased power, chemicals, and/or purchased water expenses. Appropriate adjustments should be made in issue 32.

STAFF: Staff has no position at this time.

ISSUE 8: Do any wastewater systems have excessive infiltration and/or inflow and, if so, what adjustments are necessary, if any?

CSWR-Florida: No. As reflected in Staff's interim rate calculations for each of the wastewater systems, none of the Company's wastewater systems have excessive infiltration and / or inflow. (Freeman)

OPC: CSWR has not adequately addressed this issue in its testimony and filing. Any excessive infiltration and inflow for each system determined by the Commission must have applicable corresponding reductions to purchased power, chemicals, and/or purchased wastewater expenses. Appropriate adjustments should be made in issue 32.

STAFF: Staff has no position at this time.

ISSUE 9: What are the appropriate used and useful percentages for the water treatment and related facilities of each water system?

CSWR-Florida: The water treatment and related facilities for each water system are fully used and useful. (Freeman, Thies)

OPC: 100% for each applicable system.

STAFF: Staff has no position at this time.

ISSUE 10: What are the appropriate used and useful percentages for the water storage and related facilities of each water system?

CSWR-Florida: The water storage and related facilities for each water system are fully used and useful. (Freeman, Thies)

OPC: The following systems have water storage and related facilities less than 100% used and useful: Aquarina (65.8%), C.F.A.T. (38%), and Neighborhood (53%).

STAFF: Staff has no position at this time.

ISSUE 11: **What are the appropriate used and useful percentages for the water distribution and related facilities of each water system?**

CSWR-Florida: The water distribution and related facilities for each water system are fully used and useful. (Freeman, Thies)

OPC: 100% for each applicable system.

STAFF: Staff has no position at this time.

ISSUE 12: **What are the appropriate used and useful percentages for the wastewater treatment and related facilities of each wastewater system?**

CSWR-Florida: The wastewater treatment and related facilities for each wastewater system are fully used and useful. (Freeman, Thies)

OPC: The following systems have wastewater treatment and related facilities less than 100% used and useful: Aquarina (49.09%), C.F.A.T. (39%), North Peninsula (52%), Rolling Oaks (55%), Sebring (29%), TKCB (45.45%), and Tymber Creek (47.56%).

STAFF: Staff has no position at this time.

ISSUE 13: **What are the appropriate used and useful percentages for the collection lines and related facilities of each wastewater system?**

CSWR-Florida: The wastewater collection lines and related facilities for each wastewater system are fully used and useful. (Freeman, Thies)

OPC: 100% for each applicable system.

STAFF: Staff has no position at this time.

<u>ISSUE 14</u>: Should any adjustments be made to test year accumulated depreciation?

CSWR-Florida: No. (Thies)

OPC: Yes. The record supports that adjustments should be made for test year accumulated depreciation.

STAFF: Staff has no position at this time.

<u>ISSUE 15</u>: Should any adjustments be made to test year CIAC balances?

CSWR-Florida: Yes. CSWR-Florida accepts Staff's Revised Audit Finding 4 (Contributions-in-Aid-of-Construction CIAC and CIAC Amortization) related to CIAC balances. (Thies)

OPC: Yes. The record supports that adjustments should be made for test year CIAC balances.

STAFF: Staff has no position at this time.

<u>ISSUE 16</u>: Should any adjustments be made to test year accumulated amortization of CIAC?

CSWR-Florida: While Staff did not recommend any adjustment to amortization of CIAC, a minor adjustment may be warranted because of Staff's Revised Audit Finding 4 (Contributions-in-Aid-of-Construction CIAC and CIAC Amortization) reducing the CIAC balance. (Thies)

OPC: Yes. The record supports that adjustments should be made for test year for accumulated amortization of CIAC.

STAFF: Staff has no position at this time.

<u>ISSUE 17</u>: Should any adjustments be made to the acquisition adjustments included in the test year?

CSWR-Florida: As of the filing of this Prehearing Statement, the Commission has not granted the acquisition adjustments reflected in the MFRs. Those acquisition adjustments remain pending in the following separate dockets: North Peninsula (20250038); Aquarina (20250043); and Sunshine Utilities of Central Florida (20250047). If acquisition adjustments have not been approved in time to incorporate the ratemaking impact of those adjustments, then the consolidated revenue requirement should be reduced by $1,105,780 ($970,852 for water, $134,928 for wastewater). (Cox, Thies)

OPC: Yes. Acquisition adjustments for Aquarina, North Peninsula, and Sunshine Utilities should be excluded. (Smith)

STAFF: Staff has no position at this time.

<u>ISSUE 18</u>: What is the appropriate working capital allowance?

CSWR-Florida: The Company agrees to Staff's Audit Finding 7 (Working Capital). (Thies)

OPC: The appropriate working capital allowance should be derived in accordance with Rule 25-30.433, F.A.C., as applicable given the class size of individual systems.

STAFF: Staff has no position at this time.

<u>ISSUE 19</u>: What are the appropriate rate bases for the January 31, 2025 test year?

CSWR-Florida: The appropriate water rate base for the January 31, 2025, test year is $16,975,540. The appropriate wastewater rate base for the January 31, 2025, test year is $7,706,979. (Thies)

OPC: This is a fall-out issue. Pending the resolution of other issues, the proposed rate bases for water and wastewater are subject to change. (Smith)

STAFF: Staff has no position at this time.

COST OF CAPITAL

ISSUE 20: **What amount of accumulated deferred taxes should be approved for inclusion in the capital structure for the test year?**

CSWR-Florida: None. CSWR-Florida has not included a deferred tax asset in its rate base nor does it seek any recovery of a deferred tax asset. (Thies)

OPC: CSWR has no accumulated deferred taxes.

STAFF: Staff has no position at this time.

ISSUE 21: **What amount and cost rate for customer deposits should be approved for inclusion in the capital structure for the test year?**

CSWR-Florida: None. CSWR-Florida does not maintain customer deposits. (Thies)

OPC: CSWR has no customer deposits.

STAFF: Staff has no position at this time.

ISSUE 22: **What amount and cost rate for short-term debt should be approved for inclusion in the capital structure for the test year?**

CSWR-Florida: The Company agrees to Staff's Audit Finding 8 (Capital Structure) which reclassifies a related-party credit balance as short-term debt. The Company also agrees to Staff's attendant short-term debt rate of 8.50% as reflected in Audit Finding 8. (Thies)

OPC: The appropriate cost rate for short-term debt is as reflected in OPC witness Smith Exhibits RCS-2 and RCS-10, Schedule D. (Smith)

STAFF: Staff has no position at this time.

<u>ISSUE 23</u>: What amount and cost rate for long-term debt should be approved for inclusion in the capital structure for the test year?

CSWR-Florida: CSWR-Florida has no long-term debt. As of the end of the test year, CSWR-Florida has been unable to source any debt using its own creditworthiness. Commercial banks and lenders generally require that a company's operations generate sufficient cash flows to service debt. This means that enough cash must be available for interest and principal payments after all daily operations have been funded. Given that CSWR-Florida has already incurred millions of dollars in operating losses and will continue its loss position until sufficient rates can be charged, it is not possible for the Company to obtain commercial debt. CSWR-Florida hopes to be able to source commercial debt once rates from this case are put into effect. (Thies)

OPC: CSWR has no long-term debt.

STAFF: Staff has no position at this time.

<u>ISSUE 24</u>: What equity ratio should be approved for use in the capital structure for ratemaking purposes for the test year?

CSWR-Florida: The Company agrees to Staff's Audit Finding 8 (Capital Structure) which consists of a capital structure utilizing 98.68% common equity and 1.32% short term debt. (Thies)

OPC: The resolution of this issue is dependent upon the Commission's decision on the consolidation of CSWR's numerous systems.

STAFF: Staff has no position at this time.

<u>ISSUE 25</u>: What return on equity (ROE) should be approved for use in establishing the utility's revenue requirement for the test year?

CSWR-Florida: CSWR-Florida agrees to Staff's Audit Finding 8 (Capital Structure) which utilizes the most recent leverage formula approved by the Commission in Order No. PSC-2025-0213-PAA-WA which provides for a return on equity of 8.52%. (Thies)

OPC: The Commission should use the ROE based on the current leverage formula in effect at the time of the Commission's vote. The leverage formula-derived ROE should then be reduced by 25 basis points for deficient service quality as reflected in Issue 1. (Smith)

STAFF: Staff has no position at this time.

<u>ISSUE 26</u>: **What capital structure and weighted average cost of capital should be approved for use in establishing the utility's revenue requirement for the test year?**

CSWR-Florida: The Company agrees to Staff's Audit Finding 8 (Capital Structure) which utilizes the most recent leverage formula approved by the Commission in Order No. PSC-2025-0213-PAA-WA which provides for a return on equity of 8.52%. Thus, the capital structure should consist of 98.68% common equity at a cost of 8.52% and 1.32% short-term debt at a cost of 8.50%. This results in an overall weighted average cost of capital of 8.52%. (Thies)

OPC: The appropriate weighted average cost of capital is as reflected in Exhibit RCS-2 and RCS-10, Schedule D. The resolution of this issue is dependent upon the Commission's decision on the consolidation of CSWR's numerous systems. (Smith)

STAFF: Staff has no position at this time.

<u>NET OPERATING INCOME</u>

<u>ISSUE 27</u>: **What are the appropriate test year revenues?**

CSWR-Florida: The appropriate water test year revenues are $3,853,102, and the appropriate wastewater test year revenues are $3,332,319. The Company disagrees with Staff's Audit Finding 9 (Operating Revenue). Audit Finding 9 reduces operating revenues by $1,403,815 and would, therefore, increase the revenue requirement by a commensurate amount. Staff did not provide any workpapers supporting this revenue adjustment, so the Company was unable to reconcile its revenues to those recommended by Staff. Therefore, in the interest of narrowing the issues for Commission decision, the Company will continue to support the amount of operating revenues in its general ledger and forego any additional revenue increase that would result from Staff's reduction in operating revenues. (Thies)

OPC: If the test year gallons sold data is too low, then the resulting rates will, all other things being equal, be overstated. This may possibly cause the utility to overearn in subsequent years. Conversely, if the test year gallons sold data is too high, then the resulting rates will be less than compensatory. Test year revenues should be based on the appropriate level of service-rate, billing determinants. In addition, any incremental increase of miscellaneous service charges approved in Issue 45 should be annualized in order to reflect the appropriate test year revenues for ratemaking purposes.

STAFF: Staff has no position at this time.

ISSUE 28: What adjustments, if any, should be made to account for the audit adjustments related to net operating income?

CSWR-Florida: The Company agrees to Staff Audit Finding 5 (Reclassified Water and Wastewater from Class A/B to Class C Depreciation Expense) , which increases depreciation expense by $21,520, Staff Audit Finding 10 (Operations and Maintenance Expense) which increases operations and maintenance expense by $7,901, and Staff Audit Finding 11 (Taxes Other Than Income) which decreases Regulatory Assessment Fees by $44,231 and Property Taxes by $3,161. (Thies)

OPC: The record reflects that, consistent with the audit, adjustments related to net operating income should be made.

STAFF: Staff has no position at this time.

ISSUE 29: What is the appropriate amount of rate case expense?

CSWR-Florida: The Company has incurred $623,485 of rate case expense through March 30, 2026, and proposes to update rate case expense at the time of the hearing. (Thies)

OPC: Any rate case expense associated with MFR deficiencies or other imprudent costs should be disallowed. All proposed rate case expense related in any way to acquisition adjustments should be excluded from revenue requirements.

STAFF: Staff has no position at this time.

ISSUE 30: Should any adjustment be made to the Utility's proposed pro forma expenses?

CSWR-Florida: The Company had no pro forma expenses. (Thies)

OPC: Yes. Adjustments are appropriate.

STAFF: Staff has no position at this time.

<u>ISSUE 31</u>: Should any adjustment be made to the Utility's proposed management expenses?

CSWR-Florida: No. (Thies)

OPC: Yes. Adjustments are appropriate, including exclusion of any costs related to acquisition of systems.

STAFF: Staff has no position at this time.

<u>ISSUE 32</u>: Should any further adjustments be made to the Utility's test year O&M expenses?

CSWR-Florida: Yes. The Company agrees to Staff Audit Finding 10 (Operations and Maintenance Expense), which increases operations and maintenance expense by $7,901. (Thies)

OPC: Yes. Any excessive unaccounted for water for each system determined by the Commission must have applicable corresponding reductions to purchased power, chemicals, and/or purchased water expenses. Any excessive infiltration and inflow for each system determined by the Commission must have applicable corresponding reductions to purchased power, chemicals, and/or purchased wastewater expenses. Adjustments are appropriate. All acquisition related costs should be excluded. (Smith)

STAFF: Staff has no position at this time.

<u>ISSUE 32A</u>: Should any adjustment be made to industry association dues?

CSWR-Florida: No. Company ratepayers receive a benefit from the activities, including legislative activities, provided through the Company's membership in the National Association of Water Companies and the American Water Works Association. (Thies)

OPC: Yes. All lobbying and industry association dues should be removed from expenses and treated below the line. (Smith)

STAFF: Staff has no position at this time.

<u>ISSUE 33</u>: **Should any adjustments be made to test year taxes other than income?**

CSWR-Florida: Yes. The Company agrees to Staff Audit Finding 11 (Taxes Other Than Income), which decreases Regulatory Assessment Fees by $44,231 and Property Taxes by $3,161. (Thies)

OPC: Yes. The cost attributable to the forfeiture of any property tax discounts should be treated below-the-line consistent with the Commission's practice.

STAFF: Staff has no position at this time.

<u>ISSUE 34</u>: **Should any adjustments be made to test year depreciation expense?**

CSWR-Florida: Yes. The Company agrees to Staff Audit Finding 5 (Reclassified Water and Wastewater from Class A/B to Class C Depreciation Expense), which increases depreciation expense by $21,520. (Thies)

OPC: Yes. Adjustments should be made for incorrect net salvage percentage-driven depreciation rates in violation of Rule 25-30.140, F.A.C.

STAFF: Staff has no position at this time.

<u>ISSUE 35</u>: **Should any adjustments be made to test year amortization of CIAC expense?**

CSWR-Florida: While Staff did not recommend any adjustment to amortization of CIAC expense, some minor adjustment may be warranted because of Staff's Revised Audit Finding 4 (with which CSWR-Florida agrees) reducing the CIAC balance. (Thies)

OPC: Yes. The record supports that adjustments should be made to the test year for CIAC amortization expense.

STAFF: Staff has no position at this time.

<u>ISSUE 36</u>: **Should any adjustments be made to the acquisition adjustment amortization expense included in the test year?**

CSWR-Florida: CSWR-Florida did not include acquisition adjustment amortization expense in the test year. (Thies)

OPC: Yes. Amortization expenses associated with the acquisition adjustments for Aquarina, North Peninsula, and Sunshine Utilities should be excluded. (Smith)

STAFF: Staff has no position at this time.

ISSUE 37: **Should net operating losses be used to lower income tax expense?**

CSWR-Florida: No. Customers previously benefited from improved utility services at adopted rates that were non-compensatory. Therefore, shareholders incurred the burden of the net operating losses. Company shareholders should not be denied the tax benefits of these net operating losses. (Thies)

OPC: Yes. CSWR Florida has had both book and income tax NOLs in each year since its inception. Thus, the Company did not have positive taxable income and has not paid income taxes. NOL carryforwards arising in tax years 4 beginning after 2020 can offset a maximum of 80% of taxable income in a single tax 5 year. Such NOLs can be carried forward indefinitely, but the 80% limitation applies annually, with unused federal income tax NOLs continuing to carry forward. The calculated state and federal taxable income before application of the NOL carryforwards should be each reduced by 80%. The income tax allowances for each system are calculated on Schedule 17 A-1 of Exhibits RCS-3 through RCS-9 for each water utility and on Exhibits RCS-11 through RCS-19 to each wastewater utility to show the application of the NOL carryforwards to offset 80% of the applicable state and federal taxable income. (Smith)

STAFF: Staff has no position at this time.

ISSUE 38: **What is the appropriate amount of test year income taxes?**

CSWR-Florida: Income taxes should be calculated based upon test year net income, after accounting for all agreed upon adjustments. Therefore, the appropriate water test year income taxes are $281,278. The appropriate wastewater test year income taxes are $151,255. (Thies)

OPC: This is a fallout issue. Pending the resolution of other issues, the income taxes will depend upon the specific level of revenues authorized by the Commission. (Smith)

STAFF: Staff has no position at this time.

REVENUE REQUIREMENT

ISSUE 39: **What are the appropriate revenue requirements for the January 31, 2025 test year?**

CSWR-Florida: The Company continues to support its consolidated revenue requirement after considering its agreement to Staff Audit Finding 1 (plant addition), Staff Audit Finding 2 (plant retirements), Staff Audit Finding 3 related to land and land rights accounts for Tymber Creek, Rolling Oaks and Sebring Ridge (the Company still contests Audit Finding 3 as it relates to Sunshine Utilities – Ponderosa Pines and Quail Run), Revised Audit Finding 4 (CIAC offset to rate base), Audit Finding 5 (depreciation expense), Audit Finding 7 (working capital), Audit Finding 8 (capital structure / rate of return), Audit Finding 10 (operations and maintenance expense), and Audit Finding 11 (taxes other than income taxes). The appropriate water revenue requirement, including the impact of the agreed upon Staff Audit Findings are $6,747,048 for water operations and $3,705,189 for wastewater operations. The referenced revenue requirements continue to include the revenue requirement impact of the inclusion of acquisition adjustments. (Thies)

OPC: The revenue requirement issue is a fallout issue and is subject to change based on the resolution of other issues. (Smith)

STAFF: Staff has no position at this time.

RATES AND RATE STRUCTURE

ISSUE 40: **What, if any, limits should be imposed on subsidy values that could result if stand alone rates are converted to consolidated rate structure for the water and wastewater systems?**

CSWR-Florida: None. (Cox, Duncan)

OPC: No position.

STAFF: Staff has no position at this time.

ISSUE 41: **Which water systems, if any, should be consolidated into a single rate structure?**

CSWR-Florida: All water systems should be consolidated into a single rate structure. (Cox, Duncan)

OPC: No position.

STAFF: Staff has no position at this time.

ISSUE 42: **What are the appropriate rate structures and rates for the water systems?**

CSWR-Florida: The proposed rate structure containing a base facility charge and volumetric usage charge per 1,000 gallons should reflect consolidated single tariff pricing for all water systems as follows:

Residential	
5/8" and 5/8" x 3/4"	$ 32.91
3/4"	$ 49.37
1"	$ 82.28
1.25" & 1.5"	$ 164.55
2"	$ 263.28
3"	$ 493.65
4"	$ 822.75
6"	$ 1,645.50
8"	$ 2,632.80
Gallonage charge per 1,000 Gallons	$ 1.90

General	
5/8" & 5/8" x 3/4"	$ 32.91
3/4"	$ 49.37
1"	$ 82.28
1.25" & 1.5"	$ 164.55
2"	$ 263.28
3"	$ 493.65
4"	$ 822.75
6"	$ 1,645.50
8"	$ 2,632.80

Gallonage charge per 1,000 Gallons	$	1.90

Irrigation		
5/8" & 5/8" x 3/4"	$	20.90
3/4"	$	31.35
1"	$	52.25
1.5"	$	104.50
2"	$	167.20
3"	$	313.50
4"	$	522.50
6"	$	1,045.00
8"	$	1,672.00
Gallonage charge per 1,000 Gallons	$	3.15

(Silas)

OPC: No position.

STAFF: Staff has no position at this time.

<u>ISSUE 43</u>: **Which wastewater systems, if any, should be consolidated into a single rate structure?**

CSWR-Florida: All wastewater systems should be consolidated into a single rate structure. (Cox, Duncan)

OPC: No position.

STAFF: Staff has no position at this time.

<u>ISSUE 44</u>: **What are the appropriate rate structures and rates for the wastewater systems?**

CSWR-Florida: The proposed rate structure containing a base facility charge with no volumetric charge should reflect consolidated single tariff pricing for all wastewater systems as follows:

Customer Type	Proposed Monthly Charge
Flat Rate (1 ERU)	$ 38.75
Flat Rate (1.5 ERU)	$ 58.13
Flat Rate (2.5 ERU)	$ 96.88
Flat Rate (5 ERU)	$ 193.75
Flat Rate (6 ERU)	$ 232.50
Flat Rate (8 ERU)	$ 310.00
Flat Rate (14 ERU)	$ 542.50
Flat Rate (15 ERU)	$ 581.25
Flat Rate (17 ERU)	$ 658.75
Flat Rate (25 ERU)	$ 968.75
Flat Rate (65 ERU)	$ 2,518.75
Flat Rate (70 ERU)	$ 2,712.50
Flat Rate (252 ERU)	$ 9,765.00

(Silas)

OPC: No position.

STAFF: Staff has no position at this time.

OTHER ISSUES

ISSUE 45: What are the appropriate miscellaneous service charges?

CSWR-Florida: The appropriate miscellaneous service charges are as follows:

Type	Business Hours	After Hours
Initial Connection Charge	$50.75	$101.50
Normal Reconnection Charge	$50.75	$101.50
Violation Reconnection Charge	$50.75	$101.50
Premises Visit Charge (in lieu of disconnection)	$50.75	$101.50
Insufficient Check Charge	Pursuant to 68.065 F.S.	Pursuant to 68.065 F.S.
Meter Tampering	$50	$50
Credit Card Charge	2.25% of Bill	2.25% of Bill
ACH Charge	$0.75	$0.75
Late Payment Charge	$7.00	$7.00

(Silas)

OPC: The appropriate miscellaneous service charges should be based on supporting cost justification. Test Year Operating Revenues should be adjusted to reflect the impact of these new charges that will be collected when rates are implemented.

STAFF: Staff has no position at this time.

ISSUE 46: **What are the appropriate service availability charges?**

CSWR-Florida: The Company proposes charging a Main Extension Charge, Meter Installation Fee, and Customer Connection Charge / Tap Fee at actual cost. Additionally, the Company proposes charging an inspection fee of $50.75. Finally, the Company proposes to charge the following system specific plant capacity charges that were adopted from the previous tariffs for each individual system:

Aquarina:	Residential per ERC (350 GPD)	$780.00
	All Others per Gallon	$2.23
Neighborhood:	Residential per ERC (350 GPD)	$420.00
	All Others per Gallon	$1.20
BFF:	Residential per ERC	$1,620.00
	All Others per Gallon	$4.63
Rolling Oaks:	Residential per ERC (350 GPD)	$137.00
	All Others per Gallon	$0.39
Sebring Ridge:	Residential per ERC (350 GPD)	$315.00
	All Others per Gallon	$0.90

(Silas).

OPC: No position.

STAFF: Staff has no position at this time.

<u>ISSUE 47</u>: Should any portion of the interim revenue increases granted be refunded?

CSWR-Florida: No. (Thies)

OPC: The Commission should follow the steps set forth in Florida Statute section 367.082 to compute the refund of interim rates. In no event should costs that are disallowed in final rates be allowed for interim rates.

STAFF: Staff has no position at this time.

<u>ISSUE 48</u>: What is the appropriate amount by which rates should be reduced after the established effective date to reflect the removal of the amortized rate case expense?

CSWR-Florida: Rates should be reduced using the methodology described in Rule 25-30.4705, F.A.C. (Thies)

OPC: This is a fallout issue and pending the resolution of Issue 29.

STAFF: Staff has no position at this time.

<u>ISSUE 49</u>: Should the Utility be required to notify, within 90 days of an effective order finalizing this docket, that it has adjusted its books for all the applicable National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (USOA) associated with the Commission approved adjustments?

CSWR-Florida: Yes.

OPC: Yes. The Utility should be required to notify the Commission in writing that it has adjusted its books in accordance with any Commission ordered adjustments. Sunshine should submit a letter within 90 days of the final order in this docket confirming that the adjustments to all applicable NARUC USOA accounts have been made to the Utility's books and records.

STAFF: Staff has no position at this time.

ISSUE 50: Are the resulting rates affordable within the meaning of fair, just, and reasonable pursuant to Sections 367.081 and 367.121 Florida Statutes?

CSWR-Florida: There is no statutory authority for a finding on affordability of service.

OPC: Pursuant to Section 367 F.S., the Commission may only approve the parts of Sunshine's rate request which results in rates that are just, reasonable, compensatory, and not unfairly discriminatory. CSWR has requested that the Commission approve an increase of $3,223,769 for water operations and an increase of $984,881 for wastewater. The request includes consideration of the previously denied acquisition adjustments for North Peninsula, Aquarina, and Sunshine Systems totaling approximately 9 million dollars but does not contemplate the outstanding $33 million in other acquisition adjustments. The Commission should consider the affordability impacts of this rate increase and the impending multimillion-dollar acquisition adjustments.

STAFF: Staff has no position at this time.

ISSUE 51: Should this docket be closed?

CSWR-Florida: Yes.

OPC: Not at this time.

STAFF: Staff has no position at this time.

IX. EXHIBIT LIST

Witness	Proffered By		Description
Direct			
Josiah Cox	CSWR-Florida	JC-1	Corporate Organization Chart.

Witness	Proffered By		Description
Josiah Cox	CSWR-Florida	JC-2	Florida Service Area Map.
Jacob Freeman	CSWR-Florida	JF-1	E-6 Schedules of MFR Volume I.
Jacob Freeman	CSWR-Florida	JF-2	E-7 Schedules of MFR Volume I.
Jacob Freeman	CSWR-Florida	JF-3	F-2 Schedules of MFR Volume I.
Jacob Freeman	CSWR-Florida	JF-4	F-3 Schedules of MFR Volume I.
Jacob Freeman	CSWR-Florida	JF-5	F-4 Schedules of MFR Volume I.
Jacob Freeman	CSWR-Florida	JF-6	F-5 Schedules of MFR Volume I.
Jacob Freeman	CSWR-Florida	JF-7	F-6 Schedules of MFR Volume I.
Jacob Freeman	CSWR-Florida	JF-8	F-7 Schedules of MFR Volume I.
Jacob Freeman	CSWR-Florida	JF-9	F-8 Schedules of MFR Volume I.
Todd Thomas	CSWR-Florida	TT-1	Florida Service Area Map.
Todd Thomas	CSWR-Florida	TT-2	CSWR-Florida O&M Request for Qualifications.
Todd Thomas	CSWR-Florida	TT-3	CSWR-Florida O&M Request for Proposal package.
Todd Thomas	CSWR-Florida	TT-4	Missouri Department of Natural Resources Letter.
Todd Thomas	CSWR-Florida	TT-5	Mississippi Department of Environmental Quality Letter.
Todd Thomas	CSWR-Florida	TT-6	Louisiana Department of Health 2024 Grades.

Witness	Proffered By		Description
Todd Thomas	CSWR-Florida	TT-7	Volume I Minimum Filing Requirements: Financial Rate, and Engineering MFRs . Volume III Minimum Filing requirements: Additional Engineering MFRs Sections (a)-(i).
Brent Thies	CSWR-Florida	BT-1	Central States Water Resources Allocation Manual.
Brent Thies	CSWR-Florida	BT-2	Cost allocation schedules and workpapers.
Brent Thies	CSWR-Florida	BT-3	Reconciliation of the annual report to the trial balance and MFRs.
Brent Thies	CSWR-Florida	BT-4	Volume I Minimum Filing Requirements: Financial, Rate and Engineering MFRs.
Aaron J. Silas	CSWR-Florida	AJS-1	Tymber Creek Welcome Letter.
Aaron J. Silas	CSWR-Florida	AJS-2	Florida Heights Annual Update.

Witness	Proffered By		Description
Aaron J. Silas	CSWR-Florida	AJS-3	Volume I Minimum Filing Requirements: Financial Rate, and Engineering MFRs. Volume II Minimum Filing Requirements – Billing Analysis (Schedules E-14) Section (j) of Volume III, Additional Engineering MFRs – List of Customer Complaints received during the test year Section (k) of Volume III, Additional Engineering MFRs – Customer Complaints received regarding DEP secondary water quality standards during the past five years.
Aaron J. Silas	CSWR-Florida	AJS-4	Proposed interim tariffs.
Aaron J. Silas	CSWR-Florida	AJS-5	Proposed final water tariff.
Aaron J. Silas	CSWR-Florida	AJS-6	Proposed final wastewater tariff.
Ralph C. Smith	OPC	RCS-1	Qualifications Appendix.
Ralph C. Smith	OPC	RCS-2	Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Water – Consolidated.
Ralph C. Smith	OPC	RCS-3	Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Aquarina Utilities – Water.

Witness	Proffered By		Description
Ralph C. Smith	OPC	RCS-4	Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for CFAT H2O Landfair WWTF – Water.
Ralph C. Smith	OPC	RCS-5	Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Neighborhood Utilities – Water.
Ralph C. Smith	OPC	RCS-6	Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Rolling Oaks Utilities – Water.
Ralph C. Smith	OPC	RCS-7	Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025, for Sunshine Utilities – Water.
Ralph C. Smith	OPC	RCS-8	Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025, for Tradewinds Village – Water.
Ralph C. Smith	OPC	RCS-9	Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025, for Tymber Creek Utilities – Water.
Ralph C. Smith	OPC	RCS-10	Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025, for Wastewater – Consolidated.

Witness	Proffered By		Description
Ralph C. Smith	OPC	RCS-11	Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025 for Aquarina Utilities – Wastewater.
Ralph C. Smith	OPC	RCS-12	Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025, for BFF Corp – Wastewater.
Ralph C. Smith	OPC	RCS-13	Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025, for CFAT H2O Landfair WWTF – Wastewater.
Ralph C. Smith	OPC	RCS-14	Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025, for North Peninsula – Wastewater.
Ralph C. Smith	OPC	RCS-15	Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025, for Rolling Oaks Utilities – Wastewater.
Ralph C. Smith	OPC	RCS-16	Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025, for Sebring Ridge Utilities – Wastewater.

Witness	Proffered By		Description
Ralph C. Smith	OPC	RCS-17	Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025, for TKCB – Wastewater.
Ralph C. Smith	OPC	RCS-18	Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025, for Tradewinds Village – Wastewater.
Ralph C. Smith	OPC	RCS-19	Revenue Requirement Summary and Adjustment Schedules for the Test Year ended January 31, 2025, for Tymber Creek Utilities – Wastewater.
Ralph C. Smith	OPC	RCS-20	Adjustments to Rate Base and Operating Expenses.
Curt Mouring	Staff	CM-1[2]	Auditor's Report.
John F. Plescow	Staff	JFP-1	PSC List(s) of Quality of Service Complaints.
John F. Plescow	Staff	JFP-2	PSC List(s) of Billing Complaints.
John F. Plescow	Staff	JFP-3	PSC List(s) of Complaints by Close Type.

X. PROPOSED STIPULATIONS

There are no proposed stipulations at this time.

[2] Corrected by errata filed April 24, 2026 (DN 02404-2026) and May 13, 2026 (DN 02865-2026).

XI. PENDING MOTIONS

On May 6, 2026, OPC filed a Motion and Notice of Intent to Seek Official Recognition with Exhibits A-F.

XII. PENDING CONFIDENTIALITY MATTERS

There are seven pending confidentiality matters at this time, listed below.

1. CSWR-Florida's Motion for Protective Order and Request for Confidential Classification of notes to consolidated financial statements, filed March 2, 2026.

2. CSWR-Florida's Amended Request for Confidential Classification of Radey Law invoice narratives, filed on March 13, 2026.

3. CSWR-Florida's Motion for Protective Order and Request for Confidential Classification of employee compensation data, filed March 16, 2026.

4. CSWR-Florida's Motion for Protective Order and Request for Confidential Classification of land valuation documents, filed March 18, 2026.

5. CSWR-Florida's Motion for Protective Order and Request for Confidential Classification of additional legal expense invoices, filed March 18, 2026.

6. CSWR-Florida's Motion for Protective Order and Request for Confidential Classification of land asset acquisition cost documents responsive to Staff's Sixth Request for Production (No. 55), filed April 22, 2026.

7. CSWR-Florida's Motion for Protective Order and Request for Confidential Classification of employee compensation data responsive to staff's interrogatories (Nos. 151 and 161) and Request for Production (No. 57), filed April 27, 2026.

8. CSWR-Florida's Motion for Protective Order and Request for Confidential Classification of compensation data responsive to staff's interrogatory (No. 174) and Request for Production (No. 61), filed May 11, 2026.

XIII. POST-HEARING PROCEDURES

If no bench decision is made, each party shall file a post-hearing statement of issues and positions. A summary of each position, set off with asterisks, shall be included in that statement. If a party's position has not changed since the issuance of this Prehearing Order, the post-hearing statement may simply restate the prehearing position; however, if the prehearing position is longer than 50 words, it must be reduced to no more than 50 words. If a party fails to file a post-hearing statement, that party shall have waived all issues and may be dismissed from the proceeding.

Pursuant to Rule 28-106.215, F.A.C., a party's proposed findings of fact and conclusions of law, if any, statement of issues and positions, and brief, shall together total no more than 40 pages and shall be filed at the same time.

XIV. RULINGS

Motion to Seek Official Recognition for Exhibits A-F.

On May 6, 2026, OPC filed a Motion to Seek Official Recognition for Exhibits A-F.[3] CSWR filed its response in opposition on May 13, 2026.

After reviewing both parties' filings and hearing their arguments at the Prehearing Conference, OPC's Motion for Official Recognition is denied in part and granted in part. The majority of the documents do not fall under the categories of information that either require official recognition under Section 90.201, F.S., nor those that may be granted official recognition under Section 90.202, F.S. However, the final order entered by the Citrus County Water and Wastewater Authority[4] shall be granted official recognition, as it falls under Section 90.202(10), F.S.

Contested Issues

OPC proposed three contested issues in this docket, Issues A, B, and C.[5] At the Prehearing on May 14, 2026, OPC withdrew Issue A. Having heard the parties' arguments on the remaining issues, Issues B and C will remain in this proceeding.[6]

Opening Statements

Opening statements, if any, shall not exceed 10 minutes per party.

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[3] OPC requested official recognition of the following: Exhibit A: Consumer Activity Reports, 9/22-2/26; Exhibit B: CSWR Annual Reports, 2022-2024; Exhibit C: CSWR Annual Reports, under prior ownership going back to 2021; Exhibit D: CSWR Customer Correspondence; Exhibit E: CSWR Property Tax Invoices, 2025; and Exhibit F: Commission Long Range Program Plans, FY 24-25 to 28-29.

[4] DN 02654-2026, Attachment Exhibit C to OPC's Motion And Notice Of Intent To Seek Official Recognition, pp. 255-334.

[5] The proposed contested issues were: Issue A: Is the overall value to a customer provided by the Utility satisfactory, and, if not, what systems have value issues and what action should be taken by the Commission?; Issue B: Should any adjustment be made to industry association dues?; and Issue C: Are the resulting rates affordable within the meaning of fair, just, and reasonable pursuant to Sections 367.081 and 367.121 Florida Statutes?

[6] Issue B is now Issue 32A; Issue C is now Issue 50.

It is therefore,

ORDERED by Commissioner Gary Clark, as Prehearing Officer, that this Prehearing Order shall govern the conduct of these proceedings as set forth above unless modified by the Commission.

By ORDER of Commissioner Gary F. Clark, as Prehearing Officer, this 26th day of May, 2026.

GARY F. CLARK
Commissioner and Prehearing Officer
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.

ZB

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.

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.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, 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. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.