

COMMISSIONERS:
JULIE I. BROWN, CHAIRMAN
LISA POLAK EDGAR
ART GRAHAM
RONALD A. BRISÉ
JIMMY PATRONIS

STATE OF FLORIDA



OFFICE OF COMMISSION CLERK
CARLOTTA S. STAUFFER
COMMISSION CLERK
(850) 413-6770

Public Service Commission

August 5, 2016

RECEIVED-FPSC
2016 AUG -5 PM 4: 16
COMMISSION
CLERK

Mr. Troy Rendell
Manager of Regulated Utilities
North Charlotte Waterworks, Inc.
c/o 4939 Cross Bayou Boulevard
New Port Richey, FL 34652

Re: Docket No. 160185-WS, Application for staff-assisted rate case in Charlotte and DeSoto Counties by North Charlotte Waterworks, Inc.

Dear Mr. Rendell:

I am in receipt of your letter dated July 18, 2016, with enclosed application and filing fee (check no. 1017 in the amount of \$400.00), for a staff assisted rate case in Charlotte and DeSoto Counties, by North Charlotte Waterworks, Inc. Apparently this mailing was misdelivered and held up at another location, and it was received in my office today.

I understand that, because your original letter had not been received by the Commission, you sent a subsequent letter with filing fee, dated August 1, 2016, via certified mail. Docket No. 160185-WS has been opened as a result.

Enclosed herewith is your original July 18, 2016 letter requesting a staff assisted rate case, with accompanying filing fee (check no. 1017).

I am very sorry for the inconvenience. Please contact our office if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Carlotta S. Stauffer".

Carlotta S. Stauffer
Commission Clerk

/css

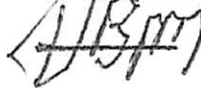
Enclosure

North Charlotte Waterworks, Inc.

July 18, 2016

Check received with filing and forwarded
to Fiscal for deposit. Fiscal to forward
deposit information to Records.

Initials of person who forwarded check:



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

COMMISSION
CLERK

2016 AUG -5 PM 1:07

RECEIVED-FPSC

*Re: Application for Staff Assisted Rate Case (SARC) in Charlotte and DeSoto
Counties by North Charlotte Waterworks, Inc.*

Dear Commission Clerk,

North Charlotte Waterworks, Inc. (North Charlotte) submits its application for a staff assisted rate case (SARC) in Charlotte and DeSoto Counties by North Charlotte Waterworks, Inc. Currently North Charlotte only provides water and wastewater services to customers located within Charlotte County.

Need for Rate Relief

Sun River Utilities, Inc. filed a Notice of Abandonment on December 10, 2015. Docket No. 150264-WS was established to process the abandonment. Subsequently, North Charlotte entered into an Asset Purchase Agreement (APA) with Sun River Utilities, Inc. on January 22, 2016. The closing of the sales transaction took place on February 5, 2016. Subsequently, Sun River Utilities filed a Rescission of Notice of Abandonment on February 5, 2016. North Charlotte's application for a transfer of certificates is currently before the Commission in Docket No. 160058-WS.

This utility has experienced significant net operating losses for numerous years. As indicated in the 2012, 2013 and 2014 Annual Reports of Sun River Utilities, the utility has experienced significant net operating losses of (\$76,009), (\$57,299) and (\$55,887), respectively. Due to the financial situation of the utility, North Charlotte has no alternative to file for this staff assisted rate case in order to establish financial stability and meet its required obligations for continued quality of water and wastewater services to its customers. The last SARC for this utility was in 2006 in Docket No. 050587-WS. Thus this utility has not had a rate case in ten (10) years.

As indicated in the attached SARC application, North Charlotte has selected the calendar year ending 2015, with adjustments for post test year expenses under the new ownership. The application contains several adjustments which will subsequently be explained below to reflect the continued operations under the new ownership. The adjustments reflect an overall reduction of operation and maintenance expenses of (\$15,610) for water and (\$21,411) for wastewater from the previous owner. These reductions in expenses reflect the efficiency obtained under the new ownership of the utility on a going forward basis.