LAW OFFICES

ROSE, SUNDSTROM & BENTLEY, LLP ORIGINAL

TALLAHASSEE, FLORIDA 32301

(850) 877-6555 Fax (850) 656-4029 www.rsbattorneys.com

CENTRAL FLORIDA OFFICE 650 S. North Lake Blvd., Suite 420 Altamonte Springs, Florda 32701 (407) 830-6331 Fax (407) 830-8522

Reply to Altamonte Springs

August 16, 2002

HAND DELIVERY

Check received with filing and forwarded to Fiscal for deposit. Fiscal to forward a copy of check to RAR with proof of deposit.

mitalized person who forwarded check:

Ms. Blanca Bayo **Commission Clerk and Administrative Services Director** Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, FL 32399

Docket No. 020409-SU; Application of Utilities, Inc. of Sandalhaven for Rate Re: Increase in Charlotte County, Florida Our File No.: 30057.10

Dear Ms. Bayo:

Enclosed are the following for filing in the above-referenced docket:

- Sixteen (16) copies of the Application for Increase in Rates 08679 02
- Sixteen (16) copies of the minimum filing requirements (Exhibit "1") $O_{86} go O_{2}$
- Sixteen (16) copies of the Affidavit require d by Rule 25-22.0407, Florida 08681-02 Administrative Code (Exhibit "2")
 - Two (2) copies of the Billing Analysis (Exhibit "3") 08682-02
 - Two (2) copies of the additional engineering information (Exhibit "4") 08683-02

One (1) detailed map (Exhibit "5") $O \mathcal{B} \cup \mathcal{B} - \mathcal{O} \mathcal{A}$

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COMMISSION

CLERK

JOHN L. WHARTON ROBERT M. C. ROSE, OF COUNSEL WAYNE L. SCHIEFELBLIN, OI COUNSEL

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F. MARSHALL DETERDING MARTIN S. FRIEDMAN, PA

STIVEN T. MINDLIN, PA DAREN L. SHIPPY

WILLIAM E SUNDSTROM, PA DIANE D TREMOR, PA.

ROBERT C. BRANNAN

JOHN R. JENKINS, PA

Ms. Blanca Bayo August 16, 2002 Page 2

- The original and three (3) copies of the proposed Interim Rate Tariff Sheets (Exhibit "7") $O \ 86 \ 36 \ -0 \ 2$
- The original and three (3) copies of the proposed Final Rate Tariff Sheets (Exhibit "8") $\bigcirc 868702$
- Our check in the amount of \$2,000.00 representing the appropriate filing fee.

Should you have any questions regarding this filing, please do not hesitate to give me a call.

Very truly yours,

Andun

MARTIN S. FRIEDMAN For the Firm

MSF:dmp Enclosures

cc: Mr. Steve Lubertozzi Mr. Don Rassmussen Mr. Frank Seidman Chairman, Charlotte County Board of County Commissioners

Utilities\Sandalhaven\increaserate.app

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of) UTILITIES, INC. OF SANDALHAVEN) for a rate increase in Charlotte County)

DOCKET NO. 020409-SU

APPLICATION FOR INCREASE IN RATES

Applicant, UTILITIES, INC. OF SANDALHAVEN (hereinafter "UIS", the "Utility", or the "Applicant"), by and through its undersigned attorneys and pursuant to Section 367.081 and 367.082, Florida Statutes, and Chapter 25-30, Florida Administrative Code, files this Application for a rate increase in Charlotte County, Florida.

I.

The following information is provided pursuant to Rule 25-30.436, Florida Administrative Code:

1. (a) The name of the Utility and its principal place of business is:

Utilities, Inc. of Sandalhaven 2335 Sanders Road Northbrook, IL 60062

(b) The address of the Florida office is:

Utilities, Inc. of Sandalhaven 200 Weathersfield Avenue Altamonte Springs, FL 32714-4099

The name and address of the person authorized to receive notices and

communications in respect to this application is:

DOCUMENT NUMBER-DATE 08679 AUG 168 FPSC-CONTRISSION CLERK Martin S. Friedman, Esquire Rose, Sundstrom & Bentley, LLP 650 S. North Lake Boulevard, Suite 420 Altamonte Springs, Florida 32701 PHONE: (407) 830-6331 FAX: (407) 830-8522 E-MAIL: mfriedman@rsbattorneys.com

(b) Utilities, Inc. of Sandalhaven is a Florida corporation incorporated in Florida on September 28, 1998. The names and addresses of the persons owning more than 5% of the Utility's stock are:

> Utilities, Inc. 100% 2335 Sanders Road Northbrook, IL 60062

(c) Wastewater rates have not been set since the wastewater system was acquired by UIS. Rate base was established in connection with the Commissioners' approval of the transfer in Order No. PSC-99-2114-PAA-SU, issued August 31, 1998. The current rates were approved under prior ownership at the time of granting of a Grandfather Certificate in Order No. PSC-95-0478-FOF-SU, issued April 13, 1995.

(d) UIS does not have a business office in the service area. The address where the application is available for customer inspection during the time the rate application is pending is:

Englewood Charlotte Library 2450 McCall Road Englewood, FL 34224

(e) The Utility is requesting rates which would allow it to recover all

expenses that the Utility will incur on a going-forward basis, and generate a fair rate of return on its investment. The Utility is seeking rate relief in order to allow it to recover its expenses and earn a fair rate of return on its investment all property used and useful in the public service.

(f) The Utility is also seeking interim rates based upon the historic test year ended December 31, 2001. The Utility has demonstrated through the supporting schedules within the attached **Exhibit "1**" that it is earning outside its range of reasonable returns, calculated in accordance with Section 367.082(5), Florida Statutes. Submitted as part of **Exhibit "1**" are schedules of rate base (Schedule A-2), cost of capital (Schedule D-1) and net operating income (Schedule B-2), as applicable, pursuant to Commission Rule 25-30.437(5), F.A.C.

(g) An Affidavit signed by the Chief Executive Officer of the Utility that the Utility will comply with Rule 25-22.0407, F.A.C., is provided herewith as **Exhibit "2**".

(h) The Utility requests that this case be processed utilizing the proposed Agency Action Procedure outlined in Section 367.081(8), F.S..

2. There has been no new land recorded on the Utility's books since the Utility's rate base was last established in the Orders referenced in Paragraph 1(c) above.

II.

Sixteen copies of the Utility's Financial, Rate and Engineering Minimum Filing

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Requirements (Form PSC/WAW 20) are provided herewith as Exhibit "1".

III.

Two copies of the Billing Analysis Schedules as required by Rule 25-30.437(4) are provided herewith as **Exhibit "3**".

IV.

Two copies of the Additional Engineering Information required by Rule 25-30.440(2)-(10), F.A.C. are provided herewith as **Exhibit "4**".

v.

One copy of a detailed system map as required by Section 25-30.440(1)(a) and (b) are attached hereto as **Exhibit "5**".

VI.

UIS's system has costs or charges to it from an affiliate or related party which costs are reported in **Exhibit "6**". Further, the PSC Staff has an undocketed proceeding to audit affiliate transactions for the year ended December 31, 2001 (Audit Control No. 02-122-3-1).

VII.

The original and two copies of the Revised Tariff Sheets reflecting the proposed interim rates are attached hereto as Composite **Exhibit "7**".

VIII.

The original and two copies of the Revised Tariff Sheets reflecting the proposed

final rates are attached hereto as Composite Exhibit "8".

IX.

The Utility requests that the Commission grant interim rates pursuant to Section 367.082, F.S. in accordance with the schedules contained in **Exhibit "1**" and the tariffs contained in **Exhibit "7**".

X.

The Utility is not requesting any changes in its service availability policy or charges in this proceeding.

XI.

The filing fee required by Rule 25-30.020(1)(e), F.A.C., is \$2,000 since the Utility has the existing capacity to serve from 501 to 2,000 wastewater ERCs. A check in that amount is included with this filing.

WHEREFORE, the Utility requests that the Florida Public Service Commission do the following:

 Accept jurisdiction of this Application to grant an increase in wastewater rates utilizing the Proposed Agency Action procedure outlined in Section 367.081(8), F.S.

2. Grant the interim rates as requested herein and contained in the tariffs included as **Exhibit "7**".

3. Grant final rates as requested herein and contained in the tariffs included in **Exhibit "8**".

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4. Provide such other and further relief as is fair, just and equitable.

Respectfully submitted this 16th day of August, 2002, by:

ROSE, SUNDSTROM & BENTLEY, LLP 605 S. North Lake Boulevard, Suite 420 Altamonte Springs, Florida 32701 (407) 830-6331 (407) 830-8522 (fax)

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MARTIN S. FRIEDMAN

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