

Jumper Creek Utility Company

August 1, 2014

DATE DEPOSIT

AUG 06 2014 4 59

CHK# 1024
\$400.00
8-5-14

Office of Commission Clerk
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

Re: Application of Jumper Creek Utility Company for Staff Assisted Rate Case in Sumter County

Dear Commission Clerk,

Please find attached Jumper Creek Utility Company's (Jumper Creek) application for a staff assisted rate case (SARC) in Sumter County.

Jumper Creek purchased the water and wastewater systems from Aqua Utilities Florida, Inc. in March 2013. The transfer was approved by the Public Service Commission in Order No. PSC-14-0299-PAA-WS, issued June 11, 2014. This utility company has never had a rate proceeding before the Commission since it received its grandfather certificate in 1988 in Order No. 19848, issued August 22, 1988. Since Jumper Creek purchased these systems during 2013, the utility is requesting a test year ending June 30, 2014 to reflect a full 12 months of operation under the new ownership.

Due to the used and useful adjustments to both its water and wastewater systems, Jumper Creek resulting Rate Bases are both negative. Since the utility has a resulting negative rate base, Jumper Creek requests it be allowed to recover an operating ratio on its Operation and Maintenance (O&M) expenses. This is consistent with past Commission practice, see Order No. PSC-96-0357-FOF-WU, issued March 13, 1996. For the test year ending June 30, 2014, the adjusted rate base for Jumper Creek was (\$1,549) for water and (\$105,334) for wastewater, primarily due to the non-used and useful adjustments. The adjusted O&M expenses for the requested test year were \$19,327 for water and \$24,368 for wastewater. Finally, based on the adjusted amounts in Jumper Creek's supporting workpapers, the net operating loss for this test year were (\$10,424) for water and (\$423) for wastewater.

Jumper Creek is requesting that its requested overall rate of return (ROR) of 8.52% be applied to its test year O&M expenses to allow an operating margin to be recovered through its requested rates.

Jumper Creek is also requesting interim rates in order for it to recover its O&M expenses during the pendency of this proceeding and to minimize the regulatory lag associated with the processing of the SARC. Based on Commission practice for Class C utilities, the interim rates would allow Jumper Creek to cover its test year O&M expenses.

In support of its requested rate increase, Jumper Creek provides the following information attached to this letter:

1. Commission Application for Staff Assisted Rate Case Form PSC/AFD 2-W;
2. Jumper Creek's supporting schedules for requested test year ending June 30, 2014 including:
 - a. Schedule 1-A – Water Rate Base

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COMMISSION CLERK
RECEIVED-FPSC