

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 (Lewis, King, Ramos) *TB*  
Division of Accounting and Finance (Cohn, Higgins, G. Kelley, Lenberg) *MC*  
Division of Economics (Bruce, Chambliss) *CP*  
Office of the General Counsel (Sapoznikoff, Sparks) *SPS*

**RE:** Docket No. 20250094-WS – Application for staff-assisted rate case in Polk County by GCP Plantation Landings, LLC.

**AGENDA:** 04/07/26 – Regular Agenda – Proposed Agency Action - Except for Issue Nos. 11, 12, and 13 - Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Ortega

**CRITICAL DATES:** 12/04/26 (15-Month Effective Date (SARC))

**SPECIAL INSTRUCTIONS:** None

---

### Case Background

GCP Plantation Landings, LLC (GCP or Utility) is a Class C water and wastewater utility operating in Polk County. The Utility serves 388 residential and one general service customer. GCP's service territory is located in the Southwest Florida Water Management District. In October 2023, GCP applied for a staff-assisted rate case (SARC). However, in June 2024, the Utility withdrew its application. The Utility's last SARC was in 2008.<sup>1</sup> The Utility reported, in its 2024 Annual Report, net operating losses of \$17,380 for water and \$29,511 for wastewater.

---

<sup>1</sup> Order No. PSC-08-0548-PAA-WS, issued August 19, 2008, in Docket No. 20070416-WS, *In re: Application for staff-assisted rate case in Polk County by Plantation Landings, Ltd.*

Docket No. 20250094-WS

Date: March 26, 2026

GCP has been in existence since 1987 and was granted grandfather certificates for water and wastewater services in 1999.<sup>2</sup> On July 21, 2025, GCP filed an application for a staff-assisted rate case (SARC) and the official filing date of this SARC was established as September 4, 2025. The 12-month period ending December 31, 2024, was selected as the test year. GCP's request for a SARC is due to capital improvements and an increase in operating expenses since its last rate increase.

The Commission has jurisdiction pursuant to Sections 367.011, 367.081, 367.0812, 367.0814, 367.091, and 367.121, Florida Statutes (F.S.).

---

<sup>2</sup> Order No. PSC-99-1227-PAA-WS, issued June 21, 1999, in Docket No. 19981338-WS, *In re: Application for grandfather certificates to operate water and wastewater utility in Polk County by Plantation Landings, Ltd.*

## Discussion of Issues

**Issue 1:** Is the quality of service provided by GCP Plantation Landings, LLC satisfactory?

**Recommendation:** Yes. GCP is currently in compliance with the Department of Environmental Protection (DEP) and there were no complaints recorded during the analyzed time period. Therefore, the quality of service should be considered satisfactory. (Lewis)

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

### Quality of the Utility's Product

In evaluation of GCP's product quality, staff reviewed the Utility's compliance with the DEP's primary and secondary drinking water standards. Primary standards protect public health while secondary standards regulate contaminants that may impact the taste, odor, and color of drinking water. Staff reviewed the DEP's Safe Drinking Water Program chemical analysis of samples taken on September 25, 2024, and the Utility was determined to be in compliance with DEP standards. In addition, staff reviewed the most current Disinfection Byproducts testing conducted on July 15, 2025, at the GCP water treatment plant (WTP) and the results were in compliance with DEP standards.

### The Utility's Attempt to Address Customer Satisfaction

There have been no complaints recorded by the Commission's Consumer Activity Tracking System (CATS), received by the Utility, or filed with the DEP for the test year and four years prior.

At the January 27, 2026 customer meeting, four customers (representing three households) provided comments. The customers expressed their opposition to the proposed rate increase, the smell of the finished water, and the number of service outages and subsequent Boil Water Notices. One customer expressed concerns about the odor emanating from the wastewater plant (WWTP). In response to staff's fourth data request, the Utility indicated that it was not aware of its customers' concerns prior to the customer meeting regarding the smell of the water or foul odors from the WWTP.<sup>3</sup> The Utility also explained that it has reached out to the customers who spoke at the customer meeting and was able to connect with three out of the four to address their concerns. When responding to the customers who spoke at the customer meeting, the Utility explained that it previously discovered low chlorine-levels, which can result in a sulfur-type

---

<sup>3</sup> Document No. 01224-2026, filed February 20, 2026, in Docket No. 20250094-WS.

Date: March 26, 2026

smell and replaced the chlorine injector to improve the odor. As for the odors emanating from the WWTP, the Utility explained that it will monitor these conditions daily, but as stated above, was not aware of this issue prior to the customer meeting.

Pursuant to Rule 25-30.251(1) and (2), F.A.C., staff requested the Utility provide record of all interruptions in service which affect 10 percent or more of its customers since January 1, 2021. In response, the Utility indicated that a total of 24 service interruptions occurred during the specified period, 16 of which may have affected 10 percent or more of its customers. The information provided by the Utility did not address all items required by the Rule, such as the cause of the interruption, nor did the Utility provide notification to the Commission of any interruptions. As such, staff recommends that the Utility maintain its service interruption records meeting the 10 percent threshold in the manner outlined in Rule 25-30.251(1), F.A.C., and notify the Commission of any such interruptions on a going-forward basis.

In addition to the customer comments during the customer meeting, 28 customers filed comments in the docket file. All 28 customers were opposed to the rate increase, with 13 providing negative comments concerning the smell of the finished water. Eleven customers expressed concerns regarding the condition of the distribution and collection mains. One customer expressed concerns about the capacity of the wastewater treatment plant. Staff performed a supplemental review though March 2, 2026, of complaints filed in CATS following the customer meeting and none were found.

### **Conclusion**

GCP is currently in compliance with the DEP and there were no complaints recorded during the analyzed time period. Therefore, the quality of service should be considered satisfactory.

Date: March 26, 2026

**Issue 2:** Are the infrastructure and operating conditions of GCP Plantation Landings, LLC's water and wastewater system in compliance with DEP regulations?

**Recommendation:** Yes. GCP's water and wastewater treatment facilities are in compliance with DEP regulations. (Lewis)

**Staff Analysis:** Rule 25-30.225(2), F.A.C., requires each water and wastewater utility to maintain and operate its plant and facilities by employing qualified operators in accordance with the rules of the DEP. Rule 25-30.433(2), F.A.C., requires consideration of whether the infrastructure and operating conditions of the plant and facilities are in compliance with Rule 25-30.225, F.A.C. In making this determination, the Commission must consider testimony of the DEP and county health department officials, sanitary surveys for water and compliance evaluations for wastewater systems, citations, violations, and consent orders issued to the utility, customer testimony, comments, complaints, utility testimony, and responses to the aforementioned items.

### **Water and Wastewater Operating Conditions**

GCP's water system has two wells that each have a pumping capacity of 350 gallons per minute (gpm). The system is served by a hydropneumatic tank with a capacity of 15,000 gallons. There are 13 fire hydrants throughout the service territory. Groundwater from the wells is treated through hypochlorination. Staff reviewed GCP's most recent Sanitary Survey Reports conducted by the DEP on September 15, 2021, which indicated no deficiencies.

GCP's wastewater system consists of a 0.080 million gallons per day (MGD) Three-Month Rolling Average Daily Flow (3MADF) design capacity, Type III, extended aeration domestic wastewater treatment plant, with disposal to a two-cell Rapid Infiltration Basin (RIB). Staff reviewed the Utility's compliance evaluation inspections conducted by the DEP to determine GCP's overall wastewater facility compliance. A Compliance Evaluation Inspection on April 2, 2024, determined the facility to be in compliance with the DEP's rules and regulations.

### **Conclusion**

GCP's water and wastewater treatment facilities are in compliance with DEP regulations.

**Issue 3:** What are the used and useful (U&U) percentages of GCP Plantation Landings, LLC's WTP, WWTP, water distribution, and wastewater collection systems?

**Recommendation:** GCP's WTP, WWTP, water distribution, and wastewater collection systems should all be considered 100 percent U&U. Additionally, staff recommends that a 17.3 percent adjustment to purchased power and chemicals should be made for excessive unaccounted for water (EUW). However, as the Utility declined recovery of purchased power expense, no adjustment was made to purchased power. No adjustment is recommended for excessive infiltration and inflow (I&I). (Lewis)

**Staff Analysis:** As stated in Issue 2, GCP's WTP consists of two wells, each with a pumping capacity of 350 gpm, and a 15,000 gallon hydropneumatic tank. There is no water storage tank. The Utility's water distribution system is comprised of 6,960 linear feet of 6-inch; 5,110 linear feet of 4-inch; and 2,120 linear feet of 2-inch PVC (polyvinyl chloride) pipe. There are 13 fire hydrants throughout the service territory.

GCP's WWTP is permitted by the DEP as a 0.080 MGD, 3MADF design capacity, Type III, extended aeration domestic wastewater treatment plant, with disposal to a two-cell RIB. There are 50 manholes throughout the service territory. The Utility's wastewater collection system is comprised of approximately 12,660 feet of 8-inch, and 2,980 feet of 4-inch PVC collecting mains.

### **Infiltration and Inflow (I&I)**

Rule 25-30.432, F.A.C., provides that in determining the amount of U&U plant, the Commission will consider I&I. Excessive I&I is a calculation that is based on a comparison of allowable wastewater treated to the actual amount of wastewater treated. Allowable treated wastewater was calculated as 16,109,084 gallons, and the actual amount of wastewater treated was 9,872,000 gallons. The actual amount does not exceed the allowable amount, therefore, there is no excessive I&I and no adjustment to operating expenses is necessary.

### **Used and Useful Percentages (U&U)**

Rules 25-30.432 and 25-30.4325, F.A.C., address the method by which the U&U percentages of a wastewater and water system is determined, respectively. GCP's U&U percentages were last determined in Docket No. 20070416.<sup>4</sup> In that docket, the Commission determined the Utility's WTP, WWTP, water distribution, and wastewater collection systems to be 100 percent U&U. GCP has not increased the capacity of its facilities and the service territory is built out. As such, and consistent with the Commission's previous decision, staff recommends that the Utility's WTP, WWTP, water distribution, and wastewater collections systems be considered 100 percent U&U.

### **Excessive Unaccounted for Water (EUW)**

Rule 25-30.4325, F.A.C., additionally provides factors to be considered in determining whether adjustments to operating expenses are necessary for EUW. EUW is defined as "unaccounted for

---

<sup>4</sup> Order No. PSC-08-0548-PAA-WS, issued August 19, 2008, in Docket No. 20070416-WS, *In re: Application for staff-assisted rate case in Polk County by Plantation Landings, Ltd.*

water in excess of 10 percent of the amount produced.”<sup>5</sup> Unaccounted for water is all water produced that is not sold, metered, or accounted for in the records of the utility. In determining whether adjustments to plant and operating expenses are necessary in accordance with Rule 25-30.4325(10), F.A.C., staff considers several factors. These include the causes of EUW, any corrective action taken, or the economic feasibility of a proposed solution. EUW is calculated by subtracting both the gallons sold to customers and the gallons used for other services, such as flushing, from the total gallons pumped and purchased for the test year, and dividing by the sum of gallons pumped and purchased. The amount in excess of 10 percent, if any, is the EUW percentage.

A review of the Utility’s 2024 monthly operating reports on file with the DEP indicates that GCP produced 26,300,000 gallons of water during the test year. In response to a staff data request, the Utility indicated that it purchases no water and did not record any water for flushing or other uses for each month during the test year.<sup>6</sup> An examination of the Utility’s billing records indicates 19,115,488 gallons of treated water were sold to customers. The calculation  $([26,300,000 + 0 - 19,115,488 - 0] / [26,300,000 + 0])$  results in 27.3 percent unaccounted for water. The Commission allows a 10 percent margin; therefore, there is 17.3 percent EUW. Accordingly, staff recommends an adjustment of 17.3 percent be made to purchased power and chemicals. However, the Utility declined recovery of purchased power. Therefore, no adjustment was made to purchased power.

### **Conclusion**

GCP’s WTP, WWTP, water distribution, and wastewater collection systems should all be considered 100 percent U&U. Additionally, staff recommends that a 17.3 percent adjustment to purchased power and chemicals should be made for EUW. However, as the Utility declined recovery of purchased power expense, no adjustment was made to purchased power. No adjustment is recommended for excessive I&I.

---

<sup>5</sup> Rule 25-30.4325(1)(e), F.A.C.

<sup>6</sup> Document No. 15198-2025, filed November 21, 2025, in Docket No. 20250094-WS.

**Issue 4:** What are the appropriate average test year water rate base and wastewater rate base amounts for GCP Plantation Landings, LLC?

**Recommendation:** The appropriate average test year rate bases for GCP Plantation Landings, LLC are \$320,909 for water and \$218,460 for wastewater. (Lenberg, Higgins)

**Staff Analysis:** The components of the Utility's rate base include utility plant in service (UPIS), land and land rights, accumulated depreciation, capital recovery, accumulated amortization of capital recovery, and working capital. Staff selected the test year ended December 31, 2024, for the instant rate case. A summary of each component and the recommended adjustments are discussed below.

### **Utility Plant in Service**

The Utility recorded UPIS balances of \$656,570 for water and \$732,231 for wastewater. Audit staff reconciled these balances to the last Commission order and adjusted UPIS to reflect proper account classifications and historical adjustments that had not been recorded. Because the Utility did not maintain complete ledgers or property records for several years, staff reconstructed the Utility's UPIS by using Commission Order No. PSC-13-0121-PAA-WS, the Utility's annual reports, and any available invoices.<sup>7</sup>

Audit staff corrected misclassified additions, applied previously-ordered adjustments, and removed items that had been improperly booked or recorded in the wrong period. These adjustments increased water UPIS by \$17,975 and decreased wastewater UPIS by \$21,261. Staff decreased water UPIS by \$62,568 and wastewater UPIS by \$22,183 to reflect the appropriate retirements of assets. In addition, staff increased water UPIS by \$22,430 and decreased wastewater UPIS by \$7,783 to reflect averaging adjustments. Staff's adjustments result in a net decrease of \$22,163 to water UPIS and a net decrease of \$51,227 to wastewater UPIS. Therefore, staff recommends total UPIS balances of \$634,407 for water and \$681,004 for wastewater.

### **Capped Retirement**

In general, it is Commission practice to apply the 75 percent of plant addition methodology to estimate the retirement amount of assets being replaced when the original cost is unknown. In this case, the Utility did not record retirements for certain accounts in prior years. When performing these retirements after the fact by staff, application of the 75 percent retirement methodology would result in negative plant balances. Therefore, staff capped the retirement amounts at the plant balances for the respective accounts.

This methodology was utilized in Docket No. 20160101-WS and approved by Order No. PSC-2017-0361A-FOF-WS. In that order, the Commission found that:

...the amount of retirement to plant in service and accumulated depreciation reflected in the adjusted test year shall be calculated based on either the 75 percent methodology . . . or on the actual balance in the impacted plant in service

---

<sup>7</sup> Order No. PSC-13-0121-PAA-WS, issued March 11, 2013, in Docket No. 20120219-WS, *In re: Application for approval of transfer of Plantation Landings, Ltd. water and wastewater system and Certificate Nos. 606-W and 522-S in Polk County to GCP Plantation Landings, LLC.*

account . . . if that balance would be negative as a result of the 75 percent methodology.”<sup>8</sup>

Due to the capped retirements, three accounts have remaining undepreciated plant balances. Staff recommends that these balances be placed on amortization schedules for recovery. Rule 25-30.433(10), F.A.C., prescribes the methodology for determining the appropriate amortization period for forced abandonment or the prudent retirement of plant assets prior to the end of their depreciable life, unless specific circumstances demonstrate a more appropriate amortization period should be used. Staff recommends an alternative amortization period in this instance.

Staff initially contemplated a five-year amortization period, as presented in the Staff Report. However, OPC raised concerns regarding this proposal, stating that a longer amortization period is warranted due to the overall revenue requirement increases and associated rate impacts.<sup>9</sup> OPC suggested applying the formula outlined in Rule 25-30.433(10), F.A.C., which results in approximately 5.5 years for the unrecovered water investment and approximately 8.2 years for the unrecovered wastewater investment, based on the values in the Staff Report.

After consulting with OPC, staff agreed to recommend a compromise amortization period of seven years for both systems. This change lowers the proposed revenue requirements by \$1,540 for water and \$318 for wastewater.

The specific balances and associated amortization expenses are shown in Tables 4-2 and 4-3 below. Staff notes that the accumulated amortization for both water and wastewater on Schedules 1-A and 1-B reflects half of the accumulated annual expense due to mid-year (half-year) averaging.

**Table 4-2  
 Water Capital Amortization**

Account	Plant Balance	Accumulated Depreciation	Undepreciated Plant Balance	Amortization Expense
320	\$7,507	\$5,009	\$2,498	\$357
334	\$38,597	\$14,214	\$24,383	\$3,483
<b>Total</b>	<b>\$46,104</b>	<b>\$19,223</b>	<b>\$26,881</b>	<b>\$3,840</b>

Source: Staff calculations.

**Table 4-3  
 Wastewater Capital Amortization**

Account	Plant Balance	Accumulated Depreciation	Undepreciated Plant Balance	Amortization Expense
382	\$5,903	\$346	\$5,557	\$794
<b>Total</b>	<b>\$5,903</b>	<b>\$346</b>	<b>\$5,557</b>	<b>\$794</b>

Source: Staff calculations.

<sup>8</sup> 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. of Florida.*

<sup>9</sup> Document No. 00109-2026, filed January 8, 2026, in Docket No. 20250094-WS.

Date: March 26, 2026

### **Used and Useful**

As discussed in Issue 2, the Utility's system is considered 100 percent U&U. Therefore, no U&U adjustment is necessary.

### **Land and Land Rights**

The Utility recorded land and land rights balances of \$14,970 for water and \$78,192 for wastewater. Audit staff determined that these balances were not recorded at original cost. The Utility stated that no land has been purchased or sold since the last Commission order.

Audit staff decreased water land by \$13,806 and wastewater land by \$60,514 to reflect the original cost values established in Commission Order No. PSC-13-0121-PAA-WS.<sup>10</sup> Therefore, staff recommends land and land rights balances of \$1,164 for water and \$17,678 for wastewater.

### **Accumulated Depreciation**

The Utility recorded accumulated depreciation of \$431,482 for water and \$491,702 for wastewater. Audit staff decreased this amount by \$33,538 for water and increased this amount by \$28,893 for wastewater to reflect corrections to UPIS and the application of the correct depreciation rates per Rule 25-30.140, F.A.C.

Staff decreased this amount by \$66,477 for water and by \$16,626 for wastewater to reflect the appropriate retirements of assets and to correct over-depreciation associated with Account 331 – Transmission and Distribution Lines. Staff further decreased this amount by \$12,991 for water and by \$3,029 for wastewater to reflect the updated depreciation expense associated with plant retirements recognized outside the test year.

Additionally, Staff increased this amount by \$27,084 for water and decreased this amount by \$4,816 for wastewater to reflect averaging adjustments. Staff's adjustments to accumulated depreciation result in a net decrease of \$85,923 for water and a net increase of \$4,422 for wastewater. Therefore, staff recommends accumulated depreciation balances of \$345,559 for water and \$496,124 for wastewater.

### **Working Capital Allowance**

Working capital is defined as the short-term investor-supplied funds that are necessary to meet operating expenses. Consistent with Rule 25-30.433(3), F.A.C., and Commission practice, staff used the one-eighth operation and maintenance (O&M) expense (less rate case expense) formula for calculating the working capital allowance.<sup>11</sup> As such, staff removed the rate case expense of \$1,016 for water and \$1,022 for wastewater. This resulted in an adjusted O&M expense balance of \$47,490 for water and \$85,940 for wastewater. Applying this formula, staff recommends a working capital allowance of \$5,936 for water and \$10,742 for wastewater.

---

<sup>10</sup> Order No. PSC-13-0121-PAA-WS, issued March 11, 2013, in Docket No. 20120219-WS, *In re: Application for approval of transfer of Plantation Landings, Ltd. water and wastewater system and Certificate Nos. 606-W and 522-S in Polk County to GCP Plantation Landings, LLC.*

<sup>11</sup> Order No. PSC-2025-0359-PAA-WU, issued September 24, 2025, in Docket No. 20240168-WU, *In re: Application for staff-assisted rate case in Highlands County, by Country Walk Utilities, Inc.*

**Rate Base Summary**

Based on the foregoing, staff recommends that the appropriate average test year rate bases are \$320,909 for water and \$218,460 for wastewater. Rate base is shown on Schedule No. 1-A for water and Schedule No. 1-B for wastewater. The related adjustments are shown on Schedule No. 1-C.

**Issue 5:** What is the appropriate return on equity and overall rate of return for GCP Plantation Landings, LLC?

**Recommendation:** The appropriate return on equity (ROE) is 8.51 percent with a range of 7.51 percent to 9.51 percent. The appropriate overall rate of return is 8.51 percent. (Lenberg)

**Staff Analysis:** The Utility's capital structure consists of common equity. The Utility's capital structure has been reconciled to staff's recommended rate base. The ROE is 8.51 percent based on the Commission-approved leverage formula currently in effect.<sup>12</sup> Staff recommends an ROE of 8.51 percent with a range of 7.51 percent to 9.51 percent, and an overall rate of return of 8.51 percent. The ROE and overall rate of return are shown on Schedule No. 2.

---

<sup>12</sup> Order No. PSC-2025-0213-PAA-WS, issued on June 18, 2025, in Docket No. 20250006-WS, *In re: Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.*

**Issue 6:** What are the appropriate test year revenues for GCP Plantation Landings, LLC's water and wastewater systems?

**Recommendation:** The appropriate test year operating revenues for GCP Plantation Landing are \$68,949 for the water system and \$103,275 for the wastewater system. (Chambliss)

**Staff Analysis:** GCP recorded test year revenues of \$65,900 for water and \$100,535 for wastewater. The Utility did not record any miscellaneous revenues during the test year. Staff's review of the audit indicated that the Utility's billing register consisted of several inaccuracies for both the water and wastewater systems during the test year.

For water, the Utility billed an incorrect base facility charge (BFC) of \$5.74, rather than the Commission-approved BFC of \$5.72 for the 5/8-inch x 3/4-inch meter size, which resulted in an overcharge of two cents per month. The Utility also improperly billed a 6-inch meter size general service customer as a 5/8-inch x 3/4-inch meter size residential customer. In addition, staff discovered that there was one month of billing data missing for the general service customer. Finally, for water, staff discovered that two months of bills were not recorded for some of the residential customers. For wastewater, there were four residential customers that were billed incorrect BFCs as well as duplicate bills for several customers.

Staff removed the duplicate bills and adjusted the billing data to reflect the appropriate billing determinants for water and wastewater. To determine the appropriate service revenues, staff applied the adjusted number of billing determinants to the Utility's existing Commission-approved rates. As a result, staff determined that service revenues for water should be \$68,949, which is an increase of \$3,049 (\$68,949 - \$65,900), and \$103,275 for wastewater, which is an increase of \$2,740 (\$103,275 - \$100,535).

Based on the above, staff recommends the appropriate test year operating revenues for GCP's water system are \$68,949 and \$103,275 for the wastewater system.

**Issue 7:** What are the appropriate amount of operating expenses for GCP Plantation Landings, LLC?

**Recommendation:** The appropriate amount of operating expenses are \$80,780 for water and \$126,333 for wastewater. (Lenberg)

**Staff Analysis:** The Utility recorded operating expenses of \$83,558 for water and \$130,311 for wastewater. The test year expenses have been reviewed by staff, including invoices and other supporting documentation. Staff has made several adjustments to the Utility's operating expenses as described below.

## **Operation and Maintenance Expenses**

### **Salaries and Wages – Employees (601/701)**

The Utility did not record salaries and wages – employees expense for water or wastewater. Audit staff increased this amount by \$5,218 for water and wastewater to reflect the appropriate salaries and wages expense, which included payroll taxes. Staff decreased this amount by \$343 for water and wastewater to reclassify payroll taxes to Taxes Other Than Income. Therefore, staff recommends a salaries and wages - employees expense of \$4,875 for water and \$4,875 for wastewater.

### **Sludge Removal Expense (711)**

The Utility recorded sludge removal expense of \$18,850. Staff made no adjustments to this amount. Therefore, staff recommends a sludge removal expense of \$18,850.

### **Fuel for Power Production (616/716)**

The Utility did not record fuel for power production expense for water or wastewater. Audit staff increased each amount by \$256 to reclassify the Utility's generator fuel expense that had been incorrectly recorded in Accounts 650/750 – Transportation Expense. Therefore, staff recommends a fuel for power production expense of \$256 for water and \$256 for wastewater.

### **Chemicals (618/718)**

The Utility recorded chemicals expense of \$12,443 for water and \$27,330 for wastewater. Audit staff decreased the water amount by \$311 to remove an out-of-period expense. Audit staff increased the wastewater amount by \$499 to reclassify chemicals expense that had been incorrectly recorded in Account 720 – Materials and Supplies. Staff decreased this amount by \$2,099 to reflect the 17.3 percent EUW discussed in Issue 3. Therefore, staff recommends chemicals expense of \$10,033 for water and \$27,829 for wastewater.

### **Materials and Supplies (620/720)**

The Utility recorded materials and supplies expense of \$240 for water and \$1,799 for wastewater. Staff made no adjustments to the water amount. Staff decreased the wastewater amount by \$499 to reclassify chemicals expense that had been incorrectly recorded in Account 720 – Materials and Supplies. Therefore, staff recommends materials and supplies expense of \$240 for water and \$1,300 for wastewater.

**Contractual Services – Billing (630/730)**

The Utility recorded contractual services – billing expense of \$3,298 for water and \$3,298 for wastewater. Audit staff increased each amount by \$204 to reflect actual invoices provided by Utility. Therefore, staff recommends contractual services – billing expense of \$3,502 for water and \$3,502 for wastewater.

**Contractual Services – Professional (631/731)**

The Utility recorded contractual services – professional expense of \$29,725 for water and \$45,740 for wastewater. Audit staff decreased the water amount by \$7,263 to remove three out-of-period invoices and to reclassify expenses that were incorrectly recorded in Account 635 – Contractual Services – Testing and Account 636 – Contractual Services – Other. Staff also decreased the water amount by \$2,922 to reflect the amortization of non-recurring Environmental Protection Agency – Related Regulatory costs over five years pursuant to Rule 25-30.433(9), F.A.C.

Audit staff decreased the wastewater amount by \$13,157 to remove unrecoverable legal costs and overstated grounds keeping expenses. Staff further reduced wastewater contractual services – professional expense by \$11,700 to reclassify grounds keeping costs that had been incorrectly recorded in Account 731– Contractual Services – Professional.

Staff's adjustments result in a net decrease of \$10,185 for water and \$24,857 for wastewater. Therefore, staff recommends contractual services – professional expense of \$19,540 for water and \$20,883 for wastewater.

**Contractual Services – Accounting (632/732)**

The Utility did not record contractual services – accounting expense. The Utility requested recovery of a pro forma accounting consulting expense to ensure compliance with the NARUC Uniform System of Accounts. This pro forma expense is a non-recurring cost estimated to be \$5,000. Pursuant to Rule 25-30.433(9), F.A.C., staff amortized this amount over five years, resulting in an increase to the test year expense of \$500 for both water and wastewater. Therefore, staff recommends contractual service – accounting expense of \$500 for water and wastewater.

**Contractual Services – Testing (635)**

The Utility recorded contractual services – testing expense of \$2,983. Audit staff decreased this amount by \$484 to remove items that were incorrectly recorded in this account and to properly allocate general Utility service expenses. Therefore, staff recommends contractual services – testing expense of \$2,499.

**Contractual Services – Other (636/736)**

The Utility recorded contractual services – other expense of \$7,150 for water and \$7,103 for wastewater. Audit staff decreased the water amount by \$7,150 to reclassify expenses that had been incorrectly recorded in this account and to remove out-of-period invoices. Audit staff decreased the wastewater amount by \$5,068 to reclassify expenses that had been incorrectly recorded in this account. Technical staff increased both the water and wastewater amount by \$5,850 to reclassify and properly allocate grounds keeping expenses that had been incorrectly

Date: March 26, 2026

recorded in Account 731– Contractual Services – Professional. Staff’s adjustments result in a net decrease of \$1,300 for water and a net increase of \$782 for wastewater. Therefore, staff recommends contractual services – other expense of \$5,850 for water and \$7,885 for wastewater.

### **Transportation Expense (650/750)**

The Utility recorded transportation expense of \$256 for water and \$256 for wastewater. Audit staff reduced each amount by \$256 to reclassify expenses that had been incorrectly recorded in this account. Therefore, staff recommends eliminating transportation expense for both water and wastewater.

### **Rate Case Expense (665/765)**

The Utility did not record any rate case expense for the instant docket. The Utility is required by Rule 25-22.0407, F.A.C., to mail notices of the rate case overview, interim rates, final rates, and four-year rate reduction. Staff calculated noticing costs to be \$1,368.

Under Section 367.0814(3), F.S., the Commission may award rate case expense for attorney fees or fees of other outside consultants after the initial staff report. On February 13, 2026, the Utility provided documentation to support \$5,090 in additional rate case expense including legal expenses and consulting fees incurred to date and estimated through the end of the PAA process. Staff reviewed the documentation and believes the Utility’s requested rate case expense is reasonable.

Staff calculated the distance from the Utility representative’s office in Orlando, Florida, to Tallahassee as 261 miles. Based on the 2026 Internal Revenue Service (IRS) business mileage rate of \$0.725, staff calculated round trip travel and lodging expense to the Commission Conference of \$578.<sup>13</sup> However, because the same Utility representative will be attending the Commission Conference on behalf of this and two sister utilities, staff allocated only 33.3 percent of the total travel expense, or \$193, to GCP Plantation Landings, LLC. Additionally, the Utility paid a filing fee, of \$750 for water and \$750 for wastewater.

Staff recommends a total rate case expense, consisting of noticing costs, travel, lodging expenses and filing fee of \$4,063 for water and \$4,088 for wastewater, which amortized over four years is \$1,016 for water and \$1,022 for wastewater. Therefore, staff recommends total annual rate case expense of \$1,016 for water and \$1,022 for wastewater.

### **Bad Debt (670/770)**

The Utility did not record any bad debt for water or wastewater. In its three most recent Annual Reports (2022, 2023, 2024), the Utility reported bad debt expenses of \$0 in all three years. In response to staff’s third data request, the Utility confirmed that this reporting is accurate and reflects its accounting records.<sup>14</sup> The Utility has not recorded bad debt expense in the test year or in recent historical periods, thus, staff recommends a bad debt expense of zero for both water and wastewater.

---

<sup>13</sup> <https://www.irs.gov/newsroom/irs-sets-2026-business-standard-mileage-rate-at-725-cents-per-mile-up-25-cents>

<sup>14</sup> Document No. 15367-2025, Filed December 8, 2025.

### **Miscellaneous Expenses (675/775)**

The Utility recorded miscellaneous expenses of \$135 for water and \$0 for wastewater. Audit staff increased both the water and wastewater amount by \$60 to reclassify expenses that had been incorrectly recorded in Account 636 – Contractual Services – Other. Therefore, staff recommends miscellaneous expenses of \$195 for water and \$60 for wastewater.

### **Operation and Maintenance Expense Summary**

The Utility recorded test year O&M expense of \$56,230 for water and \$104,376 for wastewater. Based on the above adjustments, staff recommends that O&M expenses be decreased by \$7,724 and \$17,414 for water and wastewater, respectively. This results in a total O&M expense of \$48,506 for water and \$86,962 for wastewater. Staff's recommended adjustments to O&M are shown on Schedule No. 3-D and Schedule No. 3-E, respectively.

### **Depreciation Expense**

The Utility recorded depreciation expense of \$24,362 for water and \$21,411 for wastewater. Audit staff increased this amount by \$1,036 for water and increased this amount by \$7,876 for wastewater to reflect corrections to UPIS and the application of the appropriate depreciation rates pursuant to Rule 25-30.140, F.A.C. Additionally, staff decreased this amount by \$2,738 for water and \$33 for wastewater to reflect the appropriate retirements to UPIS and accumulated depreciation and to reflect net salvage associated with Accounts 341 and 391. These adjustments result in a net decrease of \$1,702 for water and a net increase of \$7,843 for wastewater. Therefore, staff recommends depreciation expense of \$22,660 for water and \$29,254 for wastewater.

### **Capital Amortization**

As discussed in Issue 4, staff recommends a capital recovery schedule of \$26,881 for water and \$5,557 for wastewater over a seven-year amortization period. The corresponding annual amortization expense is \$3,840 for water and \$794 for wastewater.

### **Taxes Other Than Income (TOTI)**

The Utility recorded TOTI of \$2,966 for water and \$4,524 for wastewater. Audit staff increased this amount by \$562 for water and \$2,383 for wastewater to reflect 2024 property tax assessments and audit adjusted revenue regulatory assessment fees (RAFs). Technical staff further increased property taxes by \$59 for water and \$139 for wastewater to reflect the updated acreage allocation of 0.178 percent for water and 0.434 percent for wastewater. The adjustment is based on an updated total acreage of 192.96, as reported on the Polk County Property Appraiser's website, rather than the 214.52 acres used in the Audit.

Staff also increased both water and wastewater TOTI by \$343 to reclassify payroll tax expense that had been incorrectly recorded in Accounts 631/731 – Salaries and Wages – Employees.

Based on revenues discussed in Issue 6, TOTI should be increased by \$84 for water and \$60 to reflect a RAF rate of 4.5 percent applied to staff-adjusted revenues. As such, staff recommends the appropriate amount of RAFs are \$3,103 for water and \$4,647 for wastewater.

As discussed in Issue 9, staff recommends revenues be increased by \$39,131 for water and \$41,642 for wastewater in order to reflect the change in revenue required to cover expenses and

Date: March 26, 2026

allow an opportunity to earn the recommended operating margin. As a result, TOTI should be increased by \$1,761 for water and \$1,874 for wastewater to reflect RAFs of 4.5 percent of the change in revenues. Staff's adjustments result in a net increase of \$2,808 for water and \$4,799 for wastewater. Therefore, staff recommends TOTI of \$5,774 for water and \$9,324 for wastewater.

### **Operating Expense Summary**

The Utility recorded operating expenses of \$83,558 for water and \$130,311 for wastewater. Staff's net adjustments result in a decrease of \$2,778 for water and \$3,978 for wastewater. The application of staff's recommended adjustments to the Utility's recommended operating expense results in a total operating expense of \$80,780 for water and \$126,333 for wastewater. Operating expenses are shown on Schedule Nos. 3-A and 3-B, and the related adjustments are shown on Schedule No. 3-C.

**Issue 8:** Does GCP Plantation Landings, LLC meet the criteria for application of the operating ratio methodology?

**Recommendation:** No, GCP does not meet the requirement for application of the operating ratio methodology for calculating the revenue requirement. (Lenberg)

**Staff Analysis:** Rule 25-30.4575(2), F.A.C., indicates that in rate cases processed under Rule 25-30.455, F.A.C., the Commission will use the operating ratio methodology to establish the Utility's revenue requirement when its rate base is not greater than 125 percent of O&M expenses, less regulatory commission expense and purchased wastewater treatment expense (where applicable), and the use of the operating ratio methodology does not change the Utility's qualification for a SARC.

With respect to GCP, staff has recommended a rate base of \$320,909 for water and \$218,460 for wastewater. After removal of rate case expense, staff has calculated an adjusted O&M expense of \$47,490 for water and \$85,940 for wastewater. Based on staff's preliminary recommended amounts, the Utility's water rate base is 675.74 percent of its adjusted O&M expense and wastewater rate base is 254.20 percent of its adjusted O&M expense. Based on this, the Utility does not qualify for application of the operating ratio methodology.

**Issue 9:** What is the appropriate revenue requirement for GCP Plantation Landings, LLC?

**Recommendation:** The appropriate revenue requirement is \$108,080 for water and \$144,917 for wastewater, resulting in an annual increase of \$39,131 (56.75 percent) for water and \$41,642 (40.32 percent) for wastewater. (Lenberg)

**Staff Analysis:** GCP should be allowed an annual increase of \$39,131 (56.75 percent) for water and \$41,642 (40.32 percent) for wastewater. This should allow the Utility the opportunity to recover its expenses and earn an 8.51 percent rate of return for water and wastewater. The calculations of the revenue requirement are shown on Table 9-1 and Table 9-2.<sup>15</sup>

**Table 9-1  
 Water Revenue Requirement**

Water Rate Base	\$320,909
Rate of Return	× 8.51%
Return on Rate Base	<u>\$27,300</u>
Water O&M Expense	48,506
Depreciation Expense	22,660
Amortization Expense	3,840
Taxes Other Than Income	<u>5,774</u>
Revenue Requirement	<u>\$108,080</u>
Less Test Year Revenues	\$68,949
Annual Increase	\$39,131
Percent Increase	56.75%

Source: Staff calculations.

**Table 9-2  
 Wastewater Revenue Requirement**

Wastewater Rate Base	\$218,460
Rate of Return	× 8.51%
Return on Rate Base	<u>\$18,584</u>
Water O&M Expense	86,962
Depreciation Expense	29,254
Amortization Expense	794
Taxes Other Than Income	<u>9,324</u>
Revenue Requirement	<u>\$144,917</u>
Less Test Year Revenues	\$103,275
Annual Increase	\$41,642
Percent Increase	40.32%

Source: Staff calculations.

<sup>15</sup> Staff notes the calculations presented in Tables 9-1 and 9-2 may not sum due to rounding.

**Issue 10:** What are the appropriate water and wastewater rate structures and rates for GCP Plantation Landings, LLC?

**Recommendation:** The recommended rate structures and monthly water and wastewater rates are shown on Schedule Nos. 4-A and 4-B. The Utility's proposal to include a repression adjustment for wastewater should be denied. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The Utility should provide proof of the date notice was given by affidavit within 10 days of the date of the notice. (Chambliss)

**Staff Analysis:**

**Water Rates**

GCP provides water service to 388 residential customers and one general service customer. A review of the billing data indicated that 12 percent of the residential customer bills during the test year had zero gallons, which reflects a non-seasonal customer base. The average residential water demand was 3,700 gallons per month during the test year. Currently, the rate structure for the residential and general services classes consists of a BFC and a uniform gallonage charge.

Staff performed an analysis of the Utility's billing in order to evaluate the appropriate rate structure for the residential water customers. The goal of the evaluation was to select the rate design parameters that: (1) produce the recommended revenue requirement; (2) equitably distribute cost recovery among the Utility's customers; (3) establish the appropriate discretionary usage threshold for restricting repression; and (4) implement, where appropriate, water conserving rate structures consistent with Commission practice.

Due to the Utility's non-seasonal customer base, staff recommends that 35 percent of the water revenues be generated from the BFC, which will provide sufficient revenues to design gallonage charges that will send the appropriate pricing signals to customers using above the non-discretionary level. The average number of people per household is 2.60;<sup>16</sup> therefore, based on the number of people per household, 50 gallons per day, per person, and the number of days per month, the discretionary usage threshold should be 4,000 gallons per month. Staff's review of the billing data indicates that discretionary usage above 4,000 gallons represents approximately 26 percent of the bills, which accounts for approximately 43 percent of water demand. This indicates that there are some customers with high discretionary usage above 4,000 gallons.

Staff recommends a three-tier inclining block rate structure, which includes separate gallonage charges for non-discretionary and discretionary usage for residential water rates. Due to the high usage above 4,000 gallons per month, staff believes that it is appropriate in this case to recommend rate factors of 1.50 in the second tier and 1.75 in the third tier because it will target

---

<sup>16</sup> <https://data.census.gov/table?q=Haines+city,+Florida+dp02>

those customers with higher levels of consumption. General service customers should continue to be billed a BFC and uniform gallonage charge.

Based on staff's recommended revenue increase of 56.8 percent, which excludes miscellaneous revenues, the residential consumption can be expected to decline by 2,779,000 gallons resulting in an anticipated average residential demand of 3,105 gallons per month. Staff recommends a 16.1 percent reduction in test year residential gallons for rate setting purposes. As a result, the corresponding reduction for chemicals expense is \$1,458 and \$69 for RAFs to reflect the anticipated repression, which results in a post repression revenue requirement of \$106,553.

### **Wastewater Rates**

As for wastewater, the Utility provides service to approximately 388 residential customers and one general service customer. Currently, the Utility's residential rate structure consists of a uniform BFC for all meter sizes and a gallonage charge with a 6,000 gallon cap. The general service rate structure consists of a BFC charge per meter size and a gallonage charge that is 1.2 times higher than the residential gallonage charge.

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

Consistent with Commission practice, staff allocated 50 percent of the wastewater revenue to the BFC due to the capital intensive nature of wastewater plants. Currently, the Utility's residential wastewater gallonage cap is set at 6,000 gallons. The wastewater gallonage cap recognizes that not all water used by the residential customers is returned to the wastewater system. However, it is Commission practice to set the wastewater cap at approximately 80 percent of residential water sold, which typically results in gallonage caps of 6,000, 8,000, or 10,000. Based on staff's review of the billing analysis, 68 percent of the gallons are captured at the 6,000 gallon consumption level, which should be changed because the wastewater gallonage cap is not consistent with Commission practice. According to the billing data, approximately 80 percent of the gallons are captured at 10,000 gallons. Therefore, staff recommends that the residential wastewater cap be set at 10,000 gallons. Staff recommends that the general service gallonage charge continue to be 1.2 times greater than the residential charge, which is consistent with Commission practice.

Furthermore, in its application, the Utility requested a repression adjustment for wastewater. It is Commission practice to calculate increases in the price of water as the catalyst for whether or not there is a repression adjustment which would ultimately flow through to wastewater. Staff recommended a reduction in water gallons to determine the appropriate wastewater repression adjustment. This resulted in a wastewater repression adjustment of 4.58 percent, which is de minimis. Therefore, no repression adjustment for wastewater is necessary in this case.

Date: March 26, 2026

Based on the above, staff's recommended rate structures and monthly water and wastewater rates are shown on Schedule Nos. 4-A and 4-B. The Utility's proposal to include a repression adjustment for wastewater should be denied. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The Utility should provide proof of the date notice was given by affidavit within 10 days of the date of the notice.

**Issue 11:** What is the appropriate amount by which rates should be reduced four years after the published effective date to reflect the removal of the amortized rate case expense?

**Recommendation:** The rates should be reduced as shown on Schedule Nos. 4-A and 4-B, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. Pursuant to Section 367.081(8), F.S., the decrease in rates should become effective immediately following the expiration of the rate case expense recovery period. GCP should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and rationale no later than one month prior to the effective date of the new rates. If the Utility files revised tariffs reflecting this reduction in conjunction with a price index or pass-through rate adjustment, separate data should be filed for the price index and or pass-through increase and the reduction in the rates due to the amortized rate case expense. (Lenberg, Chambliss)

**Staff Analysis:** Section 367.081(8), F.S., requires that the rates be reduced by the amount of the rate case expense previously included in rates immediately following the expiration of the recovery period. The reduction will reflect the removal of revenue associated with the amortization of rate case expense and the gross-up for RAFs. The total reduction is \$1,064 for water and \$1,070 for wastewater.

Staff recommends that the rates should be reduced as shown on Schedule Nos. 4-A and 4-B, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. Pursuant to Section 367.081(8), F.S., the decrease in rates should become effective immediately following the expiration of the rate case expense recovery period. GCP should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and rationale no later than one month prior to the effective date of the new rates. If the Utility files revised tariffs reflecting this reduction in conjunction with a price index, or pass-through rate adjustment, separate data should be filed for the price index and/or pass-through increase and the reduction in the rates due to the amortized rate case expense.

**Issue 12:** Should the recommended rates be approved for GCP Plantation Landings, LLC on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility?

**Recommendation:** Yes. Pursuant to Section 367.0814(7), F.S., the recommended rates should be approved for the Utility on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility. GCP should file revised tariff sheets and a proposed customer notice reflecting the Commission-approved rates. The approved rates should be effective for services rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates should not be implemented until staff has approved the proposed notice, and the notice has been received by the customers. Further, prior to implementing any temporary rates, the Utility should provide appropriate financial security.

If the recommended rates are approved on a temporary basis, the rates collected by the Utility should be subject to the refund provisions discussed below in the staff analysis. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility should file reports with the Commission's Office of Commission Clerk no later than the 20th of each month, indicating both the current monthly and total amount subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund. (Lenberg)

**Staff Analysis:** This recommendation proposes an increase in rates. A timely protest might delay a rate increase resulting in an unrecoverable loss of revenue to the Utility. Therefore, pursuant to Section 367.0814(7), F.S., in the event of a protest filed by a party other than the Utility, staff recommends that the proposed rates be approved on a temporary basis. GCP should file revised tariff sheets and a proposed customer notice reflecting the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates should not be implemented until staff has approved the proposed notice, and it has been received by the customers. The additional revenue produced by staff's recommended rates and collected by the Utility should be subject to the refund provisions discussed below.

GCP should be authorized to initiate the temporary rates upon staff's approval of an appropriate security for the potential refund and cost of the proposed customer notice. Security should be in the form of either a bond or letter of credit in the amount of \$26,720 for water and \$28,435 for wastewater. Alternatively, the Utility may establish an escrow agreement with an independent financial institution.

If the Utility chooses a bond for securing the potential refund, the bond should contain wording to the effect that it will be terminated only under the following conditions:

1. The Commission approves the rate increase; or,
2. If the Commission denies the increase, the Utility shall refund the amount collected that is attributable to the increase.

If the Utility chooses a letter of credit for securing the potential refund, the letter of credit should contain the following conditions:

1. The letter of credit is irrevocable for the period it is in effect.
2. The letter of credit will be in effect until a final Commission order is rendered, either approving or denying the rate increase.

If security is provided through an escrow agreement, the following conditions should be part of the agreement:

1. The Commission Clerk, or his or her designee, must be a signatory to the escrow agreement.
2. No monies in the escrow account may be withdrawn by the Utility without the prior written authorization of the Commission Clerk, or his or her designee.
3. The escrow account shall be an interest bearing account.
4. If a refund to the customers is required, all interest earned by the escrow account shall be distributed to the customers.
5. If a refund to the customers is not required, the interest earned by the escrow account shall revert to the Utility.
6. All information on the escrow account shall be available from the holder of the escrow account to a Commission representative at all times.
7. The amount of revenue subject to refund shall be deposited in the escrow account within seven days of receipt.
8. This escrow account is established by the direction of the Florida Public Service Commission for the purpose(s) set forth in its order requiring such account. Pursuant to *Cosentino v. Elson*, 263 So. 2d 253 (Fla. 3d DCA 1972), escrow accounts are not subject to garnishments.
9. The account must specify by whom and on whose behalf such monies were paid.

In no instance should the maintenance and administrative costs associated with the refund be borne by the customers. These costs are the responsibility of, and should be borne by, the Utility. Irrespective of the form of security chosen by the Utility, an account of all monies received as a result of the rate increase should be maintained by the Utility. If a refund is ultimately required, it should be paid with interest calculated pursuant to Rule 25-30.360(4), F.A.C.

The Utility should maintain a record of the amount of the bond, and the amount of revenues that are subject to refund. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility should file reports with the Commission Clerk's office no later than the 20th of every month indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund.

**Issue 13:** Should GCP Plantation Landings, LLC be required to notify the Commission within 90 days of an effective order finalizing this docket, that it has adjusted its books for all the applicable NARUC USOA?

**Recommendation:** Yes. GCP should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision. The Utility should submit a letter within 90 days of the Commission's final order in this docket, confirming that the adjustments to all applicable NARUC USOA primary accounts have been made to the Utility's books and records. In the event the Utility needs additional time to complete the adjustments, a notice providing good cause should be filed not less than seven days prior to the deadline requesting an extension. Upon providing a notice of good cause, staff should be given administrative authority to grant an extension of up to 60 days. (Lenberg)

**Staff Analysis:** GCP should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision. The Utility should submit a letter within 90 days of the Commission's final order in this docket, confirming that the adjustments to all applicable NARUC USOA primary accounts have been made to the Utility's books and records. In the event the Utility needs additional time to complete the adjustments, a notice providing good cause should be filed not less than seven days prior to the deadline requesting an extension. Upon providing a notice of good cause, staff should be given administrative authority to grant an extension of up to 60 days.

**Issue 14:** Should this docket be closed?

**Recommendation:** No. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, a consummating order should be issued. The docket should remain open for staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff. (Sapoznikoff)

**Staff Analysis:** No. If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, a consummating order should be issued. The docket should remain open for staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff.

<b>GCP PLANTATION LANDINGS, LLC</b>		<b>SCHEDULE NO. 1-A</b>	
<b>TEST YEAR ENDED 12/31/2024</b>		<b>DOCKET NO. 20250094-WS</b>	
<b>SCHEDULE OF WATER RATE BASE</b>			
<b>DESCRIPTION</b>	<b>BALANCE PER UTILITY</b>	<b>STAFF ADJUST.</b>	<b>BALANCE PER STAFF</b>
1. UTILITY PLANT IN SERVICE	\$656,570	(\$22,163)	\$634,407
2. LAND & LAND RIGHTS	14,970	(13,806)	1,164
3. ACCUMULATED DEPRECIATION	(431,482)	85,923	(345,559)
4. CAPITAL RECOVERY	0	26,881	26,881
5. ACCUMULATED CAPITAL RECOVERY	0	(1,920)	(1,920)
6. WORKING CAPITAL ALLOWANCE	<u>\$0</u>	<u>\$5,936</u>	<u>\$5,936</u>
<b>WATER RATE BASE</b>	<b><u>\$240,058</u></b>	<b><u>\$80,851</u></b>	<b><u>\$320,909</u></b>

<b>GCP PLANTATION LANDINGS, LLC</b>		<b>SCHEDULE NO. 1-B</b>	
<b>TEST YEAR ENDED 12/31/2024</b>		<b>DOCKET NO. 20250094-WS</b>	
<b>SCHEDULE OF WASTEWATER RATE BASE</b>			
<b>DESCRIPTION</b>	<b>BALANCE PER UTILITY</b>	<b>STAFF ADJUST.</b>	<b>BALANCE PER STAFF</b>
1. UTILITY PLANT IN SERVICE	\$732,231	(\$51,227)	\$681,004
2. LAND & LAND RIGHTS	78,192	(60,514)	17,678
3. ACCUMULATED DEPRECIATION	(491,702)	(4,422)	(496,124)
4. CAPITAL RECOVERY	0	5,557	5,557
5. ACCUMULATED CAPITAL RECOVERY	0	(397)	(397)
6. WORKING CAPITAL ALLOWANCE	<u>\$0</u>	<u>\$10,742</u>	<u>\$10,742</u>
WASTEWATER RATE BASE	<u>\$318,721</u>	<u>(\$100,261)</u>	<u>\$218,460</u>

<b>GCP PLANTATION LANDINGS, LLC</b>		<b>SCHEDULE NO. 1-C</b>	
<b>TEST YEAR ENDED 12/31/2024</b>		<b>DOCKET NO. 20250094-WS</b>	
<b>ADJUSTMENTS TO RATE BASE</b>			
		<b><u>WATER</u></b>	<b><u>WASTEWATER</u></b>
<b><u>UTILITY PLANT IN SERVICE</u></b>			
1.	To reflect auditing adjustments.	\$17,975	(\$21,261)
2.	To reflect staff adjustments.	(62,568)	(22,183)
3.	To reflect averaging adjustments.	<u>22,430</u>	<u>(7,783)</u>
	Total	<u>(\$22,163)</u>	<u>(\$51,227)</u>
<b><u>LAND &amp; LAND RIGHTS</u></b>			
4.	To reflect auditing adjustments.	<u>(\$13,806)</u>	<u>(\$60,514)</u>
<b><u>ACCUMULATED DEPRECIATION</u></b>			
5.	To reflect auditing adjustments.	\$33,538	(\$28,893)
6.	To reflect staff adjustments.	66,477	16,626
7.	To reflect the updated depreciation expense associated with plant retirements recognized outside the test year.	12,991	3,029
8.	To reflect averaging adjustments.	<u>(27,084)</u>	<u>4,816</u>
	Total	<u>\$85,923</u>	<u>(\$4,422)</u>
<b><u>CAPTIAL RECOVERY</u></b>			
9.	To reflect staff adjustments.	<u>\$26,881</u>	<u>\$5,557</u>
<b><u>ACCUMULATED AMORTIZATION OF CAPITAL RECOVERY</u></b>			
10.	To reflect averaging adjustments.	<u>(\$1,920)</u>	<u>(\$397)</u>
<b><u>WORKING CAPITAL ALLOWANCE</u></b>			
11.	To reflect 1/8 of test year O&M expenses.	<u>\$5,936</u>	<u>\$10,742</u>

<b>GCP PLANTATION LANDINGS, LLC</b>				<b>SCHEDULE NO. 2</b>		
<b>TEST YEAR ENDED 12/31/2024</b>				<b>DOCKET NO. 20250094-WS</b>		
<b>SCHEDULE OF CAPITAL STRUCTURE</b>						
<b>CAPITAL COMPONENT</b>	<b>PER UTILITY</b>	<b>ADJUST-MENTS</b>	<b>BALANCE PER STAFF</b>	<b>PERCENT OF TOTAL</b>	<b>COST</b>	<b>WEIGHTED COST</b>
1. COMMON EQUITY	<u>\$558,779</u>	<u>(\$19,410)</u>	<u>\$539,369</u>	<u>100.00%</u>	8.51%	<u>8.51%</u>
TOTAL CAPITAL	<u>\$558,779</u>	<u>(\$19,410)</u>	<u>\$539,369</u>	<u>100.00%</u>		<u>8.51%</u>
			<b>RANGE OF REASONABLENESS</b>		<b><u>LOW</u></b>	<b><u>HIGH</u></b>
			RETURN ON EQUITY		7.51%	9.51%
			OVERALL RATE OF RETURN		7.51%	9.51%

<b>GCP PLANTATION LANDINGS, LLC</b>				<b>SCHEDULE NO. 3-A</b>	
<b>TEST YEAR ENDED 12/31/2024</b>				<b>DOCKET NO. 20250094-WS</b>	
<b>SCHEDULE OF WATER OPERATING INCOME</b>					
	<b>TEST YEAR PER UTILITY</b>	<b>STAFF ADJUST- MENTS</b>	<b>STAFF ADJUSTED TEST YEAR</b>	<b>ADJUST FOR INCREASE</b>	<b>REVENUE REQUIREMENT</b>
<b>1. TOTAL OPERATING REVENUES</b>	\$65,900	\$3,049	\$68,949	\$39,131 56.75%	\$108,080
<b>OPERATING EXPENSES:</b>					
2. OPERATION & MAINTENANCE	\$56,230	(\$7,724)	\$48,506		\$48,506
3. DEPRECIATION (NET)	24,362	(1,702)	22,660		22,660
4. CAPITAL AMORTIZATION	0	3,840	3,840		3,840
5. TAXES OTHER THAN INCOME	<u>2,966</u>	<u>1,047</u>	<u>4,013</u>	<u>1,761</u>	<u>5,774</u>
<b>TOTAL OPERATING EXPENSES</b>	<b><u>\$83,558</u></b>	<b><u>(\$4,539)</u></b>	<b><u>\$79,019</u></b>	<b><u>\$1,761</u></b>	<b><u>\$80,780</u></b>
<b>6. OPERATING INCOME / (LOSS)</b>	(\$17,658)		(\$10,070)		\$27,300
<b>7. WATER RATE BASE</b>	\$240,058	\$80,851	\$320,909		\$320,909
<b>8. RATE OF RETURN</b>					8.51%

<b>GCP PLANTATION LANDINGS, LLC</b>			<b>SCHEDULE NO. 3-B</b>		
<b>TEST YEAR ENDED 12/31/2024</b>			<b>DOCKET NO. 20250094-WS</b>		
<b>SCHEDULE OF WASTEWATER OPERATING INCOME</b>					
	<b>TEST YEAR PER UTILITY</b>	<b>STAFF ADJUST- MENTS</b>	<b>STAFF ADJUSTED TEST YEAR</b>	<b>ADJUST FOR INCREASE</b>	<b>REVENUE REQUIREMENT</b>
<b>1. TOTAL OPERATING REVENUES</b>	\$100,535	\$2,740	\$103,275	\$41,642 40.32%	\$144,917
<b>OPERATING EXPENSES:</b>					
<b>2. OPERATION &amp; MAINTENANCE</b>	\$104,376	(\$17,414)	\$86,962		\$86,962
<b>3. DEPRECIATION (NET)</b>	21,411	7,843	29,254		29,254
<b>4. CAPITAL AMORTIZATION</b>	0	794	794		794
<b>5. TAXES OTHER THAN INCOME</b>	<u>4,524</u>	<u>2,926</u>	<u>7,450</u>	<u>1,874</u>	<u>9,324</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>\$130,311</u>	<u>(\$5,852)</u>	<u>\$124,459</u>	<u>\$1,874</u>	<u>\$126,333</u>
<b>6. OPERATING INCOME / (LOSS)</b>	(\$29,776)		(\$21,184)		\$18,584
<b>7. WASTEWATER RATE BASE</b>	\$318,721	(\$100,261)	\$218,460		\$218,460
<b>8. RATE OF RETURN</b>					8.51%

<b>GCP PLANTATION LANDINGS, LLC</b>		<b>SCHEDULE 3-C</b>	
<b>TEST YEAR ENDED 12/31/2024</b>		<b>DOCKET NO. 20250094-WS</b>	
<b>ADJUSTMENTS TO OPERATING INCOME</b>			
	<u><b>WATER</b></u>	<u><b>WASTEWATER</b></u>	
<b>OPERATING REVENUES</b>			
1. To reflect an auditing adjustment to service revenues.	\$1,192	\$1,403	
2. To reflect the appropriate test year service revenues.	<u>1,857</u>	<u>1,337</u>	
Total	<u>\$3,049</u>	<u>\$2,740</u>	
<b>OPERATION AND MAINTENANCE EXPENSE</b>			
1. Salaries and Wages - Employees (601 / 701)			
a. To reflect auditing adjustments.	\$5,218	\$5,218	
b. To reflect reclassification of payroll taxes.	<u>(343)</u>	<u>(343)</u>	
Subtotal	<u>\$4,875</u>	<u>\$4,875</u>	
2. Fuel for Power Production (616 / 716)			
To reflect auditing adjustments.	<u>\$256</u>	<u>\$256</u>	
3. Chemicals Expense (618 / 718)			
a. To reflect auditing adjustments.	(\$311)	\$499	
b. To reflect EUW adjustment.	<u>(2,099)</u>	<u>0</u>	
Subtotal	<u>(\$2,410)</u>	<u>\$499</u>	
4. Materials and Supplies (720)			
To reflect an auditing adjustment.	<u>\$0</u>	<u>(\$499)</u>	
5. Contractual Services - Billing (630 / 730)			
To reflect auditing adjustments.	<u>\$204</u>	<u>\$204</u>	
6. Contractual Services - Professional (631 / 731)			
a. To reflect auditing adjustments.	(\$7,263)	(\$13,157)	
b. To amortize a non-recurring EPA cost.	(2,922)	0	
c. To reclassify groundskeeping expense.	<u>0</u>	<u>(11,700)</u>	
Subtotal	<u>(\$10,185)</u>	<u>(\$24,857)</u>	
7. Contractual Services - Accounting (632 / 732)			
To reflect O&M Proforma amortized over five years.	<u>\$500</u>	<u>\$500</u>	
8. Contractual Services - Testing (635)			
a. To reflect an auditing adjustment.	<u>(\$484)</u>	<u>\$0</u>	
9. Contractual Services - Other (636 / 736)			
a. To reflect auditing adjustments.	(\$7,150)	(\$5,068)	
b. To reclass and appropriately allocate groundskeeping expenses.	<u>5,850</u>	<u>5,850</u>	
Subtotal	<u>(\$1,300)</u>	<u>\$782</u>	
10. Transportation Expense (650 / 750)			
To reflect auditing adjustments.	<u>(\$256)</u>	<u>(\$256)</u>	
11. Rate Case Expense (665 / 765)			
To reflect 1/4 rate case expense.	<u>\$1,016</u>	<u>\$1,022</u>	
12. Miscellaneous Expense (675 / 775)			
To reflect auditing adjustments.	<u>\$60</u>	<u>\$60</u>	
<b>TOTAL OPERATION AND MAINTENANCE ADJUSTMENTS</b>	<u><b>(\$7,724)</b></u>	<u><b>(\$17,414)</b></u>	

<b>DEPRECIATION EXPENSE</b>		
1. To reflect auditing adjustments.	\$1,036	\$7,876
2. To reflect staff adjustments.	(2,738)	(33)
Total	<u>(\$1,702)</u>	<u>\$7,843</u>
<b>AMORTIZATION EXPENSE</b>		
1. To reflect capital recovery expense.	<u>\$3,840</u>	<u>\$794</u>
<b>TAXES OTHER THAN INCOME</b>		
1. To reflect auditing adjustments.	\$562	\$2,383
2. To reflect staff adjustments.	402	482
3. To reflect appropriate test year RAF's.	84	60
4. To reflect appropriate revenue requirement RAF's.	<u>1,761</u>	<u>1,874</u>
Total	<u>\$2,808</u>	<u>\$4,799</u>
<b>TOTAL OPERATING EXPENSE ADJUSTMENTS</b>	<u>(\$2,778)</u>	<u>(\$3,978)</u>

<b>GCP PLANTATION LANDINGS, LLC</b>		<b>SCHEDULE NO. 3-D</b>		
<b>TEST YEAR ENDED 12/31/2024</b>		<b>DOCKET NO. 20250094-WS</b>		
<b>ANALYSIS OF WATER O&amp;M EXPENSE</b>				
<b>ACCT.</b>	<b>DESCRIPTION</b>	<b>TOTAL PER UTILITY</b>	<b>STAFF ADJUST- MENT</b>	<b>TOTAL PER STAFF</b>
601	Salaries and Wages - Employees	\$0	\$4,875	\$4,875
616	Fuel for Power Production	0	256	256
618	Chemicals	12,443	(2,410)	10,033
620	Materials and Supplies	240	0	240
630	Contractual Services - Billing	3,298	204	3,502
631	Contractual Services - Professional	29,725	(10,185)	19,540
632	Contractual Services - Accounting	0	500	500
635	Contractual Services - Testing	2,983	(484)	2,499
636	Contractual Services - Other	7,150	(1,300)	5,850
650	Transportation Expense	256	(256)	0
665	Rate Case Expense	0	1,016	1,016
670	Bad Debt Expense	0	0	0
675	Miscellaneous Expenses	<u>135</u>	<u>60</u>	<u>195</u>
	Total O&M Expense	<u>\$56,230</u>	<u>(\$7,724)</u>	<u>\$48,506</u>
	Working Capital is 1/8 of O&M Less RCE			\$5,936

<b>GCP PLANTATION LANDINGS, LLC</b>		<b>SCHEDULE NO. 3-E</b>		
<b>TEST YEAR ENDED 12/31/2024</b>		<b>DOCKET NO. 20250094-WS</b>		
<b>ANALYSIS OF WASTEWATER O&amp;M EXPENSE</b>				
<b>ACCT.</b>	<b>DESCRIPTION</b>	<b>TOTAL PER UTILITY</b>	<b>STAFF ADJUST- MENT</b>	<b>TOTAL PER STAFF</b>
701	Salaries and Wages - Employees	\$0	\$4,875	\$4,875
711	Sludge Removal Expense	18,850	0	18,850
716	Fuel for Power Production	0	256	256
718	Chemicals	27,330	499	27,829
720	Materials and Supplies	1,799	(499)	1,300
730	Contractual Services - Billing	3,298	204	3,502
731	Contractual Services - Professional	45,740	(24,857)	20,883
732	Contractual Services - Accounting	0	500	500
736	Contractual Services - Other	7,103	782	7,885
750	Transportation Expense	256	(256)	0
765	Rate Case Expense	0	1,022	1,022
770	Bad Debt Expense	0	0	0
775	Miscellaneous Expenses	<u>0</u>	<u>60</u>	<u>60</u>
	Total O&M Expense	<u>\$104,376</u>	<u>(\$17,414)</u>	<u>\$86,962</u>
	Working Capital is 1/8 of O&M Less RCE			\$10,742

GCP Plantation Landings, LLC TEST YEAR ENDED 12/31/2024 MONTHLY WATER RATES		SCHEDULE NO. 4-A DOCKET NO. 20250094-WS	
	UTILITY CURRENT RATES	STAFF RECOMMENDED RATES	4 YEAR RATE REDUCTION
<b>Residential and General Service</b>			
Base Facility Charge by Meter Size			
5/8"X3/4"	\$5.83	\$7.08	\$0.07
3/4"	\$8.75	\$10.62	\$0.10
1"	\$14.58	\$17.70	\$0.17
1-1/2"	\$29.15	\$35.40	\$0.34
2"	\$46.64	\$56.64	\$0.54
3"	\$93.28	\$113.28	\$1.08
4"	\$145.75	\$177.00	\$1.68
6"	\$291.50	\$354.00	\$3.36
Charge per 1,000 gallons - Residential and General Service			
	\$2.00	N/A	N/A
Charge per 1,000 gallons - Residential Service			
0 - 4,000 gallons	N/A	\$3.55	\$0.03
4,001 - 10,000 gallons	N/A	\$5.33	\$0.05
Over 10,000 gallons	N/A	\$6.22	\$0.06
Charge per 1,000 gallons - General Service			
	\$2.45	\$4.24	\$0.04
<b>Typical Residential 5/8" x 3/4" Meter Bill Comparison</b>			
5,000 Gallons	\$15.83	\$26.61	
10,000 Gallons	\$25.83	\$53.26	
15,000 Gallons	\$35.83	\$84.36	

GCP PLANTATION LANDINGS, LLC.		SCHEDULE NO. 4-B	
TEST YEAR ENDED 12/31/2024		DOCKET NO. 20250094-WS	
MONTHLY WASTEWATER RATES			
	UTILITY'S EXISTING RATES	STAFF RECOMMENDED RATES	4 YEAR RATE REDUCTION
<b><u>Residential</u></b>			
Base Facility Charge - All Meter Sizes	\$11.10	\$13.75	\$0.10
Charge Per 1,000 gallons 6,000 gallon cap	\$3.21	N/A	\$0.03
Charge Per 1,000 gallons 10,000 gallon cap	N/A	\$4.55	
<b><u>General Service</u></b>			
Base Facility Charge by Meter Size			
5/8" x 3/4"	\$11.10	\$13.75	\$0.10
3/4"	\$16.65	\$20.63	\$0.15
1"	\$27.75	\$34.38	\$0.24
1-1/2"	\$55.50	\$68.75	\$0.48
2"	\$88.80	\$110.00	\$0.78
3"	\$177.60	\$220.00	\$1.55
4"	\$277.50	\$343.75	\$2.42
6"	\$555.00	\$687.50	\$4.85
Charge Per 1,000 gallons 10,000 gallon cap	N/A	\$5.46	
<b><u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u></b>			
3,000 Gallons	\$20.73	\$27.40	
6,000 Gallons	\$30.36	\$41.05	
10,000 Gallons	\$30.36	\$59.25	