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:** July 23, 2026

**TO:** Office of Commission Clerk (Teitzman)

**FROM:** Division of Economics (Bethea, Bruce) CJD
Office of the General Counsel (Farooqi) JSC

**RE:** Docket No. 20260012-WS – Application for revised service availability charges and policy for water and wastewater service in Duval, Baker, and Nassau Counties, by First Coast Regional Utilities, Inc.

**AGENDA:** 08/04/26 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Administrative

**CRITICAL DATES:** 10/25/26 (8-Month Effective Date)

**SPECIAL INSTRUCTIONS:** None

## Case Background

First Coast Regional Utilities, Inc. (FCRU or Utility) is a Class C water and wastewater utility in Duval, Baker, and Nassau Counties. In 2022, the Florida Public Service Commission (Commission) granted the Utility's original certificates and approved the Utility's current service availability charges.[1] The approved service availability charges were based on preliminary construction plans. Currently, there are no existing facilities. FCRU indicated that it was in the final phase of design and construction cost components have considerably changed. The Utility stated that revisions to the service availability charges are necessary in order to remain in compliance with Commission rules and ensure the appropriate cost are recovered through the charges. On January 6, 2026, the Utility filed an application to revise its water and wastewater

[1] Order No. PSC-2022-0193-FOF-WS, issued May 25, 2022, in Docket No. 20190168-WS, *In re: Application for water and wastewater service in Duval, Baker, and Nassau Counties, by First Coast Regional Utilities, Inc.*

main extension charge, plant capacity charge, and service availability policy to account for the changes in cost.

By Order No. PSC-2026-0077-PCO-WS, the Commission suspended the Utility's proposed tariffs to allow staff sufficient time to review the Utility's petition and gather all pertinent information in order to present an informed recommendation.[2] On March 4, 2026, the Utility provided responses to staff's first data request. On July 17, 2026, the Utility provided certain corrections to the proposed service availability policy contained in the tariff.[3]

The Commission has jurisdiction in this case pursuant to Sections 367.091, 367.101, and 367.121(1)(a), Florida Statutes (F.S.).

[2] Order No. PSC-2026-0077-PCO-WS, issued March 23, 2026.
[3] Document No. 04459-2026.

## Discussion of Issues

***Issue 1:*** Should FCRU's existing water and wastewater service availability charges and policy be revised, and if so, what are the appropriate charges?

***Recommendation:*** Yes. FCRU's existing water and wastewater service availability charges and policy should be revised. Staff recommends that the Utility's requested main extension charges of $759 for water and $994 for wastewater and plant capacity charges of $1,766 for water and $9,281 for wastewater should be approved because it is reasonable and within the guidelines of Rule 25-30.580, Florida Administrative Code (F.A.C.). The approved charges and policy should be effective for connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. FCRU should be required to collect its approved service availability charges until authorized to change them by the Commission in a subsequent proceeding.

***Staff Analysis:*** Pursuant to Section 367.101, F.S., the Commission shall set just and reasonable charges and conditions for service availability. Service availability charges are one-time charges applicable to new connections, which allow customers to pay their pro rata share of the facilities and plant costs. Rule 25-30.580, F.A.C., establishes guidelines for designing service availability charges. Pursuant to Rule 25-30.580(1), F.A.C., the maximum amount of CIAC, net of amortization, should not exceed 75 percent of the total original cost, net of depreciation, of the Utility's facilities and plant when the facilities and plant are at their designed capacity. Rule 25-30.580(2), F.A.C., provides that the minimum amount of CIAC should not be less than the percentage of such facilities and plant that is represented by water transmission and distribution and sewage collection systems.

FCRU's existing water service availability charges consist of $3,158 for the main extension, $752 for plant capacity, $285 for meter installation, and $610 for service installation. For wastewater service availability, the charges consist of $4,833 for main extension, $1,250 for plant capacity, and actual costs for lateral installation. The existing policy for both water and wastewater address only the applicability of the service availability charges. The Utility is not requesting any changes to its meter installation and service/lateral installation charges.

**Main Extension Charge and Plant Capacity Charge**

FCRU requested revised main extension charges of $759 for water and $994 for wastewater to recover a portion of the cost of the Utility's transmission and distribution and collection system from future customers. The main extension charges decreased as a result of the Utility planning to install fewer lines than originally projected. FCRU proposed plant capacity charges of $1,766 for water and $9,281 for wastewater to allow the Utility to recover all or part of its capital costs associated with the construction or expansion of treatment facilities. As mentioned in the case background, the initial charges were based on preliminary construction plans. FCRU is in the final stages of design and has updated costs for its planned facilities. Although the Utility's plant in service decreased for both water and wastewater, the capacity of the treatment facility decreased for wastewater, resulting in increased plant capacity charges for the wastewater system. Capacity determines how many equivalent residential connections can be served by the treatment facility.

FCRU's revised service availability charges result in contribution levels of 69.66 percent for water and 65.61 percent for wastewater. FCRU's revised service availability charges are reasonable and result in contribution levels that are within the guidelines established in Rule 25-30.580, F.A.C. However, the Utility anticipates receiving future contributions of facilities from developers and staff recognizes that these contributions could cause FCRU to exceed the guidelines established by rule. Through the Commission's earnings surveillance process, staff can monitor the contribution levels and the service availability charges can be revisited if and when the Utility exceeds the guidelines of the rule. Therefore, staff recommends the requested service availability charges should be approved. The revised service availability policy is more comprehensive than the existing policy and aligns with the rules pertaining to service availability. Within its service availability policy, FCRU indicated that it would assess actual costs for inspections and plan reviews, which staff believes is reasonable. As result, staff recommends that the revised service availability policy should be approved.

**Conclusion**

FCRU's existing water and wastewater service availability charges and policy should be revised. Staff recommends that the Utility's requested main extension charges of $759 for water and $994 for wastewater and plant capacity charges of $1,766 for water and $9,281 for wastewater should be approved. The revised service availability policy complies with Commission rules and should be approved. The approved charges and policy should be effective for connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. FCRU should be required to collect its approved service availability charges until authorized to change them by the Commission in a subsequent proceeding.

***Issue 2:*** Should this docket be closed?

***Recommendation:*** If a protest is filed within 21 days of the issuance date of the Order, the tariff should remain in effect with the charge held subject to refund pending resolution of the protest. If no timely protest is filed, a consummating order should be issued and, once staff verifies that the revised tariff sheet has been filed and the notice of the charge has been approved by staff and provided to property owners, the docket should be administratively closed. (Farooqi)

***Staff Analysis:*** If a protest is filed within 21 days of the issuance date of the Order, the tariff should remain in effect with the charge held subject to refund pending resolution of the protest. If no timely protest is filed, a consummating order should be issued and, once staff verifies that the revised tariff sheet has been filed and the notice of the charge has been approved by staff and provided to property owners, the docket should be administratively closed.