

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Joint motion to approve settlement
agreement regarding disposition of 2026
overearnings for West Lakeland, by Office of
Public Counsel and West Lakeland
Wastewater, LLC.

DOCKET NO. 20260097-SU
ORDER NO. PSC-2026-0295-PAA-SU
ISSUED: August 24, 2026

The following Commissioners participated in the disposition of this matter:

GABRIELLA PASSIDOMO SMITH, Chairman
GARY F. CLARK
MIKE LA ROSA
BOBBY PAYNE
ANA ORTEGA

NOTICE OF PROPOSED AGENCY ACTION
ORDER GRANTING MOTION TO APPROVE 2026
WEST LAKELAND SETTLEMENT AGREEMENT

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is 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.).

Background

West Lakeland Wastewater, LLC (West Lakeland or Utility) is a Class C utility providing wastewater service to approximately 317 residential and general service customers in Polk County, Florida. On July 22, 2025, we authorized an 11.24 percent return on equity (ROE) for the Utility with an authorized range of 10.24 percent to 12.24 percent and a rate of return of 5.92 percent.¹ Based on a review of West Lakeland's 2025 Annual Report, Commission staff identified possible overearnings with a reported earned rate of return of 45.30 percent. On April 24, 2026, the Office of Public Counsel (OPC) filed a letter with us outlining concerns of potential overearnings by several water and wastewater utilities and asserting that West Lakeland's overearnings required a rate reduction. On May 1, 2026, Mike Smallridge, the owner of West Lakeland, consented to our jurisdiction over revenues which exceeded the high end of West Lakeland's return on equity on a prospective basis.

¹ Order No. PSC-2025-0284-PAA-SU, issued July 22, 2025, in Docket No. 20240105-SU, *In re: Application for staff-assisted rate case in Polk County, by West Lakeland Wastewater, LLC.*

West Lakeland and OPC engaged in discussions and evaluations of the potential overearnings. On June 30, 2026, West Lakeland and OPC executed the “West Lakeland Settlement Agreement” (Settlement Agreement) as a proposed resolution of past overearnings and safeguard against future overearnings. Also on June 30, 2026, OPC filed with us a Motion to Approve 2026 West Lakeland Settlement Agreement.

A true and correct copy of the Settlement Agreement is appended to this Order as Attachment A. Attachment 1 to the Settlement Agreement shows the Utility’s existing rates and the reduced rates per the Agreement.

We have jurisdiction over this proceeding pursuant to Sections 367.081, 367.082, and 367.121, Florida Statutes.

Decision

In its review of West Lakeland’s 2025 Annual Report, Commission staff identified possible overearnings by the Utility. On June 30, 2026, West Lakeland and OPC entered the Settlement Agreement to address all issues related to identified overearnings. Pursuant to the terms of the Settlement Agreement, West Lakeland shall reduce its rates by 2.65 percent to ensure it will remain within its authorized range. West Lakeland further agreed to refund customers 2.65 percent of wastewater revenues billed from May 1, 2026, until the effective date of the rate reduction. The refund credit shall be based upon each individual customer’s billed amounts from May 1, 2026, until the effective date of the rate reduction, and shall be made pursuant to Rule 25-30.360, F.A.C. Additionally, West Lakeland agreed to withdraw the price index adjustment application filed April 1, 2026, and to not request a price index adjustment in 2026.

On June 30, 2026, OPC filed a Motion to Approve 2026 West Lakeland Settlement Agreement. Based upon a full review of the record before us, we grant the Motion and approve the Settlement Agreement. We find that the Settlement Agreement provides protections for West Lakeland’s customers for possible overearnings in subsequent years and is consistent with prior decisions we have made regarding overearnings. We also direct Commission staff to continue to monitor the earnings of the Utility, and if any subsequent overearnings are identified, to open a formal earnings investigation.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Motion to Approve 2026 West Lakeland Settlement Agreement is granted. It is further

ORDERED that the West Lakeland Settlement Agreement is approved. It is further

ORDERED that West Lakeland shall refund customers 2.65 percent of wastewater revenues billed from May 1, 2026, until the effective date of the rate reduction. The refund shall be made pursuant to Rule 25-30.360, F.A.C. The Utility shall file a proposed customer notice reflecting our decision within 15 days of this Order. The approved rates shall be effective for

service rendered on or after the stamped approval date of the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates shall not be implemented until Commission 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. It is further

ORDERED that West Lakeland shall withdraw its application for a price index adjustment and shall not request a price index adjustment in 2026. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall be placed into monitoring status upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall be placed into monitoring status.

ORDERED that this docket shall be administratively closed by staff after verifying that the Utility has completed the refunds in accordance with Rule 25-30.360, F.A.C.

By ORDER of the Florida Public Service Commission this 24th day of August, 2026.



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

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

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on September 14, 2026.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

Exhibit A

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Disposition of 2026 Overearnings for
West Lakeland Wastewater, LLC.

DOCKET NO.: 20260000

FILED: June 30, 2026

WEST LAKELAND SETTLEMENT AGREEMENT

THIS SETTLEMENT AGREEMENT is made and entered into this 30th day of June, 2026, by and between West Lakeland Wastewater LLC. (hereafter referred to as “West Lakeland”), and the Office of Public Counsel (“OPC”), on behalf of the Citizens of the State of Florida (“Citizens”) and customers of West Lakeland (hereafter, “Parties”).

Recitals

WHEREAS, the OPC identified possible 2026 overearnings based upon the review of the 2025 Annual Reports of West Lakeland;¹

WHEREAS, on May 1, 2026, West Lakeland consented to the Commission’s jurisdiction over revenues which exceed the high end of West Lakeland’s return on equity on a prospective basis;²

WHEREAS, the Parties have conducted further discussions and evaluation of additional data provided by West Lakeland to OPC on such overearnings;

WHEREAS, the Parties to this Agreement have undertaken in good faith to reasonably and amicably resolve the issues raised in this proceeding so as to maintain a degree of fairness, stability and predictability with respect to customer bills;

WHEREAS, the Parties have entered into this Settlement Agreement in compromise of

¹ See Document No. WU937-25-AR; See also Document No. 02392-2026 – OPC (Fletcher) – Letter dated April 24, 2026, providing summary of review of possible WAW overearning for reporting year 2025 for A Utility Inc., Citrus Waterworks, Inc., East Marion Utilities, LLC., Environmental Protection Systems of Pine Island, Inc., Keen Sales, Rentals and Utilities, Inc., Kirby D. Morgan, Inc., Lake Yale Utilities, LLC., Mcleod Gardens Utilities, LLC., and West Lakeland Wastewater, LLC.

² Document No. 02588-2026 – West Lakeland (Smallridge) – Letter dated May 1, 2026, providing acknowledgement of an informal investigation into potential overearnings of West Lakeland Wastewater, LLC.

positions that could be taken in accord with their rights and interests under Chapters 350 and 367, Florida Statutes, as applicable, and, as a part of the negotiated exchange of consideration among the parties to this agreement, each has agreed to concessions to the others with the expectation that all provisions of this Settlement Agreement will be enforced by the Commission as to all matters addressed herein with respect to all parties regardless of whether a court ultimately determines such matters to reflect Commission policy, upon acceptance of the agreement as provided herein and upon approval in the public interest; and

NOW, THEREFORE, in consideration of the foregoing, and the mutual covenants contained herein, which the Parties agree and acknowledge constitute good and valuable consideration, the Parties hereby stipulate and agree as follows:

1. West Lakeland Wastewater, LLC (West Lakeland) agrees to reduce its base facility charge and gallonage charges by 2.65%, as reflected in Attachment 1. In addition, West Lakeland also agrees to refund via credit on its customers' accounts 2.65% of wastewater revenues billed from May 1, 2026, until the effective date of the rate reduction. The refunds shall be made pursuant to Rule 25-30.360(3), Florida Administrative Code. This refund credit shall be based upon each individual customer's billed amounts from May 1, 2026, until the effective date of the rate reduction. Further, West Lakeland will withdraw the application for a price index adjustment, filed April 1, 2026, and will further forego requesting a price index adjustment in 2026.
2. In keeping with the Commission's long-standing policy and practice of encouraging parties to settle issues whenever reasonable and possible, the Parties submit this Settlement Agreement for review and approval. The Parties agree that this Settlement Agreement is in the public interest.
3. The provisions of this Settlement Agreement are contingent on approval of this Settlement Agreement in its entirety by the Commission without modification. The Parties further agree that

they will support this Settlement Agreement and will not request or support any order, relief, outcome, or result in conflict with the terms of this Settlement Agreement in any administrative or judicial proceeding relating to, reviewing, or challenging the establishment, approval, adoption, or implementation of this Settlement Agreement or the subject matter hereof. No Party will assert in any proceeding before the Commission that this Settlement Agreement nor any of the terms herein shall have any precedential value nor may it be used in any other proceeding. To the extent a dispute arises among the parties about the provisions, interpretation, or application of this agreement, the parties agree to meet and confer in an effort to resolve the dispute. To the extent that the Parties cannot resolve any dispute, the matter may be submitted to the Commission for resolution. Approval of this Settlement Agreement in its entirety will resolve all matters and issues discussed herein pursuant to and in accordance with Section 120.57(4), Florida Statutes. This docket should be closed administratively after Commission staff verifies the revised tariff sheets, customer notices have been mailed, and refunds have been made.

IN WITNESS WHEREOF, the Parties evidence their acceptance and agreement with the provisions of this Settlement Agreement by their signature.

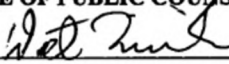
WEST LAKE LAND WASTEWATER, LLC

By: 

Date: 6/30/26

Mike Smallridge
Managing Member
West Lakeland Wastewater, LLC
5911 Trouble Creek Road
New Port Richey, FL 34652-5128

OFFICE OF PUBLIC COUNSEL

By: 

Date: 6/30/26

Walt Trierweiler
Public Counsel
111 W. Madison Street, Suite 812
Tallahassee, FL 32399-1400

Attachment 1

Description	Current Rates	2.65% Reduction	Reduced Rates
<u>Residential</u>			
Base Facility Charge - All Meter Sizes	\$28.75	(\$0.76)	\$27.99
Charge per 1,000 gallons (6,000-gallon cap)	\$8.66	(\$0.23)	\$8.43
<u>General Service</u>			
Base Facility Charge by Meter Size			
5/8" x 3/4"	\$28.75	(\$0.76)	\$27.99
3/4"	\$43.13	(\$1.14)	\$41.99
1"	\$71.88	(\$1.90)	\$69.98
1-1/2"	\$143.75	(\$3.81)	\$139.94
2"	\$230.00	(\$6.10)	\$223.91
3"	\$460.00	(\$12.19)	\$447.81
4"	\$718.75	(\$19.05)	\$699.70
6"	\$1,437.50	(\$38.09)	\$1,399.41
8"	\$2,300.00	(\$60.95)	\$2,239.05
Charge per 1,000 gallons	\$10.40	(\$0.28)	\$10.12
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u>			
3,000 Gallons	\$54.73	(\$1.45)	\$53.28
6,000 Gallons	\$80.71	(\$2.14)	\$78.57