

ORIGINAL

MEMORANDUM

July 3, 2003

RECEIVED-FPSC

JUL -3 PM 3:22

COMMISSION CLERK

TO: DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES

FROM: OFFICE OF THE GENERAL COUNSEL (CROSBY)

RE: DOCKET NO. 030340-WU - APPLICATION FOR TRANSFER OF FACILITIES OF COMMUNITY WATER CO-OP, INC., AN EXEMPT UTILITY IN MARION COUNTY, TO SUNSHINE UTILITIES OF CENTRAL FLORIDA, INC. (holder of Certificate No. 363-W; AND FOR AMENDMENT OF CERTIFICATE NO. 363-W TO ADD TERRITORY.

Recently, Sunshine Utilities, Inc. sent a notice of a price index rate adjustment to all of its customers, including the customers of Community Water Co-Op, Inc. Subsequent to the notice, we received two letters from Mr. Richard F. Lehn regarding the increase in rates. Upon receipt of Mr. Lehn's letters, we contacted Sunshine Utilities, Inc. regarding the rate increase. According to the utility the notice of the price index rate increase, which was mailed to all customers, was sent to the customers of Community Water Co-Op, Inc. (Ponderosa Pines) in error. Sunshine Utilities, Inc. sent another notice (copy attached) to the customers of Community Water Co-Op, Inc. on June 30, 2003, telling them to disregard the previous notice and that their rates would remain the same.

PLEASE PLACE THE ATTACHED INFORMATION IN THE ABOVE-REFERENCED DOCKET FILE. Thanks.

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Attachment

cc: Division of Economic Regulation (Clapp, Redemann)

DOCUMENT NUMBER-DATE

05941 JUL-3 8

FPSC-COMMISSION CLERK

Sunshine Utilities

10230 E. Hwy. 25 · Belleview, FL 34420-5531
Office (352) 347-8228 · Fax (352) 347-6915

FAX TRANSMITTAL

DATE: July 1, 2003
TO: Alice Crosky, Research Assistant
FROM: Pamela Christmas, Manager

NUMBER OF PAGES INCLUDING THIS PAGE: 2

COMMENTS: This Notice was sent 6/30/03
with the billing.

Original being mailed 7/2/03

RECEIVED

JUL 3 2003

STATE OF FLORIDA
PUBLIC UTILITIES COMMISSION

Sunshine Utilities

10230 E. Hwy. 25 · Belleview, FL 34420-5531

Office (352) 347-8228 · Fax (352) 347-6915

Notice to Customers of Ponderosa Pines

The Notice to Customers you recently received regarding an increase in the water rates was sent to you in error. Sunshine was approved for a rate increase but this increase will not affect the customers of Ponderosa Pines. The rates of Community Water Co-Op will remain in effect until further notice. We apologize for any inconvenience the notice may of caused you.

Sunshine Utilities has filed a request to transfer Community Water Co-Op and we recently were in negotiation to purchase property and to secure an assignment of a leased property. When the transfer is complete, our first order of business will be to furnish the customers with additional water and water pressure by replacing the well that was abandoned.

If you have any questions, please feel free to call the Sunshine Utilities office.

5613 Devon Drive
Harrisburg, PA 17112
June 26, 2003

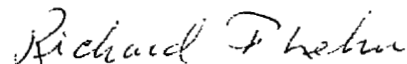
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee FL 32399-8153

Attention Neal;

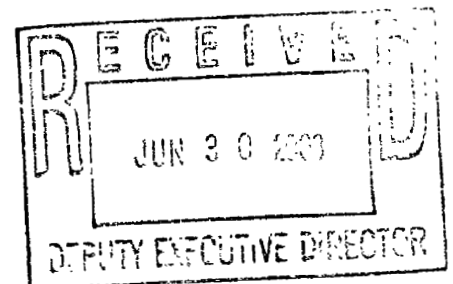
I received a message from Robert Hake concerning the request for increase in rates from Sunshine Utilities. He told me that he spoke to you, Neal (unfortunately no last name) and that you would like to see a copy of a special meeting by the board of directors in May 2002. Enclosed is a copy.

You might also want to refer to my letter of June 24th, but not directed to anyone's attention. If I can be of further assistance, please do not hesitate to contact me.

Sincerely yours,



Richard F. Lehn



ADDENDUM TO
NOTICE OF SPECIAL MEETING OF THE MEMBERS

On or about April 15, 2002, one of the wells (Well #1) supplying water to our community and each of our homes therein collapsed and became non-productive. The other well (Well #2) was put to full operation and will not be able to sustain sufficient water production for our needs. The Florida Department of Environmental Protection (DEP) was consulted and has mandated that the water supply be improved within six months from April 15. A well drilling mechanic was consulted and has opined that the geologic condition of Well #1 is such that it cannot be deepened. A private water utility was consulted and has found it is feasible to connect to its common system of ample water supply.

The Board of Directors specially convened on May 29 to address this predicament. They also considered the fact that the current water supply system is physically maintained almost entirely by the board members who are advancing in age, inability, and unwillingness to continue doing so. The Board unanimously agreed that it will serve the best interests and economy of the community and the individual members alike to transition the water supply and service to Sunshine Utilities of Central Florida, Inc., a local private utility company. Sunshine will tie its existing supply lines into our community supply line and all homes will be separately metered and accounted. Sunshine can only do so if it is assured of receiving sufficient payments to meet its anticipated expenses of hook-up and maintenance. Sunshine's base rate is \$7.90 for the first 1,000 gallons, \$1.90 per each one thousand gallons thereafter. In order to meet and acclimate to Sunshine's estimated charges based upon current usage levels, the Board has determined that a rate increase of \$3.00 per month is advisable, effective July 2002, which will raise each member's bill to \$15.00 per month and soften the impact of this transition.

The only other feasible alternative to the foregoing is to dig a new third well. Under DEP's current regulations and standards this shows to be the most difficult and costly proposition due to the fact that, in addition to the high cost of initial drilling, no place within our subdivision or close proximity to the current supply infrastructure is suitable.

By Gene Brown, President.

Nat Gwinn

Lou Mahers

Jim Libertino

AND
Keith Harrison

(717) 545-3230

ORIGINAL

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5613 Devon Drive
Harrisburg, PA 17112

June 24, 2003

030340-WU

Florida Public Service Commission
Division of Consumer Affairs
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-8153

JUN 27 2003

Gentlemen:

I have received a notice from Sunshine Utilities, Belleview, FL to increase the water rate by 1.0614% to customers in Ponderosa Pines area of Marion County. These customers were originally the Community Water Co-OP, Inc. We were told when Sunshine would take over our system, we would be charged a flat \$7.90 per month, whether or not we would be in residence, plus an additional amount for garbage used while in residence.

Our first bill Nov. 2002, was for \$15. and it has remained flat each month.

Now 8 months later Sunshine is going to ask

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for more.

What happened to the \$ 7.90 per month in November? How can an increase be justified within the first year of operation?

May I remind this Commission that the entire water system was given Sunshine along with all customers on line at that time.

To my knowledge I do not believe the Co-op was paid one red cent for anything.

These are the facts as heard from the then President of the Co-op.

Therefore I question the increase submitted to you, the FPBC, on April 28, 2003.

Sincerely yours,

Richard D. Lehn

Acct 25097

cc Sunshine Utilities

