

CITIZENS OF THE STATE OF)	
FLORIDA, THROUGH THE)	
FLORIDA OFFICE OF PUBLIC)	IN THE FLORIDA PUBLIC
COUNSEL,)	SERVICE COMMISSION
)	
)	DOCKET NO. 20240068
Appellants,)	
)	
v.)	
)	
)	NOTICE OF
FLORIDA PUBLIC SERVICE)	ADMINISTRATIVE
COMMISSION,)	APPEAL
)	
Appellee.)	
)	

NOTICE IS GIVEN that the Citizens of the State of Florida (“Citizens”), Appellants, through the Office of Public Counsel, appeal to the First District Court of Appeal the order of the Florida Public Service Commission, Order No. PSC-2025-0363-FOF-WS, rendered on September 25, 2025. A copy of Order No. PSC-2025-0363-FOF-WS is attached to this Notice of Administrative Appeal as Exhibit “A.”

The nature of the order is that it is a Final Order Granting in Part and Denying in Part Office of Public Counsel’s Motion for Reconsideration.¹

¹ Appellants’ motion was titled as a Motion for Reconsideration in accordance with the Florida Public Service Commission’s Rule 25-22.060, Florida Administrative Code.

Respectfully,

Walt Trierweiler
Public Counsel
Fla. Bar No. 912468

/s/ Octavio Simoes-Ponce
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*Attorney for Citizens of the
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CERTIFICATE OF SERVICE

DOCKET NO. 20240068-WS

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by electronic mail on this 22nd day of October, 2025, to the following:

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CERTIFICATE OF COMPLIANCE

I HEREBY certify that the foregoing is typed in Bookman Old Style 14-point font and therefore complies with the font requirements of Rule 9.045, Florida Rules of Appellate Procedure.

/s/ Octavio Simoes-Ponce

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CITIZENS OF THE STATE OF	)	
FLORIDA, THROUGH THE	)	IN THE FLORIDA PUBLIC
FLORIDA OFFICE OF PUBLIC	)	SERVICE COMMISSION
COUNSEL,	)	
	)	DOCKET NO. 20240068
Appellants,	)	
	)	
v.	)	
	)	
FLORIDA PUBLIC SERVICE	)	NOTICE OF
COMMISSION,	)	ADMINISTRATIVE
	)	APPEAL
Appellee.	)	
_____	)	

EXHIBIT "A"

FLORIDA PUBLIC SERVICE COMMISSION

ORDER NO. PSC-2025-0363-FOF-WS

ISSUED SEPTEMBER 25, 2025

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties, by Sunshine Water Services Company.

DOCKET NO. 20240068-WS
ORDER NO. PSC-2025-0363-FOF-WS
ISSUED: September 25, 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

ORDER GRANTING IN PART AND DENYING IN PART
OFFICE OF PUBLIC COUNSEL'S MOTION FOR RECONSIDERATION

BY THE COMMISSION:

Background

Sunshine Water Services Company (Sunshine or Utility) is a Class A utility providing water and wastewater services to approximately 35,171 water and 29,547 wastewater customers in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties. On June 28, 2024, Sunshine filed its application for an increase to its water and wastewater rates based on the historical 13-month average period ended December 31, 2023, and included adjustments for pro forma projects. On April 23, 2024, the Office of Public Counsel (OPC) filed a petition to intervene.¹ However, OPC subsequently filed a notice withdrawing this petition on May 7, 2024.² On September 19, 2024, OPC filed its second petition to intervene, which was acknowledged by an Order on September 25, 2024.³

A formal evidentiary hearing was held February 11-12, 2025. The parties filed briefs on March 14, 2025. Our staff filed a post-hearing recommendation in this matter on April 24, 2025. On May 6, 2025, we voted on the Utility's requested rates, granting and denying the utility's request in part. We issued Order No. PSC-2025-0196-FOF-WS (Final Order), memorializing our

¹Document No. 02277-2024.

²Document No. 02835-2024.

³Document No. 09087-2024 and Order No. PSC-2024-0435-PCO-WS, issued September 25, 2024, in Docket No. 20240068-WS, *In re: Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties, by Sunshine Water Services Company.*

vote.⁴ On June 23, 2025, OPC timely filed a Motion for Reconsideration (Motion) pursuant to Rule 25-22.060, Florida Administrative Code (F.A.C.), and a Request for Oral Argument on its Motion for Reconsideration, pursuant to Rule 25-22.0022 F.A.C. On June 30, 2025, Sunshine timely filed its Response in opposition to OPC's Motion for Reconsideration (Response) and OPC's Request for Oral Argument.

This order addresses OPC's Request for Oral Argument and Motion for Reconsideration, and Sunshine's responses thereto. We have jurisdiction over this matter pursuant to Chapter 367, Florida Statutes (F.S.), including Sections 367.081 and 367.121, F.S.

Decision

I. Denying OPC's Request for Oral Argument

Granting or denying oral argument on a dispositive motion is within our sole discretion. Having found the pleadings sufficient on their face, oral argument was denied.

II. OPC's Motion for Reconsideration

Legal Standard

Reconsideration

The appropriate standard of review for reconsideration of an order is whether the Motion identifies a point of fact or law that we overlooked or failed to consider in rendering the order under review. *See Stewart Bonded Warehouse, Inc. v. Bevis*, 294 So. 2d 315 (Fla. 1974); *Diamond Cab Co. v. King*, 146 So. 2d 889 (Fla. 1962); and *Pingree v. Quaintance*, 394 So. 2d 162 (Fla. 1st DCA 1981). It is not appropriate to reargue matters that have already been considered. *Sherwood v. State*, 111 So. 2d 96 (Fla. 3d DCA 1959) (citing *State ex. rel. Jaytex Realty Co. v. Green*, 105 So. 2d 817 (Fla. 1st DCA 1958)). Furthermore, a motion for reconsideration should not be granted "based upon an arbitrary feeling that a mistake may have been made, but should be based upon specific factual matters set forth in the record and susceptible to review." *Stewart Bonded Warehouse, Inc.*, 294 So. 2d at 317.

Due Process

It is well established in Florida law that "[t]he fundamental requirements of due process are satisfied by reasonable notice and a reasonable opportunity to be heard." *Citizens cf State v. Fla. Pub. Serv. Comm'n*, 146 So. 3d 1143, 1154 (Fla. 2014) (quoting *Fla. Pub. Serv. Comm'n v. Triple "A" Enter., Inc.*, 387 So. 2d 940, 943 (Fla. 1980)). In administrative hearings where substantial interests of a party are determined by an agency and where there are disputed issues of material fact, an agency must provide parties "an opportunity to respond, to present evidence

⁴Order No. PSC-2025-0196-FOF-WS, issued June 6, 2025, in Docket No. 20240068-WS, *In re: Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties, by Sunshine Water Services Company*.

and argument on all issues involved, to conduct cross-examination and submit rebuttal evidence, to submit proposed findings of facts and orders, to file exceptions to the presiding officer's recommended order, and to be represented by counsel or other qualified representative." Sections 120.569 and 120.57(1)(b), F.S.

Introduction

In its Motion for Reconsideration, OPC raises three issues with our Final Order. First, OPC contends that we did not put the parties on notice that adjustments to the utility's financial records and capital structure would be made after the record was closed, which OPC claims is a violation of its due process. Second, OPC argues that we erred in how we made adjustments to the utility's financial records and capital structure. And, unrelated to the first two issues, OPC contends that we made a minor error in calculating rate base.

OPC's Motion

According to OPC, we overlooked its statutory and due process rights when we addressed substantive issues or reached legal conclusions that were not previously raised or challenged in the rate case. OPC contends that it was not allowed to object to these deficiencies contained in our staff's recommendation at the post-hearing Agenda Conference because participation was limited to Commissioners and Commission staff. OPC also contends that its due process rights were violated where Commission staff omitted OPC's arguments from the staff recommendation and our Final Order.

In particular, OPC argues that no party to the rate case was on notice that we were going to annualize Sunshine's plant-in-service to "comport" with Sunshine's annualization of accumulated depreciation. OPC further argues that it had no notice that we were going to make pro rata adjustments to all sources of capital when calculating Sunshine's weighted average cost of capital. According to OPC, adjustments to annualize Sunshine's plant-in-service and accumulated depreciation was a violation of Rules 25-30.433(5) and 25-30.436, F.A.C. Moreover, OPC argues that we acted inconsistently with prior agency practice by prorating all sources of capital to calculate the weighted average cost of capital, in violation of Section 120.68(7)(e)3., F.S.⁵

Finally, OPC offers what it refers to as errors in calculations of the revenue requirement in the Final Order. If accepted, OPC's adjustments would require a downward calculation of revenue requirement by \$778 and \$880 for the Utility's water and wastewater systems, respectively.

⁵ Section 120.68(7)(e)3., F.S., provides that judicial review may be appropriate where the agency's exercise of discretion has been inconsistent with officially stated agency policy or a prior agency practice, if deviation therefrom is not explained by the agency.

Sunshine's Response

In its Response, Sunshine does not address all of OPC's arguments. However, Sunshine states that in summarizing the utility's minimum filing requirements (MFRs), OPC conflates an annualization of depreciation expense (an expense item in the revenue requirement) with the annualization of accumulated depreciation (a rate base item). Sunshine made an annualization adjustment in its MFRs to depreciation expense, to match the expense adjustments with annualized accumulated depreciation. While the accumulated depreciation adjustment did affect rate base, the depreciation expense adjustment does not, and thus would not be subject to Rule 25-30.433(5), F.A.C. Sunshine states that OPC's Motion is also inconsistent in its framing of the accumulated depreciation annualization adjustment. Sunshine contends that OPC itself identified the lack of a Plant In-Service adjustment as creating a mismatch with depreciation accounting in the test year.

Sunshine challenges OPC's statement that our staff's recommendation "deviated from standard practice by recommending approval of Sunshine's adjustment annualizing depreciation expense and associated accumulated depreciation." According to Sunshine, it is clear that our pro forma adjustment to accumulated depreciation is consistent with our long-standing interpretation and application of Rule 25-30.433(5), F.A.C.

Analysis

A. Due Process

OPC contends it was not put on notice that we may calculate accumulated depreciation or capital structure as set out in the Final Order, nor was it offered an opportunity to provide sufficient arguments on these issues, because we made adjustments at a post-hearing Agenda Conference once the record was closed.

We have broad discretion to make pro forma adjustments under Section 367.081(2)(a), F.S. It is within our discretion to make pro forma adjustments and modifications to fix rates we judge to be "just, reasonable, compensatory, and not unfairly discriminatory." Section 367.081(2)(a)1., F.S. OPC's due process argument amounts to a contention that prior to our decision on adjustments, the parties should be specifically notified of every potential adjustment. This is inconsistent with the requirements of law as well as with the realities and complexities of utility ratemaking. In administrative hearings, we are required to provide notice of "all issues involved." Section 120.57(1)(b), F.S. However, we are not required to provide advance notice to the parties of adjustments to depreciation expense and accumulated depreciation expense. We have a broad range of discretion to make adjustments that are reasonable and supported by the record. *See Citizens of State v. Pub. Serv. Comm'n*, 425 So. 2d 534, 540 (Fla. 1982) ("This Court has consistently recognized the broad legislative grant of authority which these statutes confer and the considerable license the Commission enjoys as a result of this delegation."); *Floridians Against Increased Rates, Inc. v. Clark*, 371 So. 3d 905, 910 (Fla. 2023) (The Court has repeatedly recognized the "broad legislative grant of authority" afforded to the Commission and the "considerable license" it enjoys in fixing fair, just, and reasonable rates.).

We find that the record supports the adjustments as well as the numerous opportunities OPC had to meaningfully participate in this rate case. In September 2024, OPC intervened for the second time in this rate case after withdrawing its first intervention in May of 2024. Between September 2024 and February 11-12, 2025, when the evidentiary hearing was conducted, OPC issued interrogatories, requests for production, and conducted multiple depositions of rate case witnesses.⁶ OPC also retained its own expert witness, Ralph Smith, who provided testimony specifically referencing a mismatch between Sunshine's test-year plant-in-service and depreciation expense calculations.⁷ Witness Smith also offered his own proposed capital structure and cost rate calculations to correspond with his testimony, which indicated an adjustment to these expenses would be reasonable.⁸ Following the Prehearing Conference, the Prehearing Order included issues on plant-in-service, depreciation expense, accumulated depreciation, and capital structure, among other matters, so all parties were on notice as to the major issues in dispute at the hearing.⁹

During the evidentiary hearing in February 2025, OPC cross-examined Sunshine witnesses about plant-in-service, depreciation, and the mismatch between test year plant-in-service and depreciation calculations. Following the evidentiary hearing, OPC filed a 52-page post-hearing brief on March 14, 2025. For the issue concerning whether adjustments to accumulated depreciation should be made, OPC devoted several pages of argument contending that "Sunshine's MFRs were submitted in violation of [R]ule 25-30.433(5), F.A.C.,...by improperly annualizing depreciation expense and associated accumulated depreciation." Much of this argument is repeated in OPC's Motion. In its post-hearing brief, OPC also took the position that the appropriate weighted average cost of capital is reflected in the calculations sponsored in Witness Smith's testimony and exhibit RCS-2. OPC's expert witness testimony, exhibits, and post-hearing brief were all considered prior to our vote.

OPC's Motion shall be denied as it relates to advanced notice of our calculations/adjustments to depreciation expenses and due process. OPC had an opportunity to argue its positions and offer evidence and testimony regarding accumulated depreciation and weighted average cost of capital calculations. Because OPC had the opportunity to participate

⁶ OPC was a party to at least 120 Interrogatories, 72 Requests for Production, and 11 Depositions in the instant case. In its motion, OPC acknowledges our past practice of annualizing accumulated depreciation even if it does not support the same methodology in this rate case. Presumably, past rate cases such as these informed OPC's discovery in the instant case.

⁷When asked about depreciation expense annualized for pro forma adjustments to utility plant, Smith testified, "...that is only for pro forma additions of utility plant that occur after the end of the test year. For the test year itself, the rate base amount for utility plant and accumulated depreciation are based on a 13-month average, not on year-end amounts. Consequently, annualizing depreciation expense on test year utility plant creates a mismatch. For consistency with the test year rate base amounts of utility plant and accumulated depreciation, depreciation on test year plant should be at the 13-month average test year amounts, not on year-end annualized amounts." (Emphasis added)

⁸See EXH 41 MPN C6-2135, also referenced as Exhibit RCS-2 (Revenue Requirement and Adjustment Schedules for 2023 Test Year).

⁹Prehearing Order No. PSC-2025-0042-PHO-WS, issued February 6, 2025, in Docket No. 20240068-WS, *In re: Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties, by Sunshine Water Services Company.*

and offer argument, testimony, and evidence in the hearing, we did not overlook any due process rights.

OPC's second due process argument is that we violated OPC's rights when adopting our staff's recommendation. OPC argued that the staff recommendation was devoid of OPC's arguments, noting that "for years, [s]taff's recommendations have included detailed summations of the parties' actual arguments." It is correct that our staff has in the past included a separate section in post-hearing recommendations summarizing the parties' arguments from their briefs. However, we have discontinued doing so because it was unnecessarily repetitious, since the parties' arguments are appropriately discussed in the body of our staff's recommendation, just as was done in the post-hearing recommendation for this docket. Contrary to OPC's argument, the Final Order *does* provide a "written assessment of the parties' main disagreements reflected in the record." OPC's argument would require our staff to include repetitive arguments leading to a more muddled or potentially confusing recommendation.

Further, OPC contends that by omitting detailed summations of the parties' arguments, we violated Section 120.68(7)(e)3., F.S., which provides that remand is appropriate when an agency's exercise of discretion was inconsistent with officially stated agency policy or a prior agency practice, if deviation therefrom is not explained by the agency. We do not find that the decision to omit the same arguments twice in one document, whether in the post-hearing recommendation or a Final Order, rises to the level of a violation of "stated agency policy or practice" per the statute. Therefore, OPC's Motion shall be denied as to this argument, as it fails to demonstrate a point of fact or law that we overlooked or failed to consider in rendering our order.

B. Capital Structure

In its Motion, OPC argues that we acted inconsistently with our officially stated agency policy or prior agency practice by prorating all sources of capital to calculate the weighted average cost of capital. Specifically, OPC contends that non-investor sources of capital, such as customer deposits, should have been excluded from the calculation because the adjustments had a significant upward impact on Sunshine's revenue requirement despite no party having an opportunity to present evidence on or dispute them. OPC argues that this is a violation of Section 120.68, F.S., and this decision was contrary to our decision in Sunshine's two prior rates cases, as well as a 2024 PAA decision regarding Pluris Wedgefield.¹⁰

The establishment of a utility's capital structure provides a means to identify the various sources of capital employed by a utility, together with the amounts and cost rates properly

¹⁰ Order No. PSC-2017-0361-FOF-WS, issued September 25, 2017, as amended by Order No. PSC-2017-0361A-FOF-WS issued October 4, 2017, in Docket No. 20160101-WS, *In re: Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties by Utilities, Inc. cf Florida*; Order No. NO. PSC-2021-0206-FOF-WS, filed on June 4, 2021, in Docket No. 20200139-WS, *In re: Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties, by Utilities, Inc. cf Florida*; Order No. PSC-2024-0118-PAA-WS, issued April 23, 2024, in Docket No. 20230083-WS, *In re: Application for increase in water and wastewater rates in Orange County by Pluris Wedgefield, LLC.*, at p. 48.

associated with each source of capital. In developing the capital structure, all capital costs are prorated according to their relative proportion to total capital. This percentage proportion is multiplied by the appropriate cost of each source of capital. These weighted components are then added to provide a composite or overall cost of capital. The weighted cost of capital multiplied by the net utility rate base produces an appropriate return on rate base, including a return on equity capital, for a proportion of the utility rate base equal to the proportion of equity in the capital structure. This process also produces returns sufficient to recover the annual cost of other types of capital.¹¹

Reconciliation of rate base and capital structure exists because, while sources of particular funds are readily traceable, uses of particular funds are not. As a utility uses capital to fund its operations, the sources of capital are comingled. Thereafter, it becomes irrelevant whether a dollar spent on operations is an “equity dollar,” “debt dollar,” or a “customer deposit dollar.”

Therefore, as adjustments are made to remove items from the rate base, corresponding adjustments must be made to the capital structure to keep the rate base and capital structure in balance. If a pro rata adjustment (an adjustment to each capital structure component in proportion to its relative weight) is made to the capital structure, there is no change in the required overall rate of return. However, if an adjustment is made to a specific capital structure component, the relative percentages change and the required overall rate of return changes.

OPC is correct that we did not make pro rata adjustments across all sources of capital in the Utility’s last two rate cases or *Pluris*.¹² However, those departures were a matter of oversight, rather than an intentional change in policy. In contrast, prorating adjustments across all sources of capital has been our practice for decades.¹³ Nonetheless, adjustments of this type, regardless of which direction they are made, are within our discretion. Nothing in statute precludes us from using our discretion to make reasonable pro rata adjustments to capital structure components that are supported by the record. For these reasons, we find that we did not depart from prior practice by prorating all sources of capital to calculate the weighted average cost of capital in this rate case.

¹¹ See Order No. 10306, filed on September 23, 1981, in Docket No. 810002-EU, *In re: Petition of Florida Power & Light Company for Authority to Increase Its Rates and Charge* at p. 30.

¹² See Order No. PSC-2024-01 18-PAA-WS, p. 48, issued April 23, 2024, in Docket No. 20230083-WS, *In re: Application for increase in water and wastewater rates in Orange County by Pluris Wedgfield, LLC*.

¹³ See Order No. 11437, filed on December 22, 1982, in Docket No. 820097-EU, *In re: Petition of Florida Power and Light Company to Increase Its Rates and Charges*; See Order No. 25347, filed on November 14, 1991, in Docket No. 910093-WS, *In re: Request for Rate Increase in Sumter County by Continental Utility, Inc.* (“Based on our decisions herein, and using the utility’s adjusted capital structure with each item reconciled on a pro rata basis, we find the appropriate overall cost of capital to be 11.90 percent with a range of 11.65 percent to 12.15 percent.”); Order No. PSC-07-0425-PAA-WU, filed on May 15, 2007, in Docket No. 060599-WU, *Application for Staff-Assisted Rate Case in Pasco County by Pasco Utilities, Inc.*; Order No. PSC-11-0514-PAA-WS, filed November 3, 2011, in Docket No. 100426-WS, *In re: Application for increase in water and wastewater rates in Lake County by Lake Utility Services, Inc.*; Order No. PSC-2020-0168-PAA-WS, filed on May 22, 2020, in Docket No. 20190166-WS, *In re: Application for increase in water rates in Highlands County by HC Waterworks, Inc.*

C. Annualizing Plant-In-Service and Accumulated Depreciation

OPC's disagreement with our accumulated depreciation calculations ultimately amounts to a difference of interpretation as to what constitutes a "13-month average" under Rule 25-30.433(5), F.A.C.¹⁴ The term "13-month average" is not specifically defined in the rule; however, the rule provides that "the averaging method used by the Commission to calculate rate base and cost of capital shall be a 13-month average for Class A utilities." Rule 25-30.433(5), F.A.C. We have interpreted a 13-month average to be the amounts on a Utility balance sheet for the 13 months of the test year, divided by 13.¹⁵ Additionally, we have routinely allowed known and measurable adjustments to elements of rate base and cost of capital when necessary to accurately capture test year operations by a utility.¹⁶ This is especially true when known and measurable adjustments may be used in furtherance of the "matching principle," a bedrock of regulated utility accounting meant to ensure consistency between costs and revenues. For example, if a plant is proposed to be removed from rate base, it may be prudent to make matching adjustments to the associated depreciation expense and/or accumulated depreciation reserve or even deferred taxes.

OPC interprets our adjustments to annualize accumulated depreciation in the Utility's test year as creating a year-end annualization, instead of using a 13-month average to address what it calls a mismatch.

We considered OPC's arguments concerning annualization adjustments to the Utility's test year accumulated depreciated before our vote. Our treatment of those arguments is fully explained in the Final Order:

OPC argued that Sunshine incorrectly calculated rate base, as witness Swain stated that various factors are annualized rather than using a 13-month average. OPC specifically cited that Sunshine violated Rule 25-30.433(5), F.A.C., which requires the rate case filing to utilize the 13-month average for calculating rate base. Per witness Swain, Sunshine is not incorrectly calculating these values, as the Utility filed its rate case using all required 13-month averages, and made pro forma adjustments. She maintained that pro forma adjustments look to the future and apply the future as an adjustment to the test year, which is not a mismatch nor is it out of compliance with Rule 25-30.433(5), F.A.C....

... We agree with witness Swain in regard to the appropriateness of annualization as a pro forma adjustment. However, we also agree with OPC witness Smith's argument that it was a mismatch to include the annualization on an asset recorded on a 13-month average basis. Thus, it is also reasonable to

¹⁴ OPC also references a violation of Rules 25-30.433(5) and 25-30.436(5)(f), F.A.C., in its Motion. However, Rule 25-30.436(5)(f), F.A.C., simply reaffirms that, "the provisions of Rule 25-30.433, F.A.C., must be followed in preparing the utility's application."

¹⁵ See *Form PSC 1028 (12-26) Class A Water and Wastewater MFRs.xlsx*, Schedules A1-A19, noticed in Rule 25-30.437, F.A.C.

¹⁶ *Id.*

include the annualization of the test year additions as a corresponding adjustment to eliminate the mismatch.

(Final Order at p. 45)

Sunshine's response to OPC's Motion echoes arguments the utility made during the rate case, that "[c]ontrary to OPC's assertion in the Motion, the annualization adjustment to Test Year Plant In-Service was not 'unilaterally recommended' or done 'out of the blue.' In fact, it was OPC itself that, at various points in the record of the instant case, identified the lack of a Plant In-Service adjustment as creating a mismatch."

It appears as though this argument raised in OPC's Motion is the same that was raised during the rate proceeding and in its post-hearing brief. That argument was addressed, and dispensed with, in the Final Order. As previously stated, reconsideration is not an appropriate vehicle to reargue matters that have already been considered. Ultimately, we find that our interpretation of the term "13-month average," in Rule 25-30.433(5), F.A.C., is reasonable, and adequately explained in the Final Order. Test year accounting is used to analyze a regulated utility's financial information for the purpose of establishing appropriate rates in the future. Our use of a 13-month average, adjusted with annualization calculations to correct a mismatch between plant-in-service and depreciation, served that purpose. Our resolution of the "mismatch" identified by OPC is consistent with our broad discretion, is supported by the record evidence, and is consistent with Rule 25-30.433, F.A.C. Therefore, we deny OPC's Motion for Reconsideration with respect to our annualization of plant in service depreciation.

D. Revenue Requirement Calculations

In its Motion, OPC offered alleged errors in the calculation of the revenue requirement in the Final Order. If accepted, OPC's adjustments would require a downward calculation of revenue requirement by \$778 and \$880 for the Utility's water and wastewater systems, respectively. The Utility offered no response.

Having reviewed OPC's calculations, we find that OPC is correct with respect to the errors in calculation. It appears that the staff recommendation, and thus the Final Order, miscalculated property tax assessments incurred by the Utility. The corrected numbers are shown on Schedules 3-A through 3-C, attached hereto. The corrected calculation proposed by OPC will have a negligible effect on customer rates. Because it does appear there was a minor error in the revenue requirement calculation, the revenue requirement shall be recalculated consistent with Schedules 3-A through 3-C. This will result in a downward calculation of revenue requirement by \$778 and \$880 for the Utility's water and wastewater systems, respectively.

E. Conclusion

OPC's Motion shall be granted in part and denied in part. As discussed in Section D above, reconsideration shall be granted to correct the calculation of Sunshine's revenue requirement. We find that OPC has otherwise failed to demonstrate that we overlooked or failed

to consider a point of fact or law in rendering our decision. Therefore, in all other respects, OPC's Motion shall be denied.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Office of Public Counsel's Motion for Reconsideration of Order No. PSC-2025-0196-FOF-WS is hereby granted in part and denied in part, as set forth herein. It is further

ORDERED by the Florida Public Service Commission that Order No. PSC-2025-0196-FOF-WS is hereby amended and clarified to the extent outlined in the body of this Order. It is further

ORDERED by the Florida Public Service Commission that this docket shall remain open while the appeal filed by the Office of Public Counsel is processed by the First District Court of Appeal.

By ORDER of the Florida Public Service Commission this 25th day of September, 2025.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
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Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

RPS

NOTICE OF 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.

Any party adversely affected by the Commission's final action in this matter may request 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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, 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.

Sunshine Water Services Company Statement of Water Operations Test Year Ended 12/31/2023						Schedule No. 3-A Docket No. 20240068-WS	
Description	Test Year Per Utility	Utility Test Year Adj	Adjusted Test Year Per Utility	Approved Adjust- ments	Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$22,532,175</u>	<u>\$5,563,719</u>	<u>\$28,095,894</u>	<u>(\$5,177,609)</u>	<u>\$22,918,285</u>	<u>\$4,531,826</u> <u>\$4,532,641</u> 19.8%	<u>\$27,450,111</u> <u>\$27,450,926</u>
Operating Expenses							
2 Operation & Maintenance	\$12,536,020	\$743,783	\$13,279,803	(754,824)	12,524,979		12,524,979
3 Depreciation	2,572,862	1,908,761	\$4,481,623	(161,558)	4,320,065		4,320,065
4 Amortization	0	46,750	\$46,750	0	46,750		46,750
5 Taxes Other Than Income	1,934,995	573,609	\$2,508,604	(227,353) <u>(226,575)</u>	2,281,251 <u>2,282,029</u>	203,932 <u>203,969</u>	2,485,184 <u>2,485,998</u>
6 Income Taxes	<u>1,112,778</u>	<u>441,521</u>	<u>\$1,554,299</u>	<u>(1,193,894)</u> <u>(1,194,091)</u>	<u>360,405</u> <u>360,208</u>	<u>1,096,905</u> <u>1,097,102</u>	<u>1,457,310</u>
7 Total Operating Expense	<u>18,156,655</u>	<u>3,714,424</u>	<u>21,871,079</u>	<u>(2,337,628)</u> <u>(2,337,047)</u>	<u>19,533,451</u> <u>19,534,032</u>	<u>1,300,837</u> <u>1,301,071</u>	<u>20,834,288</u> <u>20,835,102</u>
8 Operating Income	<u>\$4,375,520</u>	<u>\$1,849,295</u>	<u>\$6,224,815</u>	<u>(\$2,839,981)</u> <u>(\$2,840,562)</u>	<u>\$3,384,834</u> <u>\$3,384,253</u>	<u>\$3,230,989</u> <u>3,231,570</u>	<u>\$6,615,824</u>
9 Rate Base	<u>\$61,906,290</u>	<u>\$21,338,377</u>	<u>\$83,244,667</u>		<u>\$85,959,204</u>		<u>\$85,959,204</u>
10 Rate of Return	<u>7.07%</u>		<u>7.48%</u>		<u>3.94%</u>		<u>7.70%</u>

Sunshine Water Services Company Statement of Wastewater Operations Test Year Ended 12/31/2023						Schedule No. 3-B Docket No. 20240068-WS	
Description	Test Year Per Utility	Utility Adjust- ments	Adjusted Test Year Per Utility	Approved Adjust- ments	Adjusted Test Year	Revenue Increase	Revenue Requirement
1 Operating Revenues:	<u>\$28,276,590</u>	<u>\$6,043,860</u>	<u>\$34,320,450</u>	(\$4,703,419)	<u>\$29,617,031</u>	<u>\$4,703,419</u> 15.9%	<u>\$34,320,450</u>
Operating Expenses							
2 Operation & Maintenance	\$14,655,194	\$970,541	\$15,625,735	(\$853,779)	\$14,771,956		\$14,771,956
3 Depreciation (Net)	5,374,706	874,090	6,248,796	(12,020)	6,236,776		6,236,776
4 Amortization	0	223,805	223,805	0	223,805		223,805
5 Taxes Other Than Income	2,218,669	511,247	2,729,916	(194,109) (193,229)	<u>2,535,807</u> <u>2,536,687</u>	211,654	2,747,461
6 Income Taxes	<u>1,034,613</u>	<u>861,953</u>	<u>1,896,566</u>	(1,177,584) (1,177,807)	<u>718,982</u> <u>718,759</u>	<u>1,138,438</u>	<u>1,857,420</u>
7 Total Operating Expense	<u>23,283,182</u>	<u>3,441,636</u>	<u>26,724,818</u>	(2,237,491) (2,236,834)	<u>24,487,327</u> <u>24,487,984</u>	<u>1,350,092</u>	<u>25,837,418</u>
8 Operating Income	<u>\$4,993,408</u>	<u>\$2,602,224</u>	<u>\$7,595,632</u>	(\$2,465,928) (\$2,466,585)	<u>\$5,129,704</u> <u>\$5,129,047</u>	<u>\$3,353,327</u>	<u>\$8,483,032</u>
9 Rate Base	<u>\$93,386,364</u>	<u>\$8,186,677</u>	<u>\$101,573,041</u>		<u>\$111,439,518</u>		<u>\$111,439,518</u>
10 Rate of Return	<u>5.35%</u>		<u>7.48%</u>		<u>4.60%</u>		<u>7.61%</u>

Sunshine Water Services Company		Schedule 3-C	
Adjustment to Operating Income		Docket No. 20240068-WS	
Test Year Ended 12/31/2023			
Explanation	Water	Wastewater	
<u>Operating Revenues</u>			
1 To remove requested final revenue increase.	(\$5,175,376)	(\$4,701,373)	
2 To reflect the appropriate amount of annualized revenues.	(2,233)	(2,046)	
Total	(\$5,177,609)	(\$4,703,419)	
<u>Operation and Maintenance Expense</u>			
1 To reflect Audit Finding No. 9 modified via Rebuttal. (I-28)	\$43,442	\$42,383	
2 To remove expense associated with DEP penalty. (I-28)	(165,188)	(153,584)	
3 To remove charitable contributions. (I-28)	(10,490)	(9,754)	
4 To remove expenses associated Wekiva WWTP litigation. (I-28)	0	(347,991)	
5 To reflect disallowances in management fees. (I-27)	(33,768)	(31,393)	
6 To remove payment processing expense. (I-26)	(200,501)	(186,418)	
7 To remove Chamber of Commerce dues. (I-28)	(7,612)	(7,077)	
8 To remove sewer maintenance expense. (I-28)	0	(29,879)	
9 To reflect Pro Forma Capitalized Labor. (I-26)	14,014	(17,106)	
10 To reflect O&M associated with Pro Forma meter replacements. (I-26)	(280,662)	0	
11 To reflect updated rate case expense. (I-25)	(13,622)	(12,667)	
13 To remove expiring RCE amortization. (I-28)	(96,267)	(89,504)	
14 To reflect the appropriate repression adjustment.	7,467	0	
15 To remove half of D&O Liability Insurance expense. (I-28)	(11,637)	(10,790)	
Total	(\$754,824)	(\$853,779)	
<u>Depreciation Expense - Net</u>			
1 To reflect net salvage value. (I-30)	(\$35,830)	(\$37,410)	
2 To reflect pro forma plant. (I-4)	(116,370)	42,319	
3 To reflect Audit Finding No. 4. (I-31)	(251)	(234)	
4 To reflect Audit Finding No. 6. (I-30)	0	(7,048)	
5 To reflect updated pro forma retirements - depreciation expense. (I-5)	(14,496)	(10,613)	
6 To reflect updated pro forma retirements - CIAC amortization. (I-5)	5,390	966	
Total	(\$161,558)	(\$12,020)	
<u>Taxes Other Than Income (I-29)</u>			
1 RAFs on revenue adjustments above.	(\$232,992)	(\$211,654)	
2 To reflect Pro Forma Capitalized Labor.	1,072	(1,309)	
3 To remove property tax expense on non-U&U adjustment above.	0	(1,273)	
4 To reflect Pro Forma Plant Additions.	17,789	20,127	
5 To remove payroll tax corresponding to meter replacements.	(13,221)	0	
	(\$227,353)	(\$194,109)	
Total	(\$226,575)	(\$193,229)	