

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, Thompson) *TB*
Division of Economics (Bruce, Chambliss, Hudson) *CP*
Office of the General Counsel (Farooqi, Crawford) *JSC*

RE: Docket No. 20250140-WU – Application for amendment of Certificate No. 684-W to add territory in Citrus County, by Citrus Waterworks, Inc.

AGENDA: 04/07/26 – Regular Agenda – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Administrative

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: Schedule immediately before Docket No. 20250075-WU.

Case Background

On February 6, 2025, the Florida Public Service Commission (Commission) granted Citrus Waterworks, Inc. (Citrus or Utility) a grandfather certificate to operate as a water utility in Citrus County.¹ Citrus is a Class C water utility providing service to approximately 154 residential customers and one general service customer. The Utility is in the Southwest Florida Water Management District.

On April 30, 2025, Citrus filed an application for a staff-assisted rate case (SARC) that is being reviewed in Docket No. 20250075-WU.² During staff's review of the application, supporting

¹ Order No. PSC-2025-0041-PAA-WU, issued February 6, 2025, in Docket No. 20240111-WU, *In re: Application for grandfather certificate to operate water utility in Citrus County, by Citrus Waterworks, Inc.*

² Document No. 03257-2025, filed April 30, 2025, in Docket No. 20250075-WU, *In re: Application for staff-assisted rate case in Citrus County, by Citrus Waterworks, Inc.*

documentation, and the legal description of the territory, staff discovered that Citrus is serving 40 residential customers and one general service customer outside of, and adjacent to, the Utility's certificated territory.

As a result, on November 18, 2025, Citrus filed an application to amend Certificate No. 684-W, to expand its existing territory. In its application, the Utility stated that the customers were being served when Citrus acquired the Utility. The amendment application was initially found to be deficient and staff issued a deficiency letter on December 16, 2025. The application was deemed complete on January 30, 2026, which is considered the official filing date.

This recommendation addresses the Utility's request to extend its water service territory, and the Utility's apparent violation of Commission statutes for serving customers outside of its certificated territory. The Commission has jurisdiction pursuant to Section 367.045, Florida Statutes (F.S.).

Discussion of Issues

Issue 1: Should the Commission initiate a show cause proceeding against Citrus for an apparent violation of Section 367.045, F.S.?

Recommendation: No. A show cause proceeding should not be initiated. (Farooqi)

Staff Analysis:

Legal Standard

Section 367.045(2), F.S., states that a utility may not extend its service outside the area described in its certificate of authorization until the Commission approves an amended certificate of authorization to include the new area. Section 367.161(1), F.S., authorizes the Commission to assess a penalty of not more than \$5,000 for each offense if a utility is found to have willfully violated any provision of Chapter 367, F.S.

Analysis

As indicated in the case background, during staff's evaluation of Citrus' legal territory description in its staff-assisted rate case, Docket No. 20250075-WU, Commission staff notified the Utility that it was serving customers outside of its certificated territory. The provision of service outside of its approved territorial boundary is an apparent violation of Section 367.045(2), F.S. Nevertheless, staff does not believe this apparent violation rises to the level of a show cause action. The service of extra-territorial customers took place before the current owner acquired the system. Once the apparent violation was identified, Citrus immediately filed an application requesting the territory be added to come into compliance with the statutory requirement. Further, Citrus has filed annual reports and paid regulatory assessment fees based on the total number of customers it serves, including those inadvertently outside of its certificated area.

Conclusion

For the reasons discussed above, staff recommends that the Commission not initiate a show cause proceeding for the apparent violation of Section 367.045(2), F.S.³

³ See Order Nos. PSC-2025-0060-FOF-WS, issued February 24, 2025, in Docket No. 20240140-WS, *In re: Application for amendment of Certificate Nos. 589-W and 507-S in Polk County, by NC Real Estate Projects, LLC d/b/a Grenelefe Utility*; and PSC-05-0678-FOF-WU, issued June 20, 2005, in Docket No. 20050255-WU, *In re: Application for a "Quick Take" Amendment of Certificate No. 339-W in Lake County by Brendenwood Water System, Inc.* (“[W]e find that this apparent violation does not rise to the level of a show cause action because the utility has filed the application at issue in order to come into compliance with the statutory requirement.”).

Issue 2: Should the Commission approve Citrus Waterworks, Inc.'s application to amend Certificate No. 684-W to extend its service territory in Citrus County?

Recommendation: Yes. The Commission should amend Certificate No. 684-W to include the territory described in Attachment A, effective the date of the Commission's vote. The resultant order should serve as Citrus' amended certificate and should be retained by the Utility. Citrus should continue to charge customers in the amended service territory the rates and charges contained in the Utility's current tariff until a change is authorized by the Commission in a subsequent proceeding. (Lewis, Chambliss)

Staff Analysis:

Legal Standard

Applications for amendments of service territory are governed by Section 367.045, F.S, and Rule 25-30.036, Florida Administrative Code (F.A.C.). The statute provides that the Commission may grant, amend, or deny a certificate in whole or in part or with modifications in the public interest. The rule provides all of the requirements the applicant must provide in an application for amendment to a certificate of authorization to extend or delete service area. In granting or amending a certificate, the Commission does not need to consider any local comprehensive plan unless an objection is timely made. No such objection has been made in this proceeding.

Analysis

The Utility's application to amend its authorized service territory is in compliance with the governing Statute, Section 367.045, F.S., and Rule 25-30.036, F.A.C. The appropriate filing fee, as required by Section 367.145(2), F.S., was received by the Commission on November 25, 2025. Citrus provided notice of the application pursuant to Section 367.045, F.S., and Rule 25-30.030(5), F.A.C. The notice provided 30 days for customers to file an objection to the amendment. No objection was received and the time for filing such has expired.

Citrus provided an adequate legal description and service territory map as prescribed by Rules 25-30.036(2)(f) and (h), F.A.C. The legal description is appended to this recommendation as Attachment A. The Utility also submitted an affidavit, consistent with Rule 25-30.036(2)(q), F.A.C., stating that it has tariffs and annual reports on file with the Commission. Citrus verified that the affected customers are being charged the rates in its current tariff; however, the Utility should revise Original Sheet No. 3.1 in its tariff to reflect the correct legal description of its service territory.

The Utility has satisfied all of the conditions required by Rule 25-30.036(2), F.A.C. Therefore, staff recommends that the Commission approve Citrus' request to amend Certificate No. 684-W to expand its service territory.

Conclusion

Based on the above information, the Commission should amend Certificate No. 684-W to include the territory described in Attachment A, effective the date of the Commission's vote. The resultant order should serve as Citrus' amended certificate and should be retained by the Utility. Citrus should continue to charge customers in the amended service territory the rates and charges

contained in the Utility's current tariffs until a change is authorized by the Commission in a subsequent proceeding.

Issue 3: Should this docket be closed?

Recommendation: If the Commission approves staff's recommendation, no further action will be necessary, and this docket should be closed upon issuance of the order. (Farooqi)

Staff Analysis: If the Commission approves staff's recommendation, no further action will be necessary, and this docket should be closed upon issuance of the order.

**Citrus Waterworks, Inc.
Citrus County**

In Section 06, Township 17 North, Range 18 East, Citrus County, Florida

Citrus Waterworks, North Service Territory

Commence at the Southwest corner of Section 06, Township 17 North, Range 18 East, Citrus County, Florida, the Point of Beginning; thence run North 63°43' 06.27" West 823.766 feet, North 19°43' 18.34" West 97.222 feet, thence North 86°09' 09.90" West 614.071 feet, thence South 2°44' 11.00" East 482.164 feet; thence South 0°18' 05.53" East 561.552 feet, thence run North 89°37' 49.55" East 1358.116 feet, thence run North 0°00' 17.14" East 536.924 feet, to the Point of Beginning.

Citrus Waterworks, South Service Territory

Commence at the Southwest corner of Section 06, Township 17 North, Range 18 East, Citrus County, Florida, thence run South 01° 02' 38.27" West 1241.582 feet to the Point of Beginning; thence run North 88° 21' 51.33" West 1344.191 feet, thence North 0° 00' 38.89" East 640.824 feet, thence South 71° 33' 30.90" West 218.838 feet, thence South 55° 38' 06.38" West 2674.271 feet, thence run South 00° 04' 47.57" East 1474.357 feet, thence South 89° 59' 18.68" East 3778.532 feet, thence North 00° 30' 47.90" West 245 1.505 feet to the Point of Beginning.

FLORIDA PUBLIC SERVICE COMMISSION

**Authorizes
Citrus Waterworks, Inc.
Pursuant to
Certificate Number 684-W**

to provide water service in Citrus County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, 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>
PSC-2025-0041-PAA-WU	02/06/2025	20240111-WU	Grandfather Certificate
*	*	20250140-WU	Certificate Amendment

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