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# Public Service Commission

November 19, 2015

Mr. Dennis Fabris  
VIA EMAIL

**Re: Docket No. 150102-SU - Application for an increase in wastewater rates in Charlotte County by Utilities, Inc. of Sandalhaven**

Dear Mr. Fabris:

Thank you for your letter in which you expressed concerns regarding wastewater leaching from the percolation ponds and the requested rate increase filed by Utilities, Inc. of Sandalhaven (Sandalhaven). To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

We understand your concerns regarding Sandalhaven's requested rate increase. With respect to the development of rates, the Commission is required to set rates that are just, reasonable, compensatory, and not unfairly discriminatory as dictated by Chapter 367, Florida Statutes. During a rate case, the Commission's accountants, engineers, and economists examine the utility's financial and engineering information to make a recommendation to the Commissioners.

In your letter you also brought up the issue of effluent from the percolation ponds leaching into the surrounding area. Staff's analysis of this issue will be discussed in its recommendation. It appears that the failure of the percolation ponds, which resulted in the effluent getting into the surrounding area, was an unexpected event, and one that required significant time and resources to both isolate and correct. As you may be aware, the wastewater treatment plant (including the percolation ponds) is no longer in use and is being decommissioned, which should prevent the Fiddlers Green neighborhood from experiencing such problems in the future.

Furthermore, in your letter you indicate that you are charged the current base facility charge while not in residence. The utility's rate structure consists of a base facility and gallonage charge. Under the base facility charge rate structure, the base facility charge is designed to recover the fixed costs of the utility. Consequently, those costs do not change even though a customer may be out of residence. Therefore, pursuant to Rule 25-30.335(9), Florida Administrative Code, if the utility utilizes the base facility and usage charge rate structure and does not have a Commission authorized

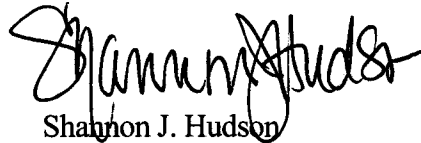
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vacation rate, the utility shall bill the customer the base facility charge regardless of whether there is any usage.

Staff filed the recommendation on November 18, 2015, in Docket No. 150102-SU and is available on the Commission's website at [www.floridapsc.com](http://www.floridapsc.com). The Commissioners are scheduled to vote on staff's recommendation on December 3, 2015. Hopefully, this letter addresses your concerns. If you have any additional questions, or require assistance, please feel free to contact Sonica Bruce at (850) 413-6994 or by email at [sbruce@psc.state.fl.us](mailto:sbruce@psc.state.fl.us).

Sincerely,



Shannon J. Hudson  
Economic Supervisor  
Division of Economics

cc: Office of Commission Clerk (Docket No. 150102-SU)  
Office of Public Counsel