

COMMISSIONERS:
RONALD A. BRISÉ, CHAIRMAN
LISA POLAK EDGAR
ART GRAHAM
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JULIE I. BROWN

STATE OF FLORIDA



MARSHALL WILLIS, DIRECTOR
DIVISION OF ACCOUNTING AND FINANCE
(850) 413-6900

Public Service Commission

RECEIVED-FPSC
12 OCT -9 PM 3: 13
COMMISSION
CLERK

October 9, 2012

Mr. Richard & Mrs. Janet Lehn
6410 Terrace Court
Harrisburg, PA 17111

FPSC, CLK CORRESPONDENCE		
<input type="checkbox"/> Administrative	<input type="checkbox"/> Parties	<input checked="" type="checkbox"/> Consumer
DOCUMENT NO. <u>D7426-11</u>		
DISTRIBUTION: _____		

Re: Sunshine Utilities of Central Florida, Inc. - Docket No. 100048-WU

Dear Mr. & Mrs. Lehn:

Thank you for your letter, dated October 2, 2012, in which you enclosed a copy of your most recent bill showing evidence of the change in rates for Ponderosa Pines, a system of Sunshine Utilities of Central Florida, Inc. (Sunshine or Utility). With respect to your inquiry about meters, by Order No. PSC-12-0357-PAA-WU, the Commission approved a metered rate structure for the Ponderosa Pines system. I have enclosed a copy of the applicable page of the order showing the Commission approved rates. According to your bill, you are being charged \$9.18, which appears to be consistent with the Commission's order.

I hope the above information has been helpful. If you have any additional questions, or require further assistance, please call me at (850) 413-6838 or e-mail me at mobrown@psc.state.fl.us.

Sincerely,

A handwritten signature in cursive script that reads "Monica K. Brown".

Monica Brown
Regulatory Analyst II

Enclosure

cc: Division of Account and Finance (Maurey, Fletcher)
Office of the General Counsel (Jaeger)
Office of Commission Clerk (Docket No. 100048-WU)
Office of Public Counsel

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in water rates in
Marion County by Sunshine Utilities of
Central Florida, Inc.

DOCKET NO. 100048-WU
ORDER NO. PSC-12-0357-PAA-WU
ISSUED: July 10, 2012

The following Commissioners participated in the disposition of this matter:

RONALD A. BRISÉ, Chairman
LISA POLAK EDGAR
ART GRAHAM
EDUARDO E. BALBIS
JULIE I. BROWN

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING IN PART REQUESTED INCREASE IN WATER RATES
AND CHARGES AND REQUIRING PARTIAL REFUNDS

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that, except for the statutory four-year rate reduction and the requirement to adjust its books for all the applicable National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts (USOA) primary accounts associated with our approved adjustments, which are final agency action, the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

I. BACKGROUND

Sunshine Utilities of Central Florida, Inc. (Sunshine Utilities or Utility) is a Class B utility providing water service in 23 certificated service areas in Marion County. The 23 systems are composed of 20 systems that are combined under a uniform rate structure (Unified Systems) and three stand-alone systems: Quail Run, Sandy Acres, and Ponderosa Pines. In the test year ended December 31, 2010, the Utility recorded total operating revenues of \$951,110. Sunshine Utilities reported a net operating loss for the test year of \$59,876. During the test year, 3,798 water customers received service from the Utility's 23 water systems.

Water rates were last established for the Unified Systems in a rate case initiated in 1990.¹ The Quail Run system was transferred to Sunshine Utilities in 2002, and rate base and rates were

¹ See Order No. 25722, issued February 13, 1992, in Docket No. 900386-WU, In re: Application for rate increase in Marion County by Sunshine Utilities of Central Florida, Inc.

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FPSC-COMMISSION CLERK

Sunshine Utilities of Central Florida, Inc. - Ponderosa Pines				Schedule No. 4	
Water Monthly Service Rates				Docket No. 100048-WU	
Test Year Ended 12/31/10					
	Rates Prior to Filing	Commission Approved Interim	Utility Requested Final	Commission Approved Final	Four-year Rate Reduction
<u>General Service, Residential, Multi-Family</u>					
Unmetered Flat Rate	\$15.66	\$20.47	\$0.00	\$0.00	\$0.00
<u>General Service, Residential, Multi-Family</u>					
Base Facility Charge by Meter Size:					
5/8" x 3/4"	\$0.00	\$0.00	\$10.00	\$9.18	\$0.11
3/4"	\$0.00	\$0.00	\$0.00	\$13.77	\$0.17
1"	\$0.00	\$0.00	\$24.00	\$22.95	\$0.28
1-1/4"	\$0.00	\$0.00	\$36.00	\$34.88	\$0.43
1-1/2"	\$0.00	\$0.00	\$50.00	\$45.90	\$0.56
2"	\$0.00	\$0.00	\$76.00	\$73.44	\$0.90
3"	\$0.00	\$0.00	\$152.16	\$146.88	\$1.81
4"	\$0.00	\$0.00	\$237.37	\$229.50	\$2.82
6"	\$0.00	\$0.00	\$474.78	\$459.00	\$5.65
8"	\$0.00	\$0.00	\$0.00	\$826.20	\$10.17
10"	\$0.00	\$0.00	\$0.00	\$1,331.10	\$16.38
<u>Gallonge Charge, per 1,000 Gallons</u>					
GS/RS/MRS-Gallonge Charge	\$0.00	\$0.00	\$2.40	\$2.43	\$0.03
<u>Typical Residential Bills 5/8" x 3/4" Meter</u>					
3,000 Gallons	\$15.66	\$20.47	\$17.20	\$16.47	\$0.20
5,000 Gallons	\$15.66	\$20.47	\$22.00	\$21.33	\$0.26
10,000 Gallons	\$15.66	\$20.47	\$34.00	\$33.48	\$0.41

COMMISSIONERS:
ART GRAHAM, CHAIRMAN
LISA POLAK EDGAR
RONALD A. BRISÉ
EDUARDO E. BALBIS
JULIE I. BROWN

STATE OF FLORIDA



MARSHALL WILLIS, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

November 9, 2011

Mr. Richard & Mrs. Janet Lehn
6410 Terrace Court
Harrisburg, PA 17111

FPSC, CLK CORRESPONDENCE		
<input type="checkbox"/> Administrative	<input type="checkbox"/> Parties	<input checked="" type="checkbox"/> Consumer
DOCUMENT NO. 07426-11		
DISTRIBUTION:		

Re: Sunshine Utilities of Central Florida, Inc. - Docket No. 100048-WU

Dear Mr. & Mrs. Lehn:

100048-WU

Thank you for your letter in which you expressed your concerns about a rate increase petition filed by Sunshine Utilities of Central Florida, Inc. (Sunshine or Utility). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed in the correspondence section of the docket file for all to review.

With respect to the development of rates, the Commission is required to set rates that are just, reasonable, compensatory, and not unfairly discriminatory. To determine the appropriate rates for service, the Commission uses a rate of return methodology as set forth in Chapter 367, Florida Statutes (F.S.). Under the rate of return methodology, a utility is allowed to earn a reasonable return on its prudently invested property that is used and useful in serving the public, less accrued depreciation, plus an allowance for operating capital. This ratemaking process is used for all water and wastewater companies and is also used in the electric and gas industry. It is the same approach used throughout the country by various state and federal utility regulatory bodies.

There are many factors that affect the cost of providing service, and hence, the rates charged to customers. Some factors affecting the cost of providing service include: the size and age of the utility system; the quality of the water at its source; the number of customers; and the geographic spread of the service area. During a rate case, the Commission's accountants, engineers and economists examine the financial and engineering information filed by the Utility as part of its rate increase application. The Commission's auditors also examine this information and publish the results of their findings in an audit report. All costs found to be imprudent or unreasonable are disallowed.

With respect to the quality of water, pursuant to Rule 25-30.433(1), Florida Administrative Code, in every water and wastewater rate case, the Commission is required to determine the overall quality of service provided by a utility by evaluating three separate components of water operations. The components are (1) the quality of the utility's product; (2) the operating conditions of the utility's plant and facilities; and, (3) the utility's attempt to address customers' satisfaction. The Rule further states that sanitary surveys, outstanding citations, violations, and consent orders on file with the Department of Environmental Protection (DEP) and the County Health Department over the preceding three-year period shall be considered, along with input from the DEP and health department officials and consideration of customer comments or complaints. The Commission's engineers will determine the quality of service by addressing each of the three components.

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PSC Website: <http://www.floridapsc.com>

Internet E-mail: contact@psc.state.fl.us

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CLERK

Mr. Richard & Mrs. Janet Lehn

Page 2

November 9, 2011

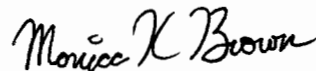
As part of its petition, Sunshine requested an interim rate increase in its water rates. In accordance with Section 367.082, F.S., the Commission is required to process Interim Rate Requests within 60 days of the filing. The Commission is required to allow the collection of rates sufficient for the Utility to earn the minimum of its approved range of rate of return. Due to the 60-day time frame to process the interim request, the statute dictates that the company need only make a prima facie showing that it is earning outside the allowed range of return established in Sunshine's previous rate case. The interim rate increase is subject to refund, plus interest based on the commercial paper rate, if the Commission finds that it is not warranted.

If you wish, you may take an additional opportunity to voice your concerns regarding this matter at the customer meeting to be held in your service area. You will be receiving a notice from Sunshine that provides information about the customer meeting.

The purpose of the customer meetings is to give customers and other interested persons an opportunity to offer comments to the Public Service Commission regarding the quality of service the utility provides and the proposed rate increase. Customers will also be given the opportunity to ask questions and make comments on other issues. Commission staff will be available to respond to customers' comments and questions and provide assistance if necessary.

We understand your concerns regarding the Utility's proposed rate increase and recognize that during these difficult economic times any increase in your utility bill would create additional financial hardship. I hope the above information has been helpful. If you have any additional questions, or require further assistance, please call me at (850) 413-6838 or e-mail me at mobrown@psc.state.fl.us.

Sincerely,



Monica Brown
Regulatory Analyst II

cc: Division of Economic Regulation (Maurey, Fletcher, Walden)
Office of the General Counsel (Jaeger)
Office of Commission Clerk (Docket No. 100048-WU)
Office of Public Counsel

CONSUMER

RECEIVED-FPSC
11 OCT -7 PM 1:08
COMMISSION
CLERK

Oct. 3, 2011

Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re. Rocket No. 100048 - WU

Gentlemen:

The water co-op of Ponderosa was charging \$12.⁰⁰ per month for water in the late 1990's. Immediately preceding the acquisition of this system by Sunshine Utilities, the rate was increased to \$15.⁰⁰ per month.

(A questioner here!) December, 2002, Sunshine changed the same rate of \$15.⁰⁰ per month until May 2008, when it increased to \$15.³⁵ per month. Another increase followed, not in December 2008, but in September 2009, to \$15.⁶⁶ per month.

Here we are October 2011, in bad economic times.

Sunshine now wants \$19.⁷⁵ per month for water that is not being used by a large percentage of home owners for 5 to 6 months out of the year because they reside in Florida only during the winter months.

CONSUMER

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

To top it off - I note the commission has approved
a rate of \$ 20.47 per month.

The system in Ponderosa Pines consists of 2 wells
and distribution by plastic pipes. Improvements
made by Sunshine include new valves and plastic
above ground boxes to house them.

We were promised meters at the time of their
acquisition, but it has not yet happened.

I respectfully submit this commission review
their request for increase which only now has come
to my attention on September 29, 2011.

Sincerely yours,

Richard T. Lehn

Account number 25097.0000

References enclosed

Cozy Sunshine Utilities

Sunshine Utilities

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

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

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FL 326

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RICHARD LEHN
6410 TERRACE CT
HARRISBU

T 322 NEE 1 B08I 00 12/11/08

LEHN
18647 SE 18TH ST
SILVER SPGS FL 34498-8483

BC: 34498848347 *2139-22944-09-35

171111+7054 344988483



NOTICE TO CUSTOMERS

Pursuant to section 367.081 (4)(b), Florida Statutes, water and wastewater utilities are permitted to pass through, without a public hearing, a change in rates resulting from: an increase or decrease in rates charged for utility services received from a governmental agency or another regulated utility and which services were redistributed by the utility to its customers; an increase or decrease in the rates that is charged for electric power, the amount of ad valorem taxes assessed against its used and useful property, the fees charged by the Department of Environmental Protection in connection with the National Pollutant Discharge Elimination System Program, or the regulatory assessment fees imposed upon it by the Commission; and cost incurred for water quality or wastewater quality testing required by the Department of Environmental Protection.

On October 6 2008, Sunshine Utilities of Central Florida, Inc. filed its notice of intention with the Florida Public Service Commission to Increase water rates in Marion County pursuant to this Statute. The filing is subject to review by the commission Staff for Accuracy and completeness. Water Rates will increase by approximately 2.0156 %. These rates should be reflected on your bill for service rendered on or after December 6, 2008.

If you should have any questions, please contact you local utility office. Be sure to have your account number handy for quick reference.

NOTICE TO CUSTOMERS

Pursuant to section 367.081 (4)(b), Florida Statutes, water and wastewater utilities are permitted to pass through, without a public hearing, a change in rates resulting from: an increase or decrease in rates charged for utility services received from a governmental agency or another regulated utility and which services were redistributed by the utility to its customers; an increase or decrease in the rates that is charged for electric power, the amount of ad valorem taxes assessed against its used and useful property, the fees charged by the Department of Environmental Protection in connection with the National Pollutant Discharge Elimination System Program, or the regulatory assessment fees imposed upon it by the Commission; and cost incurred for water quality or wastewater quality testing required by the Department of Environmental Protection.

On March 17, 2008, Sunshine Utilities of Central Florida, Inc. filed its notice of intention with the Florida Public Service Commission to increase water rates in Marion County pursuant to this Statute. The filing is subject to review by the commission Staff for Accuracy and completeness. Water Rates will increase by approximately 2.3253 %. These rates should be reflected on your bill for service rendered on or after May 17, 2008.

If you should have any questions, please contact your local utility office. Be sure to have your account number handy for quick reference.

NOTICE OF INTERIM RATE INCREASE

**SUNSHINE UTILITIES OF CENTRAL FLORIDA, INC.
PSC DOCKET NO. 100048-WU**

On August 9, 2011, the Florida Public Service Commission ("FPSC") voted to approve interim water rates for Sunshine Utilities of Central Florida, Inc. On August 26, 2011, the FPSC issued Order No. PSC-11-0358-PCO-WU authorizing the interim rates below. The interim rates will be collected subject to refund, pending the Florida Public Service Commission's final decision regarding water rates. If a refund is ordered, it will include interest based upon the Commission determined factors.

~~The rates prior to filing. The Utility's requested interim rates and the Commission approved interim rates are set forth below.~~

Sunshine Utilities of Central Florida, Inc. – Interim Water Rates

UNIFIED SYSTEMS

	Present Rates	Utility Requested Interim	Utility Requested Final	Commission Approved Interim
<u>General Service, Residential Service, Multi-Family</u>				
Base Facility Charge by Meter Size:				
5/8" x 3/4"	\$8.34	\$9.44	\$10.00	\$8.83
1"	\$20.82	\$23.57	\$24.00	\$22.04
1-1/2"	\$31.23	\$35.35	\$36.00	\$33.06
2"	\$41.65	\$47.15	\$50.00	\$44.09
3"	\$66.63	\$75.43	\$76.00	\$70.53
4"	\$133.47	\$151.09	\$152.16	\$141.28
6"	\$208.22	\$235.71	\$237.37	\$220.40
8"	\$416.47	\$471.44	\$474.78	\$440.83
<u>Gallonge Charge, per 1,000 Gallons</u>				
GS/RS/MRS-Gallonge Charge	\$2.04	\$2.31	\$2.40	\$2.16

PONDEROSA PINES

	Present Rates	Utility Requested Interim	Utility Requested Final	Commission Approved Interim
<u>General Service, Residential, Multi-Family</u>				
Flat Rate	\$15.66	\$19.75	\$0.00	\$20.47
Base Facility Charge by Meter Size:				
5/8" x 3/4"	\$0.00	\$0.00	\$10.00	\$0.00
1"	\$0.00	\$0.00	\$24.00	\$0.00
1-1/2"	\$0.00	\$0.00	\$36.00	\$0.00
2"	\$0.00	\$0.00	\$50.00	\$0.00
3"	\$0.00	\$0.00	\$76.00	\$0.00
4"	\$0.00	\$0.00	\$152.16	\$0.00
6"	\$0.00	\$0.00	\$237.37	\$0.00
8"	\$0.00	\$0.00	\$474.78	\$0.00
<u>Gallage Charge, per 1,000 Gallons</u>				
GS-Gallage Charge	\$0.00	\$0.00	\$2.40	\$0.00

Written comments regarding the Utility's service or the requested final rate increases may be sent to the Commission at the following address:

Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

All comments should refer to Docket No. 100048-WU which is the docket number that has been assigned to this case.

The interim rates will be effective September 30, 2011. if you have any questions. Please call the Utility's office at 352-347-8228. Be sure to have your account number on hand for quick reference.

Sunshine Utilities of Central Florida, Inc.

L Richard & Janet Lehn
6410 Terrace Court
Harrisburg, PA 17111

HARRISBURG PA 171

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Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oaks Boulevard
Tallahassee, FL 32399-0850

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