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STATE OF FLORIDA



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

Public Service Commission

January 9, 2012

Pinecrest Ranches, Inc.
Attn: Mr. Mike Smallridge
6115 Highway 60 East.
Bartow, FL 33830

Re: Docket No. 090414-WU, completion of appropriate adjustments to the primary accounts and tariff application for phase II rates required by Order No. PSC-10-0681-PAA-WU. In addition, staff is requesting cost documentation for pro forma plant improvements.

Dear Mr. Smallridge:

Pursuant to Order No. PSC-10-0681-PAA-WU, issued November 15, 2010, and consummated by Order No. PSC-11-0510-CO-SU, issued on November 1, 2011, Pinecrest Ranches, Inc. (Pinecrest or Utility), is required to "provide proof within 90 days of the final order [Consummating Order] issued in this docket that the appropriate adjustments for all the applicable NARUC USOA [National Association of Regulatory Utility Commissioners Uniform System of Accounts] primary accounts" had been made. The Consummating Order was issued on December 9, 2010, such proof should have been submitted no later than March 9, 2011. Enclosed is a copy of an accumulated plant and depreciation schedule reflecting year end balances at June 30, 2009.

Please provide the required documentation concerning appropriate adjustments to the primary accounts by January 23, 2012. Failure to provide the required information by that date could result in staff proceeding with a show cause recommendation pursuant to Section 367.161, Florida Statutes (F.S.). Pursuant to paragraph 367.161(2), F.S., if a utility "is found to have refused to comply with, or to have willfully violated, any lawful rule or order of the Commission . . . a penalty for each offense of not more than \$5,000" may be imposed by the Commission." That same paragraph further states: "Each day that such refusal or violation continues constitutes a separate offense." Therefore, the utility faces fines of up to \$5,000 per day for each day it fails to comply with Order No. PSC-10-0681-PAA-WU.

In addition, the final order required the Utility to complete pro forma plant improvements within 12 months of the issuance of the Consummating Order. On December 11, 2011, staff received an engineering letter certifying refurbishment of the hydropneumatic tank has been completed; however, invoices documenting the actual cost was not provided. The Utility may not implement the phase II rates until the appropriate documentation has been provided. Once all documentation has been provided, please submit the revised tariff pages for staff's approval.

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DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

Mr. Smallridge
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January 9, 2012

Enclosed are examples of revised tariffs for this Utility. Although staff has prepared revised tariffs for this Utility, it is the Utility's responsibility to make sure all tariffs submitted to the Commission are complete and accurate. A copy of the customer notice informing the Utility's customers of the Commission's approved increase must also be submitted for staff's review and approval. Once approved, the notice must be mailed to the Utility's customer prior to the Utility charging the new rates. Further, the Utility may not charge the new rates prior to the stamped effective date shown on the tariff sheets. Staff has included an example of a Commission approved customer notice.

Pinecrest should submit its tariff packet in order to implement the phase II rates authorized by the Commission. Please mail the cost documentation and revised tariff pages with a copy of the proposed customer notice to:

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

Please provide the required information and cost documentation by January 23, 2012. If you have any questions, please contact Lydia Roberts at (850) 413-6877 or e-mail lroberts@psc.state.fl.us.

Sincerely,



Lydia Roberts
Regulatory Analyst II
Division of Economic Regulation

LR
Enclosures (4)

cc: Division of Economic Regulation (Roberts, Daniel, Hudson, Maurey, Fletcher, Simpson)
Office of General Counsel (Jaeger)
Office of Commission Clerk (Docket No. 090414-WU)

Docket No. 090414-WU, Pinecrest Ranches, Inc.
Commission Approved Balances per Order No. PSC-10-0681-PAA-WU for year end
6/30/2009

WATER

<u>ACCOUNT</u>	<u>Depr. Rate Per Rule 25-30.140</u>	<u>DESCRIPTION</u>	<u>Debit PLANT 12/31/2008</u>	<u>Credit ACCUM. DEPR. 12/31/2008</u>
301	2.50%	Organization	\$0	\$0
304	3.70%	Structures	\$5,753	\$4,056
307	3.70%	Wells & Spring	\$11,466	\$6,848
309	3.13%	Supply Mains	\$2,840	\$1,819
310	5.88%	Power Generation Equipment	\$0	\$0
311	6.67%	Pumping Equipment	\$8,216	\$7,953
320	14.29%	Water Treatment Equipment	\$630	\$630
330	3.03%	Storage Tank	\$11,448	\$7,804
331	2.63%	Trans & Dist. Mains - Pipes	\$100,737	\$43,457
333	2.86%	Service to Customers	\$15,363	\$8,689
334	5.88%	Meters	\$20,543	\$7,162
335	2.50%	Fire Hydrant	\$8,444	\$2,859
		Total	<u>\$185,440</u>	<u>\$91,278</u>

Debit	Credit
CIAC AMORT. <u>12/31/2008</u>	CIAC <u>12/31/2008</u>
\$60,164	\$100,352

NOTICE

**TO CUSTOMERS OF PINECREST RANCHES, INC.
AND ALL OTHER INTERESTED PERSONS**

DOCKET NO: 090414-WU
ORDER NO : PSC-10-0681-PAA-WU
ISSUED : November 15, 2010

Notice is hereby given that the Florida Public Service Commission approved an increase in water rates for Pinecrest Ranches, Inc. (Pinecrest or Utility) via the above-referenced order. The Commission approved rates are as follows:

	UTILITY'S EXISTING <u>RATES</u>	COMMISSION APPROVED <u>Phase II</u>
<u>Residential and General Service</u>		
<u>Meter Size:</u>		
5/8" x 3/4"	\$13.17	\$14.14
3/4"	\$19.76	\$21.21
1"	\$32.93	\$35.35
1 1/2"	\$65.85	\$70.70
2"	\$105.36	\$113.12
3"	\$210.72	\$226.24
4"	\$329.25	\$353.50
6"	\$658.50	\$707.00
Per 1,000 gallons	\$3.97	\$4.26

The rates shall be effective for service rendered as of the Commission's stamped approval date on the tariff sheets provided the customers have received notice.

If the effective date of the new rates falls within a regular billing cycle, the initial bills at the new rate may be prorated. The old charges shall be prorated based on the number of days in the billing cycle before the effective date of the new rates. The new charges shall be prorated based on the number of days in the billing cycle on or after the effective date of the new rates. If you have any questions about your bill, please call the Utility at (863) 559-7997.

NAME OF COMPANY: PINECREST RANCHES, INC.

WATER TARIFF

GENERAL SERVICE
RATE SCHEDULE GS

AVAILABILITY - Available throughout the area served by the Company.
APPLICABILITY - For water service to all customers for which no other schedule applies.
LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.
BILLING PERIOD - Monthly

<u>RATE</u> -	<u>Meter Size:</u>	<u>Base Facility Charge:</u>
	5/8" x 3/4"	\$14.14
	3/4"	\$21.21
	1"	\$35.35
	1 1/2"	\$70.70
	2"	\$113.12
	3"	\$226.24
	4"	\$353.50
	6"	\$707.00
	<u>Gallage Charge</u> Per 1,000 Gallons	\$4.26

MINIMUM BILL - The applicable base facility charge per month.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty-one (21) days. After five (5) working days' written notice is mailed to the customer separate and apart from any other bill, service may then be discontinued.

EFFECTIVE DATE -

TYPE OF FILING - Staff-Assisted Rate Case

Norman Duncan
ISSUING OFFICER

President
TITLE

NAME OF COMPANY: PINECREST RANCHES, INC.

WATER TARIFF

RESIDENTIAL SERVICE
RATE SCHEDULE (RS)

- AVAILABILITY - Available throughout the area served by the Company.
- APPLICABILITY - For water service to all customers for which no other schedule applies.
- LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD - Monthly

<u>RATE</u> -	<u>Meter Size:</u>	<u>Base Facility Charge:</u>
	5/8" x 3/4"	\$14.14
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Norman Duncan
ISSUING OFFICER

President
TITLE