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DIVISION OF ECONOMICS
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Public Service Commission

November 18, 2015

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COMMISSION
CLERK

Harry R. Kansman
21394 Magnolia Court
Farmington Hills, MI 48336

Re: Docket No. 150102-SU - Application for an increase in wastewater rates in Charlotte County by Utilities, Inc. of Sandalhaven

Dear Mr. Kansman:

Thank you for your letter in which you expressed concerns regarding Utilities, Inc. of Sandalhaven's (Sandalhaven) application for a rate increase. To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

We understand your concerns regarding Sandalhaven's requested rate increase. With respect to the development of rates, the Commission is required to set rates that are just, reasonable, compensatory, and not unfairly discriminatory as dictated by Chapter 367, Florida Statutes. During a rate case, the Commission's accountants, engineers, and economists examine the utility's financial and engineering information to make a recommendation to the Commissioners.

Furthermore, in your letter you indicate that you are charged the current base facility charge while not in residence. The utility's rate structure consists of a base facility and gallonage charge. Under the base facility charge rate structure, the base facility charge is designed to recover the fixed costs of the utility. Consequently, those costs do not change even though a customer may be out of residence. Therefore, pursuant to Rule 25-30.335(9), Florida Administrative Code, if the utility utilizes the base facility and usage charge rate structure and does not have a Commission authorized vacation rate, the utility shall bill the customer the base facility charge regardless of whether there is any usage. Staff filed its recommendation on November 18, 2015, in Docket No. 150102-SU and is available on the Commission's website at www.floridapsc.com. The Commissioners are scheduled to vote on staff's recommendation on December 3, 2015.

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Hopefully, this letter addresses your concerns. If you have any additional questions, or require assistance, please feel free to contact Sonica Bruce at (850) 413-6994 or by email at sbruce@psc.state.fl.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Shannon J. Hudson". The signature is fluid and cursive, with the first name being the most prominent.

Shannon J. Hudson
Economic Supervisor
Division of Economics

cc: Office of Commission Clerk (Docket No. 150102-SU)
Office of Public Counsel