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DIVISION OF
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ANDREW L. MAUREY
DIRECTOR
(850) 413-6900

Public Service Commission

January 21, 2016

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2016 JAN 21 PM 3:35
COMMISSION
CLERK

Glenn Finnan
69 Golf Club Drive
Key West, FL 33040

Re: Docket No. 150071-SU - Application for increase in wastewater rates in Monroe County by KW Resort Utilities Corp.

Dear Mr. Finnan:

Thank you for your letter expressing your concerns about the rate increase petition filed by KW Resort Utilities Corp. (KW or utility). 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.

Many factors affect the rate adjustment or cost of providing wastewater service. These factors can include the following: the size and age of the utility system, the number of customers, and the geographic spread of the service area. Additional components for KW include the modification of its wastewater treatment plant and additional upgrades which are necessary in order to comply with the Department of Environmental Protection. Commission staff conducts a thorough analysis of these factors in order to write a recommendation, regarding the proposed rate increase, for the Commissioners to consider.

Rates are increased relative to a utility's revenue requirement and are designed in order to allow a utility the opportunity to recover its reasonable and prudent costs for providing service and a reasonable rate of return on its investment in facilities necessary to provide such wastewater service.

We appreciate your letter and understand your concerns regarding the proposed rate increase. The Commission also understands that these are difficult economic times for so many people. I hope the above information is helpful.

Mr. Finnan
Page 2
January 21, 2016

If you have any additional questions, or require further assistance, please call me at (850) 413-6534 or email me at Dfrank@psc.state.fl.us.

Sincerely,



David Frank
Public Utility Analyst

cc: Division of Accounting and Finance (Bulecza-Banks, Norris, Fletcher, Galloway)
Division of Engineering (Hill, King)
Division of Economics (Thompson)
Office of Commission Clerk (Docket No. 150071-SU)