

150209-WS

THE WOODS UTILITY COMPANY

September 16, 2015

DATE DEPOSIT

CK# 1079

SEP 22 2015 5 8 2

\$ 400.00

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

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FPSC - COMMISSION CLERK

RECEIVED-FPSC
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COMMISSION CLERK

Re: Application of The Woods Utility Company for Staff Assisted Rate Case in Sumter County

Dear Commission Clerk,

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

The Woods 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-14-0300-PAA-WS, issued June 11, 2014. The last full file and suspend rate proceeding for these water systems was in Docket No. 100330-WS, utilizing a test year ending April 30, 2010, which culminated in Order No. PSC-12-0102-FOF-WS, issued March 5, 2012. Since The Woods purchased these systems during 2013, the utility is requesting a test year ending July 15, 2015 which reflects a full 12 months of operation under the new ownership.

In addition, these systems were previously grouped together in "Rate Bands" under the Commission approved rate structure for its previously owner, Aqua Utilities Florida, Inc. (AUF). Under the grouping of Rate Bands, the less efficient systems were grouped together with more efficient systems in order to provide subsidies through the rate structure. Since AUF sold the majority of its systems, primarily the more efficient systems, to the Florida Governmental Utility Authority (FGUA), the subsidies previously being received to The Woods systems no longer exists. The Woods has worked diligently to lower the operating costs, as well as the capital needs in order to delay the need for rate relief.

For the test year ending July 31, 2015, the adjusted rate base for The Woods was \$38,524 for water and \$22,209 for wastewater, primarily due to the negative acquisitions adjustments. The adjusted Operating Expenses for the requested test year were \$48,990 for water and \$41,311 for wastewater. Finally, based on the adjusted amounts in The Woods' supporting workpapers, the net operating loss for this test year were (\$8,614) for water and (\$2,279) for wastewater.

The Woods is requesting that its requested overall rate of return (ROR) of 7.66% be applied to its test year rate base amounts. In addition, both the water treatment plant and the wastewater treatment plant were both found to be 100% used and useful in Order No. PSC-12-0102-FOF-WS, issued March 5, 2012. Although the water distribution and wastewater collection systems were found to be 76% and 71% used and useful, the systems are built out with no potential of growth in the service territory. Therefore, the distribution and collection systems should be considered 100% used and useful.

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