

Shawna Senko

From: Amy Williams <awilliams@uswatercorp.net>
Sent: Wednesday, December 18, 2013 4:03 PM
To: Filings@psc.state.fl.us
Subject: Sunny Hills Utility Company in regards to Docket No. 130172-WU
Attachments: SHUC Ltr. 10-01-13 Docket #130172-WU App of Transfer.pdf

FPSC,

Please allow this submission on behalf of Sunny Hills Utility Company in regards to Docket No. 130172-WU.

Any questions or concerns please feel free to contact my office directly at (727) 848-8292 ext. 239

Thank You,

Amy N. Williams

Enterprise Systems - Accounting Admin

U.S. Water Services Corporation

4939 Cross Bayou Blvd.

New Port Richey, FL 34652-3434

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SUNNY HILLS UTILITY COMPANY

October 31, 2013

Ms. Ann Cole, Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RE: FPSC Letter Dated October 1, 2013 Concerning Docket No 130172-WU Application for Approval of Transfer – Deficiency Letter in Response to Our Letter Dated: August 26, 2013

Ms. Cole:

Below are the responses to Mr. Tom Ballinger's Letter:

Deficiencies:

- 1: The Utility has not assumed any non-regulated operations or entities.
- 2: There are no considerations between the parties as it relates to any obligations.
- 3: There were no guaranteed revenue contracts and one developer agreements with Deltona Corporation. This agreement is attached.
- 4: The utility has taken steps to acquire the income tax returns from Aqua. Aqua has agreed to provide these returns upon approval of transfer. The Utility is in agreement.

Additional Information:

1. Schedules:

Schedule 1.1(d). There was no Scheduled 1.1(d). This letter will serve as Buyer shall not assume any obligations of Seller under any contract, agreement, commitment, lease, certificate, order, notice, permit or other instrument, whether oral, written, express or implied.

2. Other:

At this time the Utility requests the FPSC staff review the information provided. The Utility at this time feels the information provided is sufficient for the purposes of the Transfer.

Respectfully,


Gary A. Deremer
President Sunny Hills Utility Company
5320 Captains Court
New Port Richey, FL 34652

5320 Captains Court, New Port Richey, FL 34652
Mailing: 4939 Cross Bayou Boulevard, New Port Richey, FL 34652
Tel: (866) 753-8292 Fax: (727) 848-7701

Sunny Hills Utility Company
Proposed Operating Proforma
Revision: 6/3/13
2013-2016

| | 04/01/13-03/31/14 | 04/01/14-03/31/15 | 04/01/15-03/31/16 | Total for all categories | |
|---|----------------------|----------------------|----------------------|--------------------------|--|
| | Sunny Hills | Sunny Hills | Sunny Hills | | |
| System Revenues | | | | | |
| Water Revenues: | \$ 313,196.00 | \$ 316,641.16 | \$ 320,124.21 | \$ 949,961.36 | |
| Wastewater Revenues: | \$ 108,891.00 | \$ 110,088.80 | \$ 111,299.78 | \$ 330,279.58 | |
| Other Revenues: | \$ 10,626.00 | \$ 10,626.00 | \$ 10,626.00 | \$ 31,878.00 | |
| Index on WTR/WST Revenues (Aqua 2012): | \$ 4,220.87 | \$ 4,220.87 | \$ 4,267.30 | \$ 12,709.04 | |
| Index = 1.1% | \$ 4,689.39 | \$ 4,740.46 | \$ 4,792.60 | \$ 14,222.45 | Note: 1.1% Utilized as Annual Index |
| Proposed Rate Increase | \$ - | \$ - | \$ - | \$ - | |
| Total Utility Revenues: | \$ 441,623.26 | \$ 446,317.29 | \$ 451,109.89 | \$ 1,339,050.43 | |
| Operating Expenses: | | | | | |
| USW O & M Customer Service & Billing - Water | \$ 199,536.95 | \$ 203,926.76 | \$ 208,413.15 | \$ 611,876.86 | Anticipate CPI 2.2% Annually |
| USW O & M Customer Service & Billing - Wastewater | \$ 75,371.90 | \$ 77,030.08 | \$ 78,724.74 | \$ 231,126.73 | Anticipate CPI 2.2% Annually |
| Officer Salaries | \$ 14,400.00 | \$ 14,400.00 | \$ 14,400.00 | \$ 43,200.00 | |
| Chemicals | \$ 10,916.24 | \$ 10,916.24 | \$ 10,916.24 | \$ 32,748.72 | |
| Sludge | \$ 2,000.00 | \$ 2,000.00 | \$ 2,000.00 | \$ 6,000.00 | |
| Bad Debt | \$ 8,832.47 | \$ 8,926.35 | \$ 9,022.20 | \$ 26,781.01 | Estimated - Trends with Revenue |
| Purchase Water | \$ - | \$ - | \$ - | \$ - | |
| Purchased Power | \$ 26,581.00 | \$ 27,378.43 | \$ 28,199.78 | \$ 82,159.21 | Anticipated Annual Increase of 3% Annually |
| Insurance | \$ 3,000.00 | \$ 3,000.00 | \$ 3,000.00 | \$ 9,000.00 | |
| Rents (land, etc. | \$ - | \$ - | \$ - | \$ - | |
| Sunshine Locates | \$ 500.00 | \$ 500.00 | \$ 500.00 | \$ 1,500.00 | |
| Misc. Expenses | \$ 4,416.23 | \$ 4,463.17 | \$ 4,511.10 | \$ 13,390.50 | Estimated - Trends with Revenue |
| SCADA/Phones | \$ 1,200.00 | \$ 1,200.00 | \$ 1,200.00 | \$ 3,600.00 | |
| Total Direct Operating Expenses | \$ 346,754.79 | \$ 353,741.03 | \$ 360,887.21 | \$ 1,061,383.04 | |
| Net Operating Revenues Before Other Deductions | \$ 94,868.47 | \$ 92,576.25 | \$ 90,222.68 | \$ 277,667.40 | |
| | | | | \$ - | |

Sunny Hills Utility Company
Proposed Operating Proforma
Revision: 6/3/13
2013-2016

| | 04/01/13-03/31/14 | 04/01/14-03/31/15 | 04/01/15-03/31/16 | Total for all categories | |
|---|---------------------|---------------------|---------------------|--------------------------|--|
| | Sunny Hills | Sunny Hills | Sunny Hills | | |
| Allowances for Other Deductions: | | | | \$ - | |
| Legal | \$ 3,000.00 | \$ 3,000.00 | \$ 3,000.00 | \$ 9,000.00 | |
| FPSC Fee: | \$ 19,873.05 | \$ 20,084.28 | \$ 20,299.95 | \$ 60,257.27 | |
| Other Taxes: | \$ 65,083.00 | \$ 65,083.00 | \$ 65,083.00 | \$ 195,249.00 | |
| Assumed Ad Valorem Tax deduction | \$ - | \$ - | \$ - | \$ - | |
| Bank Fees | \$ 50.00 | \$ 50.00 | \$ 50.00 | \$ 150.00 | |
| Intrest Cost | \$ - | \$ - | \$ - | \$ - | |
| Federal Accounting | \$ 2,500.00 | \$ 2,500.00 | \$ 2,500.00 | \$ 7,500.00 | |
| Total Cost: | \$ 90,506.05 | \$ 90,717.28 | \$ 90,932.95 | \$ 272,156.27 | |
| | | | | \$ - | |
| | | | | \$ - | |
| Total Available Funds: | \$ 4,362.42 | \$ 1,858.97 | \$ (710.27) | \$ 5,511.13 | Prior to Depreciation and Possible CIP |
| | | | | \$ - | |
| Less Estimated Depreciation/R & R Replacement | \$ - | \$ - | \$ - | \$ - | Pending PSC Adj |
| Net Operations | \$ 4,362.42 | \$ 1,858.97 | \$ (710.27) | \$ 5,511.13 | |

Depreciation Estimated