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April 24, 2026

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FPSC - COMMISSION CLERK

VIA: ELECTRIC FILING

Mr. Adam J. Teitzman, *Commission Clerk*
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850


RE: FPSC DOCKET NO.: 2026 ____ - APPLICATION FOR LIMITED PROCEEDING

Dear Mr. Teitzman,

Enclosed for filing in the above-referenced docket on behalf of K W RESORT UTILITIES CORP. is the Limited Proceeding to Reflect the KWRU Wastewater Treatment Facility in Base Rates. The Utility requests to have the case processed using the proposed agency action procedure outlined in Section 367.081(10), F.S.

Thank you for your assistance in connection with this matter.

Respectfully Submitted,


Barton W. Smith

BWS/bg

Enclosures

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

**In re: Application by KWRU for Limited
Proceeding to Reflect the Key West Wastewater
Treatment Facility in Base Rates**

DOCKET NO.: 2026-_____-WS

DATED: APRIL __, 2026

APPLICATION FOR LIMITED PROCEEDING

Pursuant to Section 367.0822, Florida Statutes, and Rule 25-30.445, Florida Administrative Code, Applicant, K W RESORT UTILITIES CORP. ("KWRU" or the "Company"), files this Application for a limited proceeding to increase its base rates and charges by \$525,677 annually to reflect cost recovery for increases in expenses in Monroe County, Florida, and states:

INTRODUCTION

1. (a)(i) The name of the Utility and its mailing address is:

K W Resort Utilities Corp
6630 Front Street
Key West, FL 33040

- (a)(ii) The names and address of the persons authorized to receive notices and communications in respect to this application are:

Barton W. Smith, Esquire
Smith | Hawks PL
138 Simonton Street
Key West, FL 33040
Telephone: (305) 296-7227
Fax: (305) 296-8448
Primary Email: Bart@SmithHawks.com
Secondary Email: Brandi@SmithHawks.com

- (b) The Utility is a Florida corporation authorized to do business in Florida on December 18, 1984. The names and addresses of the persons owning more than 5% of the Utility's membership interest are:

WS Utility, Inc. 100%
1212 Von Phister Street
Key West, FL 33040

- (c) The Company's last rate proceeding was in Docket No. 20240108-SU, utilizing a test year ending June 30, 2024, which resulted in the issuance of PSC-2025-0289-PAA-SU, as amended, issued July 28, 2025.
- (d) The address where the Application is available for customer inspection during the time the rate application is pending is:

6630 Front Street
Key West, FL 33040

Pursuant to Rule 25-22.0407(2), Florida Administrative Code, the Utility is simultaneously herewith mailing a copy of this Application to the chief executive officer of the City of Key West and Monroe County.

- (e) The Statement of Christopher A. Johnson, the President of the Utility, that the Utility will comply with the noticing requirements of Rule 25-22.0407, F.A.C., is attached hereto as **Exhibit A**.
- (f) The Utility requests to have the case processed using the proposed agency action procedure outlined in Section 367.081(10), F.S.

2. In accordance with Rules 25-30.020(2)(g) and 25-30.445(3), Florida Administrative Code, a filing fee of \$2,250.00 is being filed contemporaneously with this Application.

MINIMUM FILING REQUIREMENTS

3. KWRU makes this Application for Limited Proceeding to increase its charges by \$525,677.00 annually to reflect increases in operating expenses in the amount of \$502,021.00 in Monroe County, Florida that continue the ability of KWRU to provide safe, reliable, and environmentally sound wastewater treatment services to its customers in accordance with applicable rules.
4. This Application for a Limited Proceeding is being requested, in part, to recover costs required by governmental or regulatory order. (See Fla. Admin. R. 62.600.720(d)).
5. **Exhibit B** to this Application includes the following information required by Rule 25-30.445:
 - (a) A schedule providing the specific rate base components for which the utility seeks recovery and supporting detail (Schedule 8 (Paragraph (4)(c) of the Rule));
 - (b) A schedule of accumulated depreciation and depreciation expense by NARUC account. (Schedule 9 (Paragraph (4)(d) of the Rule)). The calculation of the weighted average cost of capital used to calculate the revenue increase requested in this Application (Schedule -10 (Paragraph (4)(e) of the Rule));
 - (c) A schedule providing the specific operating expenses for which the utility seeks recovery and supporting detail (Schedule 4 (Paragraph (4)(f) of the Rule));
 - (d) The calculation of the annual revenue increase requested in this Application (Schedule 3 (Paragraph (4)(i) of the Rule));

- (e) The annualized revenues for the most recent 12-month period and a schedule reflecting this calculation by customer class and meter size (Schedule 7 (Paragraph (4)(j) of the Rule));
 - (f) A schedule of current and proposed rates for all classes of customers (Schedule 1 (Paragraph (4)(k) of the Rule)).
6. A schedule for the most recent 12-month period showing that, without any increased rates, the utility will earn below its authorized rate of return. (Schedule 11 ((Paragraph (4)(1) of the Rule). The Company is not requesting a change in the current rate structure via this Application.
7. In accordance with Rule 25-30.445(7), the Company states that, due to the operating expense increase requested in this Application, it does not identify rate base decline or expense recovery in this Application that will be offset by future customer growth associated with the KWRU system within one year of the date new rates are implemented.

OTHER

8. This Application represents an original pleading. The Company is not responding to any proposed agency action.
9. KWRU is entitled to the relief requested pursuant to Chapters 367 and 120, Florida Statutes.

WHEREFORE, KWRU respectfully requests that the Commission enter a final order Granting an increase in wastewater rates consistent with the attached Exhibits for the recovery of costs associated with the KWRU Project; and Granting such other and further relief as the

Commission may find to be reasonable and proper pursuant to its authority under Chapter 367, Florida Statutes.

DATED this 24th day of April, 2026.

Respectfully Submitted,

Counsel for Applicant,
K W RESORT UTILITIES CORP.

S M I T H / H A W K S

138 Simonton Street

Key West, Florida 33040

Telephone: (305) 296-7227

Facsimile: (305) 296-8448

Primary: Bart@SmithHawks.com

Secondary: Brandi@SmithHawks.com

BY: /s/ *Barton W. Smith*

BARTON W. SMITH

Florida Bar No. 20169

EXHIBIT A

**AFFIDAVIT PURSUANT TO RULE
25-30.455(1)e, FLORIDA ADMINISTRATIVE CODE**

**STATE OF FLORIDA
COUNTY OF MONROE**

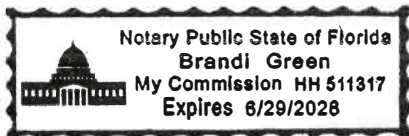
BEFORE ME, personally appeared Christopher Johnson, who is President of K W Resort Utilities Corp. and who states that K W Resort Utilities Corp. will comply with the noticing requirements of Rule 25-30.446, Florida Administrative Code.

FURTHER AFFIANT SAYETH NAUGHT.

By: 
CHRISTOPHER JOHNSON

**STATE OF FLORIDA
COUNTY OF MONROE**

The foregoing instrument was acknowledged before me by means of physical presence or online notarization, this 22nd day of April, 2026, by Christopher Johnson, who is personally known to me or who produced N/A as identification.




Notary Public (Signature)

Brandi Green
Notary Public (Print Name)

My Commission Expires 06/29/2028

EXHIBIT B

**KW Resort Utilities Corp
Wastewater Limited Proceeding
Schedule of Present and Proposed Rates**

**Docket No.:
Schedule 1**

Line No.	Account Description and Service Type	Present Rates	Proposed Increase	Proposed Rates
1	Residential Service			
2	Base Facility Charge - All Meter Sizes	\$76.63	\$8.46	\$85.09
3				
4	Charge per 1,000 gallons			
5	10,000 gallon cap	\$8.82	\$0.97	\$9.79
6				
7	General Service			
8	Base Facility Charge - By Meter Size			
9	5/8" x 3/4"	\$76.63	\$8.46	\$85.09
10	3/4"	114.95	12.69	127.64
11	1"	191.58	21.14	212.72
12	1 1/2"	383.13	42.28	425.41
13	2"	613.04	67.66	680.70
14	3"	1,226.08	135.31	1,361.39
15	4"	1,915.75	211.42	2,127.17
16	6"	3,831.50	422.84	4,254.34
17	8" turbo	6,896.70	761.12	7,657.82
18				
19	Charge per 1,000 gallons	\$10.58	\$1.17	\$11.75
20				
21	Harbor Shores (69 ERCs)			
22	Base Facility Charge	\$5,287.47	\$583.53	\$5,871.00
23				
24	Gallonge Charge per 1,000 gallons			
25	690,000 cap	\$10.58	\$1.17	\$11.75
26				
27	Private Lift Station Owners			
28	Base Facility Charge - By Meter Size			
29	5/8" x 3/4"	\$61.30	\$6.77	\$68.07
30	3/4"	91.95	10.15	102.10
31	1"	153.25	16.91	170.16
32	1 1/2"	306.50	33.83	340.33
33	2"	490.40	54.12	544.52
34	3"	980.80	108.24	1,089.04
35	4"	1,532.50	169.13	1,701.63
36	6"	3,065.00	338.25	3,403.25
37	8"	4,904.00	541.21	5,445.21
38				
39	Gallonge Charge per 1,000 gallons	\$10.58	\$1.17	\$11.75
40				
41	Reuse Service			
42	Gallonge Charge per 1,000 gallons	\$2.21	\$0.24	\$2.45

EXHIBIT B

KW Resort Utilities Corp
Wastewater Limited Proceeding
Calculation of Percentage Rate Increase

Docket No.:
Schedule 2

Line No.	Description	Amount	Reference / Computation
1	Calculation of Increase Percentage		
2	Total Proposed Increase	522,994	Schedule 3
3	Annualized Revenue	<u>4,738,978</u>	Schedule 7
4	Percentage Increase in Rates	<u><u>11.04%</u></u>	line 2 / line 3

EXHIBIT B

**KW Resort Utilities Corp
Wastewater Limited Proceeding
Schedule of Revenue Requirement**

**Docket No.:
Schedule 3**

Line No.	Increase in Operating Expenses	Cost	Reference
1	Increase in Rate Case Expense	8,644	Schedule 6
2	Increase in Chemical Expense	127,680	Schedule 4
3	Increase in Salaries Expense	101,376	Schedule 4
4	Increase in Benefits	116,465	Schedule 4
5	Increase in IT Services	23,530	Schedule 4
6	Increase in Supplies	114,161	Schedule 4
7	Increase in Taxes Other Than Income Taxes	7,603	Schedule 4
8	Total Increase in Operating Expenses	<u>499,459</u>	
9			
10	RAF 4.5% Gross Up	23,535	
11			
12	Total Revenue Increase Requested	<u>522,994</u>	line (8) + line (10)

EXHIBIT B

KW Resort Utilities Corp
Wastewater Limited Proceeding
Statement of Operations After Limited Proceeding Rate Increase

Docket No.:
 Schedule 4

Line No.	Description	12/31/2025 Balance	Annualized 2025 Revenues	Limited Proceeding Considerations	Balance After LP Considerations	Reference
1	Operating Revenue (from Consumption)	\$ 4,374,827	\$ 364,151	\$ 522,994	\$ 5,261,973	(A)
2	Operating Revenue (from Miscellaneous Charges and Accruals)	109,261		-	109,261	
3						
4	Operating Expenses					
5	Operation and Maintenance	3,522,291	-	491,856	4,014,148	(B)
6	Taxes Other Than Income	323,937	-	7,603	331,540	(C)
7						
8	Operating Income	<u>637,859</u>	<u>-</u>	<u>23,535</u>	<u>661,394</u>	
9						
10	Adjustments					
11	(A) Operating Revenue (from Consumption)					
12	Limited Proceeding Revenue			5,261,973		Schedule 7
13	Annualized Revenue			<u>4,738,978</u>		Schedule 7
14	Total			522,994		
15	(B) 766 Regulatory Commission Exp - Rate Case Expense Amortization					
16	Increase in Amortization Expense of Rate Case Expense			<u>8,644</u>		Schedule 6
17	Total			8,644		
18	718 Chemicals Expense					
19	Increase in Chemical Expense			<u>127,680</u>		
20	Total			127,680		
21	736 Contractual Services Other - IT Services					
22	Increase in IT Services			<u>23,530</u>		
23	Total			23,530		
24	701 Salaries and Wages - Employees					
25	Increase in Salaries Expense			<u>101,376</u>		
26	Total			101,376		
27	704 Employee Pension and Benefits					
28	Increase in Benefits			<u>116,465</u>		
29	Total			116,465		
30	720 Materials and Supplies					
31	Increase in Supplies			<u>114,161</u>		
32	Total			114,161		
33	(C) 408 Payroll Taxes					
34	Increase in Payroll Taxes			<u>7,603</u>		Line 25 * 7.5%
35	Total			7,603		

EXHIBIT B

KW Resort Utilities Corp
Wastewater Limited Proceeding
Schedule of Increases in Taxes Other Than Income

Docket No.:
Schedule 5

Line No.	Description	Net Increase	Reference
1	408.10 Regulatory Assessment Fee (RAF)		
2	Annualized Revenue for the 12 Months Ended 12/31/2025	4,738,978	Schedule 7
3	Historic Revenue at 12/31/2025	4,374,827	Schedule 4
4			
5	Net Increase in Annualized Revenue	364,151	line 2 - line 3
6			
7	RAF	4.50%	Per PSC
8			
9	Increase in RAF (Fee is 4.5%)	<u>17,159</u>	line 5 * line 7
10			
11	408.11 Payroll Taxes		
12	Increased Salary Expense	101,376	Schedule 4
13	Payroll Tax %	7.50%	
14			
15	Net Increase in Payroll Taxes	<u>7,603</u>	line 23 * line 24

EXHIBIT B

**KW Resort Utilities Corp
Wastewater Limited Proceeding
Schedule of Rate Case Expense**

**Docket No.:
Schedule 6**

Line No.	Firm	Person	Hourly Rate / Person	Hours	Total	Description
1	Public Service Commission				2,250	Filing Fee
2	Smith Hawks	Bart Smith	450.00	22	10,000	Costs associated with legal services
3	Milian, Swain & Associates, Inc.	Deborah Swain	300.00	32	9,600	MFRs, data requests, audit facilitation
4	Milian, Swain & Associates, Inc.	Cynthia Yapp	200.00	50	10,000	MFRs, data requests, audit facilitation
5	Milian, Swain & Associates, Inc.	Adam Swain	125.00	1	125	Administrative
6	KW Resort Utilities Corp				2,600	Printing, Customer Notices, Postage
Total Rate Case Expense					<u>\$ 34,575</u>	
					<u>8,644</u>	line 10 / 4
					<u>8,644</u>	Wastewater

EXHIBIT B

KW Resort Utilities Corp
Wastewater Limited Proceeding

Docket No.:
Schedule 7

Schedule of Annualized Revenues and Revenues at Proposed Rates

Line No.	Wastewater Account Description & Service Type	No. of Bills / Gallons	Current Rates	Annualized Revenues	Proposed Rates	Revenues at Proposed Rates
1	Residential Service					
2	Base Facility Charge - All Meter Sizes	17,158	\$76.63	\$1,314,817.54	85.09	\$1,459,920.94
3						
4	Charge per 1,000 gallons					
5	10,000 gallon cap	60,571	\$8.82	\$534,236.22	9.79	\$593,194.59
6						
7	General Service					
8	Base Facility Charge - By Meter Size					
9	5/8" x 3/4"	1,886	\$76.63	\$144,524.18	85.09	\$160,473.88
10	3/4"	0	114.95	-	127.64	\$0.00
11	1"	96	191.58	\$18,391.68	212.72	\$20,421.39
12	1 1/2"	120	383.13	\$45,975.60	425.41	\$51,049.47
13	2"	108	613.04	\$66,208.32	680.70	\$73,515.08
14	3"	13	1,226.08	\$15,939.04	1,361.39	\$17,698.07
15	4"	12	1,915.75	\$22,989.00	2,127.17	\$25,526.07
16	6"	12	3,831.50	\$45,978.00	4,254.34	\$51,052.14
17	8" turbo	12	6,896.70	\$82,760.40	7,657.82	\$91,893.85
18						
19	Charge per 1,000 gallons	102,452	\$10.58	\$1,083,942.16	11.75	\$1,203,566.13
20						
21	Harbor Shores (69 ERCs)					
22	Base Facility Charge	12	\$5,287.47	\$63,449.64	5,871.00	\$70,451.95
23						
24	Gallonge Charge per 1,000 gallons					
25	690,000 cap	2,169	\$10.58	\$22,948.02	11.75	\$25,480.57
26						
27	Private Lift Station Owners					
28	Base Facility Charge - By Meter Size					
29	5/8" x 3/4"	2,400	\$61.30	\$147,120.00	68.07	\$163,356.18
30	3/4"	0	91.95	-	102.10	\$0.00
31	1"	72	153.25	\$11,034.00	170.16	\$12,251.71
32	1 1/2"	60	306.50	\$18,390.00	340.33	\$20,419.52
33	2"	72	490.40	\$35,308.80	544.52	\$39,205.48
34	3"	24	980.80	\$23,539.20	1,089.04	\$26,136.99
35	4"	0	1,532.50	-	1,701.63	\$0.00
36	6"	36	3,065.00	\$110,340.00	3,403.25	\$122,517.13
37	8"	12	4,904.00	\$58,848.00	5,445.21	\$65,342.47
38						
39	Gallonge Charge per 1,000 gallons	66,953	\$10.58	\$708,362.74	11.75	\$786,537.73
40						
41	Reuse Service					
42	Gallonge Charge per 1,000 gallons	74,152	\$2.21	\$163,875.92	2.45	\$181,961.28
43						
44	Total Annualized Revenue			\$4,738,978.46		\$5,261,972.62
45						
46	Requested Revenue Increase					\$522,994.16