

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: March 26, 2026

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Engineering (Sanchez, Ellis, Ramos) *TE*
Division of Accounting and Finance (Bardin) *MC*
Division of Economics (Chambliss) *CP*
Office of the General Counsel (Stiller) *JSC*

RE: Docket No. 20240126-WU – Application for grandfather certificate to operate water utility in Citrus County, by Cinnamon Ridge Utilities, Inc.

AGENDA: 04/07/26 – Regular Agenda – Proposed Agency Action for Issues 3 through 8 – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Clark

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On May 28, 2024, the Board of County Commissioners of Citrus County (County) adopted Resolution No. 2024-040 (Resolution), transferring regulation of the privately-owned, for profit water and wastewater utilities in Citrus County to the Florida Public Service Commission (Commission). Effective upon the adoption of the resolution, all non-exempt water and wastewater systems in Citrus County became subject of the provisions of Chapter 367, Florida

Statutes (F.S.). By Order No. PSC-2024-0267-FOF-WS, the Commission acknowledged the Resolution.¹

Pursuant to Section 367.171(2)(b), F.S., each utility engaged in the operation or construction of a system shall be entitled to receive a certificate for the area served by such utility on the day the chapter becomes applicable to the utility, commonly known as a “grandfather certificate.” On August 19, 2024, Cinnamon Ridge Utilities, Inc. (Cinnamon Ridge or Utility) filed an application for a grandfather certificate to provide water service in Citrus County pursuant to Section 367.171(2), F.S., and Rule 25-30.035, Florida Administrative Code (F.A.C.). The Utility’s initial application was found to be deficient and staff issued a deficiency letter on September 13, 2024.² Cinnamon Ridge cured all deficiencies on February 9, 2026.³

Cinnamon Ridge was established on February 10, 1982, and currently provides water service to approximately 286 customers, with a projected customer base of approximately 450 customers when the territory is fully developed. Wastewater service is provided by individual septic systems. The Utility’s service area is located in the Southwest Florida Water Management District. This recommendation addresses the application for a grandfather water certificate and rates and charges. The Commission has jurisdiction pursuant to Section 367.171, F.S.

¹ Order No. PSC-2024-0267-FOF-WS, issued July 25, 2024, in Docket No. 20240095-WS, *In re: Resolution of the Board of County Commissioners of Citrus County declaring Citrus County subject of the provisions of Sections 367, F.S.*

² Document No. 08997-2024, filed September 13, 2024, in Docket No. 20240126-WU.

³ Document No. 04030-2025, filed May 29, 2025; Document No. 11293-2025, filed September 17, 2025; Document No. 11295-2025, filed September 17, 2025; Document No. 01009-2026, filed February 9, 2026, in Docket No. 20240126-WU.

Discussion of Issues

Issue 1: Should Cinnamon Ridge Utilities, Inc.'s application for a grandfather water certificate in Citrus County be acknowledged?

Recommendation: Yes. Cinnamon Ridge's application should be acknowledged and the Utility should be granted Certificate 695-W, effective May 28, 2024, to serve the territory described in Attachment A. The resultant order should serve as Cinnamon Ridge's certificate and should be retained by the Utility. (Sanchez, Bardin, Stiller)

Staff Analysis:

Legal Standard

Under Section 367.171(2)(b), F.S., on the day a county declares it is subject to the provisions of Chapter 367, any utility engaged in the operation or construction of a non-exempt water or wastewater system shall be entitled to receive a certificate for the area served by the utility. Within 90 days after the day this chapter becomes applicable to it, the utility shall make application for a grandfather certificate. The filing requirements for a grandfather application are set forth in Rule 25-30.035, F.A.C.

Analysis

The Utility's application for a grandfather certificate to provide water service in Citrus County is in compliance with Section 367.171(2)(b), F.S., and Rule 25-30.035, F.A.C. An adequate service territory description and system maps were provided. As the Utility has its own treatment facilities, Cinnamon Ridge filed a Quit Claim deed as proof of ownership of the land on which the Utility's facilities are located as required by Rule 25-30.035(11), F.A.C. A description of the Utility's territory is contained in Attachment A.

As stated in the case background, Cinnamon Ridge currently provides water service to approximately 286 residential customers, with a projected customer base of approximately 450 customers when the territory is fully developed. The Utility does not currently have any outstanding citations, violations, or consent orders on file with the Florida Department of Environmental Protection.

The Utility is aware of its obligation to submit its 2026 Annual Report pursuant to Rule 25-30.110, F.A.C., and is also aware of its obligation to pay regulatory assessment fees (RAFs) pursuant to Rule 25-30.120, F.A.C. During the pendency of this docket, the Utility filed its 2025 Annual Report and RAFs. In addition, the Utility is aware that it must maintain its books and records according to the National Association of Regulatory Utility Commissioners' Uniform System of Accounts.

Conclusion

Based on the above, staff recommends that Cinnamon Ridge's application should be acknowledged and the Utility should be granted Certificate 695-W, effective May 28, 2024, to serve the territory described in Attachment A. The resultant order should serve as Cinnamon Ridge's certificate and should be retained by the Utility.

Issue 2: What rates and charges should be approved for Cinnamon Ridge Utilities, Inc.?

Recommendation: Of the Utility's rates and charges that were in effect when Citrus County Water and Wastewater Authority (CCWWA) transferred jurisdiction to the Commission, only the rates, late payment charge, and system capacity charges shown on Schedule No. 1 are appropriate and should be approved. The rates and charges shown in Schedule No. 1 should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets. Cinnamon Ridge should be required to charge the approved rates and charges shown in Schedule No. 1 until authorized to change them by the Commission in a subsequent proceeding. (Chambliss)

Staff Analysis: CCWWA approved the Utility's current monthly rates by Final Order 23-07 on September 19, 2023. The monthly water rates consist of a base facility charge and a four-tier inclining block rate structure.

Cinnamon Ridge has an initial customer deposit of \$125, which is two and a half times the average monthly bill. Staff is recommending in Issue 3 that the initial customer deposit be revised to be consistent with Commission practice. Cinnamon Ridge's water charges consist of miscellaneous service and service availability charges. The miscellaneous service charges were established by Final Order 18-06 on November 5, 2018. The Utility's miscellaneous service charges are provided by a third-party vendor. Some of the miscellaneous service charges are not consistent with the Florida Statutes or Commission Rules. Therefore, staff recommends the miscellaneous service charges be modified as described in Issue 4. The Utility's late payment charge should remain unchanged. In addition, Cinnamon Ridge has system capacity charges and a meter installation charge. The Utility requested an increase in its meter installation charge, which is discussed in Issue 7.

Staff recommends that of Cinnamon Ridge's rates and charges that were in effect when CCWWA transferred jurisdiction to the Commission, only the rates, late payment charge, and system capacity charges shown on Schedule No. 1 are appropriate and should be approved. The rates and charges shown in Schedule No. 1 should be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets. The Utility should be required to charge the approved rates and charges shown in Schedule No. 1 until authorized to change them by the Commission in a subsequent proceeding.

Issue 3: Should Cinnamon Ridge's current initial customer deposits be approved?

Recommendation: No. The appropriate initial customer deposit for the residential 5/8 inch x 3/4 inch meter size should be \$90. The initial customer deposits for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill. The approved customer deposits should be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. Cinnamon Ridge should be required to collect the approved deposits until authorized to change them by the Commission in a subsequent proceeding. (Chambliss)

Staff Analysis: Rule 25-30.311, F.A.C., contains criteria for collecting, administering, and refunding customer deposits. Rule 25-30.311(1), F.A.C., requires that each company's tariff shall contain its specific criteria for determining the amount of initial deposits. The Utility currently charges initial customer deposits of \$125, which is equal to two and a half times an average monthly bill based on average consumption for the residential 5/8 inch x 3/4 inch meter size.

Rule 25-30.311(7), F.A.C., authorizes utilities to collect new or additional deposits from existing customers, not to exceed an amount equal to the average actual charge for water and/or wastewater service for two billing periods for the 12-month period immediately prior to the date of notice. The two billing periods reflect the lag time between the customer's usage and the Utility's collection of the revenues associated with that usage. Commission practice has been to set initial customer deposits equal to two months' bills based on the average consumption for a 12-month period for each class of customers. Based on the billing determinants and average residential bills provided by the Utility, staff determined that the anticipated average residential usage will be approximately 6,905 gallons per month for water. Consequently, the average residential monthly bill will be approximately \$45 for water service.

Based on the above, the appropriate initial customer deposit for the residential 5/8 inch x 3/4 inch meter size should be \$90. The initial customer deposit for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill. The approved initial customer deposits should be effective for service rendered on or after the stamped approval date on the tariff pursuant to Rule 25-30.475, F.A.C. Cinnamon Ridge should be required to collect the approved deposits until authorized to change them by the Commission in a subsequent proceeding.

Issue 4: What are the appropriate revisions to miscellaneous service charges for Cinnamon Ridge Utilities?

Recommendation: The appropriate revisions to miscellaneous service charges shown on Table 4-2 should be approved. The Utility should be required to file a proposed customer notice to reflect the Commission-approved charges. The approved charges should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475, F.A.C. In addition, the tariff sheets should be approved upon staff's verification that the tariffs are consistent with the Commission's decision and that the proposed customer notice is adequate. (Chambliss)

Staff Analysis: Section 367.091, F.S., authorizes the Commission to establish, increase, or change a rate or charge other than monthly rates or service availability charges. Some of Cinnamon Ridge's existing charges should be revised to conform to the Florida statutes or the Commission's rules. The Utility's existing miscellaneous service charges that should be revised are shown below in Table 4-1.

**Table 4-1
Cinnamon Ridge's Existing Miscellaneous Service Charges**

	<u>Existing Charges</u>
Initial Connection Charge	\$300.00
Normal Reconnection Charge	\$25.00
Violation Reconnection	\$100.00
Premises Visit Charge	\$55.00
Returned Payment Checks	\$40.00
Tampering Fee	\$200.00 Plus Actual Cost to Repair Damage

Initial Connection, Normal Reconnection Charge, Violation Reconnection Charge, and Premises Visit Charge

Pursuant to Rule 25-30.460, F.A.C., "initial" and "reconnection" charges are obsolete and are subsumed in the definition of the premises visit charge. Therefore, staff recommends that the initial and reconnection charges be removed. In the past, when conforming the charges to the rule, the Commission has made the premises visit the higher of the initial connection, normal reconnection or premises visit charges, which would be the initial connection charge of \$300. However, the Utility's existing initial connection charge is higher than what the Commission has approved in the past.

As mentioned in Issue 3, the miscellaneous service charges are provided by a third-party vendor. When the Utility's miscellaneous service charges are provided by a third-party vendor, a cost justification is typically not required. However, in this case, staff believes it was necessary to evaluate the costs embedded in the initial connection charge, and reached out to Cinnamon Ridge for a cost justification of the third-party charges. Based on the cost justification provided of the miscellaneous service charges, the initial connection charge includes the cost of a meter and its installation. As a result, staff believes it is appropriate to leave the premises visit charge at \$55.

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Staff recommends that the definition for the premises visit charge be updated to comply with Rule 25-30.460, F.A.C.

Cinnamon Ridge is requesting that the violation reconnection charge be revised. The Utility provided an invoice indicating that the third-party charges \$140 to remove the meter for a delinquent account. Once the account is paid, a subcontractor reinstalls the meter for a return charge of \$70. Therefore, staff believes it is appropriate to recommend an increase in the violation reconnection charge to \$210 (\$140 + \$70).

NSF Check Charge

Cinnamon Ridge currently has a returned check charge of \$40.00. However, staff recommends that the Utility's returned check charges be amended to comply with Section 68.605, F.S., which sets forth allowable charges for the collection of worthless checks, drafts, or orders of payment. As currently set forth in Section 68.065(2), F.S., the following NSF charges may be assessed.

- 1) \$25, if the face value does not exceed \$50
- 2) \$30, if the face value exceeds \$50 but does not exceed \$300
- 3) \$40, if the face value exceeds \$300
- 4) or 5 percent of the face amount of the check, whichever is greater.

Tampering or Prohibited Connection or Use Charge

As shown on Table 4-1, Cinnamon Ridge has a tampering charge of \$200 plus actual cost. Rule 25-30.320(2)(j), F.A.C., provides that a Utility may refuse or discontinue service without notice in the event of unauthorized or fraudulent use of service. Whenever service is discontinued for fraudulent use of such service, the Utility, before restoring service, may require the customer to make at his own expense all changes in piping or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the deficiency in revenue resulting from the customer's fraudulent use before restoring service. Based on the above, staff recommends that Cinnamon Ridge's tampering charge of \$200 plus actual cost be approved solely at actual cost.

Table 4-2
Staff's Recommended Miscellaneous Service Charges

Premises Visit	\$55
Violation Reconnection Charge	\$210
Tampering Charge	Actual Cost
NSF Check Charge	Pursuant to Section 68.065, F.S.

Conclusion

Based on the above, the appropriate revisions to miscellaneous service charges shown on Table 4-2 should be approved. The Utility should be required to file a proposed customer notice to reflect the Commission-approved charges. The approved charges should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(2), F.A.C. In addition, the tariff sheets should be approved upon staff's verification that the tariffs are consistent with the Commission's decision and that the proposed customer notice is adequate.

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Issue 5: Should Cinnamon Ridge's current terms of payment be revised to conform to Rule 25-30.335(6), F.A.C.?

Recommendation: Yes. The Utility's current terms of payment should be revised to conform to Rule 25-30.335(6), F.A.C. Cinnamon Ridge should file revised tariff sheets to reflect the appropriate terms of payment pursuant to Rule 25-30.335(6), F.A.C. The approved tariffs should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. In addition, the tariff sheets should be approved upon staff's verification that the tariffs are consistent with the Commission's decision and that the proposed customer notice is adequate. (Chambliss)

Staff Analysis: The Utility's current water tariff indicates that a customer residing in Florida will become delinquent if their bill is not paid within 16 days, while a non-Florida resident has 21 days to pay their bill before becoming delinquent. However, Rule 25-30.335(6), F.A.C., states that a utility may not consider a customer delinquent in paying his or her bill until the 21st day after the bill has mailed or presented for payment.

Based on the above, staff recommends that the Utility's current terms of payment should be revised to conform to Rule 25-30.335(6), F.A.C. Cinnamon Ridge should file revised tariff sheets to reflect the appropriate terms of payment pursuant to Rule 25-30.335(6), F.A.C. The approved tariffs should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. In addition, the tariff sheets should be approved upon staff's verification that the tariffs are consistent with the Commission's decision and that the proposed customer notice is adequate.

Issue 6: What are the appropriate meter test deposits for Cinnamon Ridge?

Recommendation: Staff recommends that the appropriate meter test deposits be revised to conform to Rule 25-30.266(2)(a), F.A.C. The Utility should file a revised tariff sheet to reflect the appropriate meter test deposits pursuant to Rule 25-30.335(6), F.A.C. The approved tariff should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. In addition, the tariff sheet should be approved upon staff's verification that the tariffs are consistent with the Commission's decision and that the proposed customer notice is adequate. (Chambliss)

Staff Analysis: The Utility's water tariff indicates meter test deposits of \$65 for 5/8 inch x 3/4 inch to 1 1/2 inch meter sizes and actual costs for 2 inch meter sizes and over. However, Cinnamon Ridge may not exceed meter test deposits pursuant to Rule 25-30.266(2)(a), F.A.C., shown below on Table 6-1.

**Table 6-1
Current Meter Test Deposits**

Meter Size	Fee
5/8" x 3/4"	\$20.00
1 1/2"	\$25.00
2" and over	Actual Cost of Test

Therefore, staff recommends that the appropriate meter test deposits be revised pursuant to Rule 25-30.266(2)(a), F.A.C. The Utility should file a revised tariff sheet to reflect the appropriate meter test deposits pursuant to Rule 25-30.335(6), F.A.C. The approved tariff should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. In addition, the tariff sheet should be approved upon staff's verification that the tariffs are consistent with the Commission's decision and that the proposed customer notice is adequate.

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Issue 7: Should Cinnamon Ridge be authorized to increase its meter installation charge and, if so, what is the appropriate charge?

Recommendation: Yes. A \$395 meter installation charge for the 5/8 inch x 3/4 inch meter size and actual costs for other meter sizes should be approved. Cinnamon Ridge should file a tariff sheet and a proposed customer notice. The Utility should provide notice to potential customers who have requested service within 12 calendar months prior to the month the application was filed, and up until the Order becomes final. The approved charge should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheet. Cinnamon Ridge should provide proof of the date notice was given within 10 days of the date of notice. (Chambliss)

Staff Analysis: According to Cinnamon Ridge's water tariff, the current meter installation charge is \$250 for the 5/8 inch x 3/4 inch meter size and actual costs for all other meter sizes. As previously mentioned, the Utility's charges are provided by a third-party vendor. Based on information provided by the Utility, the cost to install a new 5/8 inch x 3/4 inch meter at a residence where there is no previous service is \$395. This charge is based on the cost and labor to install a meter.

Based on staff's review of the information provided by Cinnamon Ridge, staff recommends that a \$395 meter installation charge for the 5/8 inch x 3/4 meter size and actual costs for other meter sizes be approved.

Cinnamon Ridge should file a tariff sheet and a proposed customer notice. The Utility should provide notice to potential customers who have requested service within 12 calendar months prior to the month the application was filed, and up until the Order becomes final. The approved charge should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheet. Cinnamon Ridge should provide proof of the date notice was given within 10 days of the date of notice.

Issue 8: Should Cinnamon Ridge be approved for a tap-in charge and, if so, what is the appropriate charge?

Recommendation: Yes. Staff recommends a tap-in charge of \$1,075 be approved. Cinnamon Ridge should file a tariff sheet and a proposed customer notice. The Utility should provide notice to potential customers who have requested service within 12 calendar months prior to the month the application was filed, and up until the Order becomes final. The approved charge should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheet. Cinnamon Ridge should provide proof of the date notice was given within 10 days of the date of notice. (Chambliss)

Staff Analysis: Currently, Cinnamon Ridge does not have an approved tap-in charge. A tap-in charge is designed to recover the cost of the line extending from the customer's property to the meter. In a conversation with the Utility, it was indicated that Cinnamon Ridge incurs a substantial amount of cost for new connections due to the location of the lines. A significant number lines are located behind the property. As mentioned in Issue 2, the Utility's charges are provided by a third-party vendor. As per staff's request, Cinnamon Ridge provided a proposal by Suncoast Plumbing, which indicates a breakdown of its charges to connect a meter to a line located behind a customer's property. The proposal indicated that new connections involve digging up and installing a saddle valve on the main water line behind property, installing a new meter with curator in meter box, and performing labor with a tractor, at a total cost of \$1,470. As discussed in the Issue 6, the cost to install a meter is \$395. Therefore, removing the cost of the meter installation results in \$1,075 for the tap-in charge.

Staff recommends a tap-in charge of \$1,075 be approved. Cinnamon Ridge should file a tariff sheet and a proposed customer notice. The Utility should provide notice to potential customers who have requested service within 12 calendar months prior to the month the application was filed, and up until the Order becomes final. The approved charge should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheet. Cinnamon Ridge should provide proof of the date notice was given within 10 days of the date of notice.

Issue 9: Should this docket be closed?

Recommendation: If no person with substantial interests are affected by the proposed agency action portion of this recommendation files a protest within 21 days of the issuance of this order, a consummating order should be issued. The docket should remain open for staff's verification that notice has been provided to customers, and the revised tariff sheets have been filed by the Utility and approved by staff. Once this action is complete, this docket should be closed administratively if no timely protest has been filed. (Stiller)

Staff Analysis: If no person with substantial interests are affected by the proposed agency action portion of this recommendation files a protest within 21 days of the issuance of this order, a consummating order should be issued. The docket should remain open for staff's verification that notice has been provided to customers, and the revised tariff sheets have been filed by the Utility and approved by staff. Once this action is complete, this docket should be closed administratively if no timely protest has been filed.

DESCRIPTION OF TERRITORY SERVED

Cinnamon Ridge Utilities, Inc.
Citrus County

Section 6, Township 19 South, Range 18 East, Citrus County, Florida

The Northeast quarter except for 100 feet from the North boundary line of Section 6

And

The Southeast quarter except for the Northeast quarter of the Southeast quarter

And

The South half of the Southwest quarter

And

The South half of the Southeast quarter of the Northwest quarter of the Southwest quarter

FLORIDA PUBLIC SERVICE COMMISSION

**authorizes
Cinnamon Ridge Utilities, Inc.
pursuant to
Certificate Number 695-W**

to provide water service in Citrus County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rule, regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
*	*	20240126-WS	Grandfather Certificate

*** Order Number and date to be provided at time of issuance.**

**Cinnamon Ridge Utilities, Inc.
Existing Water Rates**

Residential and General Service

Base Facility Charge by Meter Size

5/8" X 3/4"	\$28.89
3/4"	\$42.08
1"	\$71.85
1-1/2"	\$143.70
2"	\$229.94
3"	\$459.90
4"	\$718.59
6"	\$1,436.73

Charge per 1,000 gallons

0 to 5,000 gallons	\$2.24
5,001 to 10,000 gallons	\$2.35
10,001 to 15,000 gallons	\$2.44
All Usage above 15,000 gallons	\$2.54

Miscellaneous Service Charges

Late Payment Charge	\$10.00
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Service Availability Charges

System Capacity Charge	
Single Family Residence – Per ERC (350 GPD)	\$300.00
Mobile Home – Per ERC (250 GPD)	\$300.00
All Others	\$300.00