BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

|  |  |
| --- | --- |
| In re: Application for increase in water rates in Washington County, by Sunny Hills Utility Company. | DOCKET NO. 20220066-WS  ORDER NO. PSC-2022-0227-PCO-WS  ISSUED: June 27, 2022 |

The following Commissioners participated in the disposition of this matter:

ANDREW GILES FAY, Chairman

ART GRAHAM

GARY F. CLARK

MIKE LA ROSA

GABRIELLA PASSIDOMO

ORDER SUSPENDING FINAL RATES

AND

GRANTING INTERIM RATES SUBJECT TO REFUND

BY THE COMMISSION:

Background

Sunny Hills Utility Company (Utility or Sunny Hills) is a Class B water and wastewater utility serving approximately 585 residential customers and 18 general service customers in Washington County. The Utility has not had rates established since its transfer from Aqua Utilities Florida, Inc.[[1]](#footnote-1) The Utility’s last rate case was in 2012.[[2]](#footnote-2) According to the Utility’s 2021 Annual Report, Sunny Hills reported net operating revenues of $342,786 and net operating expenses of $369,129. On April 7, 2022, Sunny Hills filed its application for the rate increase at issue in this docket.[[3]](#footnote-3) In its application, the Utility is seeking a rate increase for the water system only.

On May 3, 2022, Commission staff sent the Utility a letter indicating deficiencies in the filing of its minimum filing requirements (MFRs).[[4]](#footnote-4) All deficiencies were subsequently corrected, and an official filing date was established of May 6, 2022.[[5]](#footnote-5)

The Utility requested that the application be processed using the Proposed Agency Action (PAA) procedure and requested interim rates. The test year established for interim and final rates is the period ended December 31, 2021. Sunny Hills requested an interim revenue increase of $52,872 (16.08 percent). The Utility requested a final revenue increase of $90,740 (25.79 percent).

On April 18, 2022, Sunny Hills provided a waiver of the 60-day statutory deadline for interim rates to June 7, 2022, so the item could be considered at our June 7, 2022, Agenda Conference.[[6]](#footnote-6) On May 16, 2022, the Utility also provided a waiver of the 60-day suspension date pursuant to Section 367.081(6), Florida Statutes (F.S.), to June 7, 2022, so the item could be considered at the June 7, 2022, Agenda.[[7]](#footnote-7) This order addresses the suspension of the Utility's requested final rates and its requested interim rates. We have jurisdiction pursuant to Sections 367.081 and 367.082, F.S.

Decision

1. Suspension of Final Rates

Section 367.081(6), F.S., provides that we may, for good cause, withhold consent to the implementation of requested rates within 60 days after the date the rate request is filed. Further, Section 367.081(10), F.S., permits the proposed rates to go into effect (secured and subject to refund) at the expiration of five months from the official date of filing if: (1) we have not acted upon the requested rate increase; or (2) our action is protested by a party other than the Utility.

We reviewed the filing and considered the information filed in support of the rate application and the proposed final rates. We find that further investigation of this information, including potential on-site reviews, is needed. Our staff initiated an audit of Sunny Hills’ books and records. The audit is tentatively due on June 21, 2022. In addition, Commission staff sent its first data request to the Utility on May 24, 2022.[[8]](#footnote-8) The Utility's response to the data request is due on June 13, 2022. Based on the foregoing, we find that Sunny Hills' proposed final water rates shall be suspended.

1. Interim Revenue Increase

On April 7, 2022, Sunny Hills filed its rate base, cost of capital, and operating statements to support its requested interim increase in rates. Pursuant to Section 367.082(1), F.S., in order to establish a prima facie entitlement for interim relief, the Utility shall demonstrate that it is earning outside the range of reasonableness on its rate of return. Pursuant to Section 367.082(2)(a), F.S., in a proceeding for an interim increase in rates, we shall authorize, within 60 days of the filing for such relief, the collection of rates sufficient to earn the minimum of the range of rate of return. Based on the Utility's filing and the adjustments approved below, we find that the Utility has demonstrated a prima facie entitlement in accordance with Section 367.082(1), F.S.

Pursuant to Section 367.082(5)(b)1., F.S., the achieved rate of return for interim purposes must be calculated by applying adjustments consistent with adjustments made in the Utility's most recent rate proceeding and annualizing any rate changes. We reviewed Sunny Hills’ interim request, as well as the order from the Utility's most recent rate proceeding, and find adjustments are necessary as discussed below. We have attached accounting schedules, incorporated herein by reference, to illustrate our approved rate base, capital structure, and test year operating income amounts. Rate base is labeled as Schedule No. 1-A, with the adjustments shown on Schedule No. 1-B. Capital structure is labeled as Schedule No. 2. Operating income is labeled as Schedule No. 3-A, with the adjustments shown on Schedule No. 3-B.

Rate Base

Pursuant to Section 367.082, F.S., the method used to calculate Used and Useful (U&U) in the Utility’s last rate case must be used for interim purposes. By Order No. PSC-2012-0102-FOF-WS, we found Sunny Hills’ water treatment system to be 91 percent U&U. Additionally, we found the Utility’s water storage system to be 100 percent U&U, and the water distribution system to be 10 percent U&U. Based on a review of the prior order, we find the water treatment system be 91 percent U&U, its storage system be 100 percent U&U, and the water distribution system be 10 percent U&U.

In its filing, the Utility recorded a net plant balance of $1,805,063, which included a reduction of $2,156,891 for non-used and useful; and a net accumulated depreciation balance of $1,103,305, which included a reduction of $1,244,518 for non-used and useful. The Utility recorded a land balance of $10,779. We made no adjustments to these accounts; therefore, we approve a plant balance of $1,805,063, an accumulated depreciation balance of $1,103,305, and a land balance of $10,779.

Sunny Hills recorded a net contributions in aid of construction (CIAC) balance of $344,016, which included a reduction of $381,292 for non-used and useful. We made an adjustment increasing CIAC by $252 to reflect the appropriate amount of CIAC. The Utility recorded a net amortization of CIAC balance of $152,754, which included a reduction of $183,509 for non-used and useful. We increased amortization of CIAC by $10 to reflect the appropriate amount. Therefore, we approve a CIAC balance of $344,268 ($344,016 + $252) and an amortization of CIAC balance of $152,764 ($152,754 + $10).

In its filing, the Utility recorded a net acquisition adjustment of $698,925, which included a decrease of $839,646 for non-used and useful. The Utility also recorded a net accumulated amortization of acquisition adjustment of $539,516, which included a decrease of $608,568 for non-used and useful. We made no adjustments to either of these accounts, and therefore approve an acquisition adjustment of $698,925, and an accumulated amortization of acquisition adjustment of $539,516.

Sunny Hills recorded a working capital allowance $37,282 in its filing. Section 367.081(9), F.S., prohibits a utility from earning a return on the unamortized balance of rate case expense. As such, we decreased working capital allowance by $561 to reflect the removal of rate case expense. Therefore, we approve a working capital allowance of $36,721 ($37,282 – $561).

In its MFR Schedule G-2, the Utility recorded total water rate base of $399,148. Based on the adjustments above, we decreased rate base by $803 ($252 – $10 + $561). Therefore, we approve an interim water rate base of $398,345 ($399,148 – $803).

Cost of Capital

Pursuant to Section 367.082(2)(a), F.S., in a proceeding for an interim increase in rates, we shall authorize, within 60 days of the filing of such relief, the collection of rates sufficient to earn the minimum range of return calculated in accordance with subparagraph (5)(b)2. Since its previous rate case, the Utility was transferred from Aqua Utilities Florida, Inc. to Sunny Hills Utility Company.[[9]](#footnote-9) Our practice is that an approved return on equity (ROE) does not survive a transfer.[[10]](#footnote-10) Therefore, we used the 2021 leverage formula to calculate an ROE of 7.85 percent.[[11]](#footnote-11) As the rule requires the use of the bottom of the range, we approve an ROE for purposes of determining the interim rate of return for Sunny Hills of 6.85 percent.

The Utility’s capital structure consists of common equity and customer deposits. We reconciled investor sources of capital with rate base, and approve an overall cost of capital of 6.47 percent.

Net Operating Income

In its MFR Schedule G-4, the Utility recorded test year revenues of $351,891. The Utility had a rate change during the test year.[[12]](#footnote-12) We increased test year revenues by $12,364 to reflect the annualization of test year revenues, and therefore find that the appropriate test year operating revenues, before any revenue increase, is $364,255 ($351,891 + $12,364).

In its filing, the Utility reflected an O&M expense of $298,257. Upon review of the corresponding MFR Schedules, we made several adjustments to O&M.

Rule 25-30.4325(1)(e), Florida Administrative Code (F.A.C.), describes excessive unaccounted for water (EUW) as unaccounted for water in excess of 10 percent of the amount produced. Based on its MFRs, the Utility applied an EUW adjustment of 4.5 percent to purchased power and chemicals expenses. This resulted in an adjustment to decrease purchased power by $696 and to decrease chemicals by $64. However, in its previous rate case, EUW was set at 2.10 percent.[[13]](#footnote-13)

In its filing, the Utility recorded test year amounts for purchased power of $15,373 and chemicals of $1,419. After applying a 4.5 percent EUW adjustment to both accounts, the Utility made an adjustment decreasing these accounts by $696 and $64 for purchased power and chemicals, respectively. We then increased these amounts by $373 for purchased power, and $34 for chemicals, to correct the adjustment and reflect our 2012-ordered EUW adjustment of 2.10 percent. Therefore, we approve purchased power expense of $15,050 ($15,373 – $696 + $373), and chemicals expense of $1,389 ($1,419 – $64 + $34).

The Utility recorded amortized rate case expense of $1,509 for this case. We removed this amount from interim rates, and therefore approve rate case expense of zero ($1,509 – $1,509).

In its filing, the Utility recorded bad debt expense as $7,246, which reflects the amount recorded in its 2021 annual report. We note that in its previous rate case, bad debt expense was calculated using a three-year average. Based on the Utility’s annual reports, Sunny Hills recorded bad debt expense of $2,074, $2,256, and $7,246, for the years 2019, 2020, and 2021, respectively. The three-year average of these amounts is $3,859 (($2,074 + $2,256 + $7,246) ÷ 3). Therefore, we made an adjustment decreasing bad debt expense by $3,387, and approve a bad debt expense of $3,859 ($7,246 – $3,387).

The adjustments to purchased power, chemicals, amortized rate case expense, and bad debt expense referenced above represent a total reduction to O&M expense of $4,489. Therefore, we approve an O&M expense of $293,768 ($298,257 – $4,489).

On interim MFR Schedule G-4, the Utility reflected depreciation expense of $47,475. Upon our review of corresponding MFR Schedule B-13, we determined that the total amount included $5,757 of depreciation expense associated with pro forma items. As a result, we decreased depreciation expense by $5,757. Therefore, we approve depreciation expense of $41,718 ($47,475 – $5,757).

On interim MFR Schedule G-4, the Utility reflected taxes other than income (TOTI) expense of $37,411. Upon review of corresponding MFR Schedule B-15, we determined that the amount included $2,868 of property taxes associated with pro forma items. As a result, we decreased TOTI by $2,868. Therefore, we approve a TOTI balance of $34,543 ($37,411 – $2,868).

Revenue Requirement

Based on the above adjustments, we approve a revenue requirement of $385,727. This represents an interim increase in annual revenues of $21,472 (or 5.89 percent). This increase will allow the Utility the opportunity to recover its operating expenses and earn a 6.47 percent return on its rate base.

1. Interim Water Rates

We find that interim service rates for Sunny Hills shall be designed to allow the Utility the opportunity to generate annual operating revenues of $385,727 for water. Before removal of miscellaneous revenues, this would result in an increase of $21,472 (5.89 percent). To determine the appropriate percentage increase to apply to the service rates, miscellaneous revenues shall be removed from the test year revenues. The calculation is as follows:

Table 1

Percentage Service Rate Increase

|  |  |  |
| --- | --- | --- |
|  |  | Water |
| 1 | Total Test Year Revenues | $364,255 |
| 2 | Less: Miscellaneous Revenues | $5,275 |
| 3 | Test Year Revenues from Service Rates | $358,980 |
| 4 | Revenue Increase | $21,472 |
| 5 | Percentage Service Rate Increase (Line 4/Line 3) | 5.98% |

Source: Commission Approved Interim Revenue Requirement

The interim rate increase of 5.98 percent for water shall be applied as an across-the-board increase to the water service rates. The rates, as shown on Schedule No. 4, shall be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. The Utility shall file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. In addition, the approved rates shall not be implemented until the required security has been filed, our staff has approved the proposed customer notice, and the notice has been received by the customers. The Utility shall provide proof of the date notice was given within 10 days of the date of the notice.

1. Security to Guarantee Interim Increase

Pursuant to Section 367.082, F.S., revenues collected under interim rates shall be placed under bond, escrow, letter of credit, or corporate undertaking subject to refund with interest at a rate ordered by us. As discussed above, the approved total annual interim revenue increase is $21,472. We calculated the potential refund of revenues and interest collected under interim conditions in accordance with Rule 25-30.360, F.A.C., and determined the amount to be $14,366. This amount is based on an estimated eight months of revenue being collected from our approved interim rates over the Utility's current authorized rates.

The owner/president provided the most recent three years of his personal financial net worth.[[14]](#footnote-14) We reviewed the confidential personal financial information provided by the owner/president, and find that in this circumstance the owner/president has demonstrated the financial ability and wherewithal to guarantee the interim refund in this rate increase, if necessary. Further, the owner/president provided a personal guarantee in the amount of $14,366 in this docket.[[15]](#footnote-15)

Accordingly, the appropriate security to guarantee the funds collected subject to refund is a corporate undertaking. Pursuant to Rule 25-30.360(6), F.A.C., the Utility shall provide a report by the 20th day of each month indicating the monthly and total revenue collected subject to refund. Should a refund be required, the refund shall be with interest and undertaken in accordance with Rule 25-30.360, F.A.C. Under no circumstances shall maintenance and administrative costs associated with any refund be borne by the customers. Such costs are the responsibility of, and shall be borne by, the Utility.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Sunny Hills Utility Company’s proposed final rates shall be suspended. It is further

ORDERED that Sunny Hills shall be authorized to collect annual revenues as indicated in the body of this Order. It is further

ORDERED that the interim rate increase of 5.98 percent for water shall be applied as an across-the-board increase to the water service rates. The rates, as shown on Schedule No. 4, shall be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. It is further

ORDERED that the Utility shall file revised tariff sheets and a proposed customer notice to reflect the rates approved herein. In addition, the approved rates shall not be implemented until the required security has been filed, our staff has approved the proposed customer notice, and the notice has been received by the customers. The Utility shall provide proof of the date notice was given within 10 days of the date of the notice. It is further

ORDERED

that the appropriate security to guarantee the interim increase is a corporate undertaking. The Utility shall provide a report by the 20th day of each month indicating the monthly and total revenue collected subject to refund. Should a refund be required, the refund shall be with interest and undertaken in accordance with Rule 25- 30.360, F.A.C. It is further

ORDERED that this docket shall remain open pending our PAA decision on the Utility’s requested rate increase.

By ORDER of the Florida Public Service Commission this 27th day of June, 2022.

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|  | /s/ Adam J. Teitzman |
|  | ADAM J. TEITZMAN  Commission Clerk |

Florida Public Service Commission

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

JSC

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 suspending the permanent rates, 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.

Any party adversely affected by this order approving interim rates, which is non-final 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. Citizens of the State of Florida v. Mayo, 316 So.2d 262 (Fla. 1975), states that an order on interim rates is not final or reviewable until a final order is issued. Such review may be requested from the appropriate court, as described above, pursuant to Rule 9.100, Florida Rules of Appellate Procedure.

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| **Sunny Hills Utility Company** | | | **Schedule No. 1-A** | | | |
| **Schedule of Water Rate Base** | | | **Docket No. 20220066-WS** | | | |
| **Test Year Ended 12/31/2021** | | |  | | | |
|  |  | **Test Year** | **Utility** | **Adjusted** | **Comm.** | **Comm.** |
|  |  | **Per** | **Adjust-** | **Test Year** | **Adjust-** | **Adjusted** |
|  | **Description** | **Utility** | **ments** | **Per Utility** | **ments** | **Test Year** |
| 1 | Plant in Service | $3,961,954 | ($2,156,891) | $1,805,063 | $0 | $1,805,063 |
| 2 | Land and Land Rights | 10,779 | 0 | 10,779 | 0 | 10,779 |
| 3 | Accumulated Depreciation | (2,347,823) | 1,244,518 | (1,103,305) | 0 | (1,103,305) |
| 4 | CIAC | (725,308) | 381,292 | (344,016) | (252) | (344,268) |
| 5 | Amortization of CIAC | 336,263 | (183,509) | 152,754 | 10 | 152,764 |
| 6 | Acquisition Adjustment | (1,538,571) | 839,646 | (698,925) | 0 | (698,925) |
| 7 | Accum. Amort. Acq. Adj. | 1,148,084 | (608,568) | 539,516 | 0 | 539,516 |
| 8 | Working Capital | 37,282 | 0 | 37,282 | (561) | 36,721 |
| 9 | Water Rate Base | $882,660 | ($483,512) | $399,148 | ($803) | $398,345 |

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| **Sunny Hills Utility Company** | **Schedule No. 1-B** | |
| **Adjustments to Rate Base** | **Docket No. 20220066-WS** | |
| **Test Year Ended 12/31/2021** |  |  |
| **Explanation** |  | **Water** |
| CIAC |  |  |
| To reflect appropriate CIAC balance. |  | ($252) |
|  |  |  |
| Amortization of CIAC |  |  |
| To reflect appropriate amortization of CIAC. |  | $10 |
|  |  |  |
| Working Capital Allowance |  |  |
| To reflect 1/8 O&M. |  | ($561) |

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| **Sunny Hills Utility Company** | | | | | | **Schedule No. 2** | | | |
| **Capital Structure – Simple Average** | | | | | | **Docket No. 20220066-WS** | | | |
| **Test Year Ended 12/31/2021** | | | | | |  |  |  |  |
|  |  |  | **Specific** |  | **Pro rata** | **Capital** |  |  |  |
|  |  | **Total** | **Adjust-** |  | **Adjust-** | **Reconciled** |  | **Cost** | **Weighted** |
|  | **Description** | **Capital** | **ments** | **Subtotal** | **ments** | **to Rate Base** | **Ratio** | **Rate** | **Cost** |
| **Per Utility** | |  |  |  |  |  |  |  |  |
| 1. | Long-term Debt |  |  |  |  | $0 | 0.00% | 0.00% | 0.00% |
| 2. | Short-term Debt |  |  |  |  | 0 | 0.00% | 0.00% | 0.00% |
| 3. | Common Equity |  |  |  |  | 388,259 | 97.27% | 7.74% | 7.53% |
| 4. | Customer Deposits |  |  |  |  | 10,889 | 2.73% | 2.00% | 0.05% |
| 5. | Total Capital |  |  |  |  | $399,148 | 100.00% |  | 7.58% |
|  |  |  |  |  |  |  |  |  |  |
| **Per Commission** | |  |  |  |  |  |  |  |  |
| 1. | Long-term Debt | $0 | $0 | $0 | $0 | $0 | 0.00% | 0.00% | 0.00% |
| 2. | Short-term Debt | 0 | 0 | 0 | 0 | 0 | 0.00% | 0.00% | 0.00% |
| 3. | Common Equity | 1,121,274 | 0 | 1,121,274 | (754,377) | 366,897 | 92.11% | 6.85% | 6.31% |
| 4. | Customer Deposits | 31,448 | 0 | 31,448 | 0 | 31,448 | 7.89% | 2.00% | 0.16% |
| 5. | Total Capital | $1,152,722 | $0 | $1,152,722 | ($754,377) | $398,345 | 100.00% |  | 6.47% |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  | **Range of Reasonableness** | | **Low** | **High** |  |
|  |  |  |  |  | Return on Equity | | 6.85% | 8.85% |  |
|  |  |  |  |  | Rate of Return | | 6.47% | 8.31% |  |
|  |  |  |  |  |  | |  |  |  |

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| **Sunny Hills Utility Company** | | | **Schedule No. 3-A** | | | | | |
| **Schedule of Water Operations** | | | **Docket No. 20220066-WS** | | | | | |
| **Test Year Ended 12/31/2021** | | |  |  |  |  |  |  |
|  |  | **Test Year** | **Utility** | **Adj. Test** | **Comm.** | **Comm.** |  |  |
|  |  | **Per** | **Adjust-** | **Year Per** | **Adjust-** | **Adjusted** | **Revenue** | **Revenue** |
|  | **Description** | **Utility** | **ments** | **Utility** | **ments** | **Test Year** | **Increase** | **Req.** |
| 1 | Operating Revenues | $351,891 | $0 | $351,891 | $12,364 | $364,255 | $21,472 | $385,727 |
|  |  |  |  |  |  |  | 5.89% |  |
|  | Operating Expenses |  |  |  |  |  |  |  |
| 2 | O&M Expense | $297,508 | $749 | $298,257 | ($4,489) | $293,768 | $0 | $293,768 |
| 3 | Depreciation | 47,475 | 0 | 47,475 | (5,757) | 41,718 | 0 | 41,718 |
| 4 | Amort. Acq. Adj. | (18,059) | 0 | (18,059) | 0 | (18,059) | 0 | (18,059) |
| 5 | Amort. Deferred Assets | 7,029 | 0 | 7,029 | 0 | 7,029 | 0 | 7,029 |
| 6 | TOTI | 37,411 | 0 | 37,411 | (2,868) | 34,543 | 966 | 35,509 |
| 7 | Income Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 | Total Operating Expense | $371,364 | $749 | $372,113 | ($13,114) | $358,999 | $966 | $359,965 |
| 9 | Operating Income | ($19,473) | ($749) | ($20,222) |  | $5,256 |  | $25,761 |
| 10 | Rate Base | $882,660 | ($483,512) | $399,148 | ($803) | $398,345 |  | $398,345 |
| 11 | Rate of Return | (2.21%) |  | (5.07%) |  |  |  | 6.47% |

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| **Sunny Hills Utility Company** | | **Schedule No. 3-B** | |
| **Adjustments to Operating Income** | | **Docket No. 20220066-WS** | |
| **Test Year Ended 12/31/2021** | |  |  |
|  | **Explanation** |  | **Water** |
|  | Operating Revenues |  |  |
|  | To reflect appropriate test year revenues. |  | $12,364 |
|  |  |  |  |
|  | Operation & Maintenance Expense |  |  |
| 1. | To reflect appropriate EUW adjustment to Purchased Power. |  | $373 |
| 2. | To reflect appropriate EUW adjustment to Chemicals. |  | 34 |
| 3. | To reflect removal of RCE for interim rates. |  | (1,509) |
| 4. | To reflect 3-year average for Bad Debt Expense. |  | (3,387) |
|  | Total |  | ($4,489) |
|  |  |  |  |
|  | Depreciation Expense |  |  |
|  | To reflect removal for pro forma plant. |  | ($5,757) |
|  |  |  |  |
|  | Taxes Other Than Income |  |  |
|  | To reflect removal of property taxes on pro forma plant. |  | ($2,868) |

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| **Sunny Hills Utility Company** |  |  | **Schedule No. 4** |
| **Monthly Water Rates** |  |  | **Docket No. 20220066-WS** |
| **Test Year Ended 12/31/2021** |  |  |  |
|  | **CURRENT**  **RATES** | **UTILITY**  **REQUESTED**  **RATES** | **COMMISSION**  **APPROVED INTERIM RATES** |
| **Residential and General Service** |  |  |  |
| Base Facility Charge by Meter Size |  |  |  |
| 5/8"X3/4" | $19.77 | $22.95 | $20.95 |
| 3/4" | $29.66 | $34.43 | $31.43 |
| 1" | $49.43 | $57.38 | $52.38 |
| 1-1/2" | $98.85 | $114.75 | $104.75 |
| 2" | $158.16 | $183.60 | $167.60 |
| 3" | $316.32 | $367.20 | $335.20 |
| 4" | $494.25 | $573.74 | $523.75 |
| 6" | $988.50 | $1,147.49 | $1,047.50 |
| 8" | $1,581.60 | $1,835.98 | $1,676.00 |
| 10" | $2,273.55 | $2,613.86 | $2,409.25 |
|  |  |  |  |
| **Gallonage Charge - Residential Service** |  |  |  |
| 0 - 6,000 Gallons | $6.82 | $7.92 | $7.23 |
| 6,001 - 12,000 Gallons | $10.24 | $11.89 | $10.85 |
| Over 12,000 Gallons | $13.63 | $15.82 | $14.45 |
|  |  |  |  |
| **Charge per 1,000 gallons - General Service** | $7.64 | $8.87 | $8.10 |
|  |  |  |  |
| **Private Fire Protection** |  |  |  |
| 2" | $13.18 | $14.65 | $13.97 |
| 3" | $26.36 | $29.29 | $27.93 |
| 4" | $41.19 | $45.77 | $43.65 |
| 6" | $82.38 | $91.53 | $87.29 |
| 8" | $131.80 | $146.45 | $139.67 |
| 10" | $189.46 | $210.51 | $200.77 |
|  |  |  |  |
| **Typical Residential 5/8" x 3/4" Meter Bill Comparison** | |  |  |
| 2,000 Gallons | $33.41 | $38.79 | $35.41 |
| 4,000 Gallons | $47.05 | $54.63 | $49.87 |
| 6,000 Gallons | $60.69 | $70.47 | $64.33 |

1. Order No. PSC-2014-0315-PAA-WS, issued June 13, 2014, in Docket No. 20130172-WS, *In re: Application for approval of transfer of certain water and wastewater facilities and Certificate Nos. 501-W and 435-S of Aqua Utilities Florida, Inc. to Sunny Hills Utility Company in Washington County.* [↑](#footnote-ref-1)
2. Order No. PSC-2012-0102-FOF-WS, issued March 5, 2012, in Docket No. 20100330-WS, *In re: Application for increase in water/wastewater rates in Alachua, Brevard, DeSoto, Hardee, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties by Aqua Utilities Florida, Inc.* [↑](#footnote-ref-2)
3. Document No. 02296-2022, filed on April 7, 2022. [↑](#footnote-ref-3)
4. Document No. 02778-2022, filed on May 3, 2022. [↑](#footnote-ref-4)
5. Document No. 03123-2022, filed on May 24, 2022. [↑](#footnote-ref-5)
6. Document No. 02512-2022, filed on April 18, 2022. [↑](#footnote-ref-6)
7. Document No. 02936-2022, filed on May 16, 2022. [↑](#footnote-ref-7)
8. Document No. 03094-2022, filed on May 24, 2022. [↑](#footnote-ref-8)
9. Order No. PSC-2014-0315-PAA-WS. [↑](#footnote-ref-9)
10. Order No. PSC-2006-0670-FOF-WS, issued August 7, 2006, in Docket No. 20060261-WS, *In re: Application for increase in water and wastewater rates in Lake County by Utilities, Inc. of Pennbrooke*; Order No. PSC-2012-0554-PCO-WS, issued October 17, 2012, in Docket No. 20120152-WS, *In re: Application for increase in water and wastewater rates in Orange County by Pluris Wedgefield, Inc.* [↑](#footnote-ref-10)
11. Order No. PSC-2021-0244-PAA-WS, issued July 6, 2021, in Docket No. 20210006-WS, *In re: Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.* [↑](#footnote-ref-11)
12. The Utility was approved for a 2021 price index rate increase which became effective July 6, 2021. [↑](#footnote-ref-12)
13. Order No. PSC-2012-0102-FOF-WS, page 178. [↑](#footnote-ref-13)
14. Document No. 02578-2022, filed on April 21, 2022. [↑](#footnote-ref-14)
15. Document No. 02514-2022, filed on April 18, 2022. [↑](#footnote-ref-15)