

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties, by Sunshine Water Services Company.

DOCKET NO. 20240068-WS
ORDER NO. PSC-2024-0378-PCO-WS
ISSUED: August 28, 2024

The following Commissioners participated in the disposition of this matter:

MIKE LA ROSA, Chairman
ART GRAHAM
GARY F. CLARK
ANDREW GILES FAY
GABRIELLA PASSIDOMO

ORDER SUSPENDING REQUEST FOR RATE INCREASE
AND ALL ASSOCIATED TARIFF REVISIONS

BY THE COMMISSION:

Background

Sunshine Water Services Company (Sunshine or Utility) is a Class A utility providing water and wastewater services to approximately 35,171 water and 29,547 wastewater customers in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties. Rates were last established for this Utility in its 2020 rate case.¹

On June 28, 2024, Sunshine filed its application for the rate increase at issue in the instant docket. The Utility elected to proceed directly to hearing pursuant to Section 367.081, Florida Statutes (F.S.). On July 26, 2024, our staff sent the Utility a letter indicating deficiencies in the filing of its minimum filing requirements (MFRs). Corrections to the MFRs were due no later than August 28, 2024. The utility submitted its corrections to MFR deficiencies on August 1, 2024. Having subsequently reviewed the corrections, our staff found the Utility's MFRs to be complete on August 1, 2024. Therefore, the official date of filing shall be established as August 1, 2024, for noticing purposes.

¹Order No. PSC-2021-0206-FOF-WS, issued June 4, 2021, in Docket No. 20200139-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.*

The Utility's application for an increase to water and wastewater rates is based on the historical 13-month average period ended December 31, 2023 and includes adjustments for pro forma projects. Sunshine has also requested an increase in service availability charges and establishment of customer deposits.

Additionally, Sunshine has requested authorization to defer benefits and costs incurred as a result of its parent company's merger. In 2022, Sunshine's parent companies, Corix Infrastructure Inc. and Corix US, entered into a transaction agreement to merge its businesses with IIF Subway Investment LP, SWMAC, and SouthWest Water Company. As the transaction occurred at the parent level, Sunshine was not directly affected.

In 2021, the Utility filed an application for acknowledgment of a name change from Utilities, Inc. of Florida to Sunshine Water Services.² In 2023, Sunshine recorded total company operating revenues of \$22,532,175 and \$28,276,590 for water and wastewater, respectively. The Utility also recorded net operating income of \$4,397,860 and \$4,947,111 for water and wastewater, respectively.

The 60-day statutory deadline for us to suspend the Utility's requested rates is August 27, 2024. This order addresses the suspension of the Utility's requested rates. We have jurisdiction pursuant to Sections 367.081 and 367.082, F.S.

Decision

Section 367.081(6), F.S., provides that the rates proposed by a utility shall become effective within sixty days after filing unless we vote to withhold consent of implementation of the requested rates. Further, the above referenced statute permits the proposed final rates to go into effect, under bond, escrow, or corporate undertaking eight months after filing unless final action has been taken by us.

We have reviewed the filing and the proposed rates, the revenues thereby generated, and the information filed in support of the rate application. We find that it is reasonable and necessary to require further amplification and explanation regarding this data, and to require production of additional and/or corroborative data. This further examination will include a review by our staff accountants and engineers. To date, our staff has initiated an audit of Sunshine's records, as well as an audit of the Utility's parent, to examine allocated investment and operating expenses. This combined audit is currently due on October 17, 2024. We also find that additional discovery requests may be necessary in this rate case. Therefore, we find good cause to suspend the Utility's proposed rate increase to allow our staff and any intervenors sufficient time to adequately and thoroughly examine the appropriateness of the Utility's request for final rate relief.

²Order No. PSC-2022-0094-FOF-WS, issued February 21, 2022, in Docket No. 20210185-WS, *In re: Application for name change on Certificate Nos. 414-W, 592-W, 496-W, 278-W, 040-W, 107-W, 204-W, 410-W, 567-S, 347-S, 509-S, 369-S, 081-S, 465-S, 225-S, 229-S, 305-S in Charlotte, Highlands, Lake, Lee, Marion, Orange, and Pasco, Pinellas, Polk, and Seminole Counties, from Utilities, Inc. of Florida to Sunshine Water Services Company d/b/a Sunshine Water Services.*

ORDER NO. PSC-2024-0378-PCO-WS

DOCKET NO. 20240068-WS

PAGE 3

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Sunshine Water Services Company request for a rate increase and all associated tariff revisions are hereby suspended pending a final decision in this docket. It is further

ORDERED that this docket shall remain open pending final resolution of Sunshine Water Services Company's petition for a permanent rate increase.

By ORDER of the Florida Public Service Commission this 28th day of August, 2024.



ADAM J. TEITZMAN

Commission Clerk

Florida Public Service Commission

2540 Shumard Oak Boulevard

Tallahassee, Florida 32399

(850) 413-6770

www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

RPS

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

Any party adversely affected by this order, which is preliminary, procedural or intermediate in nature, may request: (1) reconsideration within 10 days pursuant to Rule 25-22.0376, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court, in the case of an electric, gas or telephone utility, or the First District Court of Appeal, in the case of a water or wastewater utility. A motion for reconsideration shall be filed with the Office of Commission Clerk, in the form prescribed by Rule 25-22.0376, Florida Administrative Code. Judicial review of a preliminary, procedural or intermediate ruling or order is available if review of the final action will not provide an adequate remedy. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.