

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: January 9, 2019

TO: Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

FROM: Margo A. DuVal, Senior Attorney, Office of the General Counsel *MD* *TU*

RE: Docket No. 20140220-WU - Application for staff-assisted rate case in Polk County by Sunrise Utilities, L.L.C.

Attached, please find a Notice of Noncompliance, dated June 12, 2018. This Notice was issued to Sunrise Utilities, L.L.C., on June 12, 2018. Staff intended to file this document in the above-referenced docket file at that time as well. Please place this document in the "Documents" section of Docket No. 20140220-WU. Please let me know if you have any questions.

COMMISSIONERS:
ART GRAHAM, CHAIRMAN
JULIE I. BROWN
DONALD J. POLMANN
GARY F. CLARK
ANDREW GILES FAY

STATE OF FLORIDA



OFFICE OF THE GENERAL COUNSEL
KEITH C. HETRICK
GENERAL COUNSEL
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Public Service Commission

NOTICE OF NONCOMPLIANCE

June 12, 2018

Mr. Stuart Sheldon
Sunrise Utilities, L.L.C.
20 West Tropical Way
Ft. Lauderdale, FL 33317
stuart@hmoskowitcpa.com

via Email, U.S. Mail, and Certified Mail

Mr. Leslie Szabo
Sunrise Utilities, L.L.C.
P.O. Box 2608
Eaton Park, FL 33840
l.szabo@rogers.com

Re: Sunrise Utilities, L.L.C. – Noncompliance with Sections 350.113, 367.081, 367.111, 367.145, and 367.156, Florida Statutes, Rules 25-22.032, 25-30.110, 25-30.120, 25-30.125, 25-30.130, 25-30.135, 25-30.145, 25-30.261, 25-30.265, 25-30.267, 25-30.311, 25-30.320, 25-30.330, 25-30.335, and 25-30.355, Florida Administrative Code, and Order PSC-16-0126-PAA-WU, and possible implementation of show cause proceedings against Sunrise Utilities, L.L.C., pursuant to Section 367.161, Florida Statutes.

Dear Sirs:

Section 367.011, Florida Statutes (F.S.), provides that under Chapter 367, F.S., the Florida Public Service Commission (Commission) shall have exclusive jurisdiction over each water and wastewater utility with respect to its authority, service, and rates. In June 2017, the Commission's Office of Auditing and Performance Analysis published its Management Audit of Alturas Utilities, L.L.C. and Sunrise Utilities, L.L.C. (Management Audit).¹ A review of the Management Audit, Commission records, and information received by Commission staff indicates that Sunrise Utilities, L.L.C. (Sunrise or Utility) may be in noncompliance with several

¹ See Attachment A - Management Audit of Alturas Utilities, L.L.C. and Sunrise Utilities, L.L.C.

Commission-related statutes and rules, along with Order No. PSC-16-0126-PAA-WU.² If a utility fails to comply with Commission statutes, rules, and/or orders, Section 367.161, F.S., authorizes the Commission to take enforcement action, including the collection of penalties or revocation of a utility's certificate of authorization. Section 367.161, F.S., provides:

- (1) If any utility, by any authorized officer, agent, or employee, knowingly refuses to comply with, or willfully violates, any provision of this chapter or any lawful rule or order of the commission, such utility shall incur a penalty for each such offense of not more than \$5,000, to be fixed, imposed, and collected by the commission. However, any penalty assessed by the commission for a violation of s. 367.111(2) shall be reduced by any penalty assessed by any other state agency for the same violation. Each day that such refusal or violation continues constitutes a separate offense. Each penalty shall be a lien upon the real and personal property of the utility, enforceable by the commission as statutory liens under chapter 85. The proceeds from the enforcement of any such lien shall be deposited into the General Revenue Fund.

- (2) The commission has the power to impose upon any entity that is subject to its jurisdiction under this chapter and that is found to have refused to comply with, or to have willfully violated, any lawful rule or order of the commission or any provision of this chapter a penalty for each offense of not more than \$5,000, which penalty shall be fixed, imposed, and collected by the commission; or the commission may, for any such violation, amend, suspend, or revoke any certificate of authorization issued by it. Each day that such refusal or violation continues constitutes a separate offense. Each penalty shall be a lien upon the real and personal property of the entity, enforceable by the commission as a statutory lien under chapter 85. The collected penalties shall be deposited into the General Revenue Fund unallocated.

This Notice of Noncompliance addresses Sunrise's apparent violations of: (1) Section 367.111(2), F.S., for failure to provide safe, efficient, and sufficient service; (2) Section 367.081, F.S., for charging unauthorized rates; (3) Order No. PSC-16-0126-PAA-WU, for failure to complete Commission-ordered corrective actions; (4) Sections 350.113 and 367.145, F.S., and Rule 25-30.120 Florida Administrative Code (F.A.C.), for failure to submit Regulatory Assessment Fees; (5) Rule 25-30.110, F.A.C., for failure to submit its Annual Report; (6) Section 367.156(1), F.S., for failure to provide Commission staff with access to the Utility's records; (7) Rule 25-30.311, F.A.C., for failure to properly handle customer deposits; (8) Rule 25-30.320, F.A.C., for improperly refusing or discontinuing service to customers; (9) Rules 25-22.032, 25-30.130, and 25-30.355, F.A.C., for failure to properly handle customer complaints; (10) Rule 25-

² See Attachment B - Order No. PSC-16-0126-PAA-WU, issued March 28, 2016, in Docket No. 20140220-WU, *In re: Application for staff-assisted rate case in Polk County by Sunrise Utilities, L.L.C.*

30.335, F.A.C., for improper customer billing practices; (11) Rules 25-30.261, 25-30.265, and 25-30.267, F.A.C., for failure to properly read, inspect, and test its meters and failure to maintain its records of meter tests; (12) Rule 25-30.330, F.A.C., for failure to provide information to customers; and (13) Rule 25-30.125, F.A.C., for failure to maintain system maps and records.

In compliance with Section 120.695(2)(a), F.S., Sunrise's apparent noncompliance with the Commission's statutes, rules, and Order No. PSC-16-0126-PAA-WU is outlined below:

1. Safe, Efficient, and Sufficient Service

Applicable Law

Pursuant to Section 367.111(2), F.S., each water and wastewater utility subject to the Commission's jurisdiction shall provide each person reasonably entitled thereto such safe, efficient, and sufficient service as is prescribed by Part VI of Chapter 403, F.S., known as the Florida Safe Drinking Water Act, or rules adopted pursuant thereto. Section 367.111(2), F.S., further provides that such service shall not be less safe, less efficient, or less sufficient than is consistent with the approved engineering design of the system and the reasonable and proper operation of the utility in the public interest.

Factual Allegations

On or about January 14, 2016, Sunrise entered into a Consent Order (2016 Consent Order) with the Florida Department of Health in Polk County (Health Department) for overdue maintenance of one of Sunrise's hydro pneumatic holding tanks.³

The Health Department issued a Notice of Violation and Orders for Corrective Action on or about October 18, 2016, for violations of Chapter 62, F.A.C.⁴

On or about March 29, 2017, Sunrise entered into a Consent Order (2017 Consent Order) with the Health Department, requiring Sunrise to perform a specific, immediate reconfiguration of its water treatment plant and to replace both of its hydro pneumatic tanks with a single 5,000-gallon hydro pneumatic tank by September 30, 2017.⁵ The 2017 Consent Order further conveyed that the breakdown and unauthorized repair of one of Sunrise's hydro pneumatic tanks means that Sunrise's Community Public Water System (PWS) no longer meets the standards of Rules 62-555.330(3) and 62-555.330(4), F.A.C., which implement the Florida Safe Drinking Water Act.⁶

On March 23, 2018, the Health Department filed a Petition for Enforcement of Agency Action (Petition) in the Circuit Court of the Tenth Judicial Circuit in Polk County.⁷ In its

³ See Attachment A & Attachment C –Health Department's Petition for Enforcement of Agency Action and Verified Complaint for Injunctive Relief.

⁴ See Attachment C.

⁵ See Attachment C.

⁶ See Attachment C.

⁷ See Attachment C.

Petition, the Health Department stated that on June 6, 2017, it issued Sunrise a permit for replacement of the two drinking water tanks and other structural and capital improvements; however, Sunrise has failed to complete any further steps towards compliance with the 2017 Consent Order and continues to willfully operate its Community Water System in violation of Florida law and the 2017 Consent Order.⁸ The Health Department further averred that:

[Sunrise] continues to jeopardize the public health of its [c]ustomers by failing to upgrade its facility in accordance with the [2017] Consent Order and maintain it according to [Florida Department of Environmental Protection] [r]ules and standards. [Sunrise's] failure to replace the drinking water tanks, or to otherwise bring the PWS into compliance, has put at significant and urgent risk the continuous and uninterrupted delivery of safe drinking water to its [c]ustomers.⁹

Based on the foregoing, it appears that Sunrise may be operating in violation of Section 367.111(2), F.S., because the Utility may not be providing each person reasonably entitled thereto such safe, efficient, and sufficient service as is prescribed by the Florida Safe Drinking Water Act.

Corrective Action Required

In order to bring itself into compliance with Section 367.111(2), F.S., Sunrise must immediately satisfy the requirements of the 2017 Consent Order. If Sunrise does not satisfy the requirements of the 2017 Consent Order by July 12, 2018, Commission staff will open an enforcement docket to initiate a show cause proceeding against Sunrise.

Should Sunrise be found in violation of Commission statutes, rules, and/or orders, the Commission may impose fines of up to \$5,000 per violation, for each day the violation continues, levied as a statutory lien upon the real and personal property of the Utility, or the Commission may amend, suspend, or revoke Sunrise's certificate of authorization, pursuant to Section 367.161, F.S.

2. Charging Unauthorized Rates

Applicable Law

Pursuant to Section 367.081, F.S., a utility may only charge rates and charges that have been approved by the Commission. Furthermore, Rule 25-30.135(2), F.A.C., imparts that no utility may modify or revise its schedule of rates and charges until the utility files and receives approval from the Commission for any such modification or revision.

⁸ See Attachment C.

⁹ See Attachment C.

Factual Allegations

Based on information received by Commission staff, it appears that Sunrise may be charging its customers a rate or charge that has not been approved by the Commission. Additionally, it appears that Sunrise may have modified or revised its schedule of rates and charges without first obtaining the approval of the Commission.

Based on the foregoing, it appears that Sunrise may be operating in violation of Section 367.081, F.S., and Rule 25-30.135(2), F.A.C., because the Utility may be charging unapproved rates and/or charges and may have modified and/or revised its schedule of rates and charges without Commission approval.

Corrective Action

In order to bring itself into compliance with Section 367.081, F.S., and Rule 25-30.135(2), F.A.C., Sunrise must immediately cease charging its customers any rates or charges that have not been approved by the Commission and must immediately rescind any unauthorized modifications or revisions made to its schedule of rates and charges. Additionally, Sunrise must immediately provide Commission staff with its customers' bills and payment history for the present billing period and for the past twelve months' billing periods, along with the Utility's billing register for the past year, so that staff may fully assess Sunrise's compliance with the statute and rule. If Sunrise does not perform the aforementioned actions and/or does not submit the requested documents by July 12, 2018, Commission staff will open an enforcement docket to initiate a show cause proceeding against Sunrise.

Should Sunrise be found in violation of Commission statutes, rules, and/or orders, the Commission may impose fines of up to \$5,000 per violation, for each day the violation continues, levied as a statutory lien upon the real and personal property of the Utility, or the Commission may amend, suspend, or revoke Sunrise's certificate of authorization, pursuant to Section 367.161, F.S.

3. Order No. PSC-16-0126-PAA-WU

Applicable Law

Pursuant to Section 367.011(2), F.S., the Commission has exclusive jurisdiction over each water and wastewater utility with respect to its authority, service, and rates. Pursuant to Section 367.161, F.S., if any utility knowingly refuses to comply with, or willfully violates, an order of the Commission, such utility shall incur a penalty for each such offense of not more than \$5,000, to be fixed, imposed, and collected by the Commission.

Factual Allegations

By Order No. PSC-16-0126-PAA-WU, issued on March 28, 2016, the Commission ordered Sunrise to complete the following corrective actions:

1. File six monthly status reports, beginning April 15, 2016, to provide the status of its progress in meeting the requirements of the Polk County Health Department Consent Order.
2. File written documentation by December 31, 2016, showing that Sunrise owns or has the right to continued long-term use of the land upon which its treatment facilities are located. File six monthly status reports, beginning April 15, 2016, to provide the status of its progress to correct the land ownership issue.
3. File documentation by December 31, 2016, showing that pro forma trihalomethane and haloacetic acid tests have been completed, including a copy of the test results and final invoices.
4. File six monthly status reports, beginning April 15, 2016, to provide the status of its contractual service providers, including the name and position of each contractual service provider currently providing services for the Utility.
5. Continue working on complying with Rule 25-30.311, F.A.C. Complete customer deposit refunds within three months of the issuance of the Order becoming final. Reconcile its customer deposit accounts and records within a reasonable time. Provide monthly reports, beginning April 15, 2016, until it has satisfactorily refunded the appropriate amount of customer deposits and applied the appropriate interest on customer deposits.
6. Notify the Commission in writing, within 90 days of the effective date of the final order, that the adjustments for all applicable NARUC USOA primary accounts, as shown on Schedule No. 5, have been made to the Utility's books and records.¹⁰

A review of the Management Audit and Commission records indicates that Sunrise apparently failed to: (1) provide documentation showing that pro forma trihalomethane and haloacetic acid tests have been completed, thereby preventing Commission staff from verifying actual testing expenses; (2) provide the status of its contractual service providers, including the name and position of each contractual service provider currently providing services for the Utility, in six monthly status reports, beginning April 15, 2016; and (3) reconcile its customer deposit accounts and records and provide monthly reports, beginning April 15, 2016, until it satisfactorily refunded the appropriate amount of customer deposits and applied the appropriate interest on customer deposits.¹¹ Additionally, although Sunrise provided a written statement confirming that adjustments for all applicable NARUC USOA primary accounts had been made to the Utility's books and records, Commission staff's review of the Utility's 2016 Annual Report indicates that Sunrise failed to properly adjust its books and records to reflect the Commission-approved balances.¹²

¹⁰ See Attachment B.

¹¹ See Attachment A.

¹² See Attachment A.

Based on the foregoing, it appears that Sunrise may be operating in violation of Order No. PSC-16-0126-PAA-WU, because the Utility has not completed one or more corrective actions required by the Order.

Corrective Action Required

In order to bring itself into compliance with Order No. PSC-16-0126-PAA-WU, Sunrise must immediately: (1) provide Commission staff with documentation showing that pro forma trihalomethane and haloacetic acid tests have been completed, including a copy of the test results and final invoices; (2) provide Commission staff with the status of the Utility's contractual service providers, including the name and position of each contractual service provider currently providing services for the Utility; (3) reconcile its customer deposit accounts and records and provide Commission staff with documentation exhibiting that such reconciliation has occurred; and (4) adjust the Utility's books and records to reflect the Commission-approved balances pursuant to Order No. PSC-16-0126-PAA-WU and provide Commission staff with documentation exhibiting that such adjustments have been made. If Sunrise does not complete the aforementioned activities and/or does not provide Commission staff with the aforementioned information by July 12, 2018, Commission staff will open an enforcement docket to initiate a show cause proceeding against Sunrise.

Should Sunrise be found in violation of Commission statutes, rules, and/or orders, the Commission may impose fines of up to \$5,000 per violation, for each day the violation continues, levied as a statutory lien upon the real and personal property of the Utility, or the Commission may amend, suspend, or revoke Sunrise's certificate of authorization, pursuant to Section 367.161, F.S.

4. Regulatory Assessment Fees

Applicable Law

Pursuant to Sections 350.113 and 367.145, F.S., and Rule 25-30.120, F.A.C., each regulated company under the jurisdiction of the Commission shall pay to the Commission a Regulatory Assessment Fee (RAF) based upon the gross operating revenues for the prior year operating period. Rule 25-30.120, F.A.C., requires that utilities pay a RAF of 4.5 percent of its gross revenues derived from intrastate business, or a minimum of \$25.00 if there are no revenues or if revenues are insufficient to generate above the \$25.00 minimum. Section 350.113(4), F.S., provides for a penalty of 5 percent for the first 30 days, and an additional penalty of "5 percent for each additional 30 days or fraction thereof during the time in which the failure continues, not to exceed a total penalty of 25 percent," and states that "[t]he commission shall collect the fee and penalty, plus interest and all costs of collection, from the regulated company." Further, Section 367.145(1)(b), F.S., and Rule 25-30.120(7)(b), F.A.C., state that, in addition to the penalties and interest otherwise provided, the Commission may impose a penalty upon a utility for failure to pay RAFs in a timely manner in accordance with Section 367.161, F.S.

Factual Allegations

In November 2014, Sunrise negotiated a payment plan with Commission staff to resolve delinquent RAFs for the years 2009, 2012, and 2013.¹³ Sunrise agreed to submit monthly payments of \$250 to the Commission beginning November 2014 and continuing until the balance of outstanding RAFs are paid in full, including penalties and interest.¹⁴ Sunrise also agreed to remit its 2014 RAF by March 31, 2015.¹⁵ Furthermore, Sunrise agreed that failure by Sunrise to submit two consecutive payments timely shall be considered a breach of the payment plan that results in the automatic acceleration of the balance of any unpaid RAFs, penalties, and interest for the years 2009, 2012, and 2013, making them immediately due.¹⁶

Commission records indicate that Sunrise owes statutory penalties and interest for the years 2009, 2012, and 2013.

Commission records further indicate that Sunrise failed to submit its RAFs for the years 2015, 2016, and 2017.

Based on the foregoing, it appears that Sunrise defaulted on its payment plan and may be operating in violation of Sections 350.113 and 367.145, F.S., and Rule 25-30.120, F.A.C., as the Utility is not submitting its monthly payments as agreed to pursuant to the 2014 payment plan. Additionally, it appears that Sunrise may be operating in violation of Sections 350.113 and 367.145, F.S., and Rule 25-30.120, F.A.C., as the Utility failed to submit its RAFs for 2015, 2016, and 2017.

Because it appears that Sunrise defaulted on its payment plan, the balance of any unpaid RAFs, penalties, and interest for the years 2009, 2012, and 2013 are now immediately due. Furthermore, because Sunrise failed to submit its 2015, 2016, and 2017 RAFs, statutory penalties and interest are also immediately due. As of June 12, 2018, the total amount Sunrise owes, plus associated penalties and interest, is \$20,543.93. A breakdown of the amount is shown in the table enclosed with this letter, labeled as Attachment E.¹⁷ Commission staff notes that penalties and interest will continue accruing until Sunrise provides payment in full. Therefore, the total amount Sunrise owes may become greater than \$20,543.93.

Corrective Action Required

In order to bring itself into compliance with Sections 350.113 and 367.145, F.S., and Rule 25-30.120, F.A.C., Sunrise must immediately submit **payment in full** for the RAFs, penalties, and interest for the years 2009, 2012, 2013, 2015, 2016, and 2017. As of June 12, 2018, the total amount Sunrise owes is **\$20,543.93**. **However, Sunrise should contact Margo DuVal at 850-413-6076 or mduval@psc.state.fl.us to obtain an updated balance prior to**

¹³ See Attachment A & Attachment D – 2014 Payment Plan.

¹⁴ See Attachment D.

¹⁵ See Attachment D.

¹⁶ See Attachment D.

¹⁷ See Attachment E – RAF Payment History & Balance Table.

submitting its payment. If payment is not received in full by July 12, 2018, Commission staff will open an enforcement docket to initiate a show cause proceeding against Sunrise.

Should Sunrise be found in violation of Commission statutes, rules, and/or orders, the Commission may impose fines of up to \$5,000 per violation, for each day the violation continues, levied as a statutory lien upon the real and personal property of the Utility, or the Commission may amend, suspend, or revoke Sunrise's certificate of authorization, pursuant to Section 367.161, F.S.

5. Annual Reports

Applicable Law

Section 367.121(1)(c) and (i), F.S., authorizes the Commission to require utilities subject to its jurisdiction to file such regular financial reports it deems necessary. Rule 25-30.110(3), F.A.C., provides that each utility under the jurisdiction of the Commission shall file an Annual Report on or before March 31st, for the preceding year ending December 31st. Rule 25-30.110(3)(c), F.A.C., provides that a utility's request for an extension of time must be submitted no later than March 31st. The standard penalty for delinquent Annual Reports is \$3 per day for a Class C utility, pursuant to Rule 25-30.110(7), F.A.C.

Factual Allegations

A review of Commission records indicates that, as of June 12, 2018, Sunrise has not submitted its 2017 Annual Report. Additionally, as of June 12, 2018, Sunrise has not submitted a request for an extension of time to submit its 2017 Annual Report. Sunrise has a history of failing to timely submit its Annual Reports to the Commission; however, in previous years, the Utility eventually brought itself into compliance by submitting its Annual Reports and the appropriate late fees prior to its failure to submit its 2017 Annual Report.¹⁸

Based on the foregoing, it appears that Sunrise may be operating in violation of Rule 25-30.110(3), F.A.C., as the Utility failed to submit its 2017 Annual Report and failed to timely request an extension of time to submit its 2017 Annual Report.

Because Sunrise failed to timely submit its 2017 Annual Report, penalties are also due. As of June 12, 2018, the total amount Sunrise currently owes for failing to timely submit its 2017 Annual Report is **\$219.00**. A breakdown of the amount is shown in the table in below.

YEAR	DATE DUE	DATE SUBMITTED	DAYS LATE	PENALTY (\$3 per day)
2017	03/31/2018	N/A	73	\$219.00

¹⁸ See Attachment A.

Commission staff notes that penalties will continue accruing until Sunrise provides payment in full. Therefore, the total amount Sunrise owes may become greater than \$219.00.

Corrective Action Required

In order to bring itself into compliance with Rule 25-30.110(3), F.A.C., Sunrise must immediately submit its 2017 Annual Report, along with penalties. As of June 12, 2018, the total amount Sunrise currently owes for failing to timely submit its 2017 Annual Report is **\$219.00**. **However, Sunrise should contact Margo DuVal at 850-413-6076 or mduval@psc.state.fl.us to obtain an updated balance prior to submitting its payment.** If payment is not received in full by July 12, 2018, Commission staff will open an enforcement docket to initiate a show cause proceeding against Sunrise.

Should Sunrise be found in violation of Commission statutes, rules, and/or orders, the Commission may impose fines of up to \$5,000 per violation, for each day the violation continues, levied as a statutory lien upon the real and personal property of the Utility, or the Commission may amend, suspend, or revoke Sunrise's certificate of authorization, pursuant to Section 367.161, F.S.

6. Access to Records

Applicable Law

Pursuant to Section 367.156(1), F.S., the Commission shall continue to have reasonable access to all utility records regarding transactions or cost allocations among the utility and such records necessary to ensure that a utility's ratepayers do not subsidize nonutility activities. Rule 25-30.145, F.A.C., addresses the reasonable access to utility records for the purposes of management and financial audits. Specifically, Rule 25-30.145(2), F.A.C., states that reasonable access means that a utility's responses to audit requests for access to records shall be fully provided within the time frame established by the auditor.

Factual Allegations

Commission staff initiated its management audit of Sunrise in November 2016, and published its opinion and findings in June 2017.¹⁹ During the course of the audit, Commission staff auditors requested access to various Sunrise records, including supporting documentation for meters replaced, copies of meter reading logs, and customer bills.²⁰

A review of the Management Audit and Commission records indicates that Sunrise's management failed to provide the requested records to Commission staff.²¹

¹⁹ See Attachment A.

²⁰ See Attachment A.

²¹ See Attachment A.

Based on the foregoing, it appears that Sunrise may be operating in violation of Section 367.156(1), F.S., because the Utility may be preventing the Commission from having reasonable access to all Utility records necessary to ensure that the Utility's ratepayers are not subsidizing nonutility activities. It further appears that Sunrise may be operating in violation of Rule 25-30.145(2), F.A.C., because the Utility failed to provide responses to audit requests for access to records within the time frame established by the auditor.

Corrective Action Required

In order to bring itself into compliance with Section 367.156(1), F.S., and Rule 25-30.145(2), F.A.C., Sunrise must immediately provide Commission staff with access to its documentation for meters replaced, copies of meter reading logs, and customer bills. If Sunrise does not provide Commission staff with access to its documentation for meters replaced, copies of meter reading logs, and customer bills by July 12, 2018, Commission staff will open an enforcement docket to initiate a show cause proceeding against Sunrise.

Should Sunrise be found in violation of Commission statutes, rules, and/or orders, the Commission may impose fines of up to \$5,000 per violation, for each day the violation continues, levied as a statutory lien upon the real and personal property of the Utility, or the Commission may amend, suspend, or revoke Sunrise's certificate of authorization, pursuant to Section 367.161, F.S.

7. Customer Deposits

Applicable Law

Rule 25-30.311, F.A.C., contains the criteria for collecting, administering, and refunding customer deposits. Rule 25-30.311(3), F.A.C., requires that a utility that holds customer deposits shall keep records to show the name of each customer making the deposit, the premises occupied by the customer when the deposit was made, the date and amount of deposit, and a record of each transaction concerning such deposit. Rule 25-30.311(4), F.A.C., requires that each water and wastewater utility that requires deposits to be made by its customers shall pay a minimum interest on such deposits of 2 percent per annum. Furthermore, Rule 25-30.311(5), F.A.C., requires that the utility shall refund the residential customer's deposits after a customer has established a satisfactory payment record and has had continuous service for a period of 23 months.

Factual Allegations

Pursuant to Order No. PSC-16-0126-PAA-WU, the Commission noted that Sunrise failed to properly record the amount of each deposit, failed to pay the appropriate amount of interest on customer deposits, and failed to refund residential customer deposits after 23 months, in violation of Rule 25-30.311, F.A.C.²² The Commission further found that Sunrise was moving

²² See Attachment B.

forward to make corrective actions to resolve the issues regarding the customer deposits.²³ Therefore, the Commission stated that enforcement action against Sunrise was not warranted at that time.²⁴ However, Sunrise was put on notice that if the Utility did not resolve the customer deposit errors within a reasonable time and/or its deposit records were found to be out of compliance with Commission regulations in the future, Sunrise may be subject to a show cause proceeding.²⁵

A review of the Management Audit and Commission records indicates that Sunrise failed to comply with Commission audit staff's request to provide customer deposit records.²⁶

Based on the foregoing, it appears that Sunrise may still be operating in violation of Rule 25-30.311, F.A.C., because the Utility may still be failing to properly record the amount of each deposit, failing to pay the appropriate amount of interest on customer deposits, and failing to refund residential customer deposits after 23 months.

Corrective Action Required

In order to bring itself into compliance with Rule 25-30.311, F.A.C., Sunrise must immediately provide Commission staff with: (1) a copy of Sunrise's Current Customer Deposit Report that shows all customer deposits that are currently being held by the Utility; (2) a copy of all Transaction Reports that show interest payments made to customers from August 2015 through May 2018; (3) a copy of customer billing documentation that demonstrates that each customer whose deposit is currently being held and has been held in excess of 23 months met one or more of the conditions outlined in Rule 25-30.311(5), F.A.C.; and (4) a copy of the calculations and billing documentation that were used to calculate any additional deposits that were charged from November 2016 through May 2018 pursuant to Rule 25-30.311(7), F.A.C. If Sunrise does not submit its customer deposit records and all other requested documents by July 12, 2018, Commission staff will open an enforcement docket to initiate a show cause proceeding against Sunrise.

Should Sunrise be found in violation of Commission statutes, rules, and/or orders, the Commission may impose fines of up to \$5,000 per violation, for each day the violation continues, levied as a statutory lien upon the real and personal property of the Utility, or the Commission may amend, suspend, or revoke Sunrise's certificate of authorization, pursuant to Section 367.161, F.S.

²³ See Attachment B.

²⁴ See Attachment B.

²⁵ See Attachment B.

²⁶ See Attachment A.

8. Refusal or Discontinuance of Service

Applicable Law

Pursuant to Rule 25-30.320, F.A.C., a utility has the right to refuse or discontinue a customer's service under several specified conditions. Rule 25-30.320(2)(g), F.A.C., provides that a utility must provide at least 5 working days' written notice, apart from any bill for service, before it refuses or discontinues service to a customer for nonpayment of bills.

Factual Allegations

Pursuant to Order No. PSC-16-0126-PAA-WU, the Commission stated that, based on its review, Sunrise appeared to be in violation of Rule 25-30.320, F.A.C.²⁷

A review of the Management Audit and Commission records indicates that the Commission has received one or more complaints regarding allegations of wrongful disconnections of service.²⁸ The Management Audit further reflects that it appears that customers may be disconnected in error as a result of errors in meter reading, customer billing, notices of disconnection, and customer payment processing operations.²⁹

A review of customer complaints received by the Commission after March 31, 2017 through June 12, 2018, indicates that Sunrise may be continuing its apparent practice of improperly refusing or discontinuing service to customers. In particular, it appears that Sunrise may have provided less than 5 days' written notice of refusal or discontinuance of service for nonpayment of a bill and may have refused or discontinued service for reasons other than those permitted by the Commission's rules.³⁰ Although it appears that the affected customers' service has been restored, Sunrise has exhibited a pattern of apparent noncompliance with the provisions of Rule 25-30.320, F.A.C.³¹

Based on the foregoing, it appears that Sunrise may be operating in violation of Rule 25-30.320, F.A.C., because the Utility may still be improperly refusing or discontinuing service to its customers.

Corrective Action Required

In order to bring itself into compliance with Rule 25-30.320, F.A.C., Sunrise must immediately cease its apparent practice of improperly refusing or discontinuing service to its customers, if it has not already done so. Accordingly, Sunrise must provide Commission staff with a written statement confirming that the Utility has ceased its apparent practice of improperly refusing or discontinuing service to its customers. Furthermore, Sunrise must provide

²⁷ See Attachment B.

²⁸ See Attachment A.

²⁹ See Attachment A.

³⁰ See Attachment F – Customer Complaints.

³¹ See Attachment F.

Commission staff with: (1) a copy of all disconnection notices that were sent to Sunrise's customers from June 2017 through May 2018; (2) a copy of each delinquent customer bill that resulted in a disconnection notice being sent that shows the date the bill was issued and the date the payment was due; (3) a copy of Sunrise's bill payment records that indicate the date each delinquent bill was paid; and (4) a copy of each customer's subsequent bill or Sunrise's billing records that show all miscellaneous service charges that were charged to those customers due to the delinquent bills and disconnections. If Sunrise does not cease its apparent practice of improperly refusing or discontinuing service to its customers and/or does not provide the requested documents to Commission staff by July 12, 2018, Commission staff will open an enforcement docket to initiate a show cause proceeding against Sunrise.

Should Sunrise be found in violation of Commission statutes, rules, and/or orders, the Commission may impose fines of up to \$5,000 per violation, for each day the violation continues, levied as a statutory lien upon the real and personal property of the Utility, or the Commission may amend, suspend, or revoke Sunrise's certificate of authorization, pursuant to Section 367.161, F.S.

9. Customer Complaints

Applicable Law

Pursuant to Rule 25-30.130(1), F.A.C., each water and wastewater utility shall maintain a record of each signed, written complaint received from any of that utility's customers. Rule 25-30.130(2), F.A.C., requires that the record include the name and address of the complainant, the nature of the complaint, the date received, the result of the investigation, the disposition of the complaint, and the date of the disposition of the complaint.

Pursuant to Rule 25-30.355(1), F.A.C., water and wastewater utilities shall make a full and prompt acknowledgement and investigation of all customer complaints and shall respond fully and promptly to all customer requests. Rule 25-30.355(3), F.A.C., requires that water and wastewater utilities must reply to inquiries by the Commission's staff within 15 days from the date of the inquiry and shall be in writing, if requested.

Rule 25-22.032(6)(b), F.A.C., states that a utility must respond to a customer complaint received by the Commission by contacting the customer within 15 working days after receiving the complaint from Commission staff and providing a written response to the complaint to Commission staff within 15 working days after receiving the complaint from Commission staff. Further, Rule 25-22.032(6)(c), F.A.C., provides that a utility's response to Commission staff shall include an explanation of the likely cause of the problem, an explanation of all actions taken to resolve the complaint, an explanation of the utility's resolution or proposed resolution of the complaint, answers to any specific questions raised by Commission staff, and any letters or emails sent to the customer that contain the utility's proposed resolution or statement of position on the complaint.

Factual Allegations

A review of the Management Audit and Commission records indicates that Sunrise failed to comply with Commission audit staff's request to provide a written description of the current processes for handling, responding to, and documenting resolution of customer calls or letters regarding issues and complaints received directly by the Utility.³² Additionally, a review of the Management Audit and Commission records indicates that, from 2011 through March 31, 2017, Sunrise apparently failed to respond to 23 customer complaints within the required 15 working days after receiving the complaint from Commission staff.³³ Furthermore, the Management Audit indicates that Sunrise's responses to customer complaints often appear to lack thoroughness, contain argumentative statements, and fail to provide available documentation.³⁴

A review of customer complaints received by the Commission after March 31, 2017 through June 12, 2018, indicates that Sunrise apparently failed to respond to Commission staff regarding 1 or more customer complaints within the required 15 working days, and may have failed to contact customers within 15 working days after receiving the complaint from Commission staff on 1 or more complaints.³⁵ Moreover, Sunrise's responses appear to often lack thoroughness, contain argumentative statements, and fail to provide documentation.³⁶

Pursuant to Order No. PSC-16-0126-PAA-WU, the Commission noted that a show cause proceeding may be initiated against the Utility should Sunrise continue to show a pattern of non-responsiveness to the Commission's inquiries.³⁷

Based on the foregoing, it appears that Sunrise may be operating in violation of Rule 25-30.130, F.A.C., because the Utility may not be maintaining a record of complaints in compliance with the Commission's rules. Moreover, although it appears that the Utility has provided responses to customer complaints and related Commission staff inquiries, Sunrise has exhibited a pattern of apparent noncompliance with the provisions of Rules 25-30.355 and 25-22.032, F.A.C., as it often provides responses that appear to be untimely, incomplete, argumentative, and lacking available documentation.

Corrective Action Required

In order to bring itself into compliance with Rule 25-30.130, F.A.C., Sunrise must immediately begin maintaining a record of complaints that conforms with the rule. In order to bring itself into compliance with Rules 25-30.355 and 25-22.032, F.A.C., Sunrise must begin providing customers and Commission staff with timely complaint responses that are thorough and contain the appropriate documentation. Additionally, Sunrise must provide Commission staff with a written description of its current processes for handling, responding to, and documenting resolution of customer calls or letters regarding issues and complaints received

³² See Attachment A.

³³ See Attachment A.

³⁴ See Attachment A.

³⁵ See Attachment F.

³⁶ See Attachment F.

³⁷ See Attachment B.

directly by the Utility. Sunrise must also provide Commission staff with a copy of its records of all customer complaints received directly by the Utility from June 2017 through May 2018, including documentation showing the Utility's responses to those customers and actions taken to resolve the complaints. If Sunrise does not begin maintaining an appropriate record of complaints, does not begin providing customers and Commission staff with appropriate responses to customer complaints, and/or does not provide the requested information to Commission staff by July 12, 2018, Commission staff will open an enforcement docket to initiate a show cause proceeding against Sunrise.

Should Sunrise be found in violation of Commission statutes, rules, and/or orders, the Commission may impose fines of up to \$5,000 per violation, for each day the violation continues, levied as a statutory lien upon the real and personal property of the Utility, or the Commission may amend, suspend, or revoke Sunrise's certificate of authorization, pursuant to Section 367.161, F.S.

10. Customer Billing

Applicable Law

Rule 25-30.335, F.A.C., outlines the appropriate methods by which a water or wastewater utility should conduct its customer billing practices. Rule 25-30.335(1), F.A.C., provides that a water or wastewater utility shall render customer bills at regular intervals and that each bill shall indicate the billing period covered, the applicable rate schedule, the beginning and ending meter reading, the amount of the bill, the delinquent date or the date after which the bill becomes past due, and any authorized late payment charge. Rule 25-30.335(2)(a), F.A.C., requires a utility to prominently show the word "Estimated" on the face of an estimated bill statement. Further, Rule 25-30.335(4), F.A.C., states that a utility may not consider a customer delinquent in paying his or her bill until the 21st day after the utility has mailed or presented the bill for payment.

Factual Allegations

A review of the Management Audit and Commission records indicates that Sunrise failed to comply with Commission audit staff's request to review a broad sample of customer bills to fully assess adherence with Rule 25-30.335, F.A.C.³⁸ Additionally, the Management Audit indicates that Sunrise may fail to provide required information on its customer bills and fails to inform customers if their bill is estimated.³⁹

A review of customer complaints received after March 31, 2017 through June 12, 2018, indicates that Sunrise's customer billing practices may still be out of compliance with Rule 25-30.335, F.A.C., as it appears that Sunrise may have provided at least one delinquency notice prior to the 21st day after the Utility mailed or presented the bill for payment.⁴⁰

³⁸ See Attachment A.

³⁹ See Attachment A.

⁴⁰ See Attachment F.

Based on the foregoing, it appears that Sunrise may be operating in violation of Rule 25-30.335, F.A.C., because the Utility may not be providing required information on its customer bills, may not be informing customers if their bill is estimated, and may be issuing improper delinquency notices.

Corrective Action Required

In order to bring itself into compliance with Rule 25-30.335, F.A.C., Sunrise must immediately begin including the required information on its customer bills, must immediately begin informing customers if their bill is estimated, and must immediately cease issuing improper delinquency notices. Sunrise must also submit the following documentation to Commission staff so that staff may fully assess Sunrise's compliance with the rule: (1) a copy of all customer bills that were estimated from June 2017 through May 2018; (2) a copy of any additional documentation that was provided to those customers to inform each of them that their bill was estimated; and (3) documentation stating the reason why each of those bills was estimated and a description of any actions taken by the Utility to resolve the issue(s) that made it necessary to estimate each of those bills. If Sunrise does not perform the aforementioned actions and/or does not submit the requested documents by July 12, 2018, Commission staff will open an enforcement docket to initiate a show cause proceeding against Sunrise.

Should Sunrise be found in violation of Commission statutes, rules, and/or orders, the Commission may impose fines of up to \$5,000 per violation, for each day the violation continues, levied as a statutory lien upon the real and personal property of the Utility, or the Commission may amend, suspend, or revoke Sunrise's certificate of authorization, pursuant to Section 367.161, F.S.

11. Meters

Applicable Law

Rule 25-30.261(1), F.A.C., states that water and wastewater utilities must read their service meters at regular intervals and, insofar as practicable within regularly scheduled work days, on the corresponding day of each meter reading period. Further, Rule 25-30.261(2), F.A.C., imparts that water and wastewater utilities must read the register of each meter in the same units that the utility uses for billing purposes, except that a water meter may register in gallons or in cubic feet.

Pursuant to Rule 25-30.265, F.A.C., each utility shall inspect and test a representative sample of its meters in service at least once every 10 years for 5/8" size meters. Additionally, Rule 25-30.267, F.A.C., requires that each utility is responsible for the preservation of the original records of all meter tests.

Factual Allegations

A review of the Management Audit and Commission records indicates that Sunrise failed to comply with Commission audit staff's request to review copies of its meter reading logs for

the three most recent billing cycles as of the audit.⁴¹ Furthermore, Commission staff's review of information gathered through the audit process, along with information provided in customer complaints, reflects that the Utility may not be performing its meter readings in compliance with Commission rules.⁴² Similarly, a review of the Management Audit indicates that Sunrise's responses to staff's data requests indicate that the Utility may not be inspecting and testing its meters or keeping records of such tests in compliance with Commission rules.⁴³

A review of customer complaints received after March 31, 2017 through June 12, 2018, indicates that Sunrise may not be reading its meters at regular intervals and may not be properly inspecting and testing its meters in service.⁴⁴

Based on the foregoing, it appears that Sunrise may be operating in violation of Rules 25-30.261, 25-30.265, and 25-30.267, F.A.C., because the Utility may not be reading its meters at regular intervals, may not be reading its meters in the appropriate units, may not be properly inspecting and testing its meters in service, and may not be appropriately preserving its original records of all meter tests.

Corrective Action Required

In order to bring itself into compliance with Rule 25-30.261, F.A.C., Sunrise must immediately begin reading its meters at regular intervals and in the appropriate units. Sunrise must also provide Commission staff with copies of its meter reading logs for the three most recent billing cycles so that staff may fully assess Sunrise's compliance with the rule. In order to bring itself into compliance with Rules 25-30.265, and 25-30.267, F.A.C., Sunrise must immediately begin properly inspecting and testing its meters in service and properly preserving its records of all meter tests. Sunrise must also provide Commission staff with a written description of its efforts to begin properly inspecting and testing its meters in service and properly preserving its records of all meter tests. Additionally, Sunrise must provide Commission staff with a copy of its meter records from June 2017 through May 2018 that document all meter inspections, meter tests, meter repairs, and meter replacements that were performed during that time. If Sunrise does not perform the aforementioned actions and/or does not submit the requested documents by July 12, 2018, Commission staff will open an enforcement docket to initiate a show cause proceeding against Sunrise.

Should Sunrise be found in violation of Commission statutes, rules, and/or orders, the Commission may impose fines of up to \$5,000 per violation, for each day the violation continues, levied as a statutory lien upon the real and personal property of the Utility, or the Commission may amend, suspend, or revoke Sunrise's certificate of authorization, pursuant to Section 367.161, F.S.

⁴¹ See Attachment A.

⁴² See Attachment A.

⁴³ See Attachment A.

⁴⁴ See Attachment F.

12. Information to Customers

Applicable Law

Pursuant to Rule 25-30.330, F.A.C., each water and wastewater utility shall provide its customers, on at least an annual basis, with telephone numbers for regular and after hours.

Factual Allegations

A review of the Management Audit and Commission records indicates that Sunrise does not appear to maintain a dedicated telephone line for regular hours.⁴⁵

A review of customer complaints received after March 31, 2017 through June 12, 2018, indicates that Sunrise still does not appear to provide its customers with a telephone number for customers to reach the Utility's representatives during regular business hours.⁴⁶

Based on the foregoing, it appears that Sunrise may be operating in violation of Rule 25-30.330, F.A.C., because the Utility may not be providing its customers with a telephone number for regular hours.

Corrective Action Required

In order to bring itself into compliance with Rule 25-30.330, F.A.C., Sunrise must immediately obtain and maintain a telephone number for regular hours and provide the number to the Utility's customers and Commission staff. If Sunrise does not obtain and maintain a telephone number for regular hours and/or does not provide the number to the Utility's customers and Commission staff by July 12, 2018, Commission staff will open an enforcement docket to initiate a show cause proceeding against Sunrise.

Should Sunrise be found in violation of Commission statutes, rules, and/or orders, the Commission may impose fines of up to \$5,000 per violation, for each day the violation continues, levied as a statutory lien upon the real and personal property of the Utility, or the Commission may amend, suspend, or revoke Sunrise's certificate of authorization, pursuant to Section 367.161, F.S.

13. System Maps and Records

Applicable Law

Pursuant to Rule 25-30.125, F.A.C., a utility shall maintain suitable maps, drawings, and/or records of its system and facilities at its principal office within the State of Florida. Additionally, the maps, drawings, and/or records must show size, location, character, date of installation and installed cost of major items of plant and extension of facilities.

⁴⁵ See Attachment A.

⁴⁶ See Attachment F.

Factual Allegations

A review of the Management Audit and Commission records indicates that during the processing of its recent staff-assisted rate case, Sunrise informed Commission staff that it did not possess system maps.⁴⁷ The Management Audit reflects that staff provided Sunrise with an outdated system map and requested that the Utility update it; however, Sunrise apparently returned the outdated map without making any corrections or updates.⁴⁸

Based on the foregoing, it appears that Sunrise may be operating in violation of Rule 25-30.125, F.A.C., because Sunrise may not be maintaining suitable water system maps, drawings, and/or records.

Corrective Action Required

In order to bring itself into compliance with Rule 25-30.125, F.A.C., Sunrise must immediately provide Commission staff with updated maps, drawings, and/or records of Sunrise's water system, and provide a statement that the updated maps, drawings, and/or records are being maintained at the Utility's principal office within the State of Florida. If Sunrise does not provide Commission staff with the aforementioned document(s) and statement by July 12, 2018, Commission staff will open an enforcement docket to initiate a show cause proceeding against Sunrise.

Should Sunrise be found in violation of Commission statutes, rules, and/or orders, the Commission may impose fines of up to \$5,000 per violation, for each day the violation continues, levied as a statutory lien upon the real and personal property of the Utility, or the Commission may amend, suspend, or revoke Sunrise's certificate of authorization, pursuant to Section 367.161, F.S.

⁴⁷ See Attachment A.

⁴⁸ See Attachment A.

Sunrise Utilities, L.L.C.
Notice of Noncompliance
June 12, 2018
Page 21

To summarize, as of June 12, 2018, the total amount Sunrise owes for past due RAFs, plus penalties and interest, for the years 2009, 2012, 2013, 2015, 2016, and 2017, is **\$20,543.93**. Furthermore, as of June 12, 2018, the total amount Sunrise owes for failing to submit its 2017 Annual Report is **\$219.00**. **However, Sunrise should contact Margo DuVal at 850-413-6076 or mduval@psc.state.fl.us to obtain updated balances prior to submitting its payments.** Payment in full, along with the requested documents and written responses, must be received by the Commission by **July 12, 2018**. Please also provide any mitigating information or circumstances related to Sunrise's apparent violations of the aforementioned Commission statutes, rules, and Order No. PSC-16-0126-PAA-WU.

If full payment and the requested documents and written responses are not received by **July 12, 2018**, Commission staff will open an enforcement docket to initiate a show cause proceeding against Sunrise. Should Sunrise be found in violation of Commission statutes, rules, and/or orders, the Commission may impose fines of up to \$5,000 per violation, for each day each violation continues, levied as a statutory lien upon the real and personal property of the Utility, or the Commission may amend, suspend, or revoke Sunrise's certificate, pursuant to Section 367.161, F.S. If necessary, the Commission may also seek injunctive or other appropriate relief in circuit court to compel Sunrise's compliance, pursuant to 367.121, F.S.

Should you have questions regarding the matters discussed herein, you may contact me at 850-413-6076 or mduval@psc.state.fl.us.

Sincerely,

/s/ Margo A. DuVal

Margo A. DuVal
Senior Attorney

MAD
Enclosures

cc: Office of Public Counsel (J.R. Kelly/Erik Saylor)
Office of Commission Clerk (20140220)

ATTACHMENT A



MANAGEMENT AUDIT OF
Alturas Utilities, L.L.C.
and
Sunrise Utilities, L.L.C.

JUNE 2017

BY AUTHORITY OF
The Florida Public Service Commission
Office of Auditing and Performance Analysis

MANAGEMENT AUDIT OF
Alturas Utilities, L.L.C.
and
Sunrise Utilities, L.L.C.

Cari Vinson
Public Utilities Supervisor

Jerry Hallenstein
Senior Analyst

Victor Cordiano
Engineering Specialist II

Office of Auditing and Performance Analysis
PA-16-11-005

June 2017

By Authority of
The State of Florida
Public Service Commission
Docket Nos. 140219-WU and 140220-WU

TABLE OF CONTENTS

Chapter	Page
1.0 Executive Summary	
1.1 Introduction and Audit Purpose	1
1.2 Audit Objectives and Scope	3
1.3 Audit Methodology and Standards	4
1.4 Audit Staff's Overall Opinion and Findings	5
2.0 Background and Perspective	
2.1 Changing Ownership and Management.....	7
2.2 Florida DEP/Polk County Health Department Compliance Issues	9
3.0 Compliance with Commission Rules	
3.1 Access to Utility Records	11
3.2 Customer Complaint Records	12
3.3 Customer Complaint Handling	13
3.4 Customer Deposits	16
3.5 Meter Tests and Record of Meter Tests.....	17
3.6 Meter Readings	18
3.7 System Maps and Records.....	20
3.8 Customer Billing.....	21
3.9 Service Disconnection	25
3.10 Refund-Rate Case Expenses	26
3.11 Regulatory Assessment Fees.....	26
3.12 Annual Reports	27
3.13 Quality of Service.....	28
4.0 Compliance with Commission Orders	
4.1 Reconciliation of Customer Deposits	31
4.2 Triaholomethane and Haloacetic Acid Tests	32
4.3 Monthly Reports on Status of Contractors.....	32
4.4 NARUC USOA Compliance.....	33
4.5 Monthly Reports on Status of Repairs	33
4.6 Resolution of Land Ownership	33
4.7 Rate Case Expenses Refund.....	34
4.8 Monthly Reports on Status of PCHD Consent Order.....	34
5.0 Falsified Documents Filed with the Commission	
5.1 Falsified Pro Forma Request.....	35
6.0 Company Comments	
6.1 Alturas and Sunrise Company Comments	37
7.0 Appendices	
7.1 Appendix A Sunrise Utilities – PSC Complaints	53
7.2 Appendix B Alturas Utilities – PSC Complaints.....	56

TABLE OF EXHIBITS

Exhibit	Page
1. Alturas and Sunrise Utilities Apparent Rule Violations 2016	14
2. Sunrise Utilities Customer Bill	24
3. Alturas and Sunrise Utilities Regulatory Assessment Fees Plus Penalties/Interest ...	27

1.0 Executive Summary

1.1 Introduction and Audit Purpose

Alturas Utilities, L.L.C. (Alturas) and Sunrise Utilities, L.L.C. (Sunrise) are Class C utilities serving water customers in Polk County, Florida. Both utilities have been operating under the Florida Public Service Commission's (FPSC or Commission) jurisdiction since 1997, when Polk County relinquished jurisdiction to the Commission subjecting water utilities to the rules and regulations of Chapter 25-30, Florida Administrative Code (F.A.C.). In addition, the utilities must provide water services that meet the Florida Department of Environmental Protection (DEP) primary and secondary drinking water quality standards.¹ The Commission approved the transfer of the two utilities to the present ownership in 2005.

Alturas' current water treatment plant was placed into service in 1952 and serves approximately 55 residential customers and 10 general service customers in Alturas, Florida. The utility's water supply is obtained from one well and treated with liquid chlorine prior to entering a hydro pneumatic storage tank. The treated water is then pumped from the tank into the water distribution system. In 2016, the utility's total operating revenues were \$29,420 and total operating expenses were \$38,762, resulting in a net operating loss of \$9,342.²

Sunrise's current water treatment plant was placed into service over 40 years ago and serves approximately 246 residential customers in Auburndale, Florida. Sunrise's water supply originates from two wells that pump treated water into two hydro pneumatic storage tanks for distribution. Sunrise's 2016 total operating revenues were \$68,420 and total operating expenses were \$88,402, resulting in a net loss of \$19,982.³

Under a 2014 installment plan negotiated with staff for the payment of delinquent Regulatory Assessment Fees, both utilities filed for Staff Assisted Rate Cases (SARCs). Rates resulting from the utilities' SARCs were approved in March 2016⁴. In the utilities' SARCs, Commission technical staff, Office of Public Counsel (OPC) and customers raised numerous issues regarding the utilities' operations. Concerns included Polk County Health Department (PCHD) violations, insufficient documentation to support certain expenses and pro forma projects, improper handling of customer deposits and refunds, incomplete support regarding meter replacements, incomplete retention of billing and accounting records, inadequate customer service, and failure to timely respond to Commission staff inquiries concerning customer complaints.

In response to these concerns, Commission Orders issued March 28 and 29, 2016, put Alturas and Sunrise on notice that a show cause proceeding may be forthcoming if the following conditions continue to occur:

¹Primary standards protect public health while secondary standards regulate contaminants that may impact the quality of the water (e.g., taste, odor, color).

²Source: Alturas Utilities, L.L.C., 2016 Annual Report filed with the Commission.

³Source: Sunrise Utilities L.L.C., 2016 Annual Report filed with the Commission.

⁴Order No. PSC-16-0128-PAA-WU issued March 28, 2016, Docket No. 140219-WU (Alturas) and Order No. PSC-16-0126-PAA-WU issued March 29, 2016, Docket No. 140220-WU (Sunrise).

- ◆ the utilities' books and records are found in the future to be out of compliance with Commission's rules,
- ◆ the utilities continue to show a pattern of non-responsiveness to the Commission, or
- ◆ the utilities' customers continue to raise valid complaints about payment collection practices.

To address the above concerns, the Commission kept the utilities' SARC dockets (140219-WU and 140220-WU) open to allow the utilities to complete and document the following eight corrective actions:⁵

- ◆ Alturas and Sunrise shall reconcile customer deposit records and file monthly reports with the Commission, beginning April 15, 2016, until it has satisfactorily refunded appropriate customer deposits and interest payments.
- ◆ Alturas and Sunrise shall file documentation by December 31, 2016, showing that the pro forma triaholomethane (TTHM) and haloacetic acid (HAA5) tests have been completed.
- ◆ Alturas and Sunrise shall file six monthly status reports with the Commission, beginning April 15, 2016, to provide the name and position of each contractor providing service to the utility.
- ◆ Alturas and Sunrise shall provide proof that adjustments for all applicable National Association of Regulatory Utility Commissions (NARUC) Uniform System of Accounts (USOA) primary accounts have been made.
- ◆ Alturas shall file six monthly status reports to provide the status of its progress to repair or replace its master flow meter.
- ◆ Alturas and Sunrise shall file written documentation showing that a land ownership issue involving the Alturas warranty deeds has been corrected to ensure that Sunrise has long-term continued use of the land upon which its facilities are located.
- ◆ Alturas shall refund its customers the amount of rate case expenses it over-collected in its 2009 rate case and provide monthly reports on the status of the refunds.
- ◆ Sunrise shall file six monthly reports, beginning April 16, 2016, to provide the status of compliance with a PCHD Consent Order regarding the failure to perform recommended plant maintenance.

After the Commission approved new rates for the utilities in March 2016, Commission technical staff encountered difficulties obtaining documentation of the corrective actions to assess compliance with the orders. In light of these problems, the Commission's technical and legal staff requested that the Office of Auditing and Performance Analysis conduct a management audit of both utilities. The management audit was initiated in November 2016.

⁵ Id.

1.2 Audit Objectives and Scope

This management audit assessed Alturas' and Sunrise's current operations during the period November 2016 through May 2017. Commission audit staff examined data and information spanning the period 2011 to date of this report's publication for purposes of trending and perspective.

As authorized by Section 350.117 (2) and (3), F.S., management audits are conducted by Commission audit staff to assess utility performance and the adequacy of operations and controls. The statute states:

(2) The Commission may perform management and operation audits of any regulated company. The Commission may consider the results of such audits in establishing rates; however, the company shall not be denied due process as a result of the use of any such management or operation audit.

(3) As used in this section, "management and operation audit" means an appraisal of management performance, including a testing of adherence to governing policy and profit capability; adequacy of operating controls and operating procedures; and relations with employees, customers, the trade, and the public generally.

Chapter 367, F.S., specifically provides the Commission with jurisdiction over water and wastewater systems with respect to its authority, service, and rates. Commission audit staff's access to records is laid out in Section 367.156 (1), F.S. which states:

(1) The Commission shall continue to have reasonable access to all utility records of affiliated companies, including its parent company, regarding transactions or cost allocations among the utility and such affiliated companies, and such records necessary to ensure that a utility's ratepayers do not subsidize nonutility activities.

The audit's scope included evaluations of management practices and procedures, compliance with Chapter 25-30 of the F.A.C., and compliance with specific corrective actions required by Commission Order Nos. PSC-16-0128-PAA-WU and PSC-16-0126-PAA-WU.

Chapter 25-30, F.A.C., defines the Commission Rules that govern water and wastewater utilities. Commission audit staff focused on key management issues including owner involvement and accountability, adequacy of contractor performance, effective relations with customers and regulators, and compliance with the following Commission rules:

- ◆ 25-30.145 Audit Access to Records
- ◆ 25-30.130 Record of Complaints
- ◆ 25-30.330 Information to Customers
- ◆ 25-22.032 Customer Complaints
- ◆ 25-30.311 Customer Deposits
- ◆ 25-30.265 Periodic Meter Tests
- ◆ 25-30.267 Record of Meter Tests

- ◆ 25-30.261 Meter Readings
- ◆ 25-30.125 System Maps and Records
- ◆ 25-30.335 Customer Billing
- ◆ 25-30.320 Refusal or Discontinuance of Service
- ◆ 25-30.360 Refund-Rate Case Expenses
- ◆ 25-30.120 Regulatory Assessment Fees
- ◆ 25-30.110 Records and Reports; Annual Reports
- ◆ 25-30.433 Determination of Quality of Service

1.3 Audit Methodology and Standards

During the course of this audit, Commission audit staff attempted to obtain information regarding both utilities' current business operations through document requests and on-site interviews with company personnel. However, after granting one telephone interview and replying to one data request, the utilities' primary owner, Mr. Leslie Szabo, refused to further cooperate in the audit process. The owner denied Commission audit staff access to the utilities' current books, records, and personnel in violation of Section 367.156 (1), F.S., *Public Utility Records* and Rule 25-30.145, F.A.C., *Audit Access to Records*. Normally, Commission audit staff gathers information directly from current management, employees, and owner. Mr. Szabo worked to restrict Commission audit staff's efforts to contact such personnel. Despite these efforts, Commission audit staff eventually contacted the current field technician and plant operator and former employees to gather information. Commission audit staff also relied on documentation filed in the utilities' SARC dockets (140219-WU Alturas) and (140220-WU Sunrise) to assess the companies' operations. Specific information reviewed by Commission audit staff included:

- ◆ Meter reading logs
- ◆ Customer bills
- ◆ Payment register of accounts receivable
- ◆ Customer complaints
- ◆ Annual Reports filed with the FPSC
- ◆ DEP Survey Reports

Despite management's lack of cooperation, the information gathered from former employees and contractors provided sufficient detail and documentation to allow Commission audit staff to perform a thorough analysis of the companies' operations. This information allowed Commission audit staff to reach documented, reliable findings and recommendations.

Commission audit staff's primary standard of review for internal controls is the Institute of Internal Auditors' *Standards for the Professional Practice of Internal Auditing* and the *Internal Control - Integrated Framework* developed by the Committee of Sponsoring Organizations (COSO) of the Treadway Commission. Internal controls assessments focus on the COSO framework's five key elements of internal control: control environment, risk assessment, control activities, information and communication, and monitoring. Staff's audit work is performed in compliance with the Institute of Internal Auditors Performance Standards 2000 through 2500.

In assessing the utilities' current management and operational processes, Commission audit staff relied in part upon a National Regulatory Research Institute (NRRI) study regarding small water utility management.⁶ This study states that effective management of small water companies requires the following:

- ◆ Compliance with regulatory requirements
- ◆ Attracting and retaining quality personnel
- ◆ Providing effective employee training and education
- ◆ Providing excellent customer service
- ◆ Displaying good public relations
- ◆ Employing a strategic business plan

The NRRI study identifies the attributes and practices of successful small systems. By definition, small water utilities have few customers over which to spread fixed costs. Challenges facing small utilities typically include deteriorating infrastructure, maintaining an awareness of regulatory requirements, providing adequate customer service, management training, implementing proper accounting practices, and general lack of financial resources.

The NRRI study notes that small systems are more likely to succeed when management maintains proper focus on company operations, especially when providing water is the owner's primary or only business focus. Significantly, the NRRI study notes that where the water system is not the owner's top priority, there is risk that problems will go unnoticed and necessary maintenance will be deferred. Most successful small systems have an owner with a passion for the business, one who recognizes and values the utility's public interest obligation.

In assessing the overall viability and management of the utilities, Commission audit staff also relied upon a 1992 NRRI study regarding viability assessment methods for small water companies.⁷ This study addresses the evaluation of financial, operational, and management viability for small water utilities facing resource constraints and performance challenges.

1.4 Audit Staffs Overall Opinion and Findings

Commission audit staff noted numerous deficiencies regarding the operations and quality of service for Sunrise and Alturas. Audit staff presents the following overall opinion, recommended action, and findings regarding both utilities:

Overall Opinion

Commission audit staff believes that Sunrise and Alturas owners/managers no longer exhibit the necessary technical, operational, and financial viability to successfully provide water service in a safe, reliable, and affordable manner.

⁶The National Regulatory Research Institute, "Small Water Systems: Challenges and Recommendations" February 7, 2008.

⁷The National Regulatory Research Institute, "Viability Policies and Assessment Methods for Small Water Utilities" June 1992.

Recommended Action

Based on its findings, Commission audit staff believes the Commission should consider bringing formal enforcement action against the utilities as a result of the following findings.

Finding 1: Sunrise and Alturas provide an unsatisfactory level of service to their customers.

Finding 2: Sunrise and Alturas are operated with inadequate resources, expertise, and practices to provide necessary plant repairs and preventive maintenance.

Finding 3: Sunrise and Alturas are operated with inadequate resources, practices, and efforts to provide customer satisfaction and customer complaint resolution.

Finding 4: Sunrise and Alturas are generally operated without managerial, financial or operational planning.

Finding 5: Sunrise and Alturas ownership does not provide a work environment that promotes hiring, development, and retention of qualified personnel.

Finding 6: Sunrise and Alturas have displayed a pattern of contempt and disregard for the statutorily defined authority and jurisdiction of this Commission.

Finding 7: Sunrise and Alturas submitted falsified information in support of rate increase requests in Docket Nos. 140119-WU and 140220-WU.

Finding 8: Operational deficiencies at Sunrise and Alturas resulted in apparent violations of the following Commission rules:

- Rule 25-30.145 Audit Access to Records**
- Rule 25-30.130 Record of Complaints**
- Rule 25-30.330 Information to Customers**
- Rule 25-22.032 Customer Complaints**
- Rule 25-30.311 Customer Deposits**
- Rule 25-30.265 Periodic Meter Tests**
- Rule 25-30.267 Record of Meter Tests**
- Rule 25-30.261 Meter Readings**
- Rule 25-30.125 System Maps and Records**
- Rule 25-30.335 Customer Billing**
- Rule 25-30.320 Refusal or Discontinuance of Service**
- Rule 25-30.360 Refund-Rate Case Expenses**
- Rule 25-30.120 Regulatory Assessment Fees**
- Rule 25-30.110 Records and Reports; Annual Reports**
- Rule 25-30.433 Determination of Quality of Service**

Finding 9: Sunrise and Alturas have failed to fully comply with seven of the eight specified corrective actions required in Order Nos. PSC-16-0128-PAA-WU and PSC-16-0126-PAA-WU.

2.0 Background and Perspective

2.1 Changing Ownership and Management

2.1.1 Ownership and Roles of Owners

Since Commission approval of the sale and transfer of certificates for both utilities in 2005⁸, the percentages of ownership and roles of the two owners appear to have changed. Neither utility has filed a transfer of majority control since being granted certificates. The ownership arrangements from 2005 to present remain unclear.

In the application for sale and transfer of certificate filed with the Commission in 2004, the buyer's signatory is listed as Mr. Stuart Sheldon. Between 2004 and 2016, Mr. Sheldon is identified as the President of both utilities and has been listed each year as Registered Agent for both utilities with the Florida Department of State.

In the Alturas and Sunrise annual reports for 2007 and 2008, and the Alturas 2009 SARC application,⁹ Mr. Sheldon is listed as the sole owner of the utilities (100 percent ownership). However, in both Alturas' and Sunrise's 2014 SARC applications, Mr. Sheldon's ownership in each utility is reduced to two percent, while Mr. Leslie Szabo is identified as owning 98 percent of each utility. Most recently, in the Alturas and Sunrise annual reports for 2016, Mr. Szabo is identified as owning 95 percent of each utility. Commission audit staff notes that in a letter filed in Sunrise's 2011 rate case proceeding, Mr. Szabo identifies himself, rather than Mr. Sheldon, as the owner of the utilities.¹⁰ In a March 2017 Consent Order with the PCHD, Mr. Sheldon identifies himself as Sunrise's "Managing Partner."¹¹

Mr. Szabo identified Mr. Sheldon as President of both utilities, but stated Mr. Sheldon is "not involved with the daily operations, or makes any decisions related to the administration part or running the business either." [sic]

Mr. Sheldon signed a December 20, 2016 affidavit to recuse himself from a proceeding with the PCHD regarding Sunrise's failure to remedy violations. In the affidavit, Mr. Sheldon claims to have no involvement in both utilities' operations and further states, "Mr. Szabo is not only the principal shareholder [for Alturas and Sunrise], but also in charge of running of the business and has an in-depth knowledge of the details of the daily operation."¹²

In response to Commission audit staff's efforts to contact Mr. Sheldon, Mr. Szabo replied, "Stuart Sheldon would not be able to provide any answers the PSC might have as not being current of [sic] the daily events of the business,-therefore does not wish to be contacted by phone." Despite Mr. Szabo's concerns, Commission audit staff called Mr. Sheldon and informed him that his participation was required under the Commission's statutory authority to conduct

⁸Orders No. PSC-05-0309-PAA-WU and No. PSC-05-0308-PAA-WU issued March 21, 2005, Docket Nos. 040160-WU (Alturas) and 040159-WU (Sunrise), respectively.

⁹Docket No. 090477-WU.

¹⁰Document No. 05315, filed July 29, 2011, Docket No. 110238-WU.

¹¹DEP Case No. 13-1398, DOAH Case No. 16-7254.

¹²Id.

audits. Mr. Sheldon indicated that he would communicate with Mr. Szabo first and call back the following workday to answer any questions. Mr. Sheldon never returned Commission audit staff's call. Subsequently, Mr. Szabo stated that Mr. Sheldon does not wish to be contacted and, "Your insistence of not accepting Mr. Sheldon [*sic*] answer are nothing else than another example of your unjustifiable further intent of disruption to our business."

Although Commission orders¹³ granted Mr. Sheldon a salary in both utilities' 2009, 2011, and 2014 rate proceedings, it is unclear whether Mr. Sheldon has ever played a management role in the utilities' operations. Since being granted certificates in 2005, it also appears that Mr. Sheldon has not taken part in any of the utilities' rate case proceedings. It is clear that, despite a lack of water utility experience, Mr. Szabo has managed company operations of both Alturas and Sunrise at least since 2013.

2.1.2 Management and Employees

In 2008, the utilities hired an experienced owner and operator of other water systems in Polk County to manage the utilities. He provided stable management during his tenure including the resolution of quality of service issues raised by the PCHD. Under the new manager's direction, the utilities filed for rate cases in 2009 (Alturas) and 2011 (Sunrise), resulting in rate increases¹⁴ that provided funds for needed improvements such as meter replacement. After implementing improved maintenance and operational practices for several years, the manager left over differences with Mr. Szabo regarding payment of creditors and lack of necessary decision-making authority. In a March 4, 2013 letter to the Commission Clerk, this manager served notice that he was no longer involved in the utilities' operations or docketed proceedings.

The utilities' meter reading and repair operations are performed by a field technician. Customers seeking help with repairs are to call the contact phone number provided on monthly bills. Customers only receive a recorded message instructing customers to leave emergency messages only. No separate phone number is provided for customers to talk to company management or owners. Instead, the recorded message instructs customers to email utility management with any inquiries or complaints.

Customer billing is handled by Mr. Szabo's wife. She is responsible for mailing bills, posting customer payments, and collecting past due accounts. She receives and works to resolve customer complaints via email and has no direct contact with customers. Commission audit staff notes that Mr. Szabo and his wife reside in Canada for the majority of the year. During the remaining months, they reside in Hollywood, Florida.

Mr. Szabo agreed to arrange employee interviews with Commission audit staff. However, he later stated that these employees "have absolutely rejected the idea to have any direct contact with the PSC."

After his initial promises to cooperate, Mr. Szabo challenged the Commission's authority and its motives in requiring the management audit, stating:

¹³Order Nos. PSC-16-0128-PAA-WU (Alturas) and PSC-12-0533-PAA-WU (Sunrise), issued March 29, 2016 and October 9, 2012, in Docket Nos. 140219-WU and 110238-WU, respectively.

¹⁴Order Nos. PSC-10-0380-PAA-WU (Alturas) and PSC-12-0533-PAA-WU (Sunrise), issued June 15, 2010 and October 9, 2012, in Docket Nos. 090477-WU and 110238-WU, respectively.

The entire Management Audit is nothing else than one more a fabricated excuse of the PSC continuous attempts of destruction of our business, and without having any benefit to our customers,-and rather creating the opposite effects. It is one more example that the PSC is overstepping their authorities and it should not be allowed to continue. [sic]

Despite Mr. Szabo's refusal to cooperate, Commission audit staff was able to gather substantial information through other sources. Information was obtained from the utilities' current plant operator, the former manager from 2008-2013, a former office manger/bookkeeper employed through October 2016, and a former contractor. These discussions reveal a non-supportive work environment, questionable decision-making and operational practices, and repeated non-compliance with both Commission regulations and those of other agencies.

Commission audit staff believes Mr. Szabo's management practices and the frequent turnover of employees have significantly contributed to its poor record of performance of both utilities. Since 2004, the utilities have clearly exhibited an inability to retain qualified personnel. The 2004 through 2007 annual reports indicate the office manager/bookkeeper position turned over three times. Between 2012 and 2016, four different office managers/bookkeepers were employed.

2.2 Florida DEP/Polk County Health Department Compliance Issues

As noted, the utilities originally operated under Polk County jurisdiction until May 1996, when Polk County turned over jurisdiction to the FPSC in accordance with Chapter 367, F.S. The Commission granted each utility a grandfathered certificate in 1997.¹⁵ PCHD issued two Consent Orders for Alturas in 2008, three warning letters in 2010, and two warning letters in 2015 pertaining to the quality of the water and operating conditions of the utility's plant. PCHD issued a Consent Order for Sunrise in 2012 requiring the completion of seven repairs that were addressed in two prior warning letters. A separate warning letter was issued in 2015 for not properly maintaining chlorine residuals.

On January 14, 2016, PCHD and DEP entered into a Consent Order for overdue maintenance on one of Sunrise's hydro pneumatic holding tanks. The Consent Order provided for progressive and cumulative fines for delays in the required maintenance actions.

In July 2016, the same hydro pneumatic storage tank developed a hole causing a temporary disruption in the water supply. The leak and subsequent shut down of the water system constituted a health emergency requiring Sunrise to notify customers and the PCHD of the need to boil water. The customers and PCHD were never notified of this condition. With Mr. Szabo's consent, a repair weld was placed by a welder who was not certified by the National Board of Boiler and Pressure Vessel Inspectors. In addition, the repair also was not performed under the direction of a professional engineer and was not inspected prior to re-pressurization.

¹⁵Order Nos. PSC-97-0513-FOF-WU (Alturas) and PSC-97-0832-FOF-WU (Sunrise), issued May 5, 1997 and July 11, 1997, in Docket Nos. 961109-WU and 961249-WU, respectively.

The structural instability of the hydro pneumatic tank created by the uncertified repair, coupled with the January 2016 Consent Order required a new inspection and certification. In response to these concerns, the PCHD issued a Notice of Violations and Orders for Corrective Action on October 18, 2016. The violation notice asserted that Sunrise had not performed the maintenance required to keep both hydro pneumatic tanks in operating condition and had neglected to properly issue boil water notices.

On March 29, 2017, a settlement agreement was reached between Sunrise and the PCHD, on behalf of DEP, and an associated Consent Order was issued by DEP. Pursuant to the settlement and order, Sunrise is required to bypass the improperly-repaired hydro pneumatic tank, install a pressure release valve on the remaining tank, and to ultimately replace both tanks by September 30, 2017. Failure to comply may result in fines and potential civil and criminal penalties of up to \$5,000 per offense. Sunrise also waived the requested DOAH hearing as part of disposing of the contested issues.

In April 2017, Sunrise and Alturas owners applied for funding under the DEP State Revolving Fund Drinking Water Program with the assistance of the Florida Rural Water Association. A Revised Facilities Plan was developed which proposes hydro pneumatic tank replacements and other treatment plant improvements to resolve DEP's concerns. Upon completion of funding agreements, work on the repairs may begin in late 2017.

3.0 Compliance with Commission Rules

This chapter describes the record of compliance by Alturas and Sunrise with Chapter 25-30 F.A.C., the Commission rules governing water and wastewater utilities.

Since the issuance of Order Nos. PSC-16-0128-PAA-WU and PSC-16-0126-PAA-WU in March 2016, it has become increasingly difficult for both Commission staff and customers to obtain cooperation from the owners of Alturas and Sunrise. Customer complaint numbers are extremely high, particularly in light of the fact that the utilities serve fewer than 350 customers combined. Responses to customer complaints are often inadequate, and many customers openly question the integrity and honesty of the owners. Commission audit staff believes the utilities' owners either lack an understanding of the applicable regulations or are not motivated to make regulatory compliance a priority.

3.1 Access to Utility Records

Are the utilities in compliance with Rule 25-30.145, F.A.C., Audit Access to Records?

What is the standard?

Pursuant to Rule 25-30.145, F.A.C., *Audit Access to Records*, Commission staff is to have reasonable access to utility and affiliate records for the purposes of management and financial audits. According to the rule, "reasonable access means that company responses to audit requests for access to records shall be fully provided within the time frame established by the auditor."

What is happening?

Though Mr. Szabo acknowledges that records responsive to all Commission audit staff data requests do exist, he has failed to provide them. These requests for records include supporting documentation for meters replaced, copies of meter reading logs, and customer bills.

Commission audit staff made several attempts to obtain this information without success. In an email to Mr. Szabo, Commission audit staff emphasized the importance of complying with the audit and providing supporting documentation. Audit staff advised Mr. Szabo that:

Due to the statutory authorization for the Public Service Commission to conduct audits and to have access to company records, "opting out" of participation in this management audit cannot be permitted. I hope that your withholding company records and failing to provide access to information known to employees is not a willful effort to thwart the Commission's audit. As I clearly communicated in our first meeting, full cooperation from you is necessary to comply with the applicable law.

In response to Commission audit staff's email, Mr. Szabo stated the following:

Based upon your assessment and attitude toward Sunrise and Alturas utilities we are standing by our answer[s] previously provided. Anything further would be senseless and our customers will not have the benefit from it, and it will only jeopardize our business interest.

Commission audit staff notes that the "answers previously provided" being referenced were refusals to provide the requested records. After this response, Mr. Szabo made no further efforts to participate in the management audit.

What is Commission audit staff's conclusion?

Commission audit staff believes that the utilities' refusal to provide access to requested records and to cooperate with the management audit constitute violations of Rule 25-30.145, F.A.C., *Audit Access to Records*. Failure to cooperate with audit requests, whether intentional or not, handicaps the Commission's effectiveness and efficiency.

3.2 Customer Complaint Records

Are the utilities in compliance with Rule 25-30.130, F.A.C., Record of Complaints and Rule 25-30.330, F.A.C., Information to Customers?

What is the standard?

Pursuant to Rule 25-30.130, F.A.C., *Record of Complaints*, "each utility shall maintain a record of each signed, written complaint received by the utility from any of that utility's customers." By rule, the record is to include the name and address of the complainant, the nature of the complaint, the date received, the result of the investigation, the disposition of the complaint, and the date of the disposition.

Pursuant to Rule 25-30.330, F.A.C., *Information to Customers*, Each utility shall provide customers with telephone numbers (regular and after hours) at least annually.

Commission audit staff believes utilities should work cooperatively with the communities they serve.¹⁶ The company should provide timely, accurate information about service outages, water quality issues, watering restrictions and other matters that affect the community.

What is happening?

Commission audit staff requested a description of the current processes for handling, responding to, and documenting resolution of customer calls or letters regarding issues and complaints received directly by the companies. Mr. Szabo disregarded the specific requests made replying only that his wife (the billing assistant) is "looking after our customer service department or to answer any billing related issues, -to the most satisfaction of our customers." [*sic*]

¹⁶The National Research Regulatory Institute identified the attributes and practices of successful small systems in a February 7, 2008, report titled "Small Water Systems: Challenges and Recommendations."

In spite of Mr. Szabo's claim of widespread customer satisfaction, an analysis of complaints received by the Commission indicates otherwise. The Commission has received an exceptionally high number of complaints, particularly from Sunrise customers who were unable to even discuss their billing or service issues with the company. Since 2011, of 51 Sunrise customer complaints filed with the Commission, 20 complainants stated they were unable to reach the utility by telephone despite multiple attempts. Similarly, of the 12 Alturas complaints received over the same period, eight complainants were unsuccessful in their efforts to reach the company prior to registering a complaint with the Commission. Audit staff observes that neither company operates a website, physical office, or dedicated telephone line, all of which could substantially benefit customer communication.

During the Commission's May 20, 2015 Sunrise Customer Meeting, a resident stated, "we are not allowed to contact the owner. 'That's prohibited,' they [the utility] said. We were never allowed from day one when I moved in there." Another customer stated, "We have no after-hours contact number. Return calls take days in some cases. Management is rude and dishonest."

Through repeated attempts, Commission audit staff verified that calling the telephone number provided on the monthly bill merely reaches a voicemail recording stating that the number was for emergency messages only. The recording further instructs customers to email utility management with inquiries or complaints. Therefore, routine matters cannot be discussed with company management by telephone.

What is Commission audit staff's conclusion?

Commission audit staff believes the utilities' management fails to maintain accurate records of customer complaints and fails to provide an adequate communications channel for customers to pursue inquiries and complaints. Management has refused to demonstrate implementation of any formal process for recording and maintaining complaints it does receive. Responses to customer complaints received by the Commission indicate a lack of organized record-keeping for complaints. Audit staff believes the utilities are in apparent violation of Rule 25-30.130, F.A.C., *Customer Complaints* and Rule 25-30.330, F.A.C., *Information to Customers*.

3.3 Customer Complaint Handling

Are the utilities in compliance with Rule 25-22.032, F.A.C., Customer Complaints?

What is the standard?

Pursuant to Rule 25-22.032, F.A.C., *Customer Complaints* regarding investigation of complaints, "a utility shall make a full and prompt acknowledgement and investigation of all customer complaints and shall respond fully and promptly to all customer requests." The rule also requires the utility to file a written response to the customer's complaint within 15 working days after the Commission staff sends the complaint to the company.

What is happening?

Regarding complaints, Mr. Szabo vaguely states that “we are only receiving a very few complaints, and they are always solved and explained to the satisfaction of our customers.” In fact, Mr. Szabo stated to Commission audit staff that he has a customer satisfaction rate over 95%, though no basis for the statement was provided.

Despite Mr. Szabo’s assertion that complaints are resolved to the customers’ satisfaction, the Commission received an extremely high number of customer complaints from 2011 through March 31, 2017. **Appendices A and B** show the volume and status of complaints received and recorded via the Commission’s Consumer Activity Tracking System (CATS) from 2011 through March 31, 2017, for Sunrise and Alturas, respectively. For Sunrise, the Commission received 51 complaints over the period. Of the 51, Sunrise failed to respond within the required 15 working days to 23 complaints (45 percent). The Commission received 12 Alturas complaints over the 2011 to March 31, 2017 period. Alturas failed to timely respond to four complaints (33 percent) within the required 15 working days.

Audit staff’s analysis of customer complaints handled by the Commission’s Division of Consumer Assistance and Outreach indicates an extremely high percentage of Sunrise and Alturas customer complaints are found to involve an apparent rule violation. As shown in **Exhibit 1**, Commission audit staff’s analysis of customer complaints filed with the Commission indicate that Sunrise and Alturas rank third and fourth in the number of violations among Class C water utilities. The violations are calculated based on 100 customers for accurate comparison.

Alturas and Sunrise Utilities Apparent Rule Violation Comparison 2016				
Utility	Number of Complaints	Apparent Violations	Number of Customers	Violations per 100 Customers
Lakeside Waterworks	22	20	260	7.6923
Four Points	11	10	241	4.1494
Sunrise	21	8	246	3.2520
Alturas	5	1	65	1.5385
LP Waterworks	5	2	443	0.4515
Crestridge	6	2	616	0.3247
Kincaid Hills	2	1	323	0.3096
Cedar Acres	2	0	319	0.0000
Brevard Waterworks	3	0	262	0.0000
Orangewood	1	0	234	0.0000

EXHIBIT 1

Source: FPSC Consumer Activity Tracking System

Rule 25-22.032 (6)(c), F.A.C., *Customer Complaints* requires the utilities to answer specific questions raised by Commission staff and provide to the Commission any letters or emails sent to the customer that contain the company’s proposed resolution of the complaint or statement of position in addressing or resolving the complaint. Not only are the utilities failing to respond

timely to customer complaints, but the utilities' responses are often argumentative and lacking documentation.

Unfortunately, Mr. Szabo has actively worked to discourage customers from contacting the Commission. On July 29, 2016 he sent all customers a letter¹⁷ detailing his dissatisfaction with the Commission's 2016 rate increase decision and in large part asked the customers to stop complaining about service issues:

We are expected to do the impossible to provide our customers with a trouble free operation but without any help from the PSC part to help us to have additional funding.

We have complied with their regulatory rules and provided the documentations in great details item by item to establish the absolutely necessary funding to have to maintain a trouble free operation.

Not having any knowledge of the facts you [the customer] can create further difficulties just being impatient. The virtue in such situation would be patience. The calmer we stay during a storm the better we come out.

Any unnecessary telephone call or written complaint to the offices of the authorities regulating water services will push your wagon to the Mega Corporation direction.

Calling the Health Department for not receiving the boiled water notice you are admitting to be aware of the situation and is nothing else than a spitefully act.

Beside the 20 complaints through PSC we had several emails and some of them were very insufficient to deserve an answer. Let us do our job without interruption.

In short, - think first before you shoot.. It is our mutual interest to work together instead against each other.

During the process writing this letter we have received calls from the PSC to have our reply before August 4 to the complaints received from some of you. They are time consuming and will create additional and costly administrative work. I hope you will extend toward us the courtesy to withdraw them; - we took the time to inform you off all the pre-existing facts. [*sic*]

Mr. Szabo has repeatedly expressed anger towards customers and distrust of claims they have made in complaints to the Commission. Mr. Szabo's attitude towards customers is evidenced in an email regarding a complaint instructing his employee to, "use every loop and hoop to make this woman jump through before

¹⁷Document No. 08324-16 filed October, 18, 2016, Docket No. 140220-WU.

she gets water and create a real Blizzard for her. It is payback time to the woman and to the PSC.” [sic]

What is Commission audit staff’s conclusion?

Given the extremely high number of complaints received, the poor record providing a timely and thorough response to those complaints, and owner’s attempts to dissuade customers from voicing concerns or complaints, Commission audit staff believes the utilities’ process for handling and responding to customer complaints is severely inadequate and in apparent violation of Rule 25-22.032, F.A.C., *Customer Complaints*.

3.4 Customer Deposits

Are the utilities in compliance with Rule 25-30.311, F.A.C., Customer Deposits?

What is the standard?

Rule 25-30.311, F.A.C., *Customer Deposits* prescribes in detail how deposits are to be collected, deposit records are to be kept, and deposit refunds are to be granted.

What is happening?

Mr. Szabo’s lack of cooperation in the audit process included failure to provide customer deposit records. In response to a Commission audit staff data request, Mr. Szabo discusses the activities of a supposedly deceitful office manager/bookkeeper who was “revengeful” and “unlawfully has deleted our software program without any prior warning to us, knowingly that we are in parallel line with her computer and we will lose our data’s from our end, creating an immeasurable problem for Sunrise and Alturas Utilities.” [sic] Yet, in the same letter, Mr. Szabo contradicts himself, stating “We are using the same software program within the last many years and the bills are generated ... with our current rate base already programmed in. The software program does not allow making any changes regardless who is using it.”

According to Mr. Szabo, the former office manager/bookkeeper was terminated for cause. Commission audit staff contacted the former office manager/bookkeeper who provided a different account. She informed Commission audit staff that she was ordered to adjust customer deposits for a specified group of accounts. She refused to comply, believing the adjustments were inappropriate and unnecessary.

The utilities’ deficient process regarding customer deposit records is also documented in the Commission’s March 2016 Orders approving Alturas’ and Sunrise’s increase in rates. In both Orders, the Commission found the utilities were not in compliance with Rule 25-30.311, F.A.C., *Customer Deposits*. During the SARC proceedings, Mr. Szabo initially reported to the Commission’s financial audit staff that the utilities held no customer deposits. However, Mr. Szabo subsequently provided records showing that Sunrise and Alturas were holding in excess of \$6,100 and \$1,100 in customer deposits, respectively. The Orders noted the utilities’ failure to properly record the amount of each deposit, failure to pay the appropriate interest on customer deposits, and failure to refund deposits to residential customers after 23 months of satisfactory payment. Mr. Szabo made statements that these issues were resolved without providing support.

As of July 31, 2015, Commission technical staff estimated approximately \$3,900 in customer deposits were due to be refunded to Sunrise customers and approximately \$840 in customer deposits were due to be refunded to Alturas customers. The Commission put both utilities on notice that if the customer deposit errors are not resolved in a reasonable time, and/or the utilities' deposit records are found to be out of compliance with Commission regulations in the future, both utilities may be subject to a show cause proceeding by the Commission. Additionally, the Commission ordered both utilities to reconcile customer deposit accounts, and provide monthly reports beginning April 15, 2016, until the utilities had satisfactorily refunded deposits and interest. This issue is discussed further in Chapter 4.

What is Commission audit staff's conclusion?

Commission audit staff believes Sunrise and Alturas have not demonstrated compliance with Rule 25-30.311, F.A.C., *Customer Deposits*. Commission audit staff was provided no evidence of annual interest payments to customers. The utilities have also failed to comply with portions of Orders No. PSC-16-0128-PAA-WU and PSC-16-0126-PAA-WU, in Docket Nos. 140219-WU (Alturas) and 140220-WU (Sunrise), which required specific actions regarding deposits.

3.5 Meter Tests and Record of Meter Tests

Are the utilities in compliance with Rules 25-30.265, F.A.C., Periodic Meter Tests and 25-30.267, F.A.C., Record of Meter Tests?

What is the standard?

Rule 25-30.265, F.A.C., *Periodic Meter Tests*, requires "each utility shall inspect and test a representative sample of its meters in service at least once over 10 years for 5/8" size meters", and in accordance with Rule 25-30.267, F.A.C., *Record of Meter Tests*, "each utility shall preserve the original records of all meter tests...until the meter is retired by a later test."

What is happening?

Commission audit staff requested that the utilities describe their processes for meter testing and replacement and to provide all supporting documentation for meters replaced since January 2016. In response, Mr. Szabo simply stated:

If we find any irregularly of the customers normal monthly water usages or the customer calls to check their meter and we find their request reasonable (not only to make a delayed payment) we will send our field technician to perform the so called 10 gallon bucket test. [sic]

Mr. Szabo stated that the utilities' new meter reader found four meters "not working properly or not working at all," and "after the next meter reading we will have more information related to this subject and any meter need to be changed will be looked after at the same time without causing any unnecessary water interruption services for our customers." [sic]

Commission audit staff notes that in 2012, the Commission approved a meter replacement program that would allow Sunrise to replace 23 meters per year over 10 years.¹⁸ The meter replacement program operated under the direction of the utility's prior manager who left in 2013. Apparently, after the manager's departure, Mr. Szabo failed to keep the effort active.

In the most recent rate case order, the Commission determined that Sunrise had only accomplished about one year's worth of meter replacements and ordered an acceleration of the program. Sunrise does not have a meter testing program in place to identify meters in need of replacement. In its 2016 rate case order,¹⁹ the Commission expressed doubt about the company's willingness to properly maintain an escrow account and perform the replacements. Sunrise ultimately agreed to discontinue the replacement program.

What is Commission audit staff's conclusion?

Commission audit staff believes Sunrise and Alturas have not demonstrated compliance with Rules 25-30.265, F.A.C., *Periodic Meter Tests* and 25-30.267, F.A.C., *Record of Meter Tests*. Based on the responses to its data requests, audit staff believes the utilities do not have a process in place to regularly test meters nor a means of tracking test results. From the review of meter logs it was not clear that necessary efforts are made during meter reading to label and follow up on non-functioning meters.

3.6 Meter Readings

Are the utilities in compliance with Rule 25-30.261(1), F.A.C., Meter Readings?

What is the standard?

Pursuant to Rule 25-30.261(1), F.A.C., *Meter Readings*, "the utility shall read its service meters at regular intervals and, insofar as practicable within regularly scheduled work days on the corresponding day of each meter reading period." Additionally, the utility "shall read the register of each meter in the same units that the utility uses for billing purposes."

What is happening?

According to Mr. Szabo, the meter reading operations for both utilities are currently being performed by a resident of the Sunrise community. Commission audit staff requested copies of the meter reading logs for the three most recent billing cycles for both utilities. However, Mr. Szabo refused to provide any completed meter reading logs. In response to the request, Mr. Szabo stated:

We are making our decision based on the facts there weren't any unusual or any additional dispute compared to our last 6 months billing with any of our customers. [sic]

¹⁸ Order No. PSC-12-0533-PAA-WU, issued October 9, 2012, in Docket No. 110238-WU.

¹⁹ Order No. PSC-16-0126-PAA-WU, issued March 28, 2016, in Docket No. 140220-WU.

Despite Mr. Szabo's unwillingness to cooperate, the former office manager/bookkeeper provided monthly meter reading logs from June through September 2016 for Sunrise, and July through September 2016 for Alturas. The logs display pre-printed account numbers, customer names, service addresses, meter identification numbers, and the prior month's reading. The current month readings are handwritten on the pre-printed log. Upon examining the logs and the corresponding billing worksheets, Commission audit staff found the following discrepancies:

Sunrise: June 2016 - September 2016

- ◆ The meter readings for 152 lots did not match the readings displayed on the customer bill.
- ◆ For 26 lots, the meter readings on the logs were marked as estimated, but the corresponding customer bills were not marked as estimated as required per Rule 25-30.335(2)(a) F.A.C., *Customer Billing*.

Alturas: July 2016 - September 2016

- ◆ The meter readings for five lots did not match the readings displayed on the customer bill.
- ◆ For three lots, the meter reading on the logs were marked as estimated, but the corresponding customer bills were not marked as estimated.

Though not specifically addressed in Rule 25-30.261(1), F.A.C., *Meter Readings*, Commission audit staff believes the rule implicitly assumes a reasonable degree of due care and diligence be used in meter reading. Accuracy is the obvious expectation, though some errors inevitably will occur. An examination of the utilities' customer complaints pertaining to meters and meter readings indicate to Commission audit staff that meter reading operations are problematic. Below are examples of complaints to the Commission regarding the utilities' meter reading operations.

- ◆ A Sunrise complainant believes his meter is not being read properly and states that his bill is the same amount each month regardless of his usage. Complainant monitors his meter and believes his bill is not being calculated properly. In response to the complaint, Mr. Szabo stated that this customer is "being irresponsible with unfunded accusations is taking away my time from the valued an appreciated customers who pay their bills in time with responsibility."[sic] Furthermore, Mr. Szabo sent the complainant a final notice threatening to disconnect his service which is an apparent violation of Commission Rule 25-22.032(3), F.A.C., *Customer Complaints*, prohibiting discontinuation of service because of any unpaid disputed amount until the complaint is closed. (CATS 1232339W)
- ◆ A Sunrise complainant was told by a neighbor that teens were trespassing on his property. When confronted, the teens apparently stated, "they were helping their father with . . . reading the water meters." In response to the complaint, the utility acknowledged that a teenager was assisting with meter reading. (CATS 1235681W)
- ◆ A Sunrise complainant states in June 2016 that their water meter has not been read since August 2015. Complainant states they received "a bill that is not marked as estimated, but the reading is totally inaccurate and the most recent bill is not showing

estimated. So what that tells me is they are being deceitful and making up numbers.” The complainant withdrew the complaint after it was resolved over the telephone with the utility. (CATS 1211566W)

What is Commission audit staff's conclusion?

Commission audit staff could not determine compliance with Rule 25-30.261(1), F.A.C., *Meter Readings* as result of Mr. Szabo's unwillingness to allow Commission audit staff to review relevant records and talk with the utilities' meter reader. However, as a result of extensive customer complaints, Commission audit staff has serious concerns regarding the accuracy of the meter readings performed.

3.7 System Maps and Records

Are the utilities in compliance with Rule 25-30.125, F.A.C., System Maps and Records?

What is the standard?

Pursuant to Rule 25-30.125, F.A.C., *System Maps and Records*, the company shall maintain suitable maps on file at its principal office. Also, drawings and/or records of its system and facilities must show size, location, character, date of installation and installed costs of major items of plant and extension of facilities.

What is happening?

During their SARCs, Alturas and Sunrise informed Commission technical staff it did not possess system maps. Subsequently, technical staff discovered outdated system maps for Alturas and Sunrise that had been submitted to the Commission in a 1996 docketed proceeding.²⁰ After staff provided these maps to the utilities requesting they provide updated maps, neither utility made changes. Instead the utilities simply returned the identical 1996 outdated maps to Commission technical staff.

What is Commission audit staff's conclusion?

Commission audit staff concludes no updated comprehensive water system mapping currently exists. Commission audit staff believes Alturas and Sunrise have not demonstrated compliance with Rule 25-30.125, F.A.C., *System Maps and Records*. System maps are necessary in coordinating meter reading and repairs, tracking meter locations, and executing capital improvement projects. A system map would allow the utilities to denote the location of every meter and the date of meter installation. Also, when making repairs and installing equipment, the utilities would be able to quickly locate the pipes in their system.

²⁰ System maps were provided in support of Docket No. 961249-WU to provide a grandfather water certificate to Sunrise utilities.

3.8 Customer Billing

Are the utilities in compliance with Rule 25-30.335 F.A.C, Customer Billing

Rule 25-30.335, F.A.C., *Customer Billing* states, in part:

(1) A utility shall render bills to customers at regular intervals, and each bill shall indicate: the billing period covered; the applicable rate schedule; beginning and ending meter reading; the amount of the bill; the delinquent date or the date after which the bill becomes past due; and any authorized late payment charge.

(2)(a) If the utility estimates a bill, the bill statement shall prominently show the word "Estimated" on the face of the bill.

(2)(b) In no event shall a utility provide an estimated bill to any one customer more than four times in any 12-month period due to circumstances that are within the utility's control and service obligations.

(2)(c) Upon issuance of a second estimated bill in a 6 month period, the utility shall provide the customer with an explicit written explanation for the estimation, along with the utility contact information and the Commission toll free complaint number.

(2)(d) The utility shall maintain records, for a minimum of two years, detailing the number, frequency, and causes of estimated bills, which shall be made available upon request to the Commission or to any party to a rate proceeding for the utility.

(4) A utility may not consider a customer delinquent in paying his or her bill until the 21st day after the utility has mailed or presented the bill for payment.

What is happening?

In response to data requests, Mr. Szabo stated that he was willing to provide the Commission with any individual customer billing and payment history for the past five years within a 24-hour notice, but raised a concern of this information being confidential. A teleconference with audit staff explained the confidentiality process and protection during the audit from public record status. Mr. Szabo indicated he would provide the requested information within days. However, he eventually declined to provide bills and payment records, saying:

We are satisfied with their [employees] services looking after the maintenance and repairs and also properly handling the area of customer billing and collection. This should be good enough to the PSC as we are responsible for their activities.

We are also providing our customers with efficient and timely billing and anything is related to those issues questioned,-are nothing else than the PSC continuous efforts of interference of our operation without any reasoning. [sic]

As a result of Mr. Szabo's unwillingness to cooperate, Commission audit staff was unable to review a broad sample of customer bills to fully assess adherence with the rule. However, the bills provided in support of complaints received by the Commission indicate a high rate of error.

As indicated in **Appendices A and B**, well over half of the 63 complaints from Sunrise and Alturas customers relate to billing problems. Commission audit staff's review of analysis performed by Commission staff complaint analysts revealed 26 apparent violations of customer billing rules. Below are specific examples regarding inaccurate bills and failure to post bill payments:

- ◆ A Sunrise complainant disputes their high bill and notes that no one from the utility is available to explain bill fluctuations. The complainant apparently has been charged twice for a bill that was already paid. In response to the complainant's concerns, the utility responded, "Next time when the Consumer cannot pay it's bill in time or it is unusually high, please turn with confidence to the Customer and Billing Department as anybody else did who had the same problem and we helped; we can work out a payment plan, without charging monthly late fee without going in a circle without any solution. We cannot manipulate the meters- numbers on the meter are numbers and we cannot change them- the number flow shows the gallon usage regardless what we believe or we want." [sic] The utility contended that complainant owed as much as \$141.65, yet the utility's meter reader informed the complainant the balance was \$17.83. (CATS 1236441W)
- ◆ A Sunrise complainant states that their bill is not being calculated properly. The complainant is billed the same amount each month regardless of usage, and a late fee is improperly added to each bill. In response, the utility stated, "The company is going out and wasting its time with explaining with him the facts", and the customer has a bad habit of not paying on time. The utility further stated, "Nobody is cheating him with the meter reading because simply you cannot manipulate the meter numbers." (CATS 1232339W)
- ◆ A Sunrise complainant states that even though bill payments are mailed on time, the company is not crediting payments in a timely manner. The complainant believes utility is deliberately doing this in order to bill late fees and reconnection charges. To address the complainant's concerns, the Commission's Office of Consumer Assistance and Outreach requested the utility provide copies of the customers billing statements for the past six months. None were provided. (CATS 1219967W)
- ◆ A Sunrise complainant observes a history of payments not being properly credited and requested the utility to provide a copy of the bill history. In response to the complaint, the utility reported that the cause of the problem was miscommunication between the utility and an "understanding" that the utility had with the complainant. All outstanding bills were adjusted. (CATS 1215984W)

- ◆ A complainant stated Alturas never turned the water on after payment was made and cashed by the utility. In response, the utility stated, “Our problem is that we do not have this address in our customer list.” (CATS 1207995W)

Examination of billing statements attached to customer complaints also shows Sunrise’s failure to comply with the Commission’s customer billing rule and the utility’s Commission-approved tariff. (CATS 1232339W and CATS 1235086W) As displayed in **Exhibit 2**, the billing statement does not indicate the required applicable rate schedule, delinquent date or date after the bill becomes past due, nor any authorized late payment charges (i.e., reconnection fee and late amounts).

Customers rightfully expect their water bills to correctly reflect the actual current charges and outstanding balances and be free from computational errors. A variety of issues combine to produce a high degree of errors in customer billing: misreading meters, inputting incorrect meter readings into the billing system, using incorrect formulas to calculate customer bills, and assigning incorrect due dates on bills. The utilities also fail to inform customers if their bill is estimated, fail to post or timely post customer payments, fail to review bills, and fail to devote adequate resources to customer service and complaint resolution.

What is Commission audit staff’s conclusion?

Commission audit staff believes Sunrise and Alturas have not attempted to demonstrate compliance with Rule 25-30.335, F.A.C., *Customer Billing*. Commission audit staff believes controls and procedures are inadequate to produce reliable bills, and the inadequacy contributes to the poor relationship with customers. If the utility is unable to generate reliable bills, it cannot be certain that it is charging just and reasonable rates as required by Section 367.081(1), (2)(a)(1), F.S.

Sunrise Utilities, LLC

P.O. Box 2608
 Eaton Park, FL 33840
 yourwaterutility@gmail.com
 (863) 510-1318

Utility Bill

1/30/2017

Amount Due
\$104.50

Amount Paid



Account Number
 2579KA

Service Address

Payment Due Date
 2/19/2017

Detach Top and Return With Payment

X

Service From	To	Description	Meter Readings		Consumption	Meter Multiplier	
			Previous	Current			
1/2/2017	1/30/2017	Residential	415380	420470	5090	X	\$16.27
		Residential Base					\$10.01

County Tax: \$2.63

Late Payment Fee: \$0.00
 Current Period Total: \$28.91

Previous Balance: \$75.59

Total Amount Due: \$104.50

If not paid by due date amount due: \$111.50

Meters need to be located, marked and free of all debris, dirt, plants, fencing, ect.
NEW READINGS WILL TAKE PLACE BY THE END OF NOVEMBER.
AND SAFE ACCESS IS REQUIRED.

REMIT PAYMENTS TO:
 SUNRISE UTILITIES
 P.O. BOX 2608
 EATON PARK, FL 33840

NOTE:

Customer Name

Account No:
 2579KA

Payment Due Date:
 2/19/2017

3.9 Service Disconnection

Are the utilities in compliance with Rule 25-30.320, F.A.C., Refusal or Discontinuance of Service?

What is the standard?

Pursuant to Rule 25-30.320, F.A.C., *Refusal or Discontinuance of Service*, a utility has the right to refuse or discontinue a customer's service under several specified conditions.

What is happening?

Upon examination of numerous customer complaints filed with the Commission regarding allegations of wrongful disconnections of service, Commission audit staff believes the utilities do not employ adequate internal controls to reasonably assure disconnect processes are effective and accurate. Below are a few examples from customer complaints regarding negligent handling of service disconnections.

- ◆ A Sunrise complainant alleges the bill was paid and did not have a past balance, yet the company disconnected service without notice. Upon investigation, the utility provided Commission staff with a copy of the disconnect notice sent to the customer. The disconnect notice, however, is dated November 2, 2016, and states a service disconnection date of October 30, 2016. Staff explained to the utility, as it has for numerous similarly-situated complaints, that a utility must provide a customer with a disconnect notice at least five working days before service disconnection pursuant to Rule 25-30.320(2)(g), F.A.C., *Refusal or Discontinuance of Service*. Commission staff further explained that service was disconnected November 2 on the date of the notice, yet the customer's payment receipt is dated October 30, 2016, as was required on the notice. Commission staff directed the utility to restore service immediately and confirm that the customer would not be charged a reconnection fee. The utility responded that the service was reconnected without charge. (CATS No. 1226926W)

- ◆ A Sunrise a complainant states that water to her address was cut-off due to an unpaid balance owed by the prior tenant. In a related complaint, the landlord reported the she was being asked to pay the balance on the prior tenant's account. The company also stated that the current tenant was required to provide a rental agreement and picture identification. Rule 25-30.310, F.A.C., *Initiation of Service*, requires a completed service application in accordance with the forms prescribed by the utility. Neither this rule nor the utility's approved tariff requires a lease or picture identification. (CATS Nos. 1235086W and 1235221W)

What is Commission audit staff's conclusion?

Commission audit staff believes Alturas and Sunrise have not demonstrated compliance with Rule 25-30.320, F.A.C., *Refusal and Discontinuance of Service* since the utilities lack effective internal controls and safeguards to collect past due accounts while ensuring fair treatment of

customers. Commission audit staff believes customers are disconnected in error as a result of errors in meter reading, customer billing, untimely notice of disconnection, and customer payment processing operations.

3.10 Refund-Rate Case Expenses

What is the standard?

According to Rule 25-30.360, F.A.C., *Refunds*, refunds must be made within 90 days of the Commission's Order, unless otherwise prescribed by the Commission.

What is happening?

Per Order No. PSC-16-0128-PA-WU, issued on March 29, 2016, Alturas was required to refund its customers the amount of rate case expenses it over-collected in its 2009 SARC and to provide monthly reports on the status of the refunds until completed. Though the utility has asserted that refunds were made, the utility has provided no documentation of such refunds.

What is Commission audit staff's conclusion?

Commission audit staff believes Alturas is in apparent violation of Rule 25-30.360, F.A.C. *Refunds*.

3.11 Regulatory Assessment Fees

Are the utilities in compliance with Rule 25-30.120(1) and (2)(b), F.A.C., Regulatory Assessment Fees?

What is the standard?

Pursuant to Rule 25-30.120(1), F.A.C., *Regulatory Assessment Fees (RAF)*, each utility will pay a RAF in the amount of 4.5 percent of its gross revenue derived from intrastate business. Section (2)(b) requires small utilities with annual revenues of less than \$200,000, such as Alturas and Sunrise, to file RAF with the Commission on or before March 31 for the preceding year. Section (7)(a) permits the Commission to assess a penalty against any utility for failure to pay its RAF on time.

What is happening?

In May 2014, Alturas and Sunrise negotiated payment plans with Commission staff to resolve delinquent RAFs. Alturas and Sunrise agreed to submit monthly payments of \$85 and \$250 respectively to the Commission beginning November 2014 and continuing until the balance of outstanding RAFs are paid in full, including penalties and interest. However, as shown in **Exhibit 3**, as of mid-April 2017, Alturas still owed \$2,129.33 in RAFs, including penalties and interest. Similarly, Sunrise owes \$16,159.72.

Alturas and Sunrise Utilities Regulatory Assessment Fees Plus Penalties and Interest Owed					
Utility Name	RAF Period	RAF Due Date	Total Owed as of 4/12/17	Total Paid as of 4/12/17	Remaining Balance
Alturas	01/01/15-12/31/15	03/31/16	\$1,524.06	\$623.48	\$900.58
	01/01/16-12/31/16	03/31/17	\$1,228.75	\$0.00	\$1,228.75
	Total Balance Due:				\$2,129.33
Sunrise	01/01/09-12/31/09	03/31/10	\$5,162.58	\$2,835.23	\$2,327.35
	01/01/12-12/31/12	04/01/13	\$4,598.70	\$2,814.77	\$1,783.93
	01/01/13-12/31/13	03/31/14	\$4,974.72	\$0.00	\$4,974.72
	01/01/15-12/31/15	03/31/16	\$4,120.38	\$250.00	\$3,870.38
	01/01/16-12/31/16	03/31/17	\$3,203.34	\$0.00	\$3,203.34
	Total Balance Due:				\$16,159.72

Exhibit 3

Source: Commission RAF database.

What is Commission audit staff's conclusion?

Commission audit staff believes Alturas and Sunrise are in apparent violation of Rule 25-30.120, F.A.C., *Regulatory Assessment Fees*. The utilities have failed to pay outstanding RAF balances from previous years and have yet to pay their 2016 RAFs which were due on March 31, 2017.

3.12 Annual Reports

Are the utilities in compliance with Rule 25-30.110(3), F.A.C., *Records and Reports; Annual Reports*?

What is the standard?

Pursuant to Rule 25-30.110(3), F.A.C., *Records and Reports; Annual Reports*, each utility will furnish to the Commission annual reports on forms prescribed by the Commission. The obligation to file an annual report applies to any utility that has applied for or has been issued a certificate. The utility's annual report is to be filed with the Commission on or before March 31 for the preceding year ending December 31. The Commission may assess a penalty against any utility that fails to file an annual report on time. Per Section (3)(c), "a utility may file a written request for an extension of time with the Division of Economic Regulation no later than March 31."

What is the standard?

Alturas and Sunrise have exhibited a history of disregard for regulatory compliance by filing annual reports late and not filing a written request with the Commission for an extension of time. For Alturas and Sunrise, Annual Reports were filed late in 2006, 2008, and 2016. The utility did not request an extension for any of the late filings. Commission audit staff notes the utilities' 2015 Annual Reports were submitted on time, but Commission's technical staff deemed them deficient and requested a subsequent filing.

What is Commission audit staff's conclusion?

Alturas and Sunrise have not demonstrated timely compliance with Rule 25-30.110(3), F.A.C. *Records and Reports; Annual Reports.*

3.13 Quality of Service

Are the utilities in compliance with Rule 25-30.433(1), F.A.C., Determination of Quality of Service?

What is the standard?

Pursuant to Rule 25-30.433(1), F.A.C., *Determination of Quality of Service*, during rate cases, the Commission determines the quality of service provided by the company by evaluating three separate components of a utility's operations: 1) effectiveness addressing customer satisfaction, 2) the quality of the utility's product, and 3) the status of operational conditions of the utility's plant and facilities.

In evaluating service quality, the Commission also considers DEP reports, violations, and outstanding citations. Pursuant to Rule 62-560.410(1)(a)1 and 62-560.410(11), F.A.C., DEP requires public water systems that experience violations, exceedances, situations, or failures that may pose an acute risk to human health to issue a notice advising customers to boil water no later than 24 hours after the system learns of the violation, exceedance, situation, or failure. The utility is also required to provide its customers with rescission notices once the problem is resolved, to explain the corrective action taken, and to confirm that bacteriological test results indicate the water is safe to drink.

What is happening?

Pursuant to Order Nos. PSC-16-0128-PAA-WU (Alturas) and PSC-16-0126-PAA-WU (Sunrise), the Commission found the utilities' plant and facilities to be unsatisfactory, efforts to address customer service to be unsatisfactory and the utilities' water product to be satisfactory. All of the potential violations discussed in this chapter have a direct negative impact on quality of service. As noted throughout this report, both utilities are operated with insufficient processes, efforts, and expertise necessary to provide reasonable quality of service.

In the utilities' SARCs, the Commission found the quality of the utilities' product to be satisfactory. The Commission's technical staff reviewed the utilities' compliance with DEP primary and secondary drinking water standards, county health department standards, and customer complaints. Upon review of customer complaints, Commission audit observed that water quality was not a major concern for customers.

Regarding the condition of the plant and facilities, Sunrise failed to address maintenance and repairs recommended by the PCHD during 2016 and 2017. Sunrise had not performed the required maintenance and repairs to its hydro pneumatic tanks and other plant components. Florida Rural Water Association was engaged and performed a complete assessment of the entire treatment plant and recommended nearly \$500,000 plant replacement and improvements. Since

plant condition continued in a deteriorated state that required intervention by regulators, Commission audit staff believes plant and facilities are still unsatisfactory.

Concerning customer satisfaction during 2016 and 2017, the utilities continued their high volume of customer complaints and poor efforts towards complaint resolution. Despite Mr. Szabo's assertion that a high percentage of customers are satisfied, his July 29, 2016 letter to all Sunrise customers addresses widespread dissatisfaction and what he considers unfounded customer complaints:

We are always aware of all the activities on a daily base of the Utilities.

Gossiping spreading rumors and using inappropriate language only to get some attention isn't helping anybody. We never respond to such provocative act or words because it is a waste of time.

Your continuous water supply was jeopardized and your rights has been denied by the Florida Public Service Commission to life on of most important essentials, - water. (*sic*)

Commission audit staff believes these statements inaccurately assert that the utility is aware of and attentive to customer needs. It also illustrates Mr. Szabo's perspective that customers and the Commission raise invalid challenges to the management and operation of the utilities.

What is Commission audit staff's conclusion?

Commission audit staff believes the utilities have not demonstrated compliance with Rule 25-30.433(1), F.A.C., *Determination of Quality of Service*.

The utilities' management provides extremely poor quality of service to their customers and operates with insufficient practices, processes, and efforts to provide necessary repairs and preventive maintenance. The Commission audit staff believes Alturas and Sunrise provide an unsatisfactory level of service to their customers and are operated with inadequate resources, practices, and efforts to provide customer satisfaction.

4.0 Compliance with Commission Orders

On March 28 and March 29, 2016, the Commission issued Order Nos. PSC-16-0128-PAA-WU (Alturas) and PSC-16-0126-PAA-WU (Sunrise) in Docket Nos. 140219-WU and 140220-WU, respectively. The orders approved rate increases and recovery of rate case expenses for both Alturas and Sunrise. However, the orders put both utilities on notice that a show cause proceeding may be forthcoming if the following conditions continue to occur:

- ◆ the utilities' books and records are found to be out of compliance with Commission's regulations and have not been adjusted for all applicable NARUC USOA primary accounts,
- ◆ the utilities continue to show a pattern of non-responsiveness to the Commission, or
- ◆ the utilities' customers continue to raise valid complaints about payment collection practices.

Both orders were further held open to allow for Alturas and Sunrise to implement corrective actions set forth in the orders. Below is a list and discussion of eight required corrective actions ordered and Commission audit staff's assessment of compliance.

4.1 Reconciliation of Customer Deposits

What action is ordered?

Alturas and Sunrise were to reconcile customer deposit records and file monthly reports with the Commission, beginning April 15, 2016, until the utilities satisfactorily refunded appropriate customer deposits and interest payments.

What is happening?

The utilities filed eight monthly reports between April and November 2016. The reports stated that interest payments were completed in August 2015, and the customer deposit refunds were completed in August of 2016, but did not include any supporting documentation. Prior to issuance of the orders, Commission technical staff advised the utilities of the apparent customer deposit rule violations and provided detailed instructions to assist the utilities with bringing the deposit records into compliance. At that time, the utilities were advised that the August 2015 interest payments were incorrect.²¹ Commission technical staff has reviewed the Alturas and Sunrise current customer deposit reports dated December 10, 2016, and October 7, 2016, respectively, that were obtained during the management audit, and determined that the utilities have failed to make the account corrections and customer deposit refunds outlined in Commission technical staff's sixth data request. Further, the utilities have not provided any documentation to show that August 2015 interest payments were corrected or that any of the additional interest payments identified in Commission technical staff's sixth data request were paid.

²¹See Commission technical staff's Sixth Data Request in Document No. 08035-15 filed on December 28, 2015, in Alturas Docket No. 140219-WU; and Document No. 06638-15 filed on October 16, 2015, in Sunrise Docket No. 140220-WU.

What is Commission audit staff's conclusion?

Commission audit staff believes the utilities have failed to comply with the ordered corrective action.

4.2 Trihalomethane and Haloacetic Acid Tests

What action is ordered?

Alturas and Sunrise were to file documentation by December 31, 2016, showing that the pro forma TTHM and HAA5 tests have been completed, including the test results and final invoices.

What is happening?

As of this report publication, the utilities have not provided the required information. Commission technical staff confirmed through the DEP Oculus Web Site that the utilities completed the four quarters of TTHM and HAA5 testing that was required by the PCHD. However, staff has not been able to verify the actual testing expenses.²²

What is Commission audit staff's conclusion?

Commission audit staff believes the utilities have failed to comply with the ordered corrective action.

4.3 Monthly Reports on Status of Contractors

What action is ordered?

Alturas and Sunrise were to file six monthly status reports with the Commission, beginning April 15, 2016, to provide the name and position of each contractor providing service to the utility.

What is happening?

The utilities have continued to experience frequent turnover in contractual service providers. The utilities filed eight monthly reports, but provided names and positions only in the first monthly report for April 2016. Though the office manager/bookkeeper left employment in October 14, 2016,²³ her replacement was never reported in subsequent monthly reports. The utilities' November 15, 2016, monthly report stated that, "There were some changes made since our last report regarding the monthly billing or other contractual service provider for the utility, and it will be detailed by November 21 as requested." No additional information has been provided by the utilities regarding its contractual service providers. Furthermore, in the April 2016, monthly report, the utilities reported that the new office manager had the same qualifications as the previous office manager and would be taking over the same accounting, administrative, and billing responsibilities. However, Commission technical staff was informed that neither of the office managers ever performed any bookkeeping work for the utilities.

²² See Document No. 04336-17 filed in Docket Nos. 140219-WU and 140220-WU.

²³ See Document No. 08325-16 filed in Docket Nos. 140219-WU and 140220-WU.

What is Commission audit staff's conclusion?

Commission audit staff believes the utilities have failed to comply with the ordered corrective action.

4.4 NARUC USOA Compliance

What action is ordered?

Alturas and Sunrise were to notify the Commission in writing that adjustments for all applicable NARUC USOA primary accounts have been made.

What is happening?

The utilities provided a written statement confirming that Alturas and Sunrise's books were adjusted to reflect the Commission-required adjustments.²⁴ Based on Commission technical staff's review of the utilities' 2016 Annual Reports, the utilities did not properly adjust Alturas and Sunrise's books to reflect the Commission-approved balances.

What is Commission audit staff's conclusion?

Commission audit staff believes the utilities have failed to comply with the ordered corrective action.

4.5 Monthly Reports on Status of Repairs

What action is ordered?

Alturas was to file six monthly reports to provide the status of its progress towards repair or replacing the master flow meter.

What is happening?

Alturas filed eight monthly reports that indicated that it did not repair or replace the master flow meter due to a lack of revenue. However, the reports also suggest that the utility disagrees with the need for the repair by stating in part, "The flow meter only shows the incorrect readings but in reality there are no leaks at the system. . ."

What is Commission audit staff's conclusion?

Commission audit staff believes the utilities have failed to comply with the ordered corrective action.

4.6 Resolution of Land Ownership

What action is ordered?

Alturas and Sunrise were to file written documentation showing that Sunrise owns, or has the right to continued long-term use of, the land upon which its treatment facilities are located.

²⁴ See Document No. 07767-16 filed in Docket Nos. 140219-WU and 140220-WU.

What is happening?

On December 9, 2016, the Stephen F. Baker Law Firm provided a Quit Claim Deed to confirm that the land ownership issue was corrected.²⁵

What is Commission audit staff's conclusion?

Commission audit staff believes the utilities have complied with the ordered corrective action.

4.7 Rate Case Expenses Refund

What action is ordered?

Alturas was to refund its customers the amount of rate case expenses it over-collected in its 2009 rate case and to provide monthly reports on the status of the refunds until it is satisfactorily completed all the refunds.

What is happening?

Prior to the issuance of the Commission's Order, Alturas indicated that it had issued refunds to its customers for the over-collection of 2009 rate case expense, but provided no supporting documentation. Subsequently, Alturas indicated in eight monthly reports that, "There are no outstanding rate case expenses over collected." As of report publication, Alturas has provided no documentation to support that the refunds were issued.

What is Commission audit staff's conclusion?

Commission audit staff believes Alturas has not complied with the ordered corrective action.

4.8 Monthly Reports on Status of PCHD Consent Order

What action is ordered?

Sunrise was to file six monthly reports, beginning April 15, 2016, to provide the status of compliance with a PCHD Consent Order regarding the failure to perform necessary plant maintenance.

What is happening?

The utilities filed eight monthly reports stating that due to a lack of funds, none of the required repairs were completed. However, the reports also indicate Sunrise disagrees with the need for the repairs stating, "There are no actual current health hazards, but an attempt of the destruction of our business."

What is Commission audit staff's conclusion?

Commission audit staff believes the utilities have failed to comply with the ordered corrective action.

²⁵ See Document No. 09442-16 filed in Docket Nos. 140219-WU and 140220-WU.

5.0 Falsified Documents Filed with the Commission

5.1 Falsified Pro Forma Request

As part of the SARC process, the utilities submitted requests for several pro forma plant replacement and construction projects. Between February 2015 and December 2015, Commission technical staff requested additional documentation on the pro forma projects via data requests issued in Dockets No. 140219-WU and 140220-WU.

On December 30, 2015, Commission technical staff informed the utilities that several of the requested pro forma projects had been removed from staff's recommendation because technical staff had not received sufficient documentation from the utilities. The utilities were given the opportunity to provide additional documentation no later than January 22, 2016.

On January 26, 2016, the utilities provided 10 contractor bids from five vendors as support for the requested pro forma projects. However, this documentation raised questions and Commission technical staff could not verify these bids. Therefore, the pro forma requests were not included in staff's recommendation. In performing its management audit, Commission audit staff examined the questionable bids Mr. Szabo provided in support of the pro forma requests.

Each of the five vendors emphatically stated that they did not prepare the bids in question. Several of the bids described products or services not offered by that particular vendor. In two instances, the vendors stated their names were misspelled on the bids. One vendor noted that a company "d.b.a." name he had never used was included on the bids. Another bidder recounted that his verbal estimate had been \$500, but the suspicious bid was written for \$7,800. Finally, one vendor stated a bid was apparently fabricated from a bid his company did provide two years earlier. He stated the letterhead and terms and conditions language had been altered. Commission audit staff also noted similarities in the wording used on bids that allegedly were provided by unrelated vendors.

Some insight was provided by one of these four vendors as to how these false bids may have originated. He explained to Commission audit staff that during January 2016, Mr. Szabo called and asked him to identify and contact several vendors to obtain written bids for various work projects. The vendor apparently told Mr. Szabo he would not obtain written bids but agreed to call a few contractors and make inquiries about their interest in the work. He called several potential bidders for the types of work described. Some provided "ballpark estimates," which he orally communicated to Mr. Szabo. He said no written bids were provided from these potential bidders.

What is Commission audit staff's conclusion?

Commission audit staff believes that the 10 bids from the vendors interviewed were fabricated by Alturas and Sunrise. The numerous errors and irregularities in the 10 bids, allegedly from five separate vendors, are unlikely to have been simple errors and coincidences. Based upon the belief these documents were falsified and provided in direct support of the pending rate increase request, Commission audit staff believes the Commission should consider bringing formal

enforcement action against the utilities. Commission audit staff notes that a rate case application form PSC/ECR 2-W was signed for both utilities by Mr. Szabo certifying that statements made therein were true and correct. Language positioned just below the signature line of that form warns applicants:

Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.

Commission audit staff notes that the inclusion of falsified or overstated bids would have led to inflated customer rates, allowing the utilities' owner to reap improper profits. However, the internal controls built into the Commission's SARC process successfully prevented improper rates from being set in Dockets No. 140219-WU and 140220-WU. Consequently, no direct financial harm to ratepayers occurred and no adjustments to the utilities' present rates are needed.

6.0 Company Comments

6.1 Alturas and Sunrise Company Comments

This chapter contains comments provided by Mr. Szabo on behalf of Alturas and Sunrise in response to the audit report. These comments are reproduced verbatim:

If it would be allowed to rename Mr. Vilson Management Audit ... it should be called the Perfect Manual for a Which Haunt.

It contains endless allegations and twisting the facts all the way through, - that makes it very difficult to treat his report with respect

It is a public record the PSC never wanted truly help Sunrise or Alturas customers with a safe and continuous water supply,- and as an added excuses has initiated the Management Audit to justify their reasoning.

I am not expecting any leniency for any of my action or any recognition of my hard work - but I must demand a fair and balanced conclusion of his findings.

We cannot allow this report to be used as an additional tool for the PSC to cause any further delays of our ongoing process of re building the over 50 year old and deteriorated system of Sunrise Utilities - and to expose our customers to any further risks of their water source.

As our conclusion to the Audit, Mr. Vilson failed to present a realistic and an unbiased picture of both Companies.

You have extracted sentences from the PSC records with and interpretation for your own purposes.

Nothing was speared within your report, and many unnecessary and unethical allegations were made.

We must question the truthfulness and the viabilities of your RELIABLE _findings

You have also misinterpreted the true meaning of the NRRI steady and using your quotation...

." Most successful small system have an owner with a passion for the business, one who recognize and values the utility's public interest and obligation. "

This is who I am, - with my unshakable commitment to our customers.

You, Mr. Vilson having the access of the hundreds of pages of our records and witnessing our difficulties to able manage with the underfunded operation, - and still provide our customers with safe water supply without any incident all true the years. - have distorted the truth.

After severally being explained that Mr. Sheldon has no daily involvement in the affairs of Sunrise or Alturas still have kept on insisting to interview him just the same.

You have also insinuated as an added wrongdoing from Leslie Szabo part having the opportunity to avoid the Florida summer heat by going to Canada and living in Florida for the winter months.

I have always made myself available all through the years regardless being at what location, - and looked after the business in the daily bases.

We have been tormented within the last 3 years of the PSC artificially created and premeditated distraction relentlessly questioning of a non-existence Customer Service dissatisfaction, - and the Management Audit keeps on continuing the same practice.

As per your report from 01/01/2011 up to 02/17/2017 out of the 51 complaint in 2016, 8 were originated on 07/19/16 - as outage, due to major breakdown at Sunrise site.

Our SARC was stretched over a 22 months period and not one dollar was approved for additional up-keep maintenance, or replacement of the equipment's.

The PSC protected itself by using all the rules and regulations available to them, but our customer's interest were sacrificed.

Mr. Vilson with his debatable findings related to the so called falsified and overstated bids for repair and replacements, praises the PSC for their refusal to help Sunrise customers with their life necessity of water, - but safeguarded their water rate.

Can you imagine America have no water for one day or more?

The PSC can, - instead of preventing of happening a catastrophe, they kept on artificially focusing on the 3 % of our customer base complaints, and allowing all the customers to become casualties or collateral damages not having any water supply - and our business being destroyed.

Page 19 - Additionally, Mr. Mr. Szabo has actively worked to discourage customers from contacting the Commission. Mr Szabo sent all customers a July 29, 2016 letter detailing his dissatisfaction with the Commission rate increase decision and in large part asked the customers to stop complaining about service issue:

There are nine paragraphs extracted of from our original letter to alter reality without any acknowledgement the embarrassing actuality caused by the PSC.

Here is the **exact copy** of our July 29, 2016 letter to keep the records straight.

July 29, 2016

MESSAGE TO OUR CUSTOMERS,

We have realized from the reactions of a few our customers at Sunrise that the time has come to bring all our customers up to date of the reality we are both facing.

We are always aware of all the activities on a daily base of the Utilities.

If a breakdown occurs we are alerted immediately and looking for the solution at once to solve the problem as quickly as possible.

It is for our best interest to restore services because you only pay for the usages and with an interruption you will use less water.

Many times we do not have ourselves the answer how long will it take to restore the services but we always share the information available to us of the progress of the repair on our outgoing messages on the emergency phone line.

Our customer respond is very much various for the situation

We are thankful for those who could accept such situation as part of life without taking out their frustration on the Company or their representatives.

Those who feel themselves in a hostile situation during such problems, create the poisonous environment only out of their bitterness.

Not having any knowledge of the facts you can create further difficulties just being impatient. The virtue in such situation would be patience. The calmer we stay during a storm the better we come out.

Gossiping, spreading rumors and using inappropriate language only to get some attention isn't helping anybody. We never respond to such provocative act or words because it is a waste of time.

We do share your frustration for the interruption of the water services you are experiencing and are enraged of the circumstances are forced upon us.

Your continuous water supply was jeopardized and your rights has been denied by the Florida Public Service Commission to life on of most important essentials, - water.

Having an in depth knowledge of Sunrise and Alturas operating system and to maintain its capability to provide the proper services, we have turned to Florida Public Service Commission in good faith and made a Staff Assisted Rate Case Application asking for their help in the mid of 2014

Our decision was based on common sense as our previous 2009 rate case history recognized our needs and helped us to insure a trouble free operation.

Our latest rate case applications were stretched without any valid reason for 22 months. It was handled very contrary to the previous one we had, as the entire process took 11 months only, and being fair to our customers or to the Utilities.

We have never objected or complained to be questioned relentlessly of all phases of the operation and our books to be examined.

It shows that our revenue only covers the operational expenses cut to the bare minimum without any reasonable compensation to management and without any safety net for repairs or improvements of these aging systems.

The PSC focused mainly on the administrative issues. The PSC had all the opportunity to help you and our Company but they have ignored our urgent needs from the underground piping to the generator and the condition of the water tanks and to the many other important parts that we must look after.

We have complied with their regulatory rules and provided the documentations in great details item by item to establish the absolutely necessary founding to have to maintain a trouble free operation.

Hearing our repeated requests to receive a timely answer, many promises were made from their part our case will be judged fairly and help is on the way, gave us false hope.

We have also been cautioned, if we are not willing to sell to one of the Mega Corporation as being suggested, the possibilities if no adequate help will come from their end, - our customer's continuous water supply might be in jeopardy.

We have found this very uncharacteristic to their mission statement

The Mega Corporation swallowing up the privately owned small Utility Companies in Florida being pressured and are forced to sell. They already have a near monopolistic market of the electricity, gas and water services under their jurisdiction.

If we allowed this to happen, our customer will be faced with a 2 or 3 times higher monthly bill than their current rates are.

Sunrise customers will have no other choice than to allow them to recover their investment with interest and also to pay for their much higher administrative expenses that we are having.

Their legal team will be able to rush through in a short time their rate case application for your new rate.

We were, and still we are the voice to be heard in your behalf to maintain your lowest rate privileges and to protect our investments.

Since we have purchased the water system in the year of 2004 and compared to the national inflation rate established by the Government, our revenue is less today.

We are allowed to apply for a rate increase every 2 years but we have only exercised this option within the last 12 years 2 times only.

Our expenses grow just like anybody else's but Sunrise Utilities customers are still in a very enviable position to have the lowest rate in the entire Polk County.

The currently approved minimal rate increase was mainly for administrative issues only and not one dollar was approved for improvement or for additional maintenance and none of our repetitious written request was acknowledged or answered related to this subject.

Hoping to be heard at the final meeting at our case approval, - I was silenced and humiliated and not able to say one word, just allowed to listen in to their conversation.

It made me realize that all our 22 months hard work and efforts and hopes are buried.

As our current situation stand no supplier will come forward with help without any re- assurance to get paid for their services or supply.

We are expected to do the impossible to provide our customers with a trouble free operation but without any help from the PSC part to help us to have additional founding

The situation we are forced into, is the direct result of their action will be never admit.

All information revealed to you in this letter are public records, and verifiable in the Florida Public Service Commission website.

Their organization finances is based mainly on the variable regulatory contribution and licensing fees from the Utility Companies, which is a very important part of our budget.

If they do not get paid timely we are facing huge penalties and if the funds has to be taken away from our operating budget ,,it is not their concern.

Regarding the reality of the process of your complains sent to the PSC : we will receive their request to have our answer citing all their rules, and explicate your rights

We will be forced to spend more time and money - as nobody works for us free, and keep reminding them we also do have our rights and boundaries we can work within.

Our advices to you please examine the source of the problem first, and involving the PSC, your service will not be back any sooner.

Any unnecessary telephone call or written complaint to the offices of the authorities regulating water services will push your wagon to the Mega Corporation direction.

Calling the Health Department for not receiving the boiled water notice you are admitting to be aware of the situation and is nothing else than a spitefully act.

No regulatory ruling will ever protect you if we are not following consciously our commitment to never expose our customers to health hazard.

Please give us the same courtesy as we extend toward you to while looking for the solution to your complain.

It is easy to draw early assumptions without knowing the facts but it takes responsibility to admit a mistake

We always know if the complaint is a real or fabricated to somebody's own benefit...

Beside the 20 complaints through PSC we had several emails and some of them were very insufficient to deserve an answer. Let us do our job without interruption.

We do understand your frustration of the service interruption, can you and imagine ours?

In short, - think first before you shoot.. It is our mutual interest to work together instead against each other.

We sincerely hope that we came together in this letter, and it is a nice beginning.

Keeping together will bring progress. Working together will be success.

Feel free to send us an e-mail about your concerns, or ask your questions with confidence.

Sunrise Utilities LLC

.....

We must resent all your fabricated reasoning to derail our rational reliability to look after our customers' needs and to comply and respect our responsibilities to them.

All the interest on customer deposit was paid and all the deposits were returned to all credit worthy accounts.

Regardless of Mr. Vilson beliefs we always had a financial and operational planning, - otherwise the business would not survive due the forced upon circumstance from the PSC refusal to come forward with any help.

All the Triaholomethane and Haloacetic Acid Test were completed in the timely manner as ordered by the PCHD.

As of date we are 100 % aware of all our meter location and they are read monthly and are tested for accuracy - for all parties benefit.

We have never demanded from our customer to pay any higher amount than their actual gallon usages are, but we need to get paid also for our services.

Realistically the 51 Sunrise complaint (including 8 for outages) from 05/26/ 2011 up to 02/17/ 2017 are multiple generated complaints from the same individuals with various and unfounded excuses to not to pay their bill on time, - or not at all.

Many of the complaints are repetitious from 3 to all the way to 15 times from the very same people.

Looking them individually it is less than 3% of our customer base, - and it should not be the most major concern to the PSC.

We have earned our customers trust by an unusually high 90% ratio due to our billing records and customer service satisfaction performance all through the years.

It could not have been accomplished without Maria Mitra qualification and devotion to Sunrise and Alturas Utilities.

We have decided not to submit the 21 pages of M. Mitra detailed explanation of each case complaints made by Sunrise or Alturas customers pointing out all the wrongful resolutions of the PSC made, - to not to stretch this letter any further.

They clearly shows the PSC never reprimanded the notorious complainers for their repetitious and obvious artificially submitted claims, - but rather encouraged them.

It has caused many additional and unnecessary works to Utility.

They were answered within the very same day explaining the actuality of the circumstances and the truth, and submitting all the accounting records requested by the PSC.

Always being very cooperative and truthful to the facts - the PSC declared hastily the Utility being in Violation.

They are public records and cannot be altered and will show the reality.

They are the positive proof of Mr. Vilson inconsiderate assassination of the actual background of each case, and his eagerness to damage Sunrise and Alturas reputation in every possible way.

The following will be good examples how far are you willing to go and altering the facts of a customer wicked concern, - and to became a complaint.

A Sunrise complainant was told by a neighbor that teens were trespassing on his property. When confronted, the teens apparently stated, " they were helping their father with....reading the water meters.". In response to the complaint, the utility acknowledged that the teenager was assisting with the meter reading.

CALLER NAME: SANTIAGO ALEXANDRA

Details:

I'm not quite sure if this would be categorize as a complaint, more of a concern. Last weekend 01/29/17, one of our neighbors let us know that we had kids that were searching through our property. When he went to confront them, they let him know that they were helping their father (Robert Owens) with reading the water meters. My concern is whether or not this is legal? Can the person who is supposed to be reading our meters enlist the assistance of minors (even if its his own kids) to do his job? I actually searched the man that is in charge of reading our meters (we are on the same Facebook group page that William M Scott made) and at least one of his kids looks under 15 years of age.

Facebook group page that William M Scott made) and at least one of his kids looks under 15 years of age.

Another concern is whether or not the gentleman actually has worker compensation with Sunrise Utilities and is his son covered as well? How do I or any of my neighbors know that we won't be sued if something happens to either Mr. Owens or his kid on our property? I also saved a picture of a post that Mr. Scott made on Facebook stating that he had acquired high visibility vest for Mr. Owens and his son. Among the multiple issues this company has, could it be possible that some of the issues of incorrect meter reading be because a teen is doing it and might have issues reading the numbers and guessing and causing incorrect billing? Along with faulty meters that Sunrise swears there's nothing wrong with? I'd like to see this concern addressed. I don't feel comfortable with a minor walking on my property doing his fathers work, just because the father can't keep up with his job

Since MS. SANTIAGO is not making a Complaint but expressing her CONCERN about being informed from one of her neighbor-.

"I'm not quite sure if this would be categorize as a complaint, more of a concern"

NOTE: CASE may be logged in as a complaint or as an information request we consider this case as information request.

Mr. Ethan Nixon, 2561 Edmond Circle has an Account with Sunrise LLC since December 2015.

Ms. Alex Santiago wasn't present on this occurrences as she informed us, one of her neighbor was the one who prescribed her the events.

This "neighbor" when confronted the "kids" and they identified Mr. Robert Owens as the meter reader, should turn immediately and directly with his/her concern or questions to Mr. Robert Owen.

This situation and occurrences are not evident since Alexandra Santiago wasn't witnessing but only describing her concern based on her beliefs.

We are in the same shoe : we were not present and anything what we believe can be stated accordingly.

I confronted personally Mr. Owens and here is the truth and his version:

He was reading the meters with his son's help; who was only writing the numbers given from his father who was cleaning with his hand the dirt, debris or plant in order to get to the meters.

He has even show us pictures how inconsiderate are some of the Customers by not making available their meter for reading once a Month and this makes impossible for him to read the meters by himself.

For the information Mr. Owens's son is over 16 year old and both can be very proud for choosing to help his father because this only shows his character and good will.

I believe that Ms. Santiago can relate to what it means to be a proud parent or will experience and in this lights now understands exactly what happened.

Mr. Owens and Mr. Scott, both have a full time job and they are only working part time with Sunrise as independent contractors.

M.Mitra

Management Audit – Debbi Valle 1

Instead of accepting and re-examining the given circumstances you have decided to categorize and to label Leslie Szabo not only as an uncooperative person but also not being able to handle the affairs of Sunrise and Alturas Utilities, - based on your assumption and believes, - including your findings from Debbie Valle

- 1) Please update the information in the company's October 14, 2016 status report to the Commission that relate to changes in utility employees or contractors. Please describe the reasons for any changes that occurred recently and provide detailed relevant background information regarding why any changes were made.

Our complete answer.

We have replaced Ms. Debbie Valle being in charge for customer billing and collection and deposit of customer payments received.

Ms. Valle did not follow our instruction or were cooperative regarding handling some of the written off accounts. Her reasoning of already having a daily full time job, and she only have a limited time to spend on our business, - we have acted upon of her repetitious suggestions and to the many numerous warning to find somebody else to fill this position.

It is my responsibility that all active or existing accounts should be billed to protect our revenue.

Ms. Valle become revengeful to our decision and unlawfully has deleted our entire our software program without any prior warning to us, - knowingly that we are in parallel line with her computer and we will lose all our data's from our end, creating an immeasurable problem for Sunrise and Alturas Utilities.

Always acting responsible to our business we have kept on saving on the daily bases all our data's in our software program in a separate and secured location.

Ms. Valle as of date have refused to return our check processing machine (she has never installed by not having the time to start to activate) claiming she has received it broken when we asked for to be returned.

We have received from Ms. Valle many enraged letters, and threatening us to contact the PSC directly, for reason of her own.

I will not speculate if this Management Audit was the direct result of her action, - but it also gives us an opportunity for the PSC to realize there were no irregularly activity were committed, and we have nothing to hide.

Ms. Debbie Valle duties were taken over by Ms. Barbara Crozier who is a resident of Sunrise

We are discussing with her on a daily base all the necessary action to be taken regarding any of the individual customer status.

Any questions regarding to customer issues or billing should be addressed to M Mitra at yourwaterutilities@gmail.com

We also had to hire another person for the meter reading and to replace Mr. Mike Watkins being a close Family member of Ms. Valle and not willing to continue to work for Sunrise or Alturas Utilities any longer.

Meter reading and maintenance was taken over by Mr. William Scott who is very knowledgably in all phase of the water utilities operation and maintenance with 20 years of experience.

Management Audit – Debbi Valle 2

7 Please describe the process for generating bills, receipt of payment, and processing of payments for both companies.

We are using the same software program within the last many years and the bills are generated based on the customers' gallon usages with our current rate base already programmed in.

The software program does not allow making any changes regardless who is using it

The November monthly billing were prepared and mailed to the customer by Barbara Crozier being in charge at this area.

The customer payments received is deposited the same way as before.

Mr. Vilson extract from our original answers and conclusion for Debbie Valle defense!

Yet in the same letter, Mr. Szabo contradicting himself stating

We are using the same software within the same many years and the bills are generated.... with our rate base already programmed in. The software program does not allow making any changes regardless who is using it. " (sic)

The rate bases are public knowledge data and are part of the software program. When the actual gallon usages read based on the individual customer water consumption the software creates the bill.

Debbie Valle **DELETAD all our customer data's from** : their actual names addresses, --meter ID number , - latest meter reading position of each of and all of our customer base and **THEIR ENTIRE BILLING HISTORY !**

In a simple term, if somebody brakes into your house to take your life possession away or with an intent to kill you, and the alarm system prevented from happening, - there is no crime committed ?

Management Audit – Debbi Valle 3

We did not wanted to fuel Debbie Valle anger any further because of her replacement after receiving her first very disturbing letter, and our disappointment in her.

Therefore neiether I or M Mitra had any written or verbal communication with Debbie Valle since her separation from Sunrise and Alturas Utilities as of October 9, 2016.

Unfortunately I am forced to bring to the PSC attention her last e-mail received February 3, 2017 - within the many similar and insulting and falsified accusation letters in between.

I did not feel the necessity to expose her true feelings and her offensive characterization against me and M Mitra, - but after receiving the Management Audit one sided and bias conclusion prepared by Mr. Vilson, - gives me no choice than straight out the facts.

No Subject]

People

Debbie Valle <mmvalle58@aol.com>

To

yourwaterutility@gmail.com l.szabo@rogers.com

CC

sallen74647@gmail.com

February 3, 2017

Today at 8:35 PM

This message contains blocked images.

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You are such a bitch. It's time to realize that you are the scumbag here - both you and Leslie are nothing more than lying, cheating assholes. I've already filed a complaint with the attorney general of Florida for you **falsifying documents to help your rate case.** You know you falsified them, **the PSC knows you falsified them** and now so will the attorney general and Bruce Alumbaugh will swear to it in a court of law. You picked the wrong person to use their name falsely. Are you getting it yet? **We all hate you,** that should tell you something. By the way - it's a crime to submit false documents to a government agency punishable **my** jail time.

You have the gall to call yourself Reverend? Well Reverend - I hope you burn in hell for your actions, you damn sure deserve to. **Those people out there might not know how to bring you down but I damn sure do** - I'm smarter than the two of you will ever think about being so go screw yourselves. Liars and cheaters never win and all of us at Sunrise are going to see you get EXACTLY what you deserve. **The news media will be out soon to do a story on all of this and I'll be right there to give them every bit of information that I have and trust me, I still have it ALL!!!!!!!!!!!!!!!!!!!!!!!!!!!!!!** Now, I'll tell you what you told Sherry Allen, it's time YOU recognize you can't blame anyone but yourselves!! Choke on that will ya Reverend!!!

Debbie Valle

The only validity we are willing to accept within this letter that she has called M. Mitra as reverend, and she really is.

She became an ordained Minister in the state of Ohio in the year 1998.

She was exposed to the many faces of human behavior from joyous occasions from conducting marriages, - all the way to burry many of her followers, and comforting the families left behind in their deepest sorrow.

M Mitra always treated all customer complaint with fairness and compassion as her commitment to the people.

I am certain you have already noticed within her respond to the PSC as she has devoted most of her time previously with the Hungarian Community, - English is not her first language.

I hope Mr. Vilson will realize his valid source of information regarding Debbie Valle willingness to help the PSC need to be reconsidered.

Debbie Valle accusation should be recognized of being revengeful and to be reexamined due to their self serving purposes,

Management Audut - Annual Reports 1

Alturas and Sunrise have exhibited o history of disregard for regulatory compliances by filing annual reports late and not filing o written request with the Commission for an extension on time.

The reality is that all the Annual Reports between 2008 and 2016 was mailed and received on time.

The 2106 Annual Reports was also mailed prior to Mach 31 as per regulation requirements, - but was lost in the mail.

When it was brought to our attention we have submitted immediately electronically the copies of the 2016 report for Sunrise and Alturas, - already being completed.

We did not file a written request as it was not called for, - not being aware it was not received

Management Audut - Annual Report 2

We must bring to Mr. Vilson attention a serious error of the accounting from his or the PSC part, not acknowledging the actual Regulatory Assessment Fees payments made.

In May 2014, Alturas and Sunrise agreed to payment plans negotiated with Commission staff for delinquent RAFs. Alturas and Sunrise agreed to submit monthly payment of \$ 85 and \$ 250 respectively to the Commission beginning November 2014 and continuing until the balance of outstanding RAFs are paid in full, including penalties and interest.

Audit for **ALTURAS**

Alturas Audit shows No payment received in the year 2014

The actual payment made in 2014 - \$ 85.00 each - Aug, Sept, Oct, Nov, Dec totaling \$ 425.00 - versus no payment at all.

Alturas Audit shows 01/01/15 – 12/31/15 \$ 623.48

Alturas actual payment made in 2015 - of \$ 85.00 each - Jan, Feb, March, April, June, July, Aug, Sept, Oct, Nov, Dec, Totaling \$ 935.00 - versus \$ 623.48

Alturas Audut shows No payment received in the year 2016

Alturas actual payment made in 2016 of \$ 85.00 each - Jan, Feb, March, April, May, June, July, Nov, Totaling \$ 680.00 - versus no payment at all.

Audit for SUNRISE

Sunrise Audit shows No payment received in the year 2014

Sunrise actual payment made in 2014 of \$ 250.00 each - Nov, Dec, Totaling \$ 500.00 - versus no payment at all.

Sunrise Audit shows only one payments of \$ 250.00 for – 01/01/15 – 12/31/15

Sunrise actual payment made in 2015 of \$ 250.00 each - Jan, Feb, March, April, May, July, Sept, Oct, Nov, Dec, Totaling \$ 2,500.00 - versus \$ 250.00

Sunrise Audit shows – 01/01/16 – 12/31/16 - No payment received in the year 2016

Sunrise actual payment made in 2016 of \$ 250.00 each - Feb, March, April, May, Aug, Nov, Totaling \$ 1,500.00 - versus no payment at all.

I am certain the PSC will rectify the error occurred for Alturas \$ 1,417.00 and for Sunrise \$ 4,250.00 and we will be credited with the actual payments made.

I was not aware of the accounting error, - and had the impression that I have angered some of the PSC officials for the reason of not continuing with our agreed payment arrangement since mid 2016.

As per our records, - we have faithfully complied with the negotiated arrangement until mid 2016 when the major breakdown occurred at Sunrise.

We were forced to allocate any available funds to restore and to maintain water services for Sunrise customers.

Not remembering my exact quotation I have stated, - not feeling guilty about that I have chosen to provide Sunrise customers with their life essential , - instead of paying the RAF dues as the PSC have enough funding to maintain operation, - but we don't.

We are in the process to re-build the already deteriorated Sunrise system within the next 8 - 10 months and hopefully there will not be any failure in between, - not having any reserved funds to rely on.

As part of our financial or business plan we will continue as of June 25, 2017 with the agreed payment plan of \$ 85.00 and \$ 250.00 in every second month until the system will be rebuild and our operation will become worry free.

Of course after the task accomplished, we will continue make the payment plan on the regular monthly bases until all outstanding RAF dues are fully paid.

My Closing Thoughts:

I wish your Audit was independent and accurate as it was promised to be within your November 2014 letter, - but is NOT.

We were hopeful that the report finally will create a strategic partnership between Sunrise and Alturas Utilities and the PSC, - for the true benefit to all their customers.

It did not happened...and it is immaterial if the report was written solely on Mr. Vilson personal conviction to hurt and to discredit Leslie Szabo in any way possible - or his action were influenced by higher authorities within the PSC.

It was never our intention to disappoint or to anger any Public Officials, having respect to their authority and always acted responsible to any of their impartial order or recommendation

In the late 2014 we have initiated our SARC and the relationship between Leslie Szabo and the PSC since than.. not only not remained impartial compared to the previous years, but was routed to run on a collision course.

We have never asked the PSC to share our pain, but never asked either to be forced to defend the truth continuously with one hand, and to run the business with the other hand.

Leslie Szabo

7.0 Appendices

7.1 Appendix A Sunrise Utilities – PSC Complaints

Sunrise Utilities Complaints filed with the Commission (2011-March 31, 2017)										
CATS No.	Receive Date / Response Date	Response Timely (1) or Late (0)	Closeout Date	Closeout Code/ Apparent Rule Violation	Customer Reported Issues 2011 – March 31, 2017					
					Billing	Customer Service	Disconnect	Metering	Service Quality	
1	1010939W	05/26/11 06/16/11	1	07/01/11	GI-25: Improper Billing	1	0	0	1	0
2	1012226W	06/06/11 06/15/11	1	08/10/11	GI-25: Improper Billing	1	1	0	1	0
3	1043298W	12/09/11 01/31/12	0	02/07/12	Violation- WB-49: 25-22.032(6)(b) - Failure to Respond to FPSC w/i 15 days	1	0	0	0	0
4	1064303W	05/16/12 05/23/12	1	06/22/12	GI-15: Outages	0	0	0	0	1
5	1069564W	06/28/12 08/16/12	0	08/21/12	Violation- WB-04: 25-30.261 - Inaccurate Meter Reading	1	1	0	1	1
6	1070686W	07/06/12 08/16/12	0	08/20/12	Violation - WB-50: 25-22.032(6)(b) - Failure to Respond to Cust w/i 15 days	1	1	1	1	0
7	1075376W	08/09/12 10/12/12	0	10/12/12	Violation - WB-50: 25-22.032(6)(b)	1	0	0	0	0
8	1087018W	10/25/12 12/11/12	0	12/18/12	Violation - WB-49: 25-22.032(6)(b)	1	0	0	1	0
9	1099980W	02/04/13 03/05/13	0	03/15/13	Violation - WS-49: 25-22.032(6)(b)	0	1	1	0	1
10	1114019W	06/21/13 07/09/13	1	08/21/13	GI-05: High Bill	1	1	1	1	0
11	1149352W	06/09/14	0	12/08/14	Violation - WS-49: 25-22.032(6)(b)	0	1	0	0	0
12	1149764W	06/12/14 11/05/14	0	11/14/14	Violation - WS-49: 25-22.032(6)(b)	0	1	0	0	0
13	1159150W	09/11/14 10/21/14	0	01/12/15	Violation - WS-49: 25-22.032(6)(b)	1	1	0	1	0
14	1166411W	11/21/14 12/15/14	1	02/10/15	GI-08: Rules/Tariffs	1	1	1	0	0
15	1172870W	01/30/15 04/29/15	0	10/01/15	Violation - WB-49: 25-22.032(6)(b) WB-51: 25-22.032(6)(e) - Failure to Respond to FPSC w/i 7 days	1	1	1	0	0
16	1176047W	03/06/15 04/30/15	0	05/01/15	Violation - WB-49: 25-22.032(6)(b)	1	1	1	1	0
17	1178106W	04/01/15 04/30/15	0	05/07/15	Violation - WS-49: 25-22.032(6)(b)	0	1	0	0	0
18	1180403W	04/30/15 05/01/15	1	06/04/15	GI-25: Improper Billing	1	1	0	1	0
19	1186456W	07/16/15 08/17/15	0	03/24/16	Violation - WB-50: 25-22.032(6)(b)	1	1	0	1	0

Sunrise Utilities
Complaints filed with the Commission
(2011-March 31, 2017)

CATS No.	Receive Date / Response Date	Response Timely (1) or Late (0)	Closeout Date	Closeout Code/ Apparent Rule Violation	Customer Reported Issues 2011 - March 31, 2017					
					Billing	Customer Service	Disconnect	Metering	Service Quality	
20	1189057W	08/13/15 08/18/15	0	11/28/16	Violation - WB-28: 25-22.032(6)(c) - Failure to Provide Full/Accurate Report	1	1	1	1	0
21	1190043W	08/25/15 09/18/15	0	10/30/15	Violation - WB-28: 25-22.032(6)(c)	1	0	1	1	0
22	1193439W	09/29/15 10/01/15	1	11/03/15	Violation - WB-22: 25-30.335(1) - Payment Not Credited Error; WB-28: 25-22.032(6)(c)	1	1	1	1	0
23	1193554W	09/30/15 11/03/15	0	04/18/15	Violation - WB-49: 25-22.032(6)(b) - Failure to Respond to FPSC w/i 15 days	1	1	1	1	0
24	1193600W	09/30/15 10/16/15	1	11/06/15	GI-11: Repair Service	0	1	0	0	1
25	1205644W	02/17/16 03/18/16	0	03/29/16	Violation - WB-49: 25-22.032(6)(b)	1	1	0	1	1
26	1206935W	03/03/16 03/10/16	1	04/12/16	GI-29: Connect Delay	0	1	0	0	0
27	1207817W	03/15/16 03/16/16	1	06/27/16	Violation - WB-04: 25-30.261 - Inaccurate Meter Reading WB-51: 25-22.032(6)(e) - Failure to Respond to FPSC w/i 15 days	1	0	0	1	0
28	1208087W	03/18/16 03/21/16	1	04/29/16	GI-25: Improper Billing	1	1	0	0	0
29	1211481W	05/02/16 06/09/16	0	07/13/16	Violation - WB-16: 25-30.335(2) - Bills Not Marked Estimate	1	1	0	1	0
30	1211566W	05/03/16 06/07/16	0	06/08/16	Violation - WB-49: 25-22.032(6)(b)	1	1	0	1	1
31	1211896W	05/06/16 05/10/16	1	05/26/16	Violation - WB-24: 25-30.345 - Improper Billing of Reconnect/Service Charges	1	1	0	1	0
32	1214332W	06/09/16 06/24/16	1	07/15/16	GI-15: Outages	0	1	0	0	1
33	1214339W	06/09/16 06/27/16	1	07/15/16	GI-15: Outages	0	0	0	0	0
34	1215984W	07/01/16 07/06/16	1	07/08/16	GI-25: Improper Billing	1	1	1	0	0
35	1217687W	07/19/16 08/09/16	1	08/24/16	GI-15: Outages	0	0	0	0	1
36	1217704W	07/19/16 08/09/16	1	08/24/16	GI-15: Outages	0	0	0	0	1
37	1217726W	07/19/16 08/09/16	1	08/24/16	GI-15: Outages	0	1	0	0	1
38	1217728W	07/19/16 08/09/16	1	08/24/16	GI-15: Outages	0	1	0	0	1
39	1217823W	07/20/16 08/09/16	1	08/24/16	GI-15: Outages	1	0	0	0	1

**Sunrise Utilities
Complaints filed with the Commission
(2011-March 31, 2017)**

CATS No.	Receive Date / Response Date	Response Timely (1) or Late (0)	Closeout Date	Closeout Code/ Apparent Rule Violation	Customer Reported Issues 2011 - March 31, 2017					
					Billing	Customer Service	Disconnect	Metering	Service Quality	
40	1217920W	07/21/16 08/09/16	1	08/29/16	GI-15: Outages	0	0	0	0	1
41	1217998W	07/22/16 08/09/16	0	09/30/16	Violation - WS-28: 25-22.032(6)(c) - Failure to Provide Full/Accurate Report	1	0	0	0	1
42	1219107W	08/05/16 08/09/16	1	09/09/16	GI-30: Service Quality	0	1	0	0	0
43	1219967W	08/12/16 08/15/16	1	11/30/16	Violation - WS-51: 25-22.032(6)(e)	1	1	1	0	0
44	1226926W	11/02/16 12/09/16	0	12/14/16	Violation - WS-12: 25-30.320(5)(6) - Service Improperly Disconnected	0	0	1	0	0
45	1182487W	05/28/15	0	12/03/15	GI-11: Repair Service	0	0	0	0	1
46	1207276W	03/08/16 03/21/16	0	04/27/16	GI-11: Repair Service	0	0	0	0	1
47	1232339W	01/04/17 01/04/17	1	03/31/17	Violation - WB-13: 25-30.320(2)(g) - Improper or No Disconnect Notice WB-48: 25-22.032(3)- Disconnect Protection during Complaint Process Violation - WB-14: 25-30.335(1) - Inadequate information on bills	1	0	0	1	0
48	1235086W	02/02/17 02/02/17	1	02/28/17	Violation - WS-12: 25-30.320(5)(6) - Service Improperly Disconnected	0	1	1	0	0
49	1235221W	02/03/17 02/03/17	1	03/14/17	GI-25: Improper Billing	1	1	0	0	0
50	1235681W	02/08/17	1	03/03/17	GI-30: Service Quality	0	0	0	1	0
51	1236441W	02/17/17	1	03/29/17	Violation - WB-22: 25-30.335(1) - Payment not Credited	1	1	0	1	0
Apparent Rule Violations (CATS closeout code): 33						31	33	14	22	16

7.2 Appendix B Alturas Utilities – PSC Complaints

Alturas Utilities Complaints filed with the Commission (2011-March 31, 2017)									
CATS No.	Receive Date / Response Date	Closeout Date	Closeout Code/ Apparent Rule Violation	Customer Reported Issues 2011 – March 31, 2017					
				Billing	Customer Service	Disconnect	Metering	Service Quality	
1	1005510W	04/26/11 05/11/11	06/07/11	GI-25: Improper Billing	1	1	0	0	0
2	1005688W	04/26/11 05/11/11	05/31/11	GI-25: Improper Billing	1	1	0	0	0
3	1005756W	04/27/11 05/11/11	06/02/11	GI-25: Improper Billing	1	1	0	1	0
4	1006193W	04/28/11 05/11/11	06/02/11	GI-30: Service Quality	0	1	0	0	0
5	1027281W	09/01/11 09/27/11	10/12/11	Violation - WS-12: 25-30.320(5)(6) – Service Improperly Disconnected	0	0	1	0	0
6	1032388W	10/03/11 11/02/11	11/08/11	Violation - WB-49: 25-22.032(6)(b) – Failure to Respond to FPSC w/i 15 days	1	1	1	1	0
7	1172953W	01/30/15 05/01/15	05/01/15	Violation - WS-49: 25-22.032(6)(b)	0	1	1	0	0
8	1206194W	02/23/16 03/15/16	03/29/16	GI-30: Service Quality	1	1	0	0	0
9	1207988W	03/17/16 04/07/16	08/03/16	Violation - WB-51: 25-22.032(6)(e) – Failure to Respond to FPSC w/i 7 days	1	1	0	0	0
10	1207995W	03/17/16 03/17/16	04/21/16	GI-29: Connect Delay	0	1	0	0	0
11	1210193W	04/14/16 04/18/16	05/25/16	GI-25: Improper Billing	1	0	0	1	1
12	1230140W	12/07/16 12/15/16	01/24/17	GI-25: Improper Billing	1	0	0	1	0
Apparent Rule Violations (CATS closeout code): 4					8	9	3	4	1

ATTACHMENT B

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for staff-assisted rate case in
Polk County by Sunrise Utilities, L.L.C.

DOCKET NO. 140220-WU
ORDER NO. PSC-16-0126-PAA-WU
ISSUED: March 28, 2016

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman
LISA POLAK EDGAR
ART GRAHAM
RONALD A. BRISÉ
JIMMY PATRONIS

NOTICE OF PROPOSED AGENCY ACTION ORDER
APPROVING RATE INCREASE FOR SUNRISE UTILITIES, L.L.C.
AND
FINAL ORDER ON RECOVERY OF RATE CASE EXPENSES,
TEMPORARY RATES AND ACCOUNTING ADJUSTMENTS

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission (Commission) that the action discussed herein, except for the granting of temporary rates in the event of protest, the four year rate reduction, and proof of adjustment of books and records, is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.). The granting of temporary rates in the event of a protest, the four year rate reduction, and the proof of adjustment of books and records are final agency actions and subject to reconsideration and appeal as described below under the heading, "NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW."

BACKGROUND

Sunrise Utilities, L.L.C., (Sunrise or Utility) is a Class C utility providing water service to approximately 247 residential water customers in Auburndale, Florida, located in Polk County. Sunrise's service territory is located in the Southwest Florida Water Management District (SWFWMD) and is subject to a year-round irrigation rule. Sunrise's water treatment plant (WTP) was placed into service around 1970. The system was operated by Sunrise Water Company, Inc. and was issued a Grandfather certificate in 1997.¹ Sunrise Water Company was

¹ Order No. PSC-97-0832-FOF-WU, issued July 11, 1997, in Docket No. 961249-WU, In re: Application for grandfather certificate to provide water service in Polk County by Sunrise Water Company, Inc.

transferred to Keen Sales, Rentals and Utilities, Inc. in 1992.² Sunrise acquired a portion of Keen Sales, Rentals and Utilities, Inc.'s service territory in 2005 when it was granted a transfer.³ According to Sunrise's 2014 Annual Report, total gross revenues were \$69,411 and total operating expenses were \$95,476 resulting in a net loss of \$26,065.

On November 10, 2014, Sunrise filed its application for a staff assisted rate case (SARC), in accordance with a payment plan negotiated with our staff for the payment of delinquent Regulatory Assessment Fees (RAFs) owed to this Commission by the Utility. Staff selected the test year ending December 31, 2014, for the instant case. Sunrise's last SARC was approved in 2012.⁴

On May 1, 2015, our staff issued a preliminary recommendation (Staff Report), pending further review of this matter. On May 20, 2015, a customer meeting was held in Auburndale, Florida, to receive customer questions and comments concerning Sunrise's rate case and quality of service. On June 10, 2015, the Office of Public Counsel (OPC) filed comments identifying its concerns with information contained in the Staff Report.⁵ On December 9, 2015, our staff held a noticed, informal meeting with OPC to discuss the status of the Utility's SARC, including issues or concerns identified by staff, OPC or other interested party.⁶

We have jurisdiction pursuant to Section 367.0814, Florida Statutes, (F.S.).

DECISION

Quality of Service

Pursuant to Rule 25-30.433(1), F.A.C., we must determine the overall quality of service provided by a utility in water and wastewater rate cases. In determining overall quality of service, we must evaluate three separate components of a utility's operations: (1) the quality of the utility's product; (2) the operating conditions of the utility's plant and facilities; and (3) the utility's attempt to address customer satisfaction. Rule 25-30.433, F.A.C., further provides that we consider sanitary surveys, outstanding citations, violations, and consent orders on file with the Department of Environmental Protection (DEP) and the county health department over the preceding three-year period. Input from DEP, health department officials, and customer comments or complaints are also considered. Section 367.0812(1)(c), F.S., also requires that we

² Order No. Order PSC-00-1388-PAA-WU, issued July 31, 2000, in Docket No. 990731-WU, In re: Application for transfer of water facilities from Sunrise Water Company, Inc., holder of Certificate No. 584-W, to Keen Sales, Rentals and Utilities, Inc., holder of Certificate No. 582-W, in Polk County, for cancellation of Certificate No. 584-W, and for amendment of Certificate No. 582-W to include additional territory.

³ Order No. PSC-05-0308-PAA-WU, issued March 20, 2005, in Docket No. 040159-WU, In re: Application for transfer of portion of Certificate No. 582-W by Keen Sales, Rentals and Utilities, Inc. to Sunrise Utilities, LLC, in Polk County.

⁴ Order No. PSC-12-0533-PAA-WU, issued October 9, 2012, in Docket No. 110238 - WU, In re: Application for staff-assisted rate case in Polk County by Sunrise Utilities, LLC.

⁵ See, Document No. 03572-15 filed on June 10, 2015, in Docket No. 140220-WU.

⁶ See, Document No. 07808-15, filed on December 10, 2015, in Docket Nos. 140219-WU and 140220-WU.

consider the extent to which the utility provides water service that meets secondary water quality standards as established by the DEP.

Quality of Utility's Product

As previously stated, Sunrise provides water service only and is subject to various environmental requirements under the jurisdiction of the DEP. Our evaluation of Sunrise's product quality consisted of reviewing Sunrise's compliance with DEP primary and secondary drinking water standards, county health department standards, and customer complaints. Primary standards protect public health while secondary standards regulate contaminants that may impact the taste, odor, and color of drinking water.

Based on our review of the DEP and Polk County Health Department (PCHD) records, Sunrise was in compliance with all primary and secondary standards in 2012 and 2013. In 2014, our review identified one compliance issue, wherein the PCHD conducted a sanitary survey of the Utility on May 21, 2014, and noted four deficiencies. Sunrise corrected the four deficiencies identified by the PCHD within 30 days. Our review of the monthly microbiological laboratory reports indicates that Sunrise did not have any other compliance issues during the remainder of 2014.

On June 9, 2015, PCHD conducted a sanitary survey of Sunrise and found the chlorination insufficient. Follow up inspections by PCHD on July 9, 2015, and July 17, 2015, showed that the chlorination issue still had not been resolved. On July 21, 2015, PCHD issued a warning notice to both Sunrise and its sister company, Alturas Utilities L.L.C. (Alturas), for not properly maintaining chlorine residuals. Sunrise's triennial test, for both primary and secondary standards, completed on December 15, 2015, indicated that the Utility was in compliance with DEP and PCHD standards. Therefore, it appears Sunrise corrected the chlorination issues and is now in compliance with DEP and PCHD primary and secondary standards.

Our review of complaints filed by customers did not reveal any issues or concerns regarding the quality of Sunrise's product. At the customer meeting held by our staff on May 20, 2015, three customers stated the water quality was bad at times and not suitable for consumption. Based on our review, giving consideration to Sunrise's current compliance with DEP and PCHD standards, as well as the relatively low number of customer complaints, we find the quality of Sunrise's product to be satisfactory.

Operating Condition of the Utility's Plant and Facilities

Sunrise's water system provides finished water that is obtained from two wells. The water system is served by an 8-inch diameter well, rated 400 gallons per minute (gpm), and a 4-inch diameter well, rated at 150 gpm. Raw water is injected with liquid chlorine prior to entering either a 6,000 gallon or 3,000 gallon hydropneumatic tank. The treated water is then pumped into the water distribution system.

Our evaluation of Sunrise's facilities included an inspection of the Sunrise plant site performed by our staff on May 19, 2015, and a review of the Utility's compliance with DEP and PCHD standards of operation. PCHD records indicate that on December 13, 2012, PCHD conducted a plant inspection, which concluded that the 6,000 gallon hydropneumatic tank would have to be cleaned and recoated within 36 months of the inspection date (December 2015). On January 14, 2016, Sunrise and PCHD, on behalf of DEP, entered into a Consent Order stating that the Utility failed to perform the recommended maintenance and that the Utility faced escalating financial penalties until the recommended maintenance was completed. In addition, Sunrise has not provided this Commission with any documentation to indicate that the Utility planned on performing the maintenance recommended by the PCHD despite multiple requests by our staff. Based on Sunrise's non-compliance and non-responsiveness to PCHD requirements, we find that the operating condition of Sunrise's plant and facilities to be unsatisfactory. In addition, we find that Sunrise shall be required to file six monthly status reports in this docket, beginning April 15, 2016, to provide the status of its progress in meeting the requirements of the PCHD Consent Order.

The Utility's Attempt to Address Customer Satisfaction

The final component of the overall quality of service that we must assess is customer satisfaction. As part of our evaluation of the Utility's customer satisfaction, our staff held a customer meeting on May 20, 2015, to receive customer comments concerning Sunrise's quality of service. Approximately 20 customers attended the meeting in which 5 spoke about their problems with the service provided by the Utility. The primary concern expressed by the five speakers dealt with billing issues. The customers were angered by multiple instances of their monthly payments not being credited properly, resulting in late payment fees. In addition, they stated Sunrise had a policy of knocking on the customers doors in the evening hours threatening to disconnect the service if a cash payment was not made to them immediately. In some instances, customers claim that they paid in cash as requested, and then received a double bill the following month with neither of their payments credited, although their bank or payment agent verified the payment. The customers characterized Sunrise's practice of collecting payments as intimidating. In addition, our staff was presented with a petition, with 71 signatures, at the customer meeting, stating an objection to the rate increase. The petition, however, lacked sufficient information, such as addresses, to quantify how many of the signatories were Sunrise customers.

Our staff also requested the complaint records filed against the Utility, directly with the DEP/PCHD from 2011 through 2015. The DEP/PCHD responded that it had not received any complaints against the Utility during the specified time frame. The same request was sent to Sunrise, which responded that it did not have any customer complaints outside of the ones forwarded by our Office of Consumer Assistance and Outreach for the requested period. The review of our complaint records indicated 22 complaints against the Utility were received from January 1, 2011, through December 31, 2015. Similar to the concerns expressed at the customer meeting, many of the complaints reflected dissatisfaction with billing issues. Fourteen of the Utility's 22 responses, to our staff's inquiries, were beyond the 15 days required by Rule 25-22.032, (6)(b) F.A.C. Because the Utility's responses were late, they were recorded as apparent

violations of the aforementioned Rule. OPC also raised concerns about the Utility's responsiveness to customer and staff inquiries. Table below, summarizes the customer complaints in this docket.

Subject of Complaint	PSC's Records (CATS)	Customer Meeting
Billing Related	14	4
Opposing Rate Increase	-	1
Other	2	-
Quality of Service	6	3
Total*	22	8

*A complaint may appear twice in this table if it meets multiple categories.

On October 19, 2015, the Utility notified our staff that its daily customer service and repair operations were under new management. Additionally, the Utility has entered a contractual arrangement with a bookkeeper in Bartow, Florida, which would allow customers to make service requests and bill payments in person from 8:30 am to 5:00 pm Monday through Friday.⁷ Although the Utility has demonstrated a willingness to address customer satisfaction, we note that complaints regarding billing have been occurring for several years now.

We find that Sunrise's untimely responses to this Commission's inquiries as well as other regulatory agencies, relates to the Utility's attempts to address customer satisfaction. As discussed above, Sunrise has not been responsive to the PCHD with respect to necessary maintenance of its facilities, and Sunrise has not been timely in its responses to our Office of Consumer Assistance and Outreach. Based on the summation of these concerns, as well as the customer's complaints regarding the Utility's practice of collecting payments, we find Sunrise's attempt to address customer satisfaction to be unsatisfactory. Should Sunrise continue to show a pattern of non-responsiveness to this Commission's inquiries or Sunrise customers continue to complain about its practice of collecting payments, a show-cause proceeding may be initiated against the Utility.

Quality of Service Summary

We find that the overall quality of service provided by Sunrise to be unsatisfactory because Sunrise has failed to address maintenance and repairs recommended by the PCHD in 2012. Sunrise shall be required to file six monthly status reports in this docket, beginning April 15, 2016, to provide the status of its progress in meeting the requirements of the PCHC Consent Order. Furthermore, Sunrise has demonstrated a pattern of non-responsiveness to inquiries by this Commission, and, as such, the Utility's officers' salaries shall be decreased by 25 percent as

⁷ Document 06695-15, filed on October 20, 2015, in Docket No. 140219-WU.

set out more fully below. Finally, should Sunrise continue to show a pattern of non-responsiveness to this Commission or Sunrise customers continue to complain about its practice of collecting payments, a show-cause proceeding may be initiated against the Utility.

Used & Useful (U&U)

Sunrise's water system is served by an 8-inch diameter well rated at 400 gallons per minute (gpm) and a 4-inch diameter well rated at 150 gallons per minute (gpm). The raw water is injected with liquid chlorine prior to entering either a 6,000 gallon or 3,000 gallon hypodermic tanks, and then pumped into the water distribution system. The Utility is permitted to withdraw an average of 58,400 gallons per day (gpd) and up to 73,000 gpd peak. The treated water is then pumped into the water distribution system. During Sunrise's previous SARC, we found both the water treatment plant and distribution system to be 100 percent U&U. There have been no major plant additions or growth in the service area in the last five years. Therefore, consistent with our prior decision, we find the water treatment plant and distribution system to be 100 percent U&U.

Excessive Unaccounted for Water (EUW)

Rule 25-30.4325, F.A.C., describes EUW as unaccounted for water in excess of 10 percent of the amount produced. When establishing the Rule, we recognized that some uses of water are readily measurable and others are not. Unaccounted for water is all water that is produced that is not sold, metered, or accounted for in the records of the Utility. The Rule provides that to determine whether adjustments to plant and operating expenses, such as purchased electrical power and chemicals cost, are necessary, we will consider all relevant factors as to the reason for EUW, solutions implemented to correct the problem, or whether a proposed solution is economically feasible. The unaccounted for water is calculated by subtracting both the gallons used for other purposes, such as flushing, and the gallons sold to customers from the total gallons pumped for the test year.

Sunrise treated 17,560,851 gallons and sold 14,161,000 gallons of water during the test year. Sunrise did not record any gallons used for other purposes. According to Sunrise, there are no fire hydrants in the service area. Therefore, the amount of unaccounted water (17,560,851 – 14,161,000) equals 3,399,851 gallons. Ten percent of the gallons produced, (17,560,851 x 0.10) or 1,756,085 gallons, are allowed per Rule; thus, the EUW (3,399,851 – 1,756,085) equals 1,643,766 gallons. This divided by the total gallons produced (1,643,766/17,560,851) equates to approximately 9 percent EUW. Therefore, we find that a 9 percent adjustment shall be made to Sunrise's operating expenses for chemicals and purchased power due to the EUW.

Common Cost Allocation

Sunrise and its sister company, Alturas, receive services from several shared contractual service providers. During the test year, Sunrise's allocation of the common costs varied for each of the contractual service providers. In its June 10, 2015, letter OPC expressed concern about the variability in the Utility's test year contractual service expense allocations. Our practice is to

allocate shared administrative and general expenses based on the number of Equivalent Residential Connections (ERCs).⁸ In addition, we have previously approved this methodology for Sunrise and Alturas when the systems were owned by Keen Sales, Rentals, and Utilities, Inc. The appropriate allocation percentages are calculated as follows:

Name of System	Number of ERCs	Percentage of Allocation
Alturas Utilities, L.L.C.	69	22%
Sunrise Utilities, L.L.C.	<u>247</u>	<u>78%</u>
Total	<u>316</u>	<u>100%</u>

As shown above, Sunrise represents 78 percent of the ERCs for both utilities. Therefore, we find that the shared reasonable and prudent common expenses to be allocated to the Sunrise water system shall be 78 percent, and equitably reflects the distribution of costs between the two systems.

Rate Base

The appropriate components of the Sunrise’s rate base include utility plant in service, land, contributions-in-aid-of-construction (CIAC), accumulated depreciation, amortization of CIAC, and working capital. We last established Sunrise’s rate base by Order No. PSC-12-0533-PAA-WU in 2011.⁹ The test year selected in the instant case ended December 31, 2014. A summary of each component of rate base and the adjustments made are discussed below.

Pursuant to Rule 25-30.115, F.A.C., water and wastewater utilities are required to maintain their accounts and records in conformity with the 1996 National Association of Regulatory Utility Commissioners’ Uniform System of Accounts (NARUC USOA). As will be discussed further in the Operating Expenses and Proof of Adjustments sections below, Sunrise is not currently maintaining its books and records on a monthly basis as prescribed by the NARUC USOA. Our audit staff determined that Sunrise’s accounting activities are compiled at the end of

⁸ Order No. 17043, issued December 31, 1986, in Docket No. 860325-WS, In re: Request by Southern States Utilities, Inc. for approval of test year ended 12/31/85 for rate increase in Seminole County; Order No. PSC-01-0323-PAA-WU, issued February 5, 2001, in Docket No. 000580-WU, In re: Application for staff-assisted rate case in Polk County by Keen Sales, Rentals and Utilities, Inc. (Alturas Water Works); Order No. PSC-05-0442-PAA-WU, issued April 25, 2005, in Docket No. 040254-WU, In re: Application for staff-assisted rate increase in Polk County by Keen Sales, Rentals and Utilities, Inc.; Order No. PSC-09-0716-PAA-WU, issued October 28, 2009, in Docket No. 090072-WU, In re: Application for staff-assisted rate case in Polk County by Keen Sales, Rentals and Utilities, Inc.; Order No. PSC-13-0320-PAA-WU, issued July 12, 2013, in Docket No. 120269-WU, In re: Application for staff-assisted rate case in Polk County by Pinecrest Utilities, LLC; and Order No. PSC-13-0327-PAA-SU, issued July 16, 2013, in Docket No. 120270-SU, In re: Application for staff-assisted rate case in Polk County by West Lakeland Wastewater, LLC.

⁹ Order No. PSC-12-0533-PAA-WU, issued October 9, 2012, in Docket No. 110238-WU, In Re: Application for staff-assisted rate case in Polk County by Sunrise Utilities, LLC.

each calendar year by Sunrise's officers and their Certified Public Accounting (CPA) firm to prepare the Utility's Annual Report and its Federal Tax Return. Consequently, the Utility's 2014 income statement and balance sheet were not available to our audit staff, and the Utility's 2014 Annual Report was not compiled before the end of the audit staff's field work. Our audit staff used Sunrise's 2009 through 2013 Annual Reports, 2013 Federal Tax Return, and other supporting documents to compile the Utility's rate base, capital structure, and net operating income for a test year ending December 31, 2014.

Utility Plant in Service (UPIS)

As discussed above, no rate base balances were available for 2014. Using the Sunrise's 2009 through 2013 Annual Reports, our audit staff calculated a test year UPIS balance of \$124,367. In the Utility's last SARC, with a test year ending September 30, 2011, we approved and included \$6,755 of pro forma plant additions, without retirements. The projects included replacing the following plant items: a fence, a master flow meter, a well cover, isolation valves, and piping between the well and tank. On November 23, 2013, Sunrise filed documents that supported an actual cost of \$1,733 for the approved projects to replace the fence, master flow meter, and well cover that were completed during 2012 and 2013. Sunrise did not complete the two projects to replace the isolation valves and tank piping. The uncompleted projects accounted for \$5,113 of the \$6,755 pro forma plant additions approved. Our staff reviewed and approved Sunrise's filed documents and administratively closed the docket in that proceeding.

A review of the Utility's Annual Reports indicates that Sunrise has experienced a net operating loss immediately prior to and during each year since the pro forma projects were completed. Specifically, the Utility reported net operating losses of \$9,544, \$7,830, and \$4,630 for 2011, 2012, and 2013, respectively. In addition, our audit staff calculated a loss of \$5,688 for 2014. The ongoing level of operating losses indicates that the \$5,113 overstatement of UPIS was offset by other costs, and therefore, did not cause Sunrise to exceed its authorized rate of return. In addition, due to a billing error, Sunrise did not begin charging the Phase II rates when initially approved, thereby, minimizing the impact of the pro forma overstatement. However, we find it appropriate to adjust the rate base prospectively to correctly reflect the pro forma that was completed. Our audit staff determined Sunrise's UPIS should be decreased by \$13,767 to remove the uncompleted pro forma projects, to remove unsupported plant additions, and to reclassify meter replacement costs that were covered as an expense item under a meter replacement program approved in Sunrise's last SARC. Based on our audit staff's review, we have decreased UPIS by \$13,767 to reflect the correct test year UPIS balance.

Our audit staff noted the previously approved pro forma projects did not include any plant retirements. The three completed pro forma projects each involve the replacement of existing plant, and therefore, should include associated retirements. It is our practice to use 75 percent of the cost of the replacement as the retirement value when the original cost or original in-service date is not known. Accordingly, we have decreased this account by \$1,300 ($\$1,733 \times .75 = \$1,300$) to reflect the plant retirements associated with the 2012 and 2013 pro forma projects to replace the fence, master flow meter, and well cover. No plant additions were made during the test year, therefore, no averaging adjustment is necessary.

Based on the adjustments shown above, our total adjustment to UPIS is a decrease of \$15,067 ($\$13,767 + \$1,300$) and we find a UPIS balance of \$109,300.

Land and Land Rights

No land balance was available for 2014. In Sunrise's last SARC in 2011, we approved a land balance of \$553. Our audit staff determined that there has been no activity related to land since the last case, and therefore, no adjustments are necessary to the previously approved land value. Therefore, we increased this account by \$553 to reflect the previously approved land balance.

Our audit staff, however, determined that there is an error in the warranty deed that must be corrected in order for the Sunrise to be in compliance with our regulations. On February 10, 2004, Sunrise's former owner, Keen Sales, Rentals and Utilities, Inc., executed a warranty deed that transferred the real properties containing the Sunrise and Alturas systems to Sunrise. Subsequently, on November 8, 2004, the same former owner executed a corrective warranty deed that incorrectly transferred both real properties back to Alturas, rather than only transferring the Alturas land. Based on our audit staff's review, the land occupied by the Sunrise water plant is still owned by Alturas.

Pursuant to Rule 25-30.433(10), F.A.C., utilities are required to own the land upon which the utility treatment facilities are located, or possess the right to the continued use of the land, such as a 99-year lease. The Rule specifies that we may consider a written easement or other cost-effective alternative. Sunrise's owner indicated that he had contacted the Utility's legal counsel regarding this issue, however, as of the date of this Order, the land ownership issue still has not been corrected. Therefore, we find that Sunrise shall be required to provide written documentation showing that Sunrise owns the land upon which its treatment facilities are located no later than six months after the issuance of an order finalizing this docket. Acceptable forms of documentation include a copy of the corrected warranty deeds for both Sunrise and Alturas, an executed long-term lease, or a written easement. In addition, Sunrise is put on notice that failure to correct its land ownership may result in the initiation of show cause proceedings, including penalties and fines.

Our total adjustment to this account is an increase of \$553, and we find a land and land rights balance of \$553 for rate-setting purposes.

Non-Used and Useful Plant

As previously discussed, Sunrise's water treatment plant and distribution system are considered 100 percent U&U. Therefore, we find no U&U adjustment necessary.

Contribution in Aid of Construction (CIAC)

No CIAC balance was available for the 2014 test year. In Sunrise's last SARC in 2011, we approved a CIAC balance of \$12,393. A review of Sunrise's 2011, 2012, and 2013 Annual Reports, indicates that the Utility never adjusted its previous CIAC balance of \$5,168 to reflect our approved balance. Therefore, we find that this account shall be increased by \$7,225 ($\$12,393 - \$5,168 = \$7,225$) to reflect our approved balance. Our audit staff determined there has been no activity related to CIAC since Sunrise's 2011 SARC, so no additional adjustments are necessary. Therefore, we find a CIAC balance of \$12,393.

As will be discussed a in later section of this Order, Sunrise appears to be in violation of our rules and regulations regarding customer deposits. Sunrise has been working with our staff to correct the apparent violations, however, the final results of those corrections are not yet known. In the event Sunrise is unable to issue customer deposit refunds and interest payments to former customers, we find that the resulting total of the unclaimed refunds and associated accrued interest shall be credited to CIAC in the Utility's next rate proceeding.

Accumulated Depreciation

Our audit staff calculated a test year accumulated depreciation balance of \$68,952. A review of Sunrise's 2011, 2012, and 2013 Annual Reports indicates that Sunrise never adjusted its records to reflect the accumulated depreciation balance we approved in its 2011 SARC. Further, our audit staff determined the depreciation accruals had been recorded inconsistently since 2011. Therefore, we calculated the annual accruals to accumulated depreciation beginning with Sunrise's last SARC in 2011 through the end of the test year, using the prescribed rates set forth in Rule 25-30.140, F.A.C., and find that accumulated depreciation shall be increased by \$3,131 to reflect the correct test year balance. In addition, we find this account shall be decreased by a total of \$1,412, to reflect retirement of the replaced fence, master flow meter, and well cover discussed above. Our retirement adjustment includes removal of \$1,300 in accumulated depreciation for the retired fence, master flow meter, and well cover, as well as removal of \$112 in additional accumulated depreciation that continued to accrue during the years following the plant replacements ($\$1,300 + \$112 = \$1,412$). Also, we decreased this account by \$2,254 to reflect an averaging adjustment. Our net adjustment to accumulated depreciation is a decrease of \$535, resulting in an accumulated depreciation balance of \$68,417.

Accumulated Amortization of CIAC

In Sunrise's 2011 SARC, we approved an accumulated amortization of CIAC balance of \$10,395, however, Sunrise's records were never adjusted to reflect that balance. We calculated CIAC amortization using the amortization rates established by Rule 25-30.140(9)(c), F.A.C., as of December 31, 2014, and find that this account shall be increased \$6,900 to reflect the appropriate test year balance. Our audit staff, however, also noted that Sunrise's CIAC would be fully amortized by August 2015. Because the CIAC is now fully amortized, we find it appropriate to make a pro forma adjustment to reflect the full amortization of the CIAC in August 2015. Therefore, we find this account shall be increased by \$325 to reflect the full

amortization of CIAC. Due to the recognition of the full amortization of CIAC in this proceeding, no averaging adjustment is necessary. Our total adjustment to accumulated amortization of CIAC is an increase of \$7,225 (\$6,900 + \$325). Therefore, we find an accumulated amortization of CIAC balance of \$12,393.

Working Capital Allowance

Working capital is defined as the investor-supplied funds that are necessary to meet operating expenses of the utility. Consistent with Rule 25-30.433(2), F.A.C., we used the one-eighth of the operation and maintenance (O&M) expense formula approach for calculating the working capital allowance. Applying this formula, we find a working capital allowance of \$8,337 (based on O&M expense of \$66,697/8).

Rate Base Summary

Based on the foregoing, we find that the appropriate average test year rate base is \$49,773. Rate base is shown on Schedule No. 1-A attached hereto. The related adjustments are shown on Schedule No. 1-B attached. Sunrise shall file written documentation in this docket showing that Sunrise either owns or has continued long-term use of the land upon which its treatment facilities are located by December 31, 2016. Also, in the event Sunrise is unable to issue customer deposit refunds and interest payments to former customers, the resulting total of the unclaimed refunds and associated accrued interest shall be credited to CIAC in the Utility's next rate proceeding. Finally, Sunrise shall file six monthly status reports in this docket, beginning April 15, 2016, to provide the status of the correction of the landownership issue.

Return on Equity and Rate of Return

No capital structure balance was available for Sunrise for 2014. Based on a review of the Sunrise's Annual Reports, our audit staff initially determined the Utility's capital structure is composed entirely of owners' equity because no debt or customer deposits were disclosed. Our audit staff, however, could not determine Sunrise's equity balance from its 2013 Annual Report or 2013 Federal Tax Return. Pursuant to Order No. PSC-05-0308-PAA-WU, which approved the transfer of Sunrise to the current owner, the purchase price was \$90,000 for the system.¹⁰ The purchase price was paid with cash in several installments. Therefore, we increased common equity by \$90,000 to reflect the owner's equity in the system. In addition, Alturas (Sunrise's sister company) subsequently provided customer deposit records that indicated Sunrise was holding \$4,480 in customer deposits during the test year. Accordingly, we increased customer deposits by \$4,480 to reflect Sunrise's customer deposit balance as of December 31, 2014.

¹⁰ Order No. PSC-05-0308-PAA-WU, issued March 21, 2005, in Docket No. 040159-WU, In re: Application for transfer of portion of Certificate No. 582-W by Keen Sales, Rentals, and Utilities, Inc. to Sunrise Utilities, L.L.C., in Polk County.

Sunrise's capital structure has been reconciled with the rate base we determined. The appropriate ROE is 8.74 percent based upon our approved leverage formula currently in effect.¹¹ Therefore, we find an ROE of 8.74 percent, with a range of 7.74 percent to 9.74 percent, and an overall rate of return of 8.13 percent. The ROE and overall rate of return are shown on Schedule No. 2, attached hereto.

Test Year Revenues

At the time of our staff's audit, Sunrise had not closed its books for calendar year 2014, which is the test year in this docket. As a result, our adjustments are to the Utility's estimated test year revenues. Sunrise estimated test year revenues of \$69,416, excluding any miscellaneous revenues. Sunrise recorded five months of miscellaneous revenues during the test year, which totaled \$1,320. Because no records were provided for the remaining seven months of the test year, we estimated that a similar number of miscellaneous service events would occur throughout the remaining months and determined that additional miscellaneous revenues of \$1,320 shall be added. Therefore, we find that test year revenues shall be increased by \$2,640.

As discussed below in the Operation and Maintenance Expenses section of this Order, Sunrise has taken steps to properly record miscellaneous revenues. During the test year, Sunrise had a Phase II rate increase that became effective on July 1, 2014. Our staff has verified that the rates were implemented in May 2015. We find that, based on the appropriate test year billing determinants and the annualized increased rates, service revenues shall be increased by \$2,882 to reflect service revenue of \$72,298. Therefore, we find that the appropriate test year revenues for Sunrise's water system are \$74,938 (\$72,298 + \$2,640).

Operating Expenses

As discussed in the Rate Base section above, Sunrise had not yet prepared its accounting records for 2014 at the time of our staff's audit. Instead, Sunrise provided our audit staff with an Expense Summary schedule of actual and estimated expenses of \$84,912, some invoices, and some cancelled checks. The Utility's sister company, Alturas, had also filed an application for a SARC that was processed concurrently under Docket No. 140219-WU. Our audit staff noted the majority of information used to verify Sunrise's test year expenses involved shared operator services between the two Utilities or comingled banking operations due to severe cash flow problems. Based on a review of the available information for both Sunrise and Alturas, our audit staff initially determined Sunrise's test year operating expenses to be \$75,104 for the test year ended December 31, 2014.

Subsequent to the audit, Sunrise has made several changes in its contractual service providers. Sunrise also changed some procedures to improve the operation of the Utility and address some concerns discussed in our staff's audit report and raised by the Utility's customers. In response to several of our staff's data requests, Sunrise also provided additional

¹¹ Order No. PSC-15-0259-PAA-WS, issued July 2, 2015, in Docket No. 150006-WS, In re: Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.

documentation to support some previously unsupported expenses, some requested pro forma expenses, and some new pro forma expenses related to the Utility's efforts to improve its operations. Based on both the test year and supplemental information, we made several adjustments to Sunrise's operating expenses, as summarized below. In addition, we made several adjustments in response to concerns raised by OPC in its June 10, 2015, letter filed in this docket, and at a December 9, 2015, noticed informal meeting.

Operation and Maintenance (O&M) Expense

Salaries and Wages – Officers (603)

Sunrise's Expense Summary reflects \$12,000 in this account. Sunrise currently has two officers: an administration officer and a president. The administration officer is Sunrise's owner and serves as the primary officer responsible for overseeing the daily operations of the Utility. In the Sunrise's last SARC, we approved an annual officer's salary of \$12,000 for the owner.¹² At that time, the owner's duties included interfacing with the Utility's contractual manager on the day-to-day operations, reviewing the monthly meter reading reports, reviewing monthly bank statements, preparing the annual report, and compiling financial data for the certified public accountant (CPA) to prepare the federal income tax return. Currently, the owner works with Sunrise's four contractual service providers to oversee the financial and operational functions of Sunrise and Alturas.

As discussed above in the Allocation of Common Costs section of this Order, we found that common costs be allocated between Sunrise and Alturas based on ERCs, with 78 percent allocated to Sunrise and the remaining 22 percent allocated to Alturas. We find that the appropriate allocation of the administration officer/owner's salary to Sunrise is \$9,360 ($\$12,000 \times .78 = \$9,360$). Accordingly, we have decreased this account by \$2,640 to allocate the remaining 22 percent of the \$12,000 salary to Alturas ($\$12,000 \times .22 = \$2,640$).

During the test year, Sunrise also paid \$750 to its president who assists the owner with utility matters as needed, including annual work related to preparation of the annual report and income tax forms. We increased this account by \$585 to reflect the appropriate 78 percent allocation of the president's salary to Sunrise ($\$750 \times .78 = \585).

In its June 10, 2015, letter OPC suggested that the administration officer/owner's salary should be re-evaluated due to the severe accounting record deficiencies and the owner's lack of response to several warning letters from the PCHD. As discussed above in the Quality of Service section of this Order, we found that a 25 percent penalty would be applied to the officers' salaries for unsatisfactory quality of service. Applying this penalty to the administration officer/owner's adjusted salary of \$9,360, results in a \$2,340 penalty decrease. Applying the penalty to the president's salary of \$585, results in a \$146 decrease.

¹² Order No. PSC-12-0533-PAA-WU, issued on October 9, 2012, in Docket No. 110238-WU, In re: Application for staff-assisted rate case in Polk County by Sunrise Utilities, LLC.

Therefore, we have decreased this account by a total of \$2,486 to reflect a 25 percent reduction in both officers' salaries allocated to Sunrise. The resulting officers' salaries allocated to Sunrise following the penalty reduction are \$7,020 for the administration officer/owner and \$439 for the president. As additional information, the total combined salaries for Sunrise and Alturas following all of staff's adjustments are \$9,000 for the administration officer/owner and \$563 for the president. In summary, our total adjustment to this account is a decrease of \$4,541 and the salaries and wages – officers' expense is \$7,459.

Purchased Power (615)

Sunrise's Expense Summary reflects \$2,340 in this account. Sunrise was only able to provide nine electric power invoices for the test year. Our audit staff was able to substantiate the amounts for two of the three missing invoices using payment information included on subsequent invoices. Also, our audit staff estimated the missing December 2014 invoice amount by using the average of the billed amounts for January through November 2014. Consequently, we have decreased this account by \$63 to reflect the correct test year purchased power expense, resulting in an adjusted balance of \$2,277. The \$63 adjustment includes removal of \$5 in late payment fees that are not recoverable through the Sunrise's rates.

In addition, as discussed above in the Excessive Unaccounted for Water section of this Order, we found an EUW adjustment of 9 percent. Therefore, we have decreased the adjusted balance by \$205 ($\$2,277 \times .09 = \205) to reflect a 9 percent EUW adjustment. Our total adjustment is a decrease of \$268. Therefore, we find a purchased power expense of \$2,072.

Fuel for Power Production (616)

Sunrise's Expense Summary does not include this account. Our audit staff determined Sunrise paid a total of \$219 for propane fuel for its emergency generator at the water plant during the test year. Therefore, we increased this account by \$219, and find a fuel for power production expense of \$219 for the test year.

Chemicals (618)

Sunrise Expense Summary reflects chemicals expense of \$1,431. Based on our audit staff's review, we increased this account by \$131 to reflect the appropriate test year chemicals expense, resulting in an adjusted chemicals expense of \$1,562. As discussed above in the Excessive Unaccounted for Water section of this Order, we found an adjustment of 9 percent necessary to account for EUW. Accordingly, we decreased this account by \$141 to reflect an EUW adjustment of 9 percent ($\$1,562 \times .09 = \141). Our net adjustment is a decrease of \$10, resulting in a chemicals expense of \$1,421.

Contractual Services – Overview

Subsequent to the test year, Sunrise made several changes in its contractual service providers that will affect the contractual service expenses going forward. The changes are intended to address concerns raised by this Commission and the Utility's customers, and improve Sunrise's operations going forward. We believe these changes will be beneficial to both the Utility and its customers. Accordingly, we find it appropriate to make some pro forma adjustments to reflect those changes. Due to the level of changes made, we find it will be helpful to provide an overview of the changes between the test year and current year's contractual service providers. We note that Sunrise does not have written contracts for any of the current contractual service providers.

As background information, Sunrise began the test year with four part-time contractual service providers; an office manager, management assistant, billing assistant, and plant operator. The contractual office manager and plant operator services also included on-call work for emergency purposes. The first office manager left abruptly in the middle of the test year, causing the management assistant to immediately assume the office manager's duties, in addition to continuing the management assistant duties. Due to cash flow shortages, Sunrise did not replace the management assistant, and only requested assistance from the billing assistant a few times during the test year. Consequently, Sunrise only operated with an office manager and plant operator for part of the test year and much of 2015. It appears that the abrupt management changes during the test year and limited staffing may have contributed to many of the billing and service issues raised by the Utility's customers.

In September 2015, the second office manager discontinued working for both Sunrise and Alturas. The Utilities subsequently hired three additional contractual service providers; an accountant, a Utility service technician, and the former billing assistant. Sunrise expanded the duties of the new contractual service providers to cover more utility functions than were covered by the previous workers. The expanded duties and specific skills of the new contractual service providers are expected to improve the Utilities' operations and customer service.

In order to reduce overhead costs, neither Sunrise nor Alturas established a physical office in the service area. Previously, the only option for customers of the Utilities who wanted to pay their bill in person was to go to the office manager's house to drop off the payment or arrange for the office manager to pick up the payment at their house. The recently hired contractual accountant has an office near the service area and has agreed to accept customer payments at that location in order to help address this concern. The contractual accountant now serves as the office manager and bookkeeper for the Utilities. The contractual accountant's services include: updating and maintaining the Utilities' books and records; preparing and issuing monthly bills; preparing the monthly billing detail reports; collecting customer payments and deposits; providing a location where customers may mail or drop-off payments; providing a utility drop-box where customers may drop off payments during non-business hours; checking for payments daily during the work week; transmitting customer payments electronically to the bank on a daily basis when received during the work week; reviewing payment records and assisting with service disconnections due to non-payment; accepting customer calls regarding

billing questions; handling customer complaints regarding billing issues; and assisting with preparing the financial information for the Utilities' annual report. The accountant's contractual fees will be discussed under the Contractual Services – Professional (631) section below.

The contractual utility service technician's duties include assisting with general system repairs, customer service repairs, new customer connections, service disconnections, monthly meter reading, mowing, answering the Utilities' emergency cell phone, and being on-call 24 hours a day, 7 days a week. The utility service technician's meter reading fees will be discussed in Contractual Services – Billing (630), and the fees for the remaining duties will be discussed in the Contractual Services – Other (636).

During the test year, Sunrise and Alturas hired a contractual billing assistant to analyze the monthly accounts receivable and assist the office manager with collection of past due accounts for both Sunrise and Alturas. Due to cash flow shortages, the Utilities only requested service from the billing assistant during part of the test year. In September 2015, the Utilities re-hired the contractual billing assistant with expanded duties. The billing assistant's current duties include: answering the Utilities' main phone number; assisting with customer complaints; assisting with reviewing and correcting the Utilities' customer deposit records; assisting with researching customer records as needed; analyzing the monthly accounts receivable; and assisting with collection of past due accounts. The billing assistant's fees will be discussed in the Contractual Services – Billing (630) section below.

Contractual Services - Billing (630)

Sunrise's Expense Summary reflects \$9,802 in this account for meter reading provided by the former office manager and bill collection services provided by the billing assistant. In September 2015, Sunrise hired a contractual utility service technician to begin providing the monthly meter reading services. The utility service technician's contractual fee for meter reading is \$250 per month or \$3,000 per year, representing an annual increase of \$60 over the test year fees of \$2,940. We find the new meter reading fee is reasonable, and that it is appropriate to include a pro forma adjustment to reflect the \$60 increase going forward.

During the test year, Sunrise hired a contractual billing assistant to review the monthly accounts receivable and assist with the collection of past due accounts for both Sunrise and Alturas at a monthly fee of \$400, for an annual total of \$4,800. However, Sunrise only incurred \$2,100 of the contracted \$4,800 fees for Sunrise and Alturas combined. Sunrise indicated that it had only requested billing assistance from this vendor for part of the test year due to cash flow shortages.

As discussed above, in September 2015, Sunrise re-hired the contractual billing assistant and indicated that the previous duties would be expanded to include answering the Utility's main phone number, assisting with customer complaints, and assisting with reviewing and correcting the Utility's customer deposit records. The new contractual fee is still \$400 per month, which covers approximately 40 hours of work per month at \$10 per hour, for an annual total of \$4,800 for Sunrise and Alturas combined. Sunrise has not fully supported its request for the increase in

this expense over the audited test year expense; however, our staff confirmed that the billing assistant is currently working with the office manager to review delinquent accounts and address customer complaints. We find it will be beneficial to both the Utility and its customers to have a billing assistant available on a regular basis to assist customers with service complaints. We find that the hourly rate of \$10 is reasonable, and that the request for 40 hours of work per month is reasonable considering that the work will cover both Alturas and Sunrise.

At the December 9, 2015, noticed informal meeting, OPC requested that the contractual worker expenses be reviewed to avoid any duplication of duties. Based on our review, it does not appear that there will be a duplication of duties between the billing assistant and office manager. We find that the appropriate allocation of the contractual billing assistant's expense to Sunrise is \$3,744 ($\$4,800 \times .78 = \$3,744$). We have decreased this account by \$3,118 to remove the unsupported expenses in this account and reflect a pro forma increase in the contractual billing services expense.

Our net adjustment to this account is a decrease of \$3,058 ($\$60 - \$3,118 = -\$3,058$), and we find a contractual services – billing expense of \$6,744.

Contractual Services - Professional (631)

Sunrise's Expense Summary reflects \$400 in this account for preparation of the Utility's Annual Report and Federal Tax Return by its CPA. We have verified that this amount is appropriate for the test year, and that no adjustments are necessary.

As discussed in the Rate Base section of this Order, Rule 25-30.115, F.A.C., requires that water and wastewater utilities maintain their accounts and records in conformity with the 1996 NARUC USOA. Our audit staff determined that Sunrise was not maintaining its books and records on a monthly basis as required. During the test year, Sunrise did not have any employees or contractual service providers specifically hired to work on Sunrise's day-to-day bookkeeping operations. Therefore, in the Commission's Staff Report issued May 1, 2015, our staff recommended a pro forma adjustment to include an allowance for contractual bookkeeping expense to assist the Utility in meeting the rule requirement going forward.

Subsequently, in September 2015, Sunrise and Alturas hired a contractual accountant to handle the Utilities' bookkeeping, billing, payment collections, billing inquiries, and billing complaints. As of the end of January 2016, Sunrise had not yet begun providing any accounting records to the accountant to begin maintaining the Utility's books and records. Due to the severe accounting deficiencies and Sunrise's difficulty in complying with both our audit and technical staffs' requests for accounting supporting documentation during this case, we find it will be beneficial to Sunrise and its customers for Sunrise to allow a trained accountant to handle the Utility's day-to-day bookkeeping activities. Further, we find that properly maintained accounting records may help Sunrise to better monitor and manage its cash flow. Therefore, despite Sunrise's delay in implementing this process, we find it appropriate to make a pro forma adjustment to recognize the contractual bookkeeping expense going forward.

By letter dated January 15, 2016, the contractual accountant estimated that the initial set-up fee for Sunrise will be \$250, for setting up the Utility's books and bringing forward the beginning balances. After the set-up is complete, the monthly fee will be \$135 per month, which equals \$1,620 per year. Because the initial set-up fee is non-recurring in nature, we find it would be appropriate to amortize that portion of the bookkeeping expense over a five-year period, resulting in an annual expense of \$50 ($\$250 / 5 = \50). Therefore, we have increased this account by \$1,670 to reflect the pro forma increase for the recurring annual bookkeeping fees of \$1,620 and the non-recurring fees of \$50.

In addition, Sunrise requested recovery of \$4,577 in outstanding legal fees related to Sunrise's defense in a 2013 law suit filed by the Utility's former contract operator, Blount Utilities, Inc. (Blount), for outstanding payments that occurred prior to the test year. The outstanding legal fees were due in full before the end of 2015. On July 22, 2014, a Judgment was issued against Sunrise for \$2,926 by the Tenth Judicial Circuit Court in favor of Blount for the uncontested outstanding balance owed for contractual services performed by Blount prior to the test year. The parties subsequently reached a settlement agreement regarding a payment plan for the balance owed, and payments of \$271 per month started on August 2014, which are to continue until the balance is extinguished. The outstanding payable balance to Blount was approximately \$2,440 as of December 31, 2014, the end of the test year.

In order to determine if it is appropriate to allow recovery of utility litigation costs from the ratepayers, we generally consider whether the litigation resulted in a benefit to the customers, whether the customers gained a benefit that would not have occurred absent the litigation process, and the materiality of the litigation costs. For example, if a utility engaged in legal action to oppose government required plant improvements that it deemed to be unnecessary and won the law suit, the customers would receive the direct benefit of a lower rate base and thus lower rates. In the instant case, we do not find the litigation resulted in any direct benefit to the customers. The litigation was the result of one of the Utility's former managers not paying the plant operator in a timely manner for services rendered. Sunrise was successful in receiving a lower interest rate as a result of the litigation. However, since our practice is to disallow recovery of late payment fees or interest charges resulting from untimely payments, the reduced interest rate is a direct benefit to the stockholders/owners rather than the customers. In addition, the interest savings is not sufficient to offset the litigation costs. Consequently, the legal action only served to increase the Utility's expenses rather than reduce them to the benefit of the customers. Therefore, we do not find it appropriate to require the customers to pay the litigation costs.

We reviewed Sunrise's last SARC and recent Annual Reports to determine if Sunrise incurred any other legal fees in recent years that would be more representative of routine, recurring legal services. Based on the information available, it appears that the Utility has not incurred any other legal fees in recent years. Also, our staff requested supporting documentation for any legal fees incurred by Sunrise to correct the warranty deed error discussed in the Rate Base section above. As of the date of this Order, Sunrise has not provided that information. Consequently, we will not make an allowance for annual legal fees at this time.

Our total adjustment to this account is an increase of \$1,670 to include the new contractual accountant's bookkeeping services. Therefore, we find a contractual services – professional expense of \$2,070.

Contractual Services – Testing (635)

Sunrise's Expense Summary does not include this account. We determined that Sunrise incurred \$2,340 in testing expense for the test year. Accordingly, we have increased this account by \$2,340.

In addition, Sunrise was required by the PCHD on behalf of the DEP to conduct triennial water tests by the end of 2015. Sunrise provided invoices from the contract operator totaling \$4,525 for the triennial tests. Therefore, we have increased this account by \$1,508 ($\$4,525 / 3 = \$1,508$) to include a pro forma adjustment to reflect the three-year amortization of the triennial water test costs.

Finally, Sunrise requested a pro forma increase to cover \$3,800 in testing expenses for additional trihalomethane (TTHM) and haloacetic acid (HAA5) testing required by the PCHD on a quarterly basis beginning in the last quarter of 2015 and continuing through the third quarter of 2016. The first quarter's tests have been completed and it is anticipated that the second quarter's test will be completed prior to implementation of any rates approved by this Commission in this case. According to the operator's invoices, the cost for the first quarter's tests is \$950 and the estimated cost for the remaining three quarters is \$2,850, for a total of \$3,800. Sunrise's operator also provided documentation from the PCHD to support that the additional testing is required. The additional testing requirement was caused by the Utility exceeding the TTHM limit on one test, and therefore, is not part of Sunrise's normally recurring tests. Rule 25-30.433(8), F.A.C., requires that non-recurring expenses be amortized over a five-year period unless a shorter or longer period of time can be justified. Amortizing the \$3,800 testing expense, over a five-year period, results in an annual increase of \$760 in Sunrise's testing expense. Due to the serious nature of this testing requirement, we find the expense warrants inclusion in this rate proceeding.

In accordance with our practice, our staff calculated a Phase II revenue requirement for the pro forma testing that will not be completed until the second and third quarters of 2016 and determined that the Phase II revenue requirement would be only \$438 or 0.56 percent above the Phase I revenue requirement. If all of the pro forma testing expense is included in Phase I, rate case expense can be reduced by a total of \$182 or \$46 per year over the four-year amortization period due to elimination of the additional customer noticing that would be required upon implementation of the Phase II rate increase. Although pro forma plant additions and expenses are often addressed using a phased approach, we find it appropriate to include the pro forma testing expenses in the initial revenue requirement in this case because of the minimal impact of the pro forma testing expense on the initial revenue requirement, as well as the additional benefit of reducing rate case expense.

Therefore, we have increased this account by \$760 to reflect a pro forma increase to cover the additional TTHM and HAA5 testing expense. Sunrise shall be required to file documentation in this docket by December 31, 2016, showing that the tests have been completed. The documentation shall include a copy of the test results and final invoices. We note, however, that we do not find it necessary to hold the docket open until this information is filed, since the PCHD is monitoring Sunrise's completion of these tests and the test results.

Our total adjustment to this account is an increase of \$4,608, and we find a contractual services – testing expense of \$4,608.

Contractual Services - Other (636)

Sunrise's Expense Summary reflects \$29,173 in this account broken down by \$10,008 for contractual office management; \$10,139 for contractual utility operations; and \$9,026 for supplies, maintenance, and repairs. In September 2015, Sunrise hired a contractual accountant to take over the majority of the office management duties. We confirmed that the contractual accountant has charged Sunrise and Alturas a combined fee of \$1,200 per month beginning September 10, 2015, through January 10, 2016. It was initially expected that the \$1,200 fee would only be charged for the first three months for additional work required to learn the billing system, bring the billing records up-to-date, and address unresolved billing inquiries and complaints. However, the workload has not yet decreased as expected. Consequently, the \$1,200 per month fee will continue until the office begins to operate more smoothly, and then will decrease to \$800 per month thereafter. At this time, it is expected that the \$1,200 per month fee will be needed through May 2016. In addition to the monthly fee, the contractual accountant will also be reimbursed for any additional costs incurred, such as postage and utility office supplies.

Because the additional \$400 per month fee is considered to be temporary and part of the initial set-up cost under the new office management arrangement, we find it appropriate to allow recovery of those costs as non-recurring expenses over a five-year period. The total non-recurring expense for Sunrise and Alturas combined is \$3,600 ($\$400 \times 9 \text{ months} = \$3,600$), which translates to an annual expense of \$720 when amortized over five years. We determined that the appropriate allocation of the non-recurring contractual office management fees to Sunrise is \$562 ($\$720 \times .78 = \562). The remaining \$800 per month fee shall be treated as a recurring expense, which equals \$9,600 per year. The appropriate allocation of the recurring contractual office management expense to Sunrise is \$7,488 ($\$9,600 \times .78 = \$7,488$). Sunrise's total contractual office management expense allocation, including both the recurring and non-recurring fees, is \$8,050. Therefore, we have decreased this account by \$1,958 to reflect the pro forma change in contractual office management expense ($\$8,050 - \$10,008 = -\$1,958$).

In its June 10, 2015, letter, OPC expressed concern about Sunrise's procedures for handling cash payments from customers. Specifically, OPC expressed concern about whether or not the cash payments are being properly recorded against accounts receivable, whether or not the cash collections of miscellaneous service charges are being recorded and included in test year revenues, and whether or not the accounts receivable aging reports accurately reflect these collections. We have determined that Sunrise includes the type of payment in its billing records

when recording monthly bill payments. For example, the records indicate if the payment was made by cash, check, money order, or money transfer. In addition, Sunrise's customer deposit records indicate if the initial customer deposits were paid by cash, check, money order, or money transfer.

The area of concern appears to be limited the handling of miscellaneous service charges. The Utility's owner acknowledged that he had authorized the contractual office manager and office manager assistant to keep any miscellaneous service charges collected as payment for their work related to the customer disconnections and reconnections. Because miscellaneous service charges are designed to cover the additional costs incurred to provide a specific miscellaneous service, it is acceptable for the Utility to use those funds to pay for the contractual work needed to accomplish those services. It is incorrect, however, for the Utility to omit the miscellaneous service charge assessments and payments from the billing records and revenues.

In addition, our staff attempted to review Sunrise's billing records to determine whether or not the Utility properly assessed the miscellaneous service charges in accordance with Commission rules and the Utility's approved tariff. Sunrise was not able to provide all of the records that are needed to complete this type of review. According to the Utility owner, the former office manager deleted 11 months of billing records in error. Therefore, the only records available during that time period are the specific reports that were printed prior to the deletion. Based on the available records, we find that Sunrise does regularly experience issues with delinquent payments. We are unable, however, to determine if the customers were given proper disconnection notices and assessed the miscellaneous service charges within the proper timeframes prescribed by Commission rules during the test year.

Based on our review, it appears Sunrise may be in violation of the following rules and statute. Rule 25-30.335(7), F.A.C., requires that utilities shall maintain a record of each customer's account for the most current two years so as to permit reproduction of the customer's bills during the time that the utility provided service to that customer. Rule 25-30.320, F.A.C., sets forth the guidelines that utilities must follow when refusing or discontinuing service, including disconnection for non-payment of bills. Section 367.081, F.S., requires that a utility may only charge rates and charges that have been approved by this Commission.

At this time, we do not find that show cause proceedings should be initiated for Sunrise's apparent violations related to the maintenance of customer records and handling of miscellaneous service charges. It appears that Sunrise has taken steps to correct these issues. Sunrise indicated that it has discontinued accepting customer payments in the field. As discussed previously, customers now have the additional option of paying in person or using a drop box at the contractual accountant's office. Based on our review, it appears that Sunrise has taken the necessary steps to ensure that future miscellaneous service charges are correctly recorded. Also, the separation of duties between the office manager and utility service technician working in the field allows for better oversight of the handling of cash collections. Finally, under Sunrise's current procedures, customers are first sent a letter regarding their past due payment, and then sent a second notice regarding disconnection only if the bill remains unpaid. Providing a past due notice prior to a disconnection notice goes beyond what it required in the Rule and helps to

demonstrate Sunrise's willingness to work with customers to resolve payment issues prior to disconnecting service. However, Sunrise is put on notice that should it fail to maintain its customer records or to properly account for miscellaneous service charges in compliance with our regulations in the future, Sunrise may be subject to a show cause proceeding by this Commission, including penalties.

As noted above, Sunrise included \$10,139 in this account for contractual utility operations. We found that the appropriate contractual operator's expense for Sunrise is \$10,312, which includes the plant operator's monthly fees, inspection reports, repairs, and flushing. In its June 10, 2015, letter, OPC expressed a concern about possible duplication of mowing expenses because the test year included charges for mowing by the office manager and plant operator. As discussed above, the new contractual utility service technician will be responsible for mowing the plant site going forward. Therefore, we did not include a mowing expense in the \$10,312 operator's expense calculation. Although the utility service technician will be assisting with repairs in the field going forward, we find there will still be a need for the operator to make utility repairs related to the plant. Consequently, we do not find it necessary to reduce the repair portion of the operator's expenses. The operator's monthly fees are allocated between Sunrise and Alturas based on ERCs. The inspection report, repair, and flushing expenses are based on direct costs for Sunrise. We have increased this account by \$173 to reflect the appropriate contractual operator's expense ($\$10,312 - \$10,139 = \$173$).

Sunrise Expense Summary reflected \$9,026 for supplies, maintenance, and repairs. The Utility's total includes test year repairs of \$2,299 based on one invoice for a broken water main repair. We find it reasonable to expect that Sunrise may require this level of repairs on an annual basis. Therefore, we do not find it necessary to amortize the test year repair as non-recurring. As noted above, Sunrise's Expense Summary also includes expenses related to chemicals, testing, and miscellaneous expenses. We reclassified those expenses to the correct expense accounts. In addition, we determined that some expenses were unsupported and should be removed. Accordingly, we have decreased this account by \$6,727 ($\$2,299 - \$9,026 = -\$6,727$) to reflect the appropriate repair expense for the test year.

In its June 10, 2015, letter regarding the Alturas SARC, OPC noted that the Alturas test year expenses included an invoice for \$225 for checking meters, but only \$56 of that expense was for checking meters for Alturas. The remaining \$159 was for checking meters for Sunrise. OPC proposed that \$159 should be removed from the Alturas expenses. We agree that it is appropriate to reclassify \$159 of the meter testing expense to Sunrise. Therefore, we have increased this account by \$159.

In September 2015, Sunrise hired a contractual utility service technician to assist with general system repairs, customer service repairs, new customer connections, service disconnections, monthly meter reading, mowing, answering the Utility's emergency cell phone, and being on-call 24 hours a day, 7 days a week. As discussed above under Account 630 – Contractual Services – Billing, the utility service technician's contractual fee for meter reading is \$250 per month or \$3,000 per year. In addition to the meter reading fees, Sunrise indicated that it intends to pay this contractual service worker \$250 per week for 25 hours of work at an hourly

rate of \$10 for the remaining work duties. This results in an annual expense of \$13,000 for Sunrise and Alturas combined for the remaining field work and on-call duties. In addition, the Sunrise has requested a transportation expense allowance for this contractual service worker, which is discussed in more detail below under Account 650 – Transportation Expense.

Sunrise has not fully supported its request for this level of contractual service fees; however, we have verified test year expenses for the former office manager and office manager assistant related to some of these duties. In addition, Sunrise provided several invoices for work performed by a new utility service technician in September and October 2015. We have also confirmed that Sunrise currently has a contractual service worker performing these job duties. We find it is beneficial to both Sunrise and its customers to have a contractual utility service technician available on a regular basis to assist customers with service issues and to work on utility maintenance. Upon review, we find that the hourly rate of \$10 is reasonable and comparable to fees approved for other utilities. Also, we find that the request for 25 hours of work per week is reasonable considering that the work will cover both the Sunrise and Alturas service territories. Consequently, we have increased this account by \$10,140 to reflect Sunrise's allocation of this expense ($\$13,000 \times .78 = \$10,140$).

In Sunrise's last SARC in 2011, we approved a pro forma project related to the inspection and cleaning of the Utility's two hydro-pneumatic tanks. The project was completed during 2013, and Sunrise provided documentation to support an actual expense of \$3,811. Therefore, we have increased this account by \$762 to reflect the five-year amortization of this non-recurring expense ($\$3,811 / 5 = \762). Based on our review, the expense shall continue to be amortized through 2018.

Also in Sunrise's last SARC in 2011, we approved a meter replacement program that would allow the Utility to replace 23 meters per year over 10 years at an annual expense of \$1,359. In the instant proceeding, Sunrise requested to continue the meter replacement program and to increase the annual expense to \$3,500 based on the plant operator's cost estimate and the Utility's previous meter replacement expenses. In its June 10, 2015, letter, OPC indicated that it did not object to continuing the previously approved expense of \$1,359, but had concerns about increasing the expense.

It appears that Sunrise may not be prepared to continue work on the meter replacement program at this time. Sunrise has only completed slightly more than one year of the 10-year program, and no meters have been installed since early 2014. The Utility does not have a meter testing program, has not identified the next batch of meters that need to be replaced, and has not stated when it will begin replacing meters again.

We determined that Sunrise's actual cost to replace the first batch of meters was \$4,439, which exceeded the estimated annual expense by \$3,080. Based on the annual expense allowance of \$1,359 that was included in the Utility's rates, the Utility is due to finish recovering the initial \$4,439 expense by March 2016. Based on our review of the Utility's actual meter replacement costs and additional meter replacement cost research, it appears that an increase of the expense from \$1,359 to \$3,450 would be warranted if the program were continued. However, due to the

Utility's lack of progress and a clear plan for getting the program back on track, we find it appropriate to require the Utility to establish an escrow account to hold the meter replacement funds if the program were continued. Based on the updated expense of \$3,450, Sunrise would need to escrow \$287.50 each month for the remaining eight to nine years of the program.

We advised the Utility's owner that the meter replacement program expense may be discontinued if Sunrise is unwilling to establish and properly maintain an escrow account for this purpose. We also advised Sunrise's owner that discontinuation of the program would simply result in the Utility returning to the traditional method of capitalizing meter replacements and reflecting the adjustments in rate base. In response to our staff's request for information, the Utility indicated that it would return to the traditional method of capitalizing meter replacements on an as needed basis. Therefore, we find it appropriate to discontinue the meter replacement program at this time. The Utility's test year did not include any expenses related to this program, therefore, no accounting adjustments are necessary to reflect discontinuation of the meter replacement program.

Finally, as discussed above, a Judgment was issued against Sunrise for \$2,926 for outstanding payments owed to Blount for contractual services related to the plant operation and maintenance. The Utility has requested consideration of the outstanding balance and monthly payments of \$271 in the instant case. Although the Judgment and payment plans were finalized during the 2014 test year, the outstanding balance is for work performed by Blount prior to the test year. Historically, we have determined that the recovery of past expenses from current customers constitutes retroactive ratemaking and is disallowed. Accordingly, we do not find it appropriate to recognize the past amounts owed to Blount in the instant proceeding.

Our net adjustment to this account is an increase of \$2,549 ($-\$1,958 + \$173 - \$6,727 + 159 + 10,140 + 762 = \$2,549$), and we find a contractual services – other expense of \$31,722.

Transportation Expense (650)

The Utility's Expense Summary reflects \$1,976 in this account. We could not verify how this amount was determined. We determined that the former office manager's expense included mileage reimbursements of approximately \$97 for Sunrise and \$14 for Alturas during January through May 2014. The expense was primarily related to mileage incurred conducting customer disconnections and reconnections, and was calculated based on a mileage rate of \$0.50 per mile. The second office manager during the test year did not claim any mileage, but expressed concern about having to use her personal vehicle for utility work at her own expense.

In response to our staff's request for information, Sunrise requested a transportation expense for the contractual utility service technician of \$75 per month, or \$900 annually, for Sunrise and Alturas combined. Sunrise did not provide any documentation to support this request, such as records of any recent mileage reimbursements or written contracts indicating that transportation expense will be provided. However, in consideration of the Utility's previous practice of reimbursing the former office manager's mileage expense and the physical distance between the Sunrise and Alturas service areas, we find it appropriate to include a mileage

allowance. Also, it appears that the lack of full reimbursement of additional expenses incurred by the Utility's contractual service workers may be a contributing factor in the high level of turnover experienced by Sunrise and Alturas. Inclusion of a mileage allowance may help Sunrise retain its contractual service workers longer, thereby improving the consistency and stability in the Utility's field operations.

The requested \$75 per month transportation expense would allow reimbursement of approximately 34 miles per week at the test year mileage rate of \$0.50 per mile. The Alturas and Sunrise service territories are located approximately 18 miles apart. The Utility did not explain how it calculated the requested \$75 per month transportation allowance. It appears that the majority of the utility service technician's work will be conducted within each Utilities' service territory with minimal driving required. However, on occasion it will be necessary for the utility service technician to drive between the Alturas and Sunrise service territories or to a store to purchase parts for repairs. We find Sunrise's requested expense sufficient to cover the transportation expense for both the more frequent in-territory driving, as well as the less frequent out-of-territory driving. We determined that the appropriate allocation of the transportation expense to Sunrise is \$702 ($\$900 \times .78 = \702). The remaining \$198 will be allocated to Alturas. Consequently, we decreased this account by \$1,274 to remove the unsupported test year expenses and reflect a pro forma transportation expense increase, and find a transportation expense of \$702.

Insurance Expense (655)

The Utility's Expense Summary reflects \$2,010 in this account. We decreased this account by \$182 to reflect the current year's general liability insurance premium, and found an insurance expense for the test year of \$1,828.

Regulatory Commission Expense (665)

The Utility's Expense Summary does not include this account. We increased this account by \$344 to reflect the annual amortization of rate case expense approved in the Utility's 2011 SARC that will continue to be amortized until December 1, 2016. Regarding the instant case, the Utility is required by Rule 25-22.0407, F.A.C., to provide notices to its customers of the customer meeting and notices of final rates in this case. For noticing, we estimated \$241 for postage expense, \$132 for printing expense, and \$25 for envelopes. This results in \$398 for the noticing requirement. The Utility paid a \$1,000 rate case filing fee.

The Utility also provided an invoice for accounting fees of \$450 for work performed by the Utility's CPA related to the SARCs for both Sunrise and Alturas. The work performed was similar for both Utilities. Therefore, we find it appropriate to allow Sunrise to recover half or \$225 of the accounting expense and allow Alturas to recover the remaining \$225 of rate case related accounting expense. The Utility also provided invoices for \$1,025 in additional work performed by the Utility's contract operator to assist with the Sunrise SARC, such as answering data requests related to plant operations and attending the customer meeting. We reviewed the invoices and find it appropriate to allow recovery of these expenses in rate case expense.

Pursuant to Section 367.0816, F.S., rate case expense is amortized over a four-year period. Based on the above, we find a total rate case expense for the instant case of \$2,648 (\$398 + \$1,000 + \$225 + \$1,025), which amortized over four years is \$662. Our total adjustment to this account is an increase of \$1,006, resulting in a recommended regulatory commission expense of \$1,006.

Bad Debt Expense (670)

The Utility's Expense Summary reflects \$3,899 in this account. During the audit, the Utility provided a list of 11 accounts that were written-off during the test year for a total of \$4,167, which equals 5.56 percent of the test year revenues or 5.05 percent of the revenue requirement we found. In its June 10, 2015, letter, OPC expressed concern that the Utility's bad debt expense is excessive and noted that one account had an unusually large write-off of \$1,094. The Utility did not provide any supporting documentation showing how it calculated the bad debt write-offs, but did acknowledge that the test year bad debt expense included multiple years of bad debt write-offs.

It is our practice to calculate bad debt expense using a three-year average, typically based on the test year plus two years of Annual Report data. It appears that the bad debt expense for the two years prior to the test year may have included multiple years of write-offs as well. Therefore, we are unable to calculate a reliable three-year average using the traditional method. As an alternative, we find it appropriate to calculate an average bad debt expense based solely on the test year expense, resulting in a bad debt expense of \$1,389 ($\$4,167 / 3 = \$1,389$), which is 1.68 percent of our approved revenue requirement.

At the December 9, 2015, noticed informal meeting with our staff, OPC asserted that the large write-offs may be the result of errors in the recording of cash payments and poor bookkeeping practices, and that bad debt expense should not exceed 1 percent. We share OPC's concerns about the accuracy of the bad debt write-offs. We reviewed a sample of the Utility's billing records, however, and determined that the Utility is experiencing issues with delinquent customer accounts, and may need to write-off bad debt periodically.

In addition, a review of a sample of 15 SARCs, which had bad debt expense ranging from zero to over 4 percent, with 87 percent of the sample falling below the 2 percent range. Therefore, we find a bad debt expense of 1.68 percent falls within a reasonable range. Although we are not opposed to OPC's 1 percent suggestion, that approach would actually increase the bad debt expense for Sunrise's sister company, Alturas, above the amount we approved in that docket. In an effort to provide as much uniformity in the rate-setting methods used for both companies, we find it more appropriate calculate a specific bad debt expense for each company based on the test year data. In addition, based on our review of the available billing records, it appears that Sunrise has a larger incidence of high delinquent balances than Alturas. Based on the above, we decreased this account by \$2,510, and find a bad debt expense of \$1,389.

Miscellaneous Expense (675)

The Utility's Expense Summary reflects \$6,342 in this account. We decreased this account by \$1,371 to reflect the appropriate test year miscellaneous expense for the Utility's annual permit and license renewal fees, cell phones, postage, and office supplies. We used the Utility's direct actual expense for the PCHD annual drinking water permit, the Southwest Florida Water Management District annual water permit, and the Department of State's Division of Corporation's annual filing fee. In addition, we used the ERC allocation method to allocate the common miscellaneous expenses related to the Utility's cell phone, postage, and office supplies.

In its June 10, 2015, letter, OPC noted the Utility's test year miscellaneous expense included additional work performed by the contractual plant operator to assist with the transition between office managers. OPC believes this is a non-recurring expense that should not be included in setting future rates. We agree that this work is outside the scope of the operator's regularly recurring duties; however, we find it more appropriate to amortize the non-recurring expense over a five-year period consistent with Rule 25-30.433(8), F.A.C. The operator's expense was \$740 for Sunrise and Alturas combined. We increased this account by \$115 to reflect Sunrise's amortized allocation of that expense ($\$740 / 5 = \148 ; $\$148 \times .78 = \115).

The Utility's 2011 SARC included recovery of the Utility's annual membership dues to the Florida Rural Water Association (FRWA). However, the Utility did not renew its membership each year following that case. Subsequent to the test year, in August 2015, the Utility became a member of the FRWA again and provided proof of payment of the Utility's annual membership dues. Therefore, we increased this account by \$202 to reflect a pro forma adjustment for the Utility's annual FRWA membership dues. We remind Sunrise that the FRWA membership dues included in the Utility's revenue requirement are intended to serve as annual recurring expense for the purpose of renewing the Utility's FRWA membership each year.

We also increased this account by \$108 to make a pro forma adjustment to reflect Sunrise's amortized allocation of the Utility's purchase of a billing software update, an additional billing software license, and billing software training for the contractual office manager. In addition, we increased this account by \$60 to make a pro forma adjustment to reflect Sunrise's amortized allocation of an electronic bank deposit machine that enables the contractual office manager to electronically deposit customer's payments on the business day the payments are received. The Utility made these pro forma purchases in an effort to improve the Utility's billing and collection practices. Therefore, we find it appropriate to make these pro forma adjustments and allow the Utility to recover these expenses as non-recurring expenses over a five-year period. Our net adjustment to this account is a decrease of \$885 ($-\$1,371 + 115 + 202 + 108 + 60 = -\885), resulting in a miscellaneous expense of \$5,457 for the test year.

O&M Expense Summary

Based on the above adjustments, O&M expense shall be decreased by \$2,676, resulting in total O&M expense of \$66,697. Our adjustments to O&M expense are shown on Schedule Nos. 3-A and 3-B.

Depreciation Expense (Net of Amortization of CIAC)

No depreciation or CIAC amortization expense balances were available for 2014. We calculated depreciation expense using the prescribed rates set forth in Rule 25-30.140, F.A.C., and determined a test year depreciation expense of \$4,559. We decreased this account by \$51 to reflect retirement of certain pro forma items from the Utility's last SARC, as discussed above in the Rate Base section of this Order, reducing the test year depreciation expense to \$4,508.

As discussed above in the Rate Base section of this Order, the Utility's CIAC became fully amortized in August 2015. Consequently, the CIAC amortization expense ended in August 2015 as well. Therefore, we find no CIAC amortization expense, resulting in a net depreciation expense of \$4,508 (\$4,508 - \$0).

Taxes Other Than Income (TOTI)

The Utility's Expense Summary reflects \$5,731 in TOTI for the test year, although an official balance for 2014 was not yet available at the time of our audit. We increased this account by \$249 to reflect the appropriate test year RAFs. Also, we decreased this account by \$1,745 to reflect the appropriate property taxes and remove license and permit renewal fees that are already included in Account No. 675 – Miscellaneous Expense. Our adjustment includes a \$19 decrease from the Utility's test year property taxes based upon the 2015 tax assessments. Our net adjustment to test year TOTI is a decrease of \$1,496. In addition, as discussed below in the Revenue Requirement section of this Order, revenues have been increased by \$7,510 to reflect the change in revenue required to cover expenses and allow the recommended operating ratio. As a result, we increased TOTI by \$338 to reflect RAFs of 4.5 percent of the change in revenues, and find a TOTI of \$4,573.

Operating Expenses Summary

The application of our adjustments to Sunrise's test year operating expenses result in operating expenses of \$75,778. We find that Sunrise shall be required to file documentation in this docket by December 31, 2016, showing that the pro forma trihalomethane and haloacetic acid tests have been completed. The documentation shall include a copy of the test results and final invoices. Operating expenses are shown on Schedule No. 3-A, attached to this Order, and the adjustments are shown on Schedule No. 3-B.

Appropriate Methodology for Revenue Requirement Calculation

Section 367.0814(9), F.S., provides that we may, by Rule, establish standards and procedures for setting rates and charges of small utilities using criteria other than those set forth in Sections 367.081(1), (2)(a), and (3), F.S. Rule 25-30.456, F.A.C., provides an alternative to a staff-assisted rate case as described in Rule 25-30.455, F.A.C. As an alternative, utilities with total gross annual operating revenue of less than \$275,000 per system may petition this Commission for staff assistance in alternative rate setting.

Although Sunrise did not petition this Commission for alternative rate setting under the aforementioned Rule, we exercise our discretion and employ the operating ratio methodology to set rates in this case. The operating ratio methodology is an alternative to the traditional calculation of revenue requirements. Under this methodology, instead of applying a return on the Utility's rate base, the revenue requirement is based on the margin of Sunrise's O&M expenses. This methodology has been applied in cases in which the traditional calculation of revenue requirements would not provide sufficient revenue to protect against potential variances in revenues and expenses.

By Order No. PSC-96-0357-FOF-WU (March 1996 Order), we utilized the operating ratio methodology as an alternative means for setting rates for the first time. This order also established criteria to determine the use of the operating ratio methodology and a guideline margin of 10 percent of O&M expense. This criteria was applied again in Order No. PSC-97-0130-FOF-SU and most recently, we approved the operating ratio methodology for setting rates in Order No. PSC-15-0535-PAA-WU.¹³

By the March 1996 Order, we established criteria to determine whether to utilize the operating ratio methodology for those utilities with low or non-existent rate base. The qualifying criteria established by the March 1996 Order, and how they apply to the utility are discussed below:

1. Whether the Utility's O&M expense exceeds rate base. The operating ratio method substitutes O&M expense for rate base in calculating the amount of return. A utility generally would not benefit from the operating ratio method if rate base exceeds O&M expense. The decision to use the operating ratio method depends on the determination of whether the primary risk resides in capital costs or operating expenses. In the instant case, the rate base is less than the level of O&M expense. The utility's primary risk resides with covering its operating expense. Based on our findings, the adjusted rate base for the test year is \$49,773, while adjusted O&M expense is \$66,697.
2. Whether the Utility is expected to become a Class B utility in the foreseeable future. Pursuant to Section 367.0814(9), F.S., the alternative form of regulation being considered in this case only applies to small utilities with gross annual revenue of \$275,000 or less. Sunrise is a Class C utility and the recommended revenue requirement of \$82,448 is below the threshold level for Class B status (\$200,000 per system).

¹³ Order Nos. PSC-96-0357-FOF-WU, issued March 13, 1996, in Docket No. 950641-WU, In re: Application for staff-assisted rate case in Palm Beach County by Lake Osborne Utilities Company, Inc.; Order No. PSC-97-0130-FOF-SU, issued February 10, 1997, in Docket No. 960561-SU, In re: Application for staff-assisted rate case in Citrus County by Indian Springs Utilities, Inc.; and Order No. PSC-15-0535-PAA-WU, issued November 19, 2015, in Docket No. 140217-WU, In re: Application for staff-assisted rate case in Sumter County by Cedar Acres, Inc.

3. Quality of service and condition of plant. As discussed above, we found Sunrise's quality of service to be unsatisfactory. As discussed in Order No. PSC-96-0357-FOF-WU, poor condition of plant and/or unsatisfactory quality may be due to a variety of factors such as age of the system, poor maintenance, neglect or malfeasance. These factors should not necessarily disqualify a utility from the operating ratio method. Instead, this highlights the need for an adequate revenue stream to properly test and treat the water, and maintain or renovate the system. The Order specifies that in those cases when the owner has contributed to the system's decline, it may be appropriate to pursue certificate revocation and/or an escrow of operating ratio method funds when improvements are needed to restore the utility system.
4. Whether the Utility is developer-owned. The current Utility owner is not a developer.
5. Whether the Utility operates treatment facilities or is simply a distribution system. The issue is whether or not purchased water costs should be excluded in the computation of the operating margin. Sunrise operates a water treatment plant and water distribution system.

Based on our review of the Utility's situation relative to the above criteria, we find that Sunrise is a viable candidate for the operating ratio methodology. As outlined in Order Nos. PSC-96-0357-FOF-WU and PSC-97-0130-FOF-WU, we find that a margin of 10 percent shall be used unless unique circumstances justify the use of a greater or lesser margin. The important question is not what the return percentage should be, but what level of operating margin will allow Sunrise to provide safe and reliable service and remain a viable entity. The answer to this question requires a great deal of judgment based upon the particular circumstances of the Utility.

Several factors must be considered in determining the reasonableness of a margin. First, the margin must provide sufficient revenue for Sunrise to cover its interest expense. As discussed above in the Rate Base section of this Order, Sunrise does not currently hold any debt. Therefore, coverage of interest expense is not a concern in this case.

Second, use of the operating ratio methodology rests on the contention that the principal risk to Sunrise resides in operating cost rather than in capital cost of the plant. Also, the operating ratio method recognizes that a major issue for small utilities is cash flow, therefore, the operating ratio method focuses more on cash flow than on investment. In the instant case, Sunrise's primary risk resides with covering its operating expense. A traditional calculation of the revenue requirement may not provide sufficient revenue to protect against potential variances in revenues and expenses. Under the rate base method, the return to Sunrise would be \$4,048, which we find is enough to cover an approximate 6.07 percent variance in O&M expense. Therefore, we find \$4,048 is an insufficient financial cushion.

Third, if the return on rate base method was applied, a normal return would generate such a small level of revenue that in the event revenue or expenses vary from our findings, Sunrise could be left with insufficient funds to cover operating expenses. Therefore, the margin should provide adequate revenue to protect against potential variability in revenue and expenses. If the Utility's operating expenses increase or revenues decrease, Sunrise may not have the funds required for day-to-day operations. We find that a 10 percent margin is applicable in this case.

At the December 9, 2015, noticed informal meeting with our staff, OPC proposed that the operating margin should be reduced from 10 percent to 9 percent due to Sunrise's unsatisfactory quality of service. OPC's proposal would reduce the operating income by \$667 and reduce the rate increase by 0.93 percent. We not find it appropriate to use the operating margin as a penalty since the intended purpose of this methodology is to ensure that a utility will have an adequate revenue stream to operate the utility and make repairs. As discussed previously in the Quality of Service and Operation and Maintenance Expenses sections in this Order, we found that Sunrise's officers' salaries shall be reduced by a 25 percent penalty due to the unsatisfactory quality of service. The salary penalty for Sunrise equals \$2,486, which exceeds OPC's proposed reduction and sends a stronger signal regarding the Utility's need to address the unsatisfactory quality of service.

Appropriate Methodology for Revenue Requirement Calculation Summary

We find that the factors discussed above show Sunrise needs a higher margin of revenue over operating expenses than the traditional return on rate base method would allow. Therefore, in order to provide Sunrise with adequate cash flow to provide some assurance of safe and reliable service, we find that the operating ratio methodology to be appropriate for the purpose of calculating revenue requirement. Applying a 10 percent margin would result in an operating margin of \$6,670. When the criteria were established, we found it was reasonable and prudent to initially limit the dollar amount of the margin to \$10,000.¹⁴ Because Sunrise's operating margin is well below the \$10,000 limit, we find it appropriate to apply the full 10 percent margin. Therefore, we find a 10 percent operating margin ratio in the instant case.

Revenue Requirement

We find Sunrise shall be allowed an annual increase of \$7,510 (10.02 percent). This will allow the Utility the opportunity to recover its expenses and a 10 percent cushion over its O&M expenses. The calculations are as follows:

¹⁴ Order No. PSC-96-0357-FOF-WU, issued on March 13, 1996, in Docket No. 950641-WU, In re: Application for staff-assisted rate case in Palm Beach County by Lake Osborne Utilities Company, Inc., p. 8.

Water Revenue Requirement

Adjusted O&M Expense	\$66,697
Operating Margin Ratio	x 10.00%
Operating Margin	\$6,670
Adjusted O&M Expense	66,697
Depreciation Expense (Net)	4,508
Taxes Other Than Income	4,573
Income Taxes	0
Revenue Requirement	\$82,448
Less Adjusted Test Year Revenues	74,938
Annual Increase	\$7,510
Percent Increase	10.02%

Rate Structure and Rates

As previously discussed, Sunrise is located in Polk County within the SWFWMD. The Utility provides water service to approximately 247 residential customers and no general service customers. Approximately 5 percent of the residential customer bills during the test year had zero gallons, indicating a non-seasonal customer base. The average residential water demand is 4,797 gallons per month. The Utility’s current water system rate structure for residential customers consists of a base facility charge (BFC) and a three-tier inclining block rate structure. The rate blocks are: (1) 0-5,000 gallons; (2) 5,001-10,000 gallons; and (3) all usage in excess of 10,000 gallons per month. The General service rate structure includes a BFC based on meter size and uniform gallonage charge.

We performed an analysis of the Utility’s billing data in order to evaluate the appropriate rate structure for the residential water customers. The goal of the evaluation was to select rate design parameters that: (1) produce an appropriate revenue requirement; (2) equitably distribute cost recovery among the utility’s customers; (3) establish the appropriate non-discretionary usage threshold for restricting repression; and (4) implement, where appropriate, water conserving rate structures consistent with this Commission’s practice.

We evaluated whether it was appropriate to change the design of the Utility’s current rate structure to a less aggressive rate structure due to its average residential consumption. Based on our analysis, establishing a BFC and two-tier inclining block rate structure with a separate block for non-discretionary usage results in a non-equitable distribution of cost recovery. The Alternative 1 and 2 rate designs shown in the table below reflect price decreases at the 0 and 1,000 gallon consumption levels and price decreases at the higher levels of consumption, which is contrary to our rate-setting goals. Typically, when designing rates, all levels of consumption should receive price increases with increases escalating as consumption increases. Therefore, we find an across-the-board increase of 10.39 percent to the existing rates and no repression adjustment to water consumption. The 10.39 percent increase reflects the approved revenue increase excluding miscellaneous revenues. The table, on the following page, contains our

approved rates as an across-the-board increase to the existing rate structure and rates and two alternative rate structures, which include a block for non-discretionary usage.

Commission Approved and Alternative Water Rate Structures and Rates

	RATES AT TIME OF FILING	COMMISSION APPROVED ACROSS-THE-BOARD	ALTERNATIVE I (30% BFC)	ALTERNATIVE II (30% BFC)
Residential				
5/8" x 3/4" Meter Size	\$9.07	\$10.01	\$8.11	\$8.10
Charge per 1,000 gallons				
0-5,000 gallons	\$2.89	\$3.19	\$3.80	
5,001-10,000 gallons	\$3.18	\$3.51	\$3.96	
Over 10,000 gallons	\$6.35	\$7.01	\$5.95	
0-5,000 gallons				\$3.95
Over 5,000 gallons				\$4.33
Typical Residential 5/8" x 3/4" Meter Bill Comparison				
3,000 Gallons	\$17.74	\$19.58	\$19.51	\$19.95
5,000 Gallons	\$23.52	\$25.96	\$27.11	\$27.85
10,000 Gallons	\$39.42	\$43.51	\$46.91	\$49.50

Source: Current tariffs and our calculations

Rate Structure & Rates Summary

The rate structures and monthly water rates approved by us for Sunrise are shown on Schedule No. 4 attached to this Order. Sunrise shall file revised tariff sheets and a proposed customer notice to reflect the approved rates. The approved rates shall be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475(1), F.A.C. In addition, the approved rates shall not be implemented until our staff has approved the proposed customer notice and the notice has been received by the customers. Sunrise shall provide proof of the date notice was given within 10 days of the date of the notice.

Four Year Rate Reduction

Section 367.0816, F.S., requires that the rates be reduced immediately following the expiration of the four-year period by the amount of the rate case expense previously included in the rates. The reduction will reflect the removal of revenues associated with the amortization of rate case expense, the associated operating margin, and the gross-up for RAFs which is \$763. Using Sunrise's current revenues, expenses, and customer base, the reduction in revenues will result in the rate decrease shown on Schedule No. 4 attached to this Order.

Sunrise shall be required to file revised tariff sheets no later than one month prior to the actual date of the required rate reduction. The Utility also shall be required to file a proposed customer notice setting forth the lower rates and the reason for the reduction. If Sunrise files this reduction in conjunction with a price index or pass-through rate adjustment, separate data shall be filed for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense.

Customer Deposits

Rule 25-30.311, F.A.C., contains the criteria for collecting, administering, and refunding customer deposits. Customer deposits are designed to minimize the exposure of bad debt expense for the utility and, ultimately, the general body of ratepayers. Historically, we have set initial customer deposits equal to two times the average estimated bill.¹⁵ Currently, Sunrise's existing initial deposit for residential and general service is \$52 for the 5/8 inch x 3/4 inch meter size. Based on the rates we approved, the appropriate initial customer deposit for residential shall be \$52 for the 5/8 inch x 3/4 inch meter size. Therefore, we find that Sunrise's initial customer deposits shall remain unchanged for residential and general service meter sizes.

In addition, it appears that Sunrise is in violation of Rule 25-30.311, F.A.C., in regard to its customer deposits. During our review of the Utility's deposit records, we noted that the Utility failed to properly record the amount of each deposit, failed to pay the appropriate amount of interest on customer deposits, and failed to refund residential customer deposits after 23 months. The Utility is working on correcting these issues and has taken some corrective actions to resolve the issues regarding the customer deposits. On February 15, 2016, the Utility provided a copy of its current Customer Deposit Report, which indicated that only a few customers had received a credit for interest payments on their deposits. Due to the approximately \$3,400 of customer deposits that are due to be refunded, Sunrise has requested to pay customer deposits to those customers, who are entitled a refund, in a three month period to avoid financial hardship. We find Sunrise's request is reasonable, and that Sunrise shall continue to work on its compliance with Rule 25-30.311 F.A.C. The Utility shall complete refunds within three months of this Order becoming final. Sunrise is required to provide monthly reports until it has satisfactorily refunded the appropriate amount of customer deposits and applied the appropriate interest on customer deposits. Our staff is hereby given administrative authority to determine when the Utility is in compliance with Rule 25-30.311, F.A.C. We find that Sunrise is moving forward to make corrective actions to resolve the issues regarding the customer deposits. Therefore, we find that enforcement action against Sunrise is not warranted at this time. However, Sunrise is put on notice that if the Utility does not resolve the customer deposit errors within a reasonable times and/or its deposit records are found to be out of compliance with our regulations in the future, Sunrise may be subject to a show cause proceeding by this Commission, including penalties.

¹⁵ Order No. PSC-13-0611-PAA-WS, issued November 19, 2013, in Docket No. 130010-WS, In re: Application for increase in water rates in Lee County and wastewater rates in Pasco County by Ni Florida, LLC and Order No. PSC-14-0016-TRF-WU, issued January 6, 2014, in Docket No. 130251-WU, In re: Application for approval of miscellaneous service charges in Pasco County, by Crestridge Utility Corporation.

Customer Deposit Summary

Based on the foregoing reasons, we find that Sunrise's current initial customer deposits of \$52 for the 5/8 inch x 3/4 inch residential meter size and two times the estimated average bill for all other residential and general service meter sizes shall remain unchanged. The approved customer deposits shall be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, F.A.C. The Utility shall be required to charge the approved charges until authorized to change them by this Commission in a subsequent proceeding.

In addition, Sunrise shall continue to work on its compliance with Rule 25-30.311 F.A.C. The Utility shall complete refunds within three months of this Order becoming final. Sunrise shall be required to reconcile its customer deposit accounts and records within a reasonable time. Sunrise is required to provide monthly reports beginning April 15, 2016, until it has satisfactorily refunded the appropriate amount of customer deposits and applied the appropriate interest on customer deposits. Our staff is given administrative authority to determine when the Utility is in compliance with Rule 25-30.311, F.A.C. We find that Sunrise is moving forward to make corrective actions to resolve the issues regarding the customer deposits. Therefore, we find that an enforcement action against Sunrise is not warranted at this time.

Temporary Rates

This Order approves an increase in rates. A timely protest might delay what may be a justified rate increase resulting in an unrecoverable loss of revenue to the Utility. Therefore, pursuant to Section 367.0814(7), F.S., in the event of a protest filed by a party other than the Utility, we find that the approved rates be approved as temporary rates. Sunrise shall file revised tariff sheets and a proposed customer notice to reflect the approved rates. The approved rates shall be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates shall not be implemented until our staff has approved the proposed notice, and the notice has been received by the customers. The recommended rates collected by Sunrise shall be subject to the refund provisions discussed below.

Sunrise is authorized to collect the temporary rates upon our staff's approval of an appropriate security for the potential refund and the proposed customer notice. Security shall be in the form of a bond or letter of credit in the amount of \$5,018. Alternatively, Sunrise may establish an escrow agreement with an independent financial institution.

If Sunrise chooses a bond as security, the bond shall contain wording to the effect that it will be terminated only under the following conditions:

1. The Commission approves the rate increase; or,
2. If the Commission denies the increase, the Utility shall refund the amount collected that is attributable to the increase.

If the Utility chooses a letter of credit as a security, it shall contain the following conditions:

1. The letter of credit is irrevocable for the period it is in effect.
2. The letter of credit will be in effect until a final Commission order is rendered, either approving or denying the rate increase.

If security is provided through an escrow agreement, the following conditions shall be part of the agreement:

1. The Commission Clerk, or his or her designee, must be a signatory to the escrow agreement.
2. No monies in the escrow account may be withdrawn by the Utility without the prior written authorization of the Commission Clerk, or his or her designee.
3. The escrow account shall be an interest bearing account.
4. If a refund to the customers is required, all interest earned by the escrow account shall be distributed to the customers.
5. If a refund to the customers is not required, the interest earned by the escrow account shall revert to the Utility.
6. All information on the escrow account shall be available from the holder of the escrow account to a Commission representative at all times.
7. The amount of revenue subject to refund shall be deposited in the escrow account within seven days of receipt.
8. This escrow account is established by the direction of the Florida Public Service Commission for the purpose(s) set forth in its order requiring such account. Pursuant to Cosentino v. Elson, 263 So. 2d 253 (Fla. 3d DCA 1972), escrow accounts are not subject to garnishments.
9. The account must specify by whom and on whose behalf such monies were paid.

In no instance shall the maintenance and administrative costs associated with the refund be borne by the customers. These costs are the responsibility of, and shall be borne by, the Utility. Irrespective of the form of security chosen by Sunrise, an account of all monies received as a result of the rate increase shall be maintained by the Utility. If a refund is ultimately required, it shall be paid with interest calculated pursuant to Rule 25-30.360(4), F.A.C.

Sunrise shall maintain a record of the amount of the bond, and the amount of revenues that are subject to refund. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility shall file reports with the Commission Clerk's office no later than the twentieth of every month indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed shall also indicate the status of the security being used to guarantee repayment of any potential refund.

Proof of Adjustments

Sunrise shall be required to notify the Commission, in writing that it has adjusted its books in accordance with the Commission's decision. Schedule No. 5 reflects the accumulated plant, depreciation, CIAC, and amortization of CIAC balances as of December 31, 2014. Sunrise shall submit a letter within 90 days of the final order in this docket, confirming that the adjustments to all the applicable NARUC USOA primary accounts, as shown on Schedule No. 5 attached to this Order, have been made to the Utility's books and records. In the event the Utility needs additional time to complete the adjustments, notice shall be provided within seven days prior to deadline. Upon providing good cause, our staff is to be given administrative authority to grant an extension of up to 60 days.

In addition, as discussed in the Rate Base and Operation and Maintenance Expenses section of this Order, Rule 25-30.115, F.A.C., requires that water and wastewater utilities maintain their accounts and records in conformity with the 1996 NARUC USOA. The Utility is not currently maintaining its books and records on a monthly basis as required. The lack of properly maintained books and records proved to be a significant impediment to our audit staff, substantially increasing the work required to process the audit for this docket, as well as our audit in the Alturas SARC docket. The lack of properly maintained books and records also proved to be a significant impediment to our technical staff's work on this docket as well. Further, we find that the lack of frequent bookkeeping activities hinders the Utility's ability to detect and respond to cash flow concerns on a more regular basis. Therefore, we find that Sunrise shall be required to maintain its books and records on a monthly basis in accordance with the NARUC USOA.

Due to the Utility's recent efforts to hire a contractual accountant to begin maintaining the books and records going forward, we do not find it is necessary to initiate a show cause proceeding at this time. However, Sunrise is put on notice that if the Utility's books and records are found to be out of compliance with our regulations in the future, Sunrise may be subject to a show cause action by this Commission.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Sunrise Utilities, L.L.C.'s application for an increase in rates and charges is hereby approved as set forth in the body of this Order. It is further,

ORDERED that each of the findings made in the body of this Order is hereby approved in every respect. It is further,

ORDERED that all matters contained in the schedules attached hereto are incorporated by reference. It is further,

ORDERED that the overall quality of service provided by Sunrise Utilities, L.L.C. is unsatisfactory and, the salaries of Sunrise Utilities, L.L.C.'s officers' salaries are decreased by 25 percent. It is further,

ORDERED that Sunrise Utilities, L.L.C. is required to file six monthly status reports, beginning April 15, 2016, to provide the status of its progress in meeting the requirements of the Polk County Health Department Consent Order. Should Sunrise continue to show a pattern of non-responsiveness to this Commission or Sunrise customers continue to complain about its practice of collecting payments, a show-cause proceeding may be initiated against the Utility. It is further,

ORDERED that Sunrise Utilities, L.L.C.'s water treatment plant and its distribution system are considered 100 percent Used & Useful. It is further,

ORDERED that a 9 percent adjustment for excessive unaccounted for water is made to Sunrise Utilities, L.L.C.'s operating expenses for chemicals and purchased power. It is further,

ORDERED that the appropriate allocation of common costs to Sunrise Utilities, L.L.C. is 78 percent. It is further,

ORDERED that the appropriate average test year rate base for Sunrise Utilities, L.L.C. is \$49,773. It is further,

ORDERED that in the event that Sunrise Utilities, L.L.C. is unable to issue customer deposit refunds and interest payments to former customers, the resulting total of the unclaimed refunds and associated accrued interest be credited to contributions-in-aid-of-construction in Sunrise Utilities, L.L.C.'s next rate proceeding. It is further,

ORDERED that the appropriate return on equity for Sunrise Utilities, L.L.C. is 8.74 percent with a range of 7.74 percent to 9.74 percent. The appropriate overall rate of return is 8.13 percent. It is further,

ORDERED that by December 31, 2016, Sunrise Utilities, L.L.C. is required to file written documentation in this docket showing that Sunrise Utilities, L.L.C. owns or has the right to continued long-term use of the land upon which its treatment facilities are located. In addition, Sunrise Utilities, L.L.C. is required to file six monthly status reports, beginning April 15, 2016, to provide the status of its progress to correct the land ownership issue. It is further,

ORDERED that the appropriate test year revenues for Sunrise Utilities, L.L.C.'s water system are \$74,938. It is further,

ORDERED that the appropriate amount of operating expenses for Sunrise Utilities, L.L.C. is \$75,778. It is further,

ORDERED that by December 31, 2016, Sunrise Utilities, L.L.C. is required to file documentation in this docket, showing that the pro forma trihalomethane and haloacetic acid tests have been completed. The documentation shall include a copy of the test results and final invoices. In addition, Sunrise Utilities, L.L.C. is required to file six monthly status reports, beginning April 15, 2016, to provide the status of its contractual service providers, including the name and position of each contractual service provider currently providing services for the Utility. It is further,

ORDERED that the operating ratio methodology shall be used for calculating the revenue requirement for Sunrise Utilities, L.L.C., with a margin of 10 percent of O&M expense. It is further,

ORDERED that the appropriate revenue requirement for Sunrise Utilities, L.L.C. is \$82,448, resulting in an annual increase of \$7,510 (10.02 percent). It is further,

ORDERED that the approved rate structure and monthly water rates for Sunrise Utilities, L.L.C. are shown on Schedule No. 4. Sunrise Utilities, L.L.C. shall file revised tariff sheets and a proposed customer notice to reflect the approved rates shown on Schedule 4. The revised tariff sheets shall be approved upon our staff's verification that the tariff sheets are consistent with our decision herein. It is further,

ORDERED that Sunrise Utilities, L.L.C.'s approved rates shall be effective for service rendered on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), F.A.C. It is further,

ORDERED that Sunrise Utilities, L.L.C.'s approved rates shall not be implemented until our staff has approved the proposed customer notice and the notice has been received by the customers as forth in this Order. Sunrise Utilities, L.L.C. shall provide documentation to this Commission that the notice was provided to its customers within 10 days of the date of the notice. It is further,

ORDERED that the appropriate initial customer deposit for Sunrise Utilities, L.L.C. is \$52 for the residential 5/8" x 3/4" meter size for water. The initial customer deposit for all other residential meter sizes and all general service meter sizes shall be two times the average estimated bill for water. The approved customer deposits shall be effective for services rendered, or connections made, on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475, F.A.C. Sunrise Utilities, L.L.C. shall be required to charge the approved charges until this Commission authorizes it to change them in a subsequent proceeding. It is further,

ORDERED that Sunrise Utilities, L.L.C. continue to work on complying with Rule 25-30.311 F.A.C. Sunrise Utilities, L.L.C. shall complete refunds within three months of this Order becoming final. Sunrise Utilities, L.L.C. is required to reconcile its customer deposit accounts and records within a reasonable time. In addition, Sunrise Utilities, L.L.C. is required to provide monthly reports beginning April 15, 2016, until it has satisfactorily refunded the appropriate amount of customer deposits and applied the appropriate interest on customer deposits. Our staff is hereby given administrative authority to determine when Sunrise Utilities, L.L.C. is in compliance with Rule 25-30.311, F.A.C. It is further,

ORDERED that, subject to the conditions set forth in the body of this Order, following the expiration of the four-year rate case expense recovery period, Sunrise Utilities, L.L.C.'s rates shall be reduced as shown on Schedule No. 4 attached hereto, to remove rate case expense grossed-up for Regulatory Assessment Fees and amortized over a four-year period. It is further

ORDERED that Sunrise Utilities, L.L.C. shall be required to file revised tariffs and a proposed customer notice setting forth the lower rates and the reason for the reduction, no later than one month prior to the actual date of the required rate reduction. It is further

ORDERED that if Sunrise Utilities, L.L.C. files this reduction in conjunction with a price index or pass-through rate adjustment, it shall file separate data for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense. It is further

ORDERED that the approved rates shall be approved for Sunrise Utilities, L.L.C. on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility. Sunrise Utilities, L.L.C. shall file revised tariff sheets and a proposed customer notice, reflecting the approved temporary rates. The approved temporary rates shall be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. It is further

ORDERED that prior to implementation of any temporary rates, Sunrise Utilities, L.L.C. shall provide appropriate security for the potential refund in \$5,018, as set out in the body of this Order. The temporary rates collected by Sunrise Utilities, L.L.C. shall be subject to refund provisions. Sunrise Utilities, L.L.C. may collect the temporary rates upon our staff's approval of an appropriate security for the potential refund and the proposed customer notice. It is further

ORDERED that, irrespective of the form of the security chosen by Sunrise Utilities, L.L.C., the Utility shall maintain an account of all monies received as a result of the rate increase. It is further

ORDERED that, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., Sunrise Utilities, L.L.C. shall file reports with the Office of the Commission Clerk no later than the 20th of each month, indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report shall also indicate the status of the security being used to guarantee repayment of any potential refund. It is further

ORDERED that Sunrise Utilities, L.L.C. is required to notify this Commission in writing, within 90 days of the effective date of the final order in this docket, that the adjustments for all applicable NARUC USOA primary accounts, as shown on Schedule No. 5 attached, have been made to the Utility's books and records. Our staff has administrative authority to grant Sunrise Utilities, L.L.C. an extension, of up to 60 days, upon the Utility providing good cause, in writing, for additional time to complete the adjustments. It is further

ORDERED that, except for the granting of temporary rates in the event of protest, the reduction for rate case expense, and the proof of adjustment of books, which are final agency action, the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, F.A.C., is received by the Office of the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that, if no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, a Consummating Order shall be issued. This docket shall remain open for our staff to verify that: (i) the required revised tariff sheets and customer notices have been filed by Sunrise Utilities, L.L.C. and approved by our staff; (ii) Sunrise Utilities, L.L.C. has adjusted its books for all the applicable NARUC USOA primary accounts; (iii) Sunrise Utilities, L.L.C. has adjusted its customer deposit records and all deposit amounts that may be owed to customers have been properly refunded; and (iv) Sunrise Utilities, L.L.C. has filed the monthly status reports outlined in this Order. Once these actions are complete, this docket shall be closed administratively. It is further

ORDERED that upon the issuance of the Consummating Order in this docket, the surety bond, if any, shall be released.

ORDER NO. PSC-16-0126-PAA-WU
DOCKET NO. 140220-WU
PAGE 42

By ORDER of the Florida Public Service Commission this 28th day of March, 2016.



CARLOTTA S. STAUFFER

Commission Clerk

Florida Public Service Commission

2540 Shumard Oak Boulevard

Tallahassee, Florida 32399

(850) 413-6770

www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

KFC

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

As identified in the body of this order, the actions proposed herein are preliminary in nature, except the decisions regarding (1) the granting of temporary rates in the event of protest, (2) the reduction for rate case expense, and (3) the proof of adjustment to NARUC USOC accounts, which are final agency action. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on April 18, 2016.

If such a petition is filed, mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing. In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

Any party adversely affected by the Commission's final action in this matter may request: (1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, within fifteen (15) days of the issuance of this Order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or (2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Office of Commission Clerk and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this Order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

SUNRISE UTILITIES, LLC. TEST YEAR ENDED 12/31/14 SCHEDULE OF WATER RATE BASE		SCHEDULE NO. 1-A DOCKET NO. 140220-WU	
DESCRIPTION	BALANCE PER UTILITY	COMMISSION ADJUST. TO UTIL. BAL.	COMMISSION APPROVED BALANCE
1. UTILITY PLANT IN SERVICE	\$124,367	(\$15,067)	\$109,300
2. LAND & LAND RIGHTS	0	553	553
3. NON-USED AND USEFUL COMPONENTS	0	0	0
4. CIAC	(5,168)	(7,225)	(12,393)
5. ACCUMULATED DEPRECIATION	(68,952)	535	(68,417)
6. AMORTIZATION OF CIAC	5,168	7,225	12,393
7. WORKING CAPITAL ALLOWANCE	<u>0</u>	<u>8,337</u>	<u>8,337</u>
8. WATER RATE BASE	<u>\$55,415</u>	<u>(\$5,642)</u>	<u>\$49,773</u>

SUNRISE UTILITIES, LLC.
TEST YEAR ENDED 12/31/14
ADJUSTMENTS TO RATE BASE

UTILITY PLANT IN SERVICE

- | | |
|--|-------------------|
| 1. To reflect appropriate plant in service per audit. | (\$13,767) |
| 2. To reflect retirements associated with 2012 and 2013 plant additions. | <u>(1,300)</u> |
| Total | <u>(\$15,067)</u> |

LAND & LAND RIGHTS

- | | |
|--|--------------|
| To reflect appropriate land and land rights. | <u>\$553</u> |
|--|--------------|

CIAC

- | | |
|------------------------------|------------------|
| To reflect appropriate CIAC. | <u>(\$7,225)</u> |
|------------------------------|------------------|

ACCUMULATED DEPRECIATION

- | | |
|--|--------------|
| 1. To reflect accumulated depreciation per Rule 25-30.140, F.A.C. | (\$3,131) |
| 2. To reflect retirements associated with 2012 and 2013 plant additions. | 1,412 |
| 3. To reflect an averaging adjustment. | <u>2,254</u> |
| Total | <u>\$535</u> |

AMORTIZATION OF CIAC

- | | |
|---|----------------|
| 1. To reflect appropriate amortization of CIAC. | \$6,900 |
| 2. To reflect pro forma adjustment to fully amortize CIAC in August 2015. | <u>325</u> |
| Total | <u>\$7,225</u> |

WORKING CAPITAL ALLOWANCE

- | | |
|---|----------------|
| To reflect 1/8 of test year O&M expenses. | <u>\$8,337</u> |
|---|----------------|

SUNRISE UTILITIES, LLC.
TEST YEAR ENDED 12/31/14
SCHEDULE OF CAPITAL STRUCTURE

CAPITAL COMPONENT	PER UTILITY	SPECIFIC ADJUSTMENTS	BALANCE BEFORE PRO RATA ADJUSTMENTS	PRO RATA ADJUSTMENTS	COM. APPROVED BALANCE	PERCENT OF TOTAL	COST	WEIGHTED COST
1. COMMON STOCK	\$0	\$0	\$0					
2. RETAINED EARNINGS	0	0	0					
3. PAID IN CAPITAL	0	0	0					
4. OTHER COMMON EQUITY	<u>0</u>	<u>90,000</u>	<u>90,000</u>					
TOTAL COMMON EQUITY	\$0	\$90,000	\$90,000	(\$44,707)	\$45,293	91.00%	8.74%	7.95%
5. LONG TERM DEBT	\$0	\$0	\$0	\$0	\$0	0.00%	0.00%	0.00%
6. SHORT-TERM DEBT	0	0	0	0	0	0.00%	0.00%	0.00%
7. PREFERRED STOCK	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>	0.00%	0.00%
TOTAL DEBT	\$0	\$0	\$0	\$0	\$0	0.00%		
8. CUSTOMER DEPOSITS	<u>\$0</u>	<u>\$4,480</u>	<u>\$4,480</u>	<u>\$0</u>	<u>\$4,480</u>	<u>9.00%</u>	2.00%	<u>0.18%</u>
9. TOTAL	<u>\$0</u>	<u>\$94,480</u>	<u>\$94,480</u>	<u>(\$44,707)</u>	<u>\$49,773</u>	<u>100.00%</u>		<u>8.13%</u>
RANGE OF REASONABLENESS						<u>LOW</u>	<u>HIGH</u>	
RETURN ON EQUITY						<u>7.74%</u>	<u>9.74%</u>	
OVERALL RATE OF RETURN						<u>7.22%</u>	<u>9.04%</u>	

SUNRISE UTILITIES, LLC.
TEST YEAR ENDED 12/31/14
SCHEDULE OF WATER OPERATING INCOME

	TEST YEAR PER UTILITY	COMMISSION ADJUSTMENTS	COMMISSION ADJUSTED TEST YEAR	ADJUST. FOR INCREASE	REVENUE REQUIREMENT
1. OPERATING REVENUES	\$69,416	\$5,522	\$74,938	\$7,510 10.02%	\$82,448
OPERATING EXPENSES:					
2. OPERATION & MAINTENANCE	\$69,373	(\$2,676)	\$66,697	\$0	\$66,697
3. DEPRECIATION (NET)	0	4,508	4,508	0	4,508
4. TAXES OTHER THAN INCOME	5,731	(1,496)	4,235	338	4,573
5. INCOME TAXES	0	0	0	0	0
6. TOTAL OPERATING EXPENSES	\$75,104	\$336	\$75,440	\$338	\$75,778
7. OPERATING INCOME/(LOSS)	(\$5,688)		(\$502)		\$6,670
8. WATER RATE BASE	\$55,415		\$49,773		\$49,773
9. RATE OF RETURN	(10.26%)		(1.01%)		
10. OPERATING RATIO					10.00%

SUNRISE UTILITIES, LLC.
TEST YEAR ENDED 12/31/14
ADJUSTMENTS TO OPERATING INCOME

SCHEDULE NO. 3-B
DOCKET NO. 140220-WU
Page 1 of 2

OPERATING REVENUES

1.	To reflect the appropriate test year revenues.	\$2,882
2.	To reflect the appropriate test year miscellaneous service revenues.	<u>2,640</u>
	Subtotal	<u>\$5,522</u>

OPERATION AND MAINTENANCE EXPENSES

1.	Salaries and Wages - Officers (603)	
	a. To reflect appropriate allocation of administration officer/owner's salary.	(\$2,640)
	b. To reflect appropriate allocation of president's salary.	585
	c. To reflect reduction in officers' salaries due to quality of service penalty.	<u>(2,486)</u>
	Subtotal	<u>(\$4,541)</u>
2.	Purchased Power (615)	
	a. To reflect appropriate purchased power expense and removal of late fees..	(\$63)
	b. To reflect 9% excessive unaccounted for water adjustment.	<u>(205)</u>
	Subtotal	<u>(\$268)</u>
3.	Fuel for Power Production (616)	
	To reflect propane fuel expense for emergency generator.	<u>\$219</u>
4.	Chemicals (618)	
	a. To reflect appropriate chemicals expense.	\$131
	b. To reflect 9% excessive unaccounted for water adjustment.	<u>(141)</u>
	Subtotal	<u>(\$10)</u>
5.	Contractual Services - Billing (630)	
	a. To reflect pro forma meter reading expense.	\$60
	b. To reflect pro forma contractual bookkeeping expense.	<u>(\$3,118)</u>
	Subtotal	<u>(\$3,058)</u>
6.	Contractual Services - Professional (631)	
	a. To reflect pro forma contractual bookkeeping expense.	<u>\$1,670</u>
7.	Contractual Services - Testing (635)	
	a. To reflect appropriate annual testing expense.	\$2,340
	b. To reflect pro forma 3-year amortization of triennial water tests.	1,508
	c. To reflect pro forma 5-year amortization of DEP-required additional tests.	<u>760</u>
	Subtotal	<u>\$4,608</u>
8.	Contractual Services - Other (636)	
	a. To reflect appropriate contractual office manager expense.	(\$1,958)
	b. To reflect appropriate test year contractual operator expense.	173
	c. To reflect appropriate test year maintenance expense.	<u>(6,727)</u>
	d. To reclassify meter checking expense from Alturas to Sunrise.	159
	e. To reflect pro forma contractual utility service technician expense.	10,140
	f. To reflect annual amortization of hydropneumatic tank inspection/cleaning.	<u>762</u>
	Subtotal	<u>\$2,549</u>

SUNRISE UTILITIES, LLC.
TEST YEAR ENDED 12/31/14
ADJUSTMENTS TO OPERATING INCOME

SCHEDULE NO. 3-B
DOCKET NO. 140220-WU
Page 2 of 2

OPERATION AND MAINTENANCE EXPENSES (CONTINUED)

9.	Transportation Expense (650)	
	To reflect pro forma transportation expense.	<u>(\$1,274)</u>
10.	Insurance Expense (655)	
	To reflect appropriate insurance expense.	<u>(\$182)</u>
11.	Regulatory Commission Expense (665)	
	a. To reflect 4-year amortization of rate case expense (Docket No. 110238-WU).	\$344
	b. To reflect 4-year amortization of rate case expense for current case (\$2,648/4).	<u>662</u>
	Subtotal	<u>\$1,006</u>
12.	Bad Debt Expense (670)	
	a. To reflect appropriate bad debt expense.	<u>(\$2,510)</u>
13.	Miscellaneous Expense (675)	
	a. To reflect appropriate test year miscellaneous expense.	(\$1,371)
	b. To reflect 5-year amortization of non-recurring miscellaneous operator expense.	115
	c. To reflect pro forma annual FRWA membership dues.	202
	d. To reflect pro forma 5-year amort. of software update, additional license, and training.	108
	e. To reflect pro forma 5-year amortization of electronic bank deposit machine.	60
	Subtotal	<u>(\$885)</u>
TOTAL OPERATION & MAINTENANCE ADJUSTMENTS		<u>(\$2,676)</u>
DEPRECIATION EXPENSE		
	To reflect test year depreciation calculated per Rule 25-30.140, F.A.C.	<u>\$4,508</u>
TAXES OTHER THAN INCOME		
1.	To reflect appropriate test year RAFs.	\$249
2.	To reflect appropriate test year utility property taxes.	<u>(1,745)</u>
	Total	<u>(\$1,496)</u>

SUNRISE UTILITIES, LLC.		SCHEDULE NO. 3-C	
TEST YEAR ENDED 12/31/14		DOCKET NO. 140220-WU	
ANALYSIS OF WATER OPERATION AND MAINTENANCE EXPENSE			
	TOTAL PER UTILITY	COMMISSION ADJUSTMENTS	COMMISSION APPROVED TOTAL
(601) SALARIES AND WAGES - EMPLOYEES	\$0	\$0	\$0
(603) SALARIES AND WAGES - OFFICERS	12,000	(4,541)	7,459
(604) EMPLOYEE PENSIONS AND BENEFITS	0	0	0
(610) PURCHASED WATER	0	0	0
(615) PURCHASED POWER	2,340	(268)	2,072
(616) FUEL FOR POWER PRODUCTION	0	219	219
(618) CHEMICALS	1,431	(10)	1,421
(620) MATERIALS AND SUPPLIES	0	0	0
(630) CONTRACTUAL SERVICES - BILLING	9,802	(3,058)	6,744
(631) CONTRACTUAL SERVICES - PROFESSIONAL	400	1,670	2,070
(635) CONTRACTUAL SERVICES - TESTING	0	4,608	4,608
(636) CONTRACTUAL SERVICES - OTHER	29,173	2,549	31,722
(640) RENTS	0	0	0
(650) TRANSPORTATION EXPENSE	1,976	(1,274)	702
(655) INSURANCE EXPENSE	2,010	(182)	1,828
(665) REGULATORY COMMISSION EXPENSE	0	1,006	1,006
(670) BAD DEBT EXPENSE	3,899	(2,510)	1,389
(675) MISCELLANEOUS EXPENSE	<u>6,342</u>	<u>(885)</u>	<u>5,457</u>
	<u>\$69,373</u>	<u>(\$2,676)</u>	<u>\$66,697</u>

SUNRISE UTILITIES, LLC.		SCHEDULE NO. 4	
TEST YEAR ENDED 12/31/14		DOCKET NO. 140220-WU	
MONTHLY WATER RATES			
	UTILITY CURRENT RATES	COMMISSION APPROVED RATES	4 YEAR RATE REDUCTION
<u>Residential and General Service</u>			
Base Facility Charge by Meter Size			
5/8"X3/4"	\$9.07	\$10.01	\$0.10
3/4"	\$13.61	\$15.02	\$0.14
1"	\$22.68	\$25.03	\$0.24
1-1/2"	\$45.35	\$50.05	\$0.48
2"	\$72.56	\$80.08	\$0.77
3"	\$145.12	\$160.16	\$1.54
4"	\$226.75	\$250.25	\$2.40
6"	\$453.50	\$500.50	\$4.80
Charge per 1,000 Gallons - Residential			
0-5,000 gallons	\$2.89	\$3.19	\$0.03
5,001-10,000 gallons	\$3.18	\$3.51	\$0.03
Over 10,000 gallons	\$6.35	\$7.01	\$0.07
Charge per 1,000 gallons - General Service	\$3.29	\$3.63	\$0.03 12
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u>			
3,000 Gallons	\$17.74	\$19.58	
5,000 Gallons	\$23.52	\$25.96	
10,000 Gallons	\$39.42	\$43.51	

SUNRISE UTILITIES, LLC.			SCHEDULE NO. 5	
TEST YEAR ENDED 12/31/2014			DOCKET NO. 140220-WU	
SCHEDULE OF WATER PLANT, DEPRECIATION, CIAC, & CIAC AMORTIZATION BALANCES				
ACCT NO.	DEPR. RATE PER RULE 25-30.140	DESCRIPTION	UPIS 12/31/2014 (DEBIT)	ACCUM. DEPR. 12/31/2014 (CREDIT)*
301	2.50%	ORGANIZATION	\$750	\$285
303	0.00%	LAND AND LAND RIGHTS (NON-DEPRECIABLE)	553	0
304	3.70%	STRUCTURES AND IMPROVEMENTS	5,412	3,408
307	3.70%	WELLS AND SPRINGS	16,972	14,676
309	3.13%	SUPPLY MAINS	649	(273)
310	5.88%	POWER GENERATION EQUIPMENT	15,070	7,104
311	5.88%	PUMPING EQUIPMENT	17,377	4,341
320	5.88%	WATER TREATMENT EQUIPMENT	4,055	4,055
330	3.03%	DISTRIBUTION RESERVOIRS AND STANDPIPES	21,485	15,903
331	2.63%	TRANSMISSION AND DISTRIBUTION MAINS	12,393	8,253
334	5.88%	METERS AND METER INSTALLATIONS	12,257	10,408
340	6.67%	OFFICE FURNITURE AND EQUIPMENT	494	123
348	10.00%	OTHER TANGIBLE PLANT	<u>2,388</u>	<u>2,388</u>
		TOTAL INCLUDING LAND	<u>\$109,855</u>	<u>\$70,671</u>
			CIAC AMORT. 12/31/2014 (DEBIT)*	CIAC 12/31/2014 (CREDIT)
			<u>\$12,068</u>	<u>\$12,393</u>

* The accumulated depreciation balance excludes this Commission's averaging adjustment and the CIAC amortization balance excludes this Commission's \$325 pro forma adjustment, which are only used for rate-setting purposes and should not be reflected on the Utility's books.

ATTACHMENT C

**IN THE CIRCUIT COURT OF THE TENTH JUDICIAL CIRCUIT
IN AND FOR POLK COUNTY, FLORIDA**

STATE OF FLORIDA,)	
DEPARTMENT OF HEALTH, POLK)	
COUNTY HEALTH DEPARTMENT)	
)	CASE NO.
Plaintiff,)	
v.)	
)	
SUNRISE UTILITIES, LLC)	
)	
Defendant.)	
	/	

**PETITION FOR ENFORCEMENT OF AGENCY ACTION AND
VERIFIED COMPLAINT FOR INJUNCTIVE RELIEF**

COMES NOW the State of Florida, Department of Health in Polk County (hereafter, the “Health Department” or “Department”), by and through the undersigned Counsel, and moves this Honorable Court for an Order enforcing the terms of a Consent Order entered into between the Parties, and in support thereof would show:

1. This is an action for enforcement of agency action and verified complaint for injunctive and other relief brought pursuant to Sections 120.69, 403.121, 403.860 and Chapter 381, Florida Statutes (FS), and Rule 1.610, Florida Rules of Civil Procedure.
2. This Circuit Court has jurisdiction over this action pursuant to Section 26.012(3), Florida Statutes.
3. The Health Department, pursuant to Interagency Agreement with the Department of Environmental Protection (DEP), is the administrative agency of the State of Florida charged with the duty to administer and enforce the provisions of the Florida Safe Drinking Water Act, Sections 403.850, et seq., FS, and the rules promulgated

thereunder, Florida Administrative Code (FAC) Chapter 62, within Polk County, Florida.

4. The Health Department, an agency of the State of Florida as defined by Section 120.52, FS, is charged with the duty to protect the health, safety and welfare of the citizens of this community.
5. Section 403.860, FS empowers the Health Department to file for injunctive relief restraining anyone from violating or continuing to violate any order, rule or regulation issued pursuant to Chapter 403, FS and Chapter 62, FAC.
6. Defendant Sunrise Utilities, LLC (“Sunrise”), owns and operates a Community Public Water System (PWS), as defined by Section 403.852(3), FS, PWS ID No. 6531739, located at Sunrise Terrace in Auburndale, Polk County, Florida.
7. Defendant is a “person” within the meaning of Section 403.852(5), Florida Statutes.
8. Defendant supplies water to approximately 258 service connections (“Customers”) consisting mainly of residential homes.
9. On March 29, 2017, Defendant admitted to multiple violations of Chapter 62, FAC, and entered into a Consent Order with the Health Department for the maintenance, upgrade and repair of the PWS, to include replacement of the drinking water holding and treatment tanks, to be completed by September 30, 2017. See Consent Order attached and incorporated herein as Attachment “A”.
10. The Health Department issued Defendant a permit, #354615-01, on June 6, 2017 for replacement of the two drinking water tanks and other structural and capital improvements.

11. Beyond that, the Defendant has failed to complete any further steps towards compliance with the Consent Order, and continues to willfully operate its Community Water System in violation of Florida law and the Consent Order.
12. The Defendant continues to jeopardize the public health of its Customers by failing to upgrade its facility in accordance with the Consent Order and maintain it according to DEP Rules and standards. The Defendant's failure to replace the drinking water tanks, or to otherwise bring the PWS into compliance, has put at significant and urgent risk the continuous and uninterrupted delivery of safe drinking water to its Customers.
13. The Defendant, by and through its management and ownership, has demonstrated or indicated over time, that it lacks the necessary technical and operational skills and abilities, along with the necessary financial viability, to successfully provide water service in a safe, reliable, and affordable manner.
14. The Defendant's willful acts, negligence, failure to act or mismanagement as described in the above paragraphs will cause or increase the likelihood of harm to the health and safety of the community by failing to assure that its Customers and other consumers are supplied water in conformance with the Primary and Secondary Drinking Water Standards as required under Florida law.
15. The Department has expended costs and fees in initiating this action.

WHEREFORE the Health Department is entitled to injunctive and other relief against the Defendant and requests this honorable court:

- (1) Enter a Temporary and Permanent Injunction and Order compelling the Defendant to comply with the Health Department's Consent Order directing that the following actions be taken by the Defendant:
 - (A) Complete replacement of the holding and treatment tanks, as per the Consent Order directive in compliance with Florida law and the Permit issued by the Health Department within twenty (20) days of the entry of the Order enforcing agency action and awarding injunctive relief.
 - (B) In the alternative, mandate the Defendant to abandon the utility in accordance with the requirements of Section 367.165, Florida Statutes and surrender its Certificate of Authorization to the Florida Public Service Commission so that a receiver may be appointed to operate the water service.
- (2) Enter an Order compelling the Defendants to comply with the Health Department's Consent Order, paragraph 19, mandating the payment of stipulated penalties in the amount of Five Thousand Three Hundred Dollars (\$5,300.00) for failure to complete replacement of the holding and treatment tanks by December 1, 2017.
- (3) Grant the Health Department reasonable costs and attorney's fees pursuant to Section 120.69(7) Florida Statutes.
- (4) Enter an Order imposing an additional fine in the amount of \$1,000.00 pursuant to Section 120.69(2), Florida Statutes.
- (5) To award such other relief that is deemed necessary and proper.

Respectfully submitted this 23rd day of March, 2018.



ROLAND REIS, FBN 562653

Chief Legal Counsel

Florida Department of Health

1290 Golfview Avenue, 4th Floor

Bartow, Florida 33830

Tel. (863) 578-2105

Roland.Reis@flhealth.gov

VERIFICATION


STATE OF FLORIDA COUNTY OF POLK

Before me, the undersigned authority, Gerald Robinson personally appeared, who is personally known to me, and after being first duly sworn deposes and says:


1. My name is Gerald Robinson and I work for the Department of Health, Polk County Health Department (PCHD) as the Professional Engineer (PE). I have been in this position since July, 2015.
2. I am licensed as a Professional Engineer in the State of Florida and designated as a Model Law Engineer, by the National Council of Examiners for Engineering and Surveying. Model Law Engineers have earned a bachelor's degree in engineering from an Engineering Accreditation Commission of the Accreditation Board for Engineering and Technology, Inc., - accredited program, gained four years of acceptable engineering work experience, passed the Fundamentals of Engineering and Professional Engineering exams, and maintained a clean disciplinary record.
3. Part of my job duties include application and interpretation of the Florida Safe Drinking Water Act, Sections 403.850 et seq, FS, and the rules promulgated thereunder, including Title 62, Florida Administrative Code.
4. The Department of Health, Polk County Health Department, has been authorized by the Department of Environmental Protection ("DEP") interagency agreement with the Department, to review, evaluate, and take enforcement against public water systems in Polk County pursuant to the Florida Safe Drinking Water Act. The Department of Health is also charged with the duty to investigate and abate any condition deemed to constitute a sanitary nuisance.
5. The facts set forth in this Petition for Enforcement and Verified Complaint for Injunctive Relief ("Petition") are based upon my personal knowledge, information relayed to me by fellow employees with the PCHD, and information obtained from PCHD business records and are true and correct.
6. As indicated in the Petition, after numerous and ongoing violations of the provisions of the Florida Administrative Code relating to the operation of a community water system, the PCHD entered into a Consent Order (CO) with Sunrise. Per the CO, Sunrise was required to obtain new or replacement tanks for its PWS by September 30, 2017.
7. During the time period which Sunrise has had to comply with the CO, the PCHD warned and reminded Defendant of the compliance deadlines.

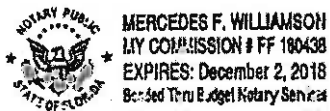
8. Despite these warnings and reminders, Defendant has failed to take appropriate and necessary steps towards replacement of the tanks.
9. Sunrise is jeopardizing the public health of its Customers by failing to upgrade its facility in accordance with the CO, or otherwise come into compliance with DEP regulations. Sunrise's failure to comply with the terms of the CO will cause or increase the likelihood of harm to the health and safety of the community by failing to assure that its Customers and other consumers are supplied water in conformance with the Primary and Secondary Drinking Water Standards.

Further Affiant sayeth not.


GERALD ROBINSON

SWORN and SUBSCRIBED to before me on this 23rd day of March 2018, by GERALD ROBINSON, who is personally known to me. in Polk County, Florida.


NOTARY PUBLIC
(Notary stamp)



BEFORE THE FLORIDA DEPARTMENT OF
ENVIRONMENTAL PROTECTION

FLORIDA DEPARTMENT OF HEALTH IN
POLK COUNTY

Complainant,

DEP CASE NO.: 16-1398
DOAH CASE NO.: 16-7254
OGC CASE NO.: 15-653PW1739

vs.

SUNRISE UTILITIES, LLC

Respondent.

CONSENT ORDER

This Consent Order is made and entered into between the Florida Department of Health in Polk County ("Department"), and Sunrise Utilities, LLC, ("Respondent" or "Sunrise") to reach settlement of certain matters at issue between the Department and Respondent.

On October 18, 2016, the Department issued a Notice of Violation and Orders for Corrective Action (NOV) against Sunrise Utilities, LLC, and Alturas Utilities, LLC, for violations of Chapter 62 of the Florida Administrative Code. On November 10, 2016, Respondent filed a timely Request for Informal Hearing on this matter with the Agency Clerk for the Department of Environmental Protection.

On December 9, 2016, the Agency Clerk transferred the case to the Division of Administrative Hearings for appointment of a hearing officer, and a hearing on this matter was ultimately scheduled for April 6, 2017.

As a preliminary matter, Alturas Utilities, LLC, (Alturas), was named as a Co-Respondent in the NOV, inasmuch as Alturas owned the property on which the Sunrise Water Treatment Plant was located. After filing the NOV, the Department received information that the property had been quit-claimed by Alturas to Sunrise. Accordingly, the Department at this time announces the VOLUNTARY DISMISSAL of Alturas from this Action.

VIOLATIONS

To continue, the Department and Respondent pursuant to settlement negotiations, have reached resolution of the matter, pursuant to Rule 62-103.110(3), FAC, with regards to the violations of FAC Chapter 62 as alleged in the Notice of Violation.

ATTACHMENT A

Accordingly, the Department **FINDS** and Respondent **ADMITS** the following:

1. The Department, pursuant to Interagency Agreement with the Department of Environmental Protection (DEP), is the administrative agency of the State of Florida charged with the duty to administer and enforce the provisions of the Florida Safe Drinking Water Act, Sections 403.850, et seq., Florida Statutes, and the rules promulgated thereunder, Florida Administrative Code (FAC) Title 62, within Polk County, Florida. The Department has jurisdiction over the matters addressed in this Consent Order.
2. Respondent is a person within the meaning of Section 403.852(5), Florida Statutes.
3. Respondent Sunrise Utilities, LLC (Sunrise), owns and operates a Community Public Water System (PWS), PWS ID No. 6531739, located on Sunrise Terrace in Auburndale, Polk County, Florida.
4. The Managing Partner of Sunrise Utilities, LLC, is Stuart Sheldon. Stuart Sheldon has by affidavit assigned Leslie Szabo, an active partner and de facto manager, to represent Sunrise Utilities, LLC in this matter.
5. The current configuration and design of the Water Treatment Plant which constitutes the PWS known as Sunrise consists of two well heads, each with their own pumps, that feed the water first into a 3000-gallon hydropneumatic holding tank (Tank 1) and then sequentially into a 6000-gallon hydropneumatic holding tank (Tank 2), before feeding into the distribution system. This system was originally placed into service around 1970.
6. On January 14, 2016, the Department and Sunrise entered into a Consent Order (2016 CO) for overdue maintenance of Tank 1. Required maintenance included abrasive blast cleaning and interior recoating. Respondent at no point in time managed to come into compliance with the 2016 CO.
7. The 2016 CO provided for both violations of FAC Rule 62 and for progressive and cumulative fines for delays in the maintenance requirements. Respondent is responsible for the violations cited in the 2016 CO and related fines of \$3,000.
8. On or about July 19, 2016, Tank 1 developed a pinhole which lead to a temporary shutdown of the system due to loss of pressure, and disruption in the water supply to the customers.
9. Respondent Sunrise welded a metal plate over the hole to patch the leak. The welder Sunrise secured for the repair was not certified or authorized by the National Board of Boiler and Pressure Vessel Inspectors (National Board) to repair pressurized vessels. Further, neither was the repair performed under the direction of a professional engineer with expertise with American Society of Mechanical

Engineers (ASME) pressure vessel codes, nor re-inspected before the tank was re-pressurized and placed back into service.

10. The result of the breakdown and unauthorized repair to Tank 1 means the PWS no longer meets the standards of Rule 62-555.330(3), Florida Administrative Code (FAC), Recommended Standards for Water Works; and Rule 62-555.330(4), FAC, Standards of the American Water Works Association (AWWA).
11. The facts as outlined in Paragraphs 7-9 above constitute a violation of FAC Rule 62-555.350(2), which requires suppliers of water to keep all necessary public water system components in operation and shall maintain such components in good operating condition so the components function as intended.
12. Further, the pinhole leak and unauthorized repair created an emergency or abnormal operating condition for which the Department must be notified. The Department was never formally notified by Sunrise and only discovered the breach to the integrity of the PWS from a third party several days after it occurred. The failure to immediately and properly notify the Department of the breakdown in this PWS constitutes a violation of FAC Rule 62-555.520(1)(d), which holds suppliers of water responsible for notifying the Department about emergency or abnormal operating conditions.
13. Further, during the time the water supply to the system was disrupted, the only measure Respondent took to notify its customers of the system breakdown was to post a notice in a nearby convenience store. The failure of Respondent Sunrise to provide boil water notices according to Department of Health "Guidelines for the Issuance of Precautionary Boil Water Notices," as adopted by the Florida Administrative Code, constitutes a violation of Rule 62-555.335, FAC.
14. On May 1, 2013, Riddle-Newman Engineering issued an Inspection Report (Report) for Tank 2. The Report concluded that Tank 2 should be blast cleaned and recoated "as soon as possible". To this date, almost 4 years later, Respondent Sunrise has yet to abrasively blast clean and recoat the interior of Tank 2, with an NSF-approved interior coating system for potable water.
15. The failure of Respondent Sunrise to follow the recommendations of the Report for Tank 2 in a timely manner constitutes a violation of Rule 62-555.350(2), FAC, which requires that suppliers of water shall keep all necessary public water components in operation and shall maintain such components in good operating condition so as the components function as intended.

CORRECTIVE ACTION

The Department and Respondent pursuant to negotiations which included plans for replacement of both Tank 1 and Tank 2 with a single 5000-gallon tank, have reached

resolution of the matter, pursuant to Rule 62-103.110(3), FAC, with regards to necessary and appropriate Corrective Action.

Accordingly, Respondent and the Department mutually agree and it is

ORDERED:

16. Respondent Sunrise shall reconfigure the Water Treatment Plant (WTP) to install a bypass of Tank 1 of the water supply from the well heads directly to Tank 2. Sunrise shall immediately, but no later than 3 days from the date of this Consent Order, take Tank 1 out of service and assure that a pressure release valve is installed on Tank 2.
17. Respondent Sunrise shall submit, within 15 days, a completed application for a specific permit from the Department to remove and replace both Tank 1 and Tank 2 with a single 5000 gallon hydropneumatic holding tank. The replacement shall occur no later than September 30, 2017.
18. Respondent Sunrise shall submit to the Department a copy of the Certification of Construction Completion report from a licensed Florida Professional Engineer once the replacement has been completed, certifying the replacement tank to be in good working condition for a period of 5 years.
19. The fines and administrative costs associated with these current violations shall be based on the date of the completion report for the replacements of Tanks 1 and 2, according to the following schedule:

Date	Fine	Admin Cost
10/1/17 – 10/30/17	\$1,000.00	\$250.00
11/1/17 – 11/31/17	\$2,250.00	\$275.00
12/1/17 – Thereafter	\$5,000.00	\$300.00

20. Thirty (30) days after the Tank 1 and Tank 2 have been replaced as indicated in this Consent Order, Sunrise shall pay the Department any stipulated fines and administrative cost as may be due as outlined in the above table. These amounts include civil penalties for alleged violations of Section 403.859, Florida Statutes, and of DEP's rules for costs and expenses incurred by the Department during the investigation of this matter and the preparation and tracking of this Consent Order.
21. Payment shall be made by check or money order. The instrument shall be made payable to the Florida Department of Health in Polk County and shall include thereon the OGC number assigned to this Consent Order. The payment shall be sent to the Florida Department of Health in Polk County, 2090 East Clower Street, Bartow, Florida 33830.

22. Entry of this Consent Order does not relieve Respondent Sunrise of the need to comply with the applicable federal, state or local laws, regulations or ordinances.
23. The terms and conditions set forth in this Consent Order may be enforced in a court of competent jurisdiction pursuant to Section 120.69 and 403.121, Florida Statutes. Failure to comply with the terms of this Consent Order shall constitute a violation of Section 403.859, Florida Statutes.
24. Respondent is fully aware that a violation of the terms of this Consent Order may subject Respondent to judicial imposition of damages, civil penalties of up to \$5,000 per offense, criminal penalties and other injunctive action.
25. Respondent shall allow all authorized representatives of the Department access to the property and plant at reasonable times for the purpose of determining compliance with this Consent Order and the rules of the Department.
26. All plans, applications, penalties, costs and expenses, and information required by this Consent Order to be submitted to the Department should be sent to the Florida Department of Health in Polk County, 2090 East Clower Street, Bartow, Florida.
27. The Department hereby expressly reserves the right to initiate appropriate legal action to prevent or prohibit any violations of applicable statutes, or the rules promulgated thereunder that are not specifically addressed by the terms of this Consent Order.
28. The Department, for and in consideration of the complete and timely performance by Respondent of the obligations agreed to in this Consent Order, hereby waives its right to seek further judicial imposition of damages or civil penalties for alleged violations outlined in this Consent Order. The Department otherwise reserves all available rights and remedies necessary and proper for enforcement of this Consent Order.
29. Respondent acknowledges but waives the right to an administrative hearing pursuant to Section 120.57 Florida Statutes, on the terms of this Consent Order. Respondent acknowledges the right to appeal the terms of this Consent Order pursuant to Section 120.68, Florida Statutes, but waives that right upon signing this Consent Order.
30. Respondent withdraws its Request for Hearing in DOAH Case No. 16-7254 and the Parties agree that this Consent Order shall substitute for the Notice of Violations and Orders for Corrective Action issued by the Department on October 18, 2016.
31. The provisions of this Consent Order shall apply to and be binding upon the parties, their officers, their directors, agents, servants, employees, successors, and assigns and all persons, firms and corporations acting under, through or for them and upon those persons, firms and corporations in active concert or participation with them.

32. No modifications of the terms of this Consent Order shall be effective until reduced to writing and executed by both Respondent and the Department.
33. If all of the requirements of this Consent Order have not been fully satisfied, Respondent shall, at least 14 days prior to a sale or conveyance of the property, (1) notify the Department of such sale or conveyance, and (2) provide a copy of this Consent Order with all attachments to the new owner.
34. This Consent Order is a settlement of the Department's civil and administrative authority arising from Chapters 403 and 376, Florida Statutes, to pursue the allegations addressed herein. This Consent Order does not address settlement of any criminal liabilities which may arise from Sections 403.161(3) through (5), 403.413(5), 403.727(3)(b), 376.302(3) and (4), or 376.3071(10), Florida Statutes, nor does it address settlement of any violation which may be prosecuted criminally or civilly under federal law.
35. Respondent Sunrise will be solely responsible for any fines, its compliance costs, and its legal fees associated with this Consent Order. Leslie Szabo, without assuming any personal liability, shall be the person responsible for compliance on behalf of Sunrise with this Consent Order and subsequent enforcement actions, if any, until as such time as Sunrise fulfills all the terms and obligations of this Consent Order.
36. This Consent Order is Final Agency Action of the Department of Environmental Protection pursuant to Section 120.69, Florida Statutes, and Florida Administrative Code Rule 62-103.110 (3), and it is final and effective on the date filed with Clerk of the Department of Environmental Protection.

NOTICE OF RIGHTS

Persons who are not parties to this Consent Order but whose substantial interests are affected by this Consent Order have a right, pursuant to Section 120.57, Florida Statutes, to petition for an administrative hearing on it.

The Petition must contain the information set forth below and must be filed (received) at the Department of Environmental Protection, Office of General Counsel, 2600 Blair Stone Road, Tallahassee, Florida, 32399-2400, within 21 days of receipt of this notice. A copy of the Petition must also be mailed at the time of filing to the District Office named above at the address indicated.

OGC Case No. 15-853PW1739
3/27/17

Failure to file a petition within the 21 days constitutes a waiver of any right such person has to an administrative hearing pursuant to Section 120.57, Florida Statutes.

The petition shall contain the following information:

- A. The name, address, and telephone number of each petitioner; the Department's Consent Order identification number and the county in which the subject matter or activity is located;
- B. A statement of how and when each petitioner received notice of the Consent Order.
- C. A statement of how each petitioner's substantial interests are affected by the Consent Order;
- D. A statement of the material facts disputed by petitioner, if any;
- E. A statement of facts which petitioner contends warrant reversal or modification of the Consent Order;
- F. A statement of the relief sought by petitioner, stating precisely the action petitioner wants the Department to take with respect to the Consent Order.

If a petition is filed, the administrative hearing process is designed to formulate agency action. Accordingly, the final action of the Department of Environmental Protection may be different from the position taken by it in this Notice.

Persons whose substantial interests will be affected by any decision of the Department with regard to the subject Consent Order have the right to petition to become a party to the proceeding. The petition must conform to the requirements specified above and be filed (received) within 21 days of receipt of this notice in the Office of General Counsel at the above address of the Department of Environmental Protection.

Failure to petition within the allowed time frame constitutes a waiver of any right such person has to request a hearing under Section 120.57, Florida Statutes, and to participate as a party to this proceeding. Any subsequent intervention will only be at the approval of the presiding officer upon motion filed pursuant to Rule 80Q-2.010, Florida Administrative Code.

FOR THE RESPONDENTS:

On behalf of Sunrise Utilities, LLC:

<u>Stuart Sheldon</u>	<u>3/28/17</u>	<u>Leslie Szabo</u>	<u>3/28/17</u>
Stuart Sheldon	Date	Leslie Szabo	Date
Managing Partner		Partner and Majority Owner	
Sunrise Utilities, LLC		Sunrise Utilities, LLC	

ORC Case No. 15-05-PW-17-09
12717

Martin Friedman, Esq. Date
Coenson Friedman, P.A.

DONE AND ORDERED this 29th day of March, 2017, in Bartow,
Florida

FLORIDA DEPARTMENT OF HEALTH
POLK COUNTY HEALTH DEPARTMENT

Cynthia Goldstein
Cynthia Goldstein, MPH
Environmental Health Administrator
209D East Clower Street
Bartow, Florida 33830

Joy L. Jackson
Joy L. Jackson, MD, Director
Polk County Health Department
1290 Golfview Avenue 4th Floor
Bartow, Florida 33830

Roland Reis
Roland Reis, Chief Legal Counsel
Department of Health
Heartland Consortium
1290 Golfview Ave., 4th Floor
Bartow, Florida 33830

ACCORD:

Erik Saylor 3/28/17
Erik Saylor
Associate Public Counsel
Office of the Public Counsel
Tallahassee, Florida

ATTACHMENT D

RAF Payment Plan Agreement

Utility: Sunrise Utilities, LLC (WU870)
Unpaid RAF Years: 2009, 2012 & 2013
Amount Due: \$13,665.08 as of November 20, 2014
Date contacted by Utility: May 28, 2014 - By: Leslie Szabo,
Telephone No.: (416) 782-5418, E-mail Address: l.szabo@rogers.com

Sunrise Utilities, LLC agrees to perform the following:

- Submit a monthly payment of **\$250** to the Commission by the 20th of every month, beginning November 20, 2014, and continuing until the balance of any outstanding RAFs, penalties and interest is paid for years 2009, 2012 and 2013;
- By entering this Payment Plan, you are agreeing to pursue a Staff Assisted Rate Case. Staff will be contacting you to initiate the process. The terms of this monthly payment plan will be reviewed upon final order of a Staff Assisted Rate Case;
- Remit the 2014 RAF due on March 31, 2015.

The Commission shall apply all payments made by Sunrise Utilities, LLC under this Payment Plan in the following manner:

- To the principal balance of 2009, 2012 and 2013, unpaid years RAFs, until the principal RAF balance is satisfied; and
- To the penalty and interest balance assessed, until the balances are satisfied.

Failure by Sunrise Utilities, LLC to submit two (2) consecutive **\$250** installment payments timely, as outlined above, shall be considered a breach of this Payment Plan Agreement, automatically accelerating the balance of any unpaid RAFs, penalties and interest for years 2009, 2012 and 2013, which will then become immediately due. By executing this Agreement, Sunrise Utilities, LLC acknowledges that it is liable for the amounts due for unpaid RAFs for of 2009, 2012 and 2013. Furthermore Sunrise Utilities, LLC acknowledges that amounts owed for unpaid RAFs for of 2009, 2012 and 2013 are correct and that any breach of this agreement shall constitute a basis to accelerate the payment of any remaining funds owed.

All payments shall be made payable to the "Florida Public Service Commission," include **WU870 RAF Payment Plan** on the memo line, and be sent to "Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850, ATTENTION: Fiscal Services."

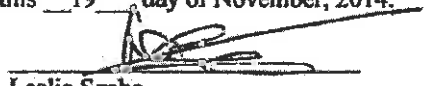
Payment is considered "timely" if properly addressed, mailed with sufficient postage and postmarked no later than the due date.

Payment is considered "Paid" on the date it is received and logged in by the Commission's Division of Administrative and Information Technology Services in Tallahassee, Florida, or on the date the payment is postmarked by the United States Postal Service.

Payment returned by a financial institution for insufficient funds, or any other reason, is a failure to submit timely payment. Pursuant to Section 215.34(2), a service fee of \$15.00 or five percent (5%) of the amount for the payment returned, whichever is greater, shall be assessed to any payment returned by a financial institution for insufficient funds, or for any other reason. Two (2) returned payments shall be considered a breach of this Payment Plan Agreement, automatically accelerating the balance of any unpaid RAFs, penalties and interest, which will then become immediately due.

Signed this 19 day of November, 2014.

BY:


Leslie Szabo,
Sunrise Utilities, LLC
Post Office Box 2608
Eaton Park, FL 33840
(416) 782-5418
Email: l.szabo@rogers.com

SUWRAE - AQUAS UTUTTES
PO BOX 2608
EMMOT PARK
FL. 33840

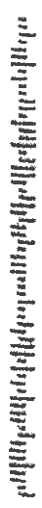
INTERNATIONAL
PERMIT NO. 1011



FLORIDA PUBLIC SERVICE COMMISSION
2540 SHUWARD OAK BOULEVARD
TALLAHASSEE FL. 32399-0850

ATTN
MS TONI EARNHART

32399085093



Dear Ms. Earnhart,

Please find enclosed my original signatures.

I wish you Happy Thanksgiving.

Yours truly,

Leslie Szabo

ATTACHMENT E

Sunrise Utilities, LLC RAF Payment History and Balance Due as of June 12, 2018

Industry	FEID Num	Code	Utility Name	Service	Service	RAF Period Covered	RAF Year	Due Date	RAF Rate	Total Paid	RAF Paid	RAF Owe	Penalty Owe	Interest Owe	Total Owe	Revenue	Latest Status
W	20-0357527	WU870	Sunrise Utilities, LLC	WAT	WU	01/01/2017-12/31/2017	2017	4/2/2018	0.045	\$0.00	\$0.00	\$3,078.90	\$461.84	\$92.37	\$3,633.11	\$68,420.00	RAF Form Print & Mailed Out, No Response, Estimated Revenue based on 2016 AR.
W	20-0357527	WU870	Sunrise Utilities, LLC	WAT	WU	01/01/2016-12/31/2016	2016	3/31/2017	0.045	\$0.00	\$0.00	\$3,078.90	\$769.73	\$461.84	\$4,310.47	\$68,420.00	Interest & Penalty updated by nightly job; Revenue based on 2016 Annual Report.
W	20-0357527	WU870	Sunrise Utilities, LLC	WAT	WU	01/01/2015-12/31/2015	2015	3/31/2016	0.045	\$250.00	\$250.00	\$2,772.02	\$730.50	\$755.94	\$4,258.46	\$67,156.00	Interest & Penalty updated by nightly job, Defaulted on Payment Plan
W	20-0357527	WU870	Sunrise Utilities, LLC	WAT	WU	01/01/2013-12/31/2013	2013	3/31/2014	0.045	\$19.71	\$19.71	\$3,051.09	\$767.70	\$642.11	\$4,460.90	\$68,240.00	Interest & Penalty updated by nightly job, Defaulted on Payment Plan
W	20-0357527	WU870	Sunrise Utilities, LLC	WAT	WU	01/01/2012-12/31/2012	2012	4/1/2013	0.045	\$3,045.06	\$3,045.06	\$0.00	\$761.27	\$792.37	\$1,553.64	\$67,668.00	Payment Received; Owe Penalty and Interest
W	20-0357527	WU870	Sunrise Utilities, LLC	WAT	WU	01/01/2009-12/31/2009	2009	3/31/2010	0.045	\$2,835.23	\$2,835.23	\$0.00	\$709.56	\$1,617.79	\$2,327.35	\$63,005.00	Payment Received; Owe Penalty and Interest
										\$6,150.00	\$11,980.91	\$4,200.60	\$4,362.42	\$20,543.93			

ATTACHMENT F

Request No. 1240283W

Name WILLIAMS , JANICE

Business Name

<p align="center">Consumer Information</p> <p>Name: JANICE WILLIAMS</p> <p>Business Name:</p> <p>Svc Address: 2347 CHERRY AVENUE</p> <p>County: Polk Phone: (863)-967-3819</p> <p>City/Zip: Auburndale / 33823-</p> <p>Account Number:</p> <p>Caller's Name: JANICE WILLIAMS</p> <p>Mailing Address: 2810 KIMBERLY LANE</p> <p>City/Zip: AUBURNDALE ,FL 33823-</p> <p>Can Be Reached:</p> <p>E-Tracking Number:</p>	<p align="center">Florida Public Service</p> <p align="center">Commission - Consumer Request</p> <p align="center">2540 Shumard Oak Boulevard</p> <p align="center">Tallahassee, Florida 32399</p> <p align="center">850-413-6480</p>	<p align="center">PSC Information</p> <p>Assigned To: SHONNA MCCRAY</p> <p>Entered By: CD</p> <p>Date: 04/03/2017</p> <p>Time: 14:04</p> <p>Via: PHONE</p> <p>Prelim Type: IMPROPER BILLS</p> <p>PO:</p> <p>Disputed Amt: 0.00</p> <p>Supmntl Rpt Req'd: / /</p> <p>Certified Letter Sent: / /</p> <p>Certified Letter Rec'd: / /</p> <p>Closed by: SDM</p> <p>Date: 05/15/2017</p> <p>Closeout Type: WB-23</p> <p>Apparent Rule Violation: Y</p>
<p align="center">Utility Information</p> <p>Company Code: WU870</p> <p>Company: SUNRISE UTILITIES, LLC</p> <p>Attn. Maria Mitral240283W</p> <p>Response Needed From Company? Y</p> <p>Date Due: 04/24/2017</p> <p>Fax: R</p> <p>Interim Report Received: / /</p> <p>Reply Received: 04/05/2017</p> <p>Reply Received Timely/Late: T</p> <p>Informal Conf.: N</p>		

Preclose Type - Improper Bills

What is the amount of the bill in dispute? 13.40

What is the date of the bill? 2/28/2017

Why do you believe you have been billed improperly? Customer does not have account

Other Comments: Customer states that she does not have an account with Sunrise Utilities and cannot understand why she has bill. Customer would like Sunrise Utilities to contact her to discuss.

Request No. 1240283W

Name WILLIAMS , JANICE

Business Name

Per Consumer Complaint Rule 25-22.032, please use the following procedures when responding to PSC complaints.

1. Complaint resolution should be provided to the customer via direct contact with the customer, either verbally or in writing within 15 working days after the complaint has been sent to the company.
2. A response to the PSC is due by 5:00 p.m. Eastern time, of the 15th working days after the complaint has been sent to the company.
3. The response should include the following:
 - a) the cause of the problem
 - b) actions taken to resolve the customer's complaint
 - c) the company's proposed resolution to the complaint
 - d) answers to any questions raised by staff in the complaint
 - e) confirmation the company has made direct contact with the customer

4. Send your written response to the PSC, and copies of all correspondence with the customer to the following e-mail, fax, or physical addresses:

E-Mail - pscreply@psc.state.fl.us

Fax - 850-413-7168

Mail - 2540 Shumard Oak Blvd.

Tallahassee, Florida 32399-0850

Case taken by Kenny Davis

4/4/17: Response received via email. Shonna McCray

4/4/17: REVIEWED COMPANY RESPONSE. Response states the following:

"Sunrise doesn't has Service Address on 2810 Kimberly Lane and we do not have Customer with name of Williams Janice. (unless isn't' one of the owner of a certain property with Sunrise LLC.)" Shonna McCray

4/4/17: 10:16 a.m. Called Ms. Janice Williams at 863-967-3819 to discuss the response. Ms. Williams was unavailable; provided my contact information and requested a return call. The gentleman that answered stated they have never received a bill for any of their rental properties when tenants move out. The gentleman provided the service address of 2347 Cherry Ave, Auburndale, FL. Explained the complaint would be updated and re-sent to the company. Shonna McCray

4/4/17: Reply received dated not entered; re-sending complaint to company with the corrected service address. Shonna McCray

4/4/17: ATTN COMPANY:

THE SERVICE ADDRESS IS 2347 CHERRY AVE, AUBURNDALE, FL 33823. DO YOU PROVIDE SERVICE TO THIS ADDRESS? IF SO, PLEASE ADDRESS THE CUSTOMER'S CONCERNS AS NOTED ON THE INITIAL REQUEST. Shonna McCray

04/05/2017 - Company response received via Email. DScott.

Request No. 1240283W	Name WILLIAMS ,JANICE	Business Name
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4/6/17: REVIEWED COMPANY RESPONSE. Response states the following:

"Yes, we have a Service Address 2347 Cherry Avenue, which keeps changing the tenants but we do not know who is the property owner. (as the person is trying to hide its identity because the previous tenants left without paying their balances.)

Even when we applied the Security Deposit having with Sunrise from this address we couldn't send the the outstanding balance since we do not know the previous tenant were-being to forward the Bill.

All I could find out that the property information is: 2810 Kimberly Lane with the same phone number you have received the complaint. 863-967-3819 or 863-2242-400

Also from the current tenant we got a name Melinda Maddox- which is strange because this name is associated with another Service Address and phone number back in 2015 when I wasn't in charge of the Billing Department.

We are in blind and surely appreciate your help of getting in touch with the real owner of the property on Service Address 2347 Cherry Street (currently tenant CHRISTY NICHOLE MERRITT/DYLON VERSCHAGE)

Attaching their Customer History -

I sent a copy of their Bill to assumed property owner to make them aware of their tenants water bill since these property owners make a profit with the help of Sunrise Utility (having water service at their property and this way they could rent the place) and claiming some kind of responsibility toward us, surely we would appreciate the warning if they change their tenants or evict one to close the service.

What REALLY happen in this case: the previous tenant ALICIA DELEON last payment made was in January, 22nd, 2017 with International Money Order # 370807666 for \$60.00

I attach the Customer History to see that the remaining outstanding balance was \$33.73

We appreciated the payment but we did not know that was the last of hearing from this person since we do not had any information from the property owner.

Alicia Deleon having a Security Deposit of \$52.00 with Sunrise kept the service going in continus.

Not receiving payment in February, we close the meter- for non payment and we applied the Security Deposit of \$52.00 on 3/15/2017

Outstanding balance \$64.08

Please advise, who is responsible for this \$64.08 or how can Sunrise collect without any information from the property owner ?(who is trying to keep in secret its identity to shake the responsibility in any way.)

PREVIOUS OUTSTANDING BALANCES:

JEFFREY MONDAY; 8/10/2011 FOR \$43.19+late fee charges \$7.00X SEVERAL MONTHS SINCE

GREG MONDAY; 7/6/2012 FOR \$88.88+LATE FEE CHARGES SINCE \$7.00X41 MONTH

ALICIA DELEON; \$64.08

I AM RESPONSIBLE FOR CUSTOMER AND BILLING DEPARTMENT FOR SUNRISE, also authorized to secure payments which can be done only having the proper information.

Yes, I did some investigation in order to find out who is the property owner for 2346 Cherry Ave, AUBURNDALE, FL 33823

My question is TO THIS PROPERTY OWNER can you provide us with Alicia Deleon's info to send her Bill?

Request No. 1240283W Name WILLIAMS ,JANICE Business Name

This property is classified as Residential (Mobile Homes).
The lot is 5001 square feet, the land value of which is assessed at \$3,413.00.
There is one building on the property. This property has 1 residential units.
It was built in 1968.
This property is valued at \$16,630.00.

Ownership Information:

WILLIAMS JANICE A
2810 KIMBERLY LN
AUBURNDALE, FL 33823

When your property is rented, we would like to make sure that we have all the information we need to secure payments.

Please disregard from this requirement if you are not the property owner and provide us with the person's name and address to whom you sold the property.

Please, let us informed in time when your tenant is moving out from this unit: yourwaterutility@gmail.com
M.Mitra"

Shonna McCray

4/6/17: ATTN COMPANY, REQUEST FOR SUPPLEMENTAL RESPONSE:

THE PROPERTY OWNER CANNOT BE HELD RESPONSIBLE FOR AN OUTSTANDING BILL IN THE NAMES OF TENANTS. PLEASE PROVIDE RESPONSE BY 4/17/17. Shonna McCray

04/06/2017 Received report via email. eplendl

4/7/17: REVIEWED COMPANY RESPONSE. Response states the following:

"I am aware of the PSC Rules that "THE PROPERTY OWNER CANNOT BE HELD RESPONSIBLE FOR AN OUTSTANDING BILL IN THE NAMES OF TENANTS. "

(Furthermore I would really find out from the FPSC what is the correct or responsible procedure from the Company to protect itself from further losses.)

So, I am not making responsible for the Bill the owner, Williams Janice-the loss is always the Company's loss. What is really obvious in this case also that she doesn't acknowledge her role in this process. It is her property and certain responsibility must be established in this matter.

I just want her to provide me with the proper information of her tenants ans I want her tenants to provide me with the proper documentation. (The least she can do for making a profit with the help from the Company.)

I guess she could not rent the property without water.

We provide water service to her property on the tenants name because we must but the property doesn't belong

Request No. 1240283W Name WILLIAMS ,JANICE Business Name

to the tenants and they can move out any time without warning us to avoid payment.
The property stays at the same place and a new tenant is moving in- we are going in a circle: the property owner makes a profit the Company is staying with the loss.
Nothing happened. Right?

The property owner is always aware of the moving out from her property. (Different reasons can be established, they did not pay the rent in time or had some red flags to evict them or they informed her for moving out. But the Company doesn't know)
It is the property owner responsibility to collaborate with the Company who is willing to help even under such circumstances.
Please advise how can we protect ourselves from further losses,
M.Mitra"
Shonna McCray

4/7/17: Complaint forwarded to Supervisor for review. Shonna McCray

5/15/17: This inquiry closed. Shonna McCray

5/15/17: NOTE: It appears the company has violated PSC rules---billing wrong customer. Shonna McCray

Request No. 1240283W Name WILLIAMS ,JANICE Business Name

PAGE NO: 5

Request No. 1240602W

Name WILLIAMS, JANICE MS.

Business Name

Consumer Information

Name: JANICE WILLIAMS

Business Name:

Svc Address: 2347 CHERRY ST

County: Polk Phone: (863)-967-3819

City/zip: Auburndale / 33823-

Account Number: 2347CH

Caller's Name: JANICE ROUSE

Mailing Address: 2810 KIMBERLY LN

City/Zip: AUBURNDALE, FL 33823

Can Be Reached:

E-Tracking Number:

Preclose type - Quality of Service

Customer Comments:

Customer is unable to find a good customer service phone number for Sunrise Utilities, LLC. On the customer's bill the only phone number is an emergency line number with no other number for customer service. Customer has left a message on that line and when her husband got a call back he was told not to call that number again unless there was an emergency. Customer needs a good customer service phone number for any issues that arise and so that she may give it to her tenants in order to set up service.

Per Consumer Complaint Rule 25-22.032, please use the following procedures when responding to PSC complaints.

Request No. 1240602W

Name WILLIAMS, JANICE MS.

Business Name

PAGE NO: 1

PSC Information

Assigned To: SHONNA MCCRAY

Entered By: DV

Date: 04/07/2017

Time: 09:26

Via: PHONE

Prelim Type: QUALITY OF

PO:

Disputed Amt: 0.00

SupmntL Rpt Req'd: / /

Certified Letter Sent: / /

Certified Letter Rec'd: / /

Closed by: SDM

Date: 05/15/2017

Closeout Type: WS-14

Apparent Rule Violation: Y

Florida Public Service

Commission - Consumer Request

2540 Shunard Oak Boulevard

Tallahassee, Florida 32399

850-413-5480

Utility Information

Company Code: WU870

Company: SUNRISE UTILITIES, LLC

Attn: Maria Mitral240602W

Response Needed From Company? Y

Date Due: 04/28/2017

Fax:

R

Interim Report Received: / /

Reply Received: 04/10/2017

Reply Received Timely/Late: T

Informal Conf.: N

1. Complaint resolution should be provided to the customer via direct contact with the customer, either verbally or in writing within 15 working days after the complaint has been sent to the company.
2. A response to the PSC is due by 5:00 p.m. Eastern time, of the 15th working days after the complaint has been sent to the company.
3. The response should include the following:
 - a) the cause of the problem
 - b) actions taken to resolve the customer's complaint
 - c) the company's proposed resolution to the complaint
 - d) answers to any questions raised by staff in the complaint
 - e) confirmation the company has made direct contact with the customer
4. Send your written response to the PSC, and copies of all correspondence with the customer to the following e-mail, fax, or physical addresses:
E-Mail - pscreply@psc.state.fl.us
Fax - 850-413-7168
Mail - 2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Case taken by Diana Vizcarrondo

04/10/2017 - Company response received via Email. DScott.

4/11/17: REVIEWED COMPANY RESPONSE. Response states the following:

"...we need a good customer service phone number"- this Service Address had many account established and I do not understand what it means the "good customer service number".
Let me provide you with the facts, when we had a customer service with direct via phone number for Sunrise Utility LLC

(and all the tenants or property owner had the opportunity to set up the service provided from the Company.)
In 2009-2010 Henry Parker;
In 2010-2012 Jeffrey Monday; \$43.19+ Monthly \$7.00 Late Fee since,
In 2012-2013 Greg Monday; \$88.88+ Monthly \$7.00 Late fee since,
In 2013-2015 Cherrie DuFour;
In 2016-2017 Alicia Deleon:\$64.08+ Late Fee's

CURRENT CUSTOMER WITH SUNRISE UTILITY LLC at SERVICE ADDRESS 2347 Cherry Street
CHRISTY MERRITT/DYLON VERSCHAGE

Six person at Service Address 2347 Cherry Street could set up a water service with Sunrise Utility LLC and now suddenly isn't good enough?

Request No. 1240602W Name WILLIAMS ,JANICE MS. Business Name _____

Please not, for the record that the current tenant was set up without the demanded "phone service" at the same address through yourwaterutility@gmail.com
This proves that we can be reached- it is matter only of good will.

Sunrise is a small water utility and beside the emergency line, kept for emergency issues only, there is the availability of yourwaterutility@gmail.com
In the past we experienced too many conflicts leading to no solution when we were trying to find a resolution verbally.
Practically, we learned in the past via direct contact through phone that there were arguments and hearsay's.
Written records are proven to be so much more accurate.

We provide also to our Customers via direct contact through our field technician Mr. Scott and via direct contact in writing through our Customer and Billing department with M.Mitra at yourwaterutility@gmail.com

Customer needs are taken care from our Customer and Billing Department. (where we keep our Customers History and Records.)
On the field our field technician is in charge.

Our field technician can provide for a new Customer an Application Form and collect the proper documents to have an agreement with Sunrise LLC.
But all comes for approval to the Customer and Billing Department- and this way we work together for a satisfied Customer service.

We are answering to all our Customers on the same day for every issue regarding their questions or concerns at yourwaterutility@gmail.com. This is the Customer Service and Billing Department.
On the emergency line from the messages left on answering service Mr. Scott always returns the proper callings.

This is a proven and good Customer service for any issues that arise.
In order to set up a service first you need to turn to yourwaterutility@gmail.com as everybody else.
Works for everybody else,
M.Mitra"
Shonna McCray

4/11/17: NOTES:

1. The company's response did not address the customer's concerns regarding the contact number for customer service (WS-28).
 2. Company provided account information for other customers.
- Shonna McCray

Request No. 1240602W Name WILLIAMS ,JANICE MS. Business Name

4/11/17: Will add tariff to file. Shonna McCray

5/8/17 - Ms. Rouse called requesting an update on her complaint. I advised I would request Ms. McCray give her a call back as she was currently on the phone. E-mail sent to SMcCray requesting a call back. rmchague

5/8/17: 2:58 p.m. Returned call to Ms. Janice Rouse at 863-967-3819. Reviewed the response with Ms. Rouse and explained that the company did not address the issue regarding a number for Customer Service. Explained to Ms. Rouse that per the customer bill included in the company's tariff, 2 phone numbers are provided on the bill, an emergency number and another number. Ms. Rouse states when they call the number provided on the bill, they usually don't get a return call or someone calls, the message states the number is for emergencies only. Ms. Rouse provided the number of 863-510-1318. Shonna McCray

5/8/17: 3:15 p.m. Called 863-510-1318. Received recording stating 'For Emergencies Only for all other questions about your account/billing go to yourwaterutility@gmail.com.' Shonna McCray

5/8/17: ATTN COMPANY, REQUEST FOR SUPPLEMENTAL RESPONSE:
WHAT IS THE NON-EMERGENCY NUMBER THAT CUSTOMERS CALL REGARDING THEIR ACCOUNTS OR BILLING? PLEASE PROVIDE RESPONSE BY 5/17/17. Shonna McCray

05/09/2017 - Company response received via Email. DScott.

5/10/17: REVIEWED COMPANY'S SUPPLEMENTAL RESPONSE. Response states the following:
"Sunrise Utility do not has active Customer Account with Ms. Rouse- therefore we do not have any information about her and I don't know who is she.
The original "Customer" Concern from Janice Williams who also has no Customer Account with Sunrise Utility, is only a fabricated issue by the property owner of Service Address 2347 Cherry Street, since has several outstanding balances with Sunrise utility on this address.
"Customer is unable to find a good customer service phone number for Sunrise Utilities, LLC. On the customer's bill the only phone number is an emergency line number with no other number for customer service. Customer has left a message on that line and when her husband got a call back he was told not to call that number again unless there was an emergency. Customer needs a good customer service phone number for any issues that arise and so that she may give it to her tenants in order to set up service."

As it was previously stated from the Company 's part, we are a small utility Company with only one emergency phone line 863-510-1318 but we handle all our Customer issues, concerns or questions via direct email:
yourwaterutility@gmail.com
This email address provided it is dedicated and open for our Customers who have active Customer Account with Sunrise or Alturas Utilities.

Request No. 1240602W Name WILLIAMS ,JANICE MS. Business Name

Sadly but clearly these facts are disregarded from PSC staff part (see previous email conversations) and also considered not satisfactory from company's part: it was stated that we are not addressing to the customer's concern.

4/11/17: NOTES:

1. The company's response did not address the customer's concerns regarding the contact number for customer service (WS-28).

Please note:

We do not have a Customer Accounts with the above names, therefore they are not our Customers. If these conversations would happen to be verbal communications would lead to no resolution but this time everything is written between the so called customer and the company. It can be revived for better understanding.

Company provided with all the information we had in record the PSC Staff but the customer (who is not a customer with Sunrise) created more confusions and extra administration work during this time. The current resident on 2347 Cherry Street with Sunrise Utility has a Security Deposit for 52.00 and an outstanding balance for \$49.17- no payment was made since they are connected and I am waiting on the field worker to confirm that they still live on the property.-

M.Mitra"

Shonna McCray

5/10/17: NOTE: It appears the company has violated PSC rules---failure to provide a full and accurate report (WS-28). Shonna McCray

5/15/17: 9:38 a.m. Called Ms. Janice Rouse to advise the company has not provided a number for customer's to call regarding their accounts; the company states the customer should contact them via email. Ms. Rouse stated she was able to get a another number to call the company from Polk County authorities, but no one will return her calls. She provided the number of 416-782-5418. Ms. Rouse explained that her tenants need a number whereby they can discuss any issues they maybe having, she explained the majority of the tenants don't have access to a computer. Advised I would forward her complaint for further review. Shonna McCray

5/15/17: Complaint forwarded to Supervisor for additional review. Shonna McCray

5/15/17: 3:16 p.m. Called Ms. Janice Rouse at 863-967-3819 to discuss her concerns. Explained to Ms. Rouse that the company states she is not the customer of record. Advised Ms. Rouse to have the tenants to contact the PSC if they cannot get a contact number other than the emergency number. She stated there are several tenants that have billing concerns and cannot contact the company. Ms. Rouse thanked me for the assistance provided. Shonna McCray

5/15/17: This inquiry closed. It appears the company has violated PSC rules---not providing company

Request No. 1240602W	Name WILLIAMS ,JANICE MS.	Business Name
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PAGE NO: 5

telephone numbers. Shonna McCray

6/5/2017 -- J Mclean-Sinatra

Customer called back and was transferred to analyst.

6/5/17: Mrs. Janice Williams-Rouse transferred by Jean. She explained that she received another bill from Sunrise for a tenant. Mrs. Williams-Rouse will fax the bill to the PSC. She stated that the bill has Christy Merritt's name on it. Advised that a new complaint (1244426) would be filed. Shonna McCray

Request No. 1240602W Name WILLIAMS ,JANICE MS. Business Name _____

PAGE NO: 6

Request No. 1241401W

Name CLARK ,CHRISTOPHER MR.

Business Name _____

Consumer information	Florida Public Service Commission - Consumer Request 2540 Shumard Oak Boulevard Tallahassee, Florida 32399 850-413-6480	PSC information
Name: CHRISTOPHER CLARK		Assigned To: REY CASTILLO
Business Name:		Entered By: CD
Svc Address: 2566 NELSON STREET		Date: 04/19/2017
County: Polk Phone: (863)-398-4678		Time: 11:49
City/Zip: Auburndale / 33823-	Utility information	Via: PHONE
Account Number: 2566N	Company Code: WU870	Prelim Type: QUALITY OF
Caller's Name: ALEJANDRINA CLARK	Company: SUNRISE UTILITIES, LLC	PO:
Mailing Address: 2566 NELSON STREET	Attn. Maria Mitral241401W	Disputed Amt: 0.00
City/Zip: AUBURNDALE ,FL 33823-	Response Needed From Company? Y	Supantl Rpt Req'd: / /
Can Be Reached:	Date Due: 05/10/2017	Certified Letter Sent: / /
E-Tracking Number:	Fax: R	Certified Letter Rec'd: / /
	Interim Report Received: / /	Closed by: RJC
	Reply Received: 04/25/2017	Date: 05/25/2017
	Reply Received Timely/Late: T	Closeout Type: GI-30
	Informal Conf.: N	Apparent Rule Violation: N

Preclose type - Quality of Service

Customer Comments: Customer is having repair to water pipes by another company and need the main water valve shut off so that the repair company can continue repairs. Customer states Sunrise Utilities employee will not come to assist in turn off of water because he was in Tampa but it would be two to three days because it was not his problem. Customer also stated that Sunrise employee stated that customer's spouse had an attitude problem. Customer states that she does not have water currently and will be without water because the repair company cannot finish the repair job.

Per Consumer Complaint Rule 25-22.032, please use the following procedures when responding to PSC complaints.

1. Complaint resolution should be provided to the customer via direct contact with the customer, either verbally or in writing within 15 working days after the complaint has been sent to the company.
2. A response to the PSC is due by 5:00 p.m. Eastern time, of the 15th working days after the complaint has

Request No. 1241401W

Name CLARK ,CHRISTOPHER MR.

Business Name _____

been sent to the company.

3. The response should include the following:

- a) the cause of the problem
- b) actions taken to resolve the customer's complaint
- c) the company's proposed resolution to the complaint
- d) answers to any questions raised by staff in the complaint
- e) confirmation the company has made direct contact with the customer

4. Send your written response to the PSC, and copies of all correspondence with the customer to the following e-mail, fax, or physical addresses:

E-Mail - pscreply@psc.state.fl.us

Fax - 850-413-7168

Mail - 2540 Shumard Oak Blvd.

Tallahassee, Florida 32399-0850

Case taken by Kenny Davis

04/19/2017- Customer called back regarding complaint and was transferred back to agent who took the call for further clarification of procedures.

SLynch

04/19/17- Customer transferred to Kenny Davis and transferred to Rey Castillo voice mail.

04/25/2017 - Company response received via Email. DScott.

Company response indicates the following:

From: Sunrise&Alturas [mailto:yourwaterutility@gmail.com]

Sent: Tuesday, April 25, 2017 12:47 PM

To: Kenny Davis; PSCREPLY

Subject: Re: FL. PSC CATS NO: 1241401W CHRISTOPHER CLARK

Customer Comments: Customer is having repair to water pipes by another company and need the main water valve shut off so that the repair company can continue repairs.

Customer states Sunrise Utilities employee will not come to assist in turn off of water because he was in Tampa but it would be two to three days because it was not his problem.

Request No. 1241401W Name CLARK ,CHRISTOPHER MR. Business Name _____

PAGE NO: 2

Customer also stated that Sunrise employee stated that customer's spouse had an attitude problem.

Customer states that she does not have water currently and will be without water because the repair company cannot finish the repair job.

We investigated the situation that occurred and the Customer's statements are not near the facts-The Customer had a problem that wasn't concerning Sunrise but failed to notify us in time that they need assistance.

Since Mr. Scott wasn't notified in time and also was out of town but the Customer kept insisting (at least ten times calling him and demanding to be served right away as she stated "...- because I am Customer and you need to do as I say")- Mr. Scott cut short his trip and put aside his problem for the demanding Customer.

According to our information it was the other way around and the Customer's wife was extremely rude with our field worker Mr. Scott who just helped them out by turning their water off. Several arguments and demands were made from the Customer's part- but they were served and not without water service from the Company's part. The Company's field technician Mr. William Scott always shows compassion and understands our Customers' needs or problems. Since he is part of that particular community many can witness his good will. Mr. Scott also stated that at the end of this situation they departed from each other with the Customer in good terms.

As a resolution we advise the Customer to notify the Company in time when they need our help or assistance and we will be there for them.

M.Mitra

Company response entered by R.Castillo

05/25/2017 Having not received any further contact from the customer, this inquiry will be closed as a GI - 30. R.Castillo

Request No. 1241401W Name CLARK ,CHRISTOPHER MR. Business Name _____

PAGE NO: 3

Address: 2544 Edmond circle Auburndale FL 33823

BUSINESS INFORMATION

Business Account Name: Michael Dveney

Account Number: 2544E

Address: 2455 Edmond circle Auburndale FL 33823

Water County Selected: Polk

COMPLAINT INFORMATION

Complaint: Improper Billing against Sunrise Utilities, LLC

Details:

The water company has been billing me incorrectly over billing has not been read my meter monthly and now they have sent me a bill that says I was late I was not late my bill was paid on time I have a bank statement that will prove it this is an ongoing problem with our water company

PSC was contacted previously "

Per Consumer Complaint Rule 25-22.032, please use the following procedures when responding to PSC complaints.

1. Complaint resolution should be provided to the customer via direct contact with the customer, either verbally or in writing, within 15 working days after the complaint has been sent to the company.
2. A response to the PSC is due by 5:00 p.m. Eastern time, of the 15th working day after the complaint has been sent to the company.
3. The response should include the following:
 - a) the cause of the problem
 - b) actions taken to resolve the customer's complaint
 - c) the company's proposed resolution to the complaint
 - d) answers to any questions raised by staff in the complaint
 - e) confirmation that the company has made direct contact with the customer
4. Send your written response to the PSC, and copies of all correspondence with the customer to the following e-mail, fax or physical addresses:

E-Mail - pscreply@psc.state.fl.us

Fax - 850-413-7168

Mail - 2540 Shumard Oak Blvd.

Request No. 1242588W Name DVENEY, MICHAEL MR. Business Name _____

Tallahassee, Florida 32399-0850

Case taken by Diane Hood

5/15/17: Response received via email. Shonna McCray

5/17/17: REVIEWED COMPANY RESPONSE. Response states the following:

"Customer has an unusually low gallon usage and therefore is charged only the base rate. The attached Customer History will show that he makes a payment once in a while and that is accounted every Month for the gallon usages-

Based on the Billing periods it is clear that the Customer's meter has been read ever Month.

Now that we got his attention by letting us know about his problem with the last payment, we will change the Customer's Meter.

This will show exactly the gallon usages the Customer is using and this way he needs to make a regular payment every Month in time- this is resolution from the company's part.

Regarding the Customer last payment; see attached Customer History.

MICHAEL D'VENEY electronic payment#80384213 was dated on 4/19/2017

Received by mail only at 4/25/2017; posted to Account same day 4/25/2017-

Payment Due date on the Bill- see the copy of Customer Bill attachment-

4/19/2017

Therefore the Customer owes to the Utility the late fee charge-

As a solution would be satisfactory if the Customer will consider to make his payment in time and do not hesitate contact me at yourwaterutility@gmail.com to avoid any further ongoing problem with the company.

* M.Mitra"

Shonna McCray

5/17/17: Will contact Mr. Michael D'vemey at 863-412-7460 to discuss his concerns and review the response.

Shonna McCray

6/12/17: This inquiry closed. Shonna McCray

8/3/2017

Customer called back to report that the Company is informing him again that he is paying late; however, the customer states he is paying on time.

Customer transferred to analyst.

Request No. 1242588W Name DVENEY ,MICHAEL MR. Business Name _____

PAGE NO: 3

J Mclean-Sinatra

8/3/17: Mr. Dveney transferred by Jean. He stated the matter has not been resolved. Mr. Dveney stated he has proof (bank statements) confirming his payments are made timely, but he is still being billed late fees. Mr. Dveney will provided documentation to the PSC via email. Shonna McCray

8/3/17: Customer's objection noted; will have complaint re-opened. Shonna McCray

08/03/2017: Complaint reopened. RRoland

8/3/17: ATTN COMPANY, REQUEST FOR SUPPLEMENTAL RESPONSE:
PLEASE PROVIDE COPIES OF THE BILLING STATEMENTS FOR THE PAST 6 MONTHS AND THE ACCOUNT HISTORY FOR THE PAST 24 MONTHS. PLEASE PROVIDE RESPONSE BY 8/14/17. Shonna McCray

08/04/2017 Received report via email. eplendl

8/7/17: REVIEWED COMPANY'S SUPPLEMENTAL RESPONSE. Response indicates the following:

- * Company provided the Customer History.
- * The customer was charged a late fee of \$20.00 on 4/25/17 because the due date was 4/19/17.
- * The 7/31/17 bill was mailed to the customer and no late fee charge was included because the previous payment was made on time.
- * The customer has no application completed or security deposit with Sunrise Utility.

Shonna McCray

8/7/17: 2:10 p.m. Called Mr. Michael Dveney at 863-412-7460 to review the response and determine if he has sent the additional information he stated he would send. Mr. Dveney stated he has to go his bank to get a copy of the check as he was unable to print it. He stated that he and several neighbors were billed late fees even though their payments were made on time. Advised Mr. Dveney that the neighbors would have to file their complaints separately. Mr. Dveney stated his bank issues the check to the company each month. Mr. Dveney stated that his payment is due on the 20th of each month. Explained that his account history indicates payments are posting around the 23rd of the month. Asked Mr. Dveney to check with the bank regarding the date the checks are being mailed each month. Mr. Dveney will get the information and forward to the PSC. Shonna McCray

08/08/2017- Customer called to state he sent in the information requested but wished to speak to his analyst. Transferred caller to SMcCray who took the call. SLynch

Request No. 1242588W Name DVENY ,MICHAEL MR. Business Name _____

PAGE NO: 4

8/8/17: Mr. Dveney transferred by Suzelle. He called to advise that he sent the information he received from his bank and would be sending additional information at a later date. He stated the company received the check on the 19th and cashed it on the 20th. Shonna McCray

8/8/2017 Customer correspondence received via email, added to file, and forwarded to SMcCray. DHood
"From: Michael Dveney [mailto:mpdveney@gmail.com]
Sent: Tuesday, August 08, 2017 12:33 PM
To: Consumer Contact
Subject: 124588w

1242588W

Here is the bank info you asked for see attachment "

8/8/17: Reviewed customer correspondence and added to file. Mr. Dveney provided documentation that payment of \$20.00 was mailed to Sunrise Utilities for receipt by 4/19/17; the funds were withdrawn from the customer's account on 4/19/17; payment was applied on 4/26/17. Shonna McCray

09/28/2017 Customer called to discuss his complaint. He states he is still having issues with Company. Transferred him to SMcCray's voicemail. Email sent to SMcCray. BJoiner

09/29/2017 Customer called back regarding his complaint. Customer asked to speak to analyst. Analyst was not available. Customer states that it is urgent and that Company is not attempting to disconnect his service even though bill has been paid. Transferred caller to RMcHargue who accepted the call. BJoiner

ATTENTION SUNRISE UTILITIES - DO NOT DISCONNECT THIS CUSTOMER. THERE IS AN OPEN COMPLAINT REGARDING THE BILLING OF LATE FEES. SEE BELOW ADDITIONAL INFORMATION REGARDING THIS COMPLAINT.

9/29/2017 - Mr. Dveney called regarding a disconnect notice he received for \$8.75 with a disconnect date of 9/29/2017. Mr Dveney said he received the disconnect notice yesterday afternoon. Customer said he called the company at 863-510-1318 and was told to pay his bill on time and he would not be disconnected. Mr. Dveney stated being charged a late fee is an on going problem with Sunrise Utility. Mr. Dveney said he is paying his bills on time. He also stated he is not getting 15 days to pay his bills. He said last month his bill was hand delivered with four days to pay the bill. Customer said he paid his bill within the four days. Provide a report to the PSC which include the date bills are being delivered to the customers. How are customers receiving their bills and what is the due date of the bills. Also Mr Dveney provided information that funds for payment in April were withdrawn from his account on 4/19/2017 however it appears payment was not applied until 4/26/2017. Please address this in your report to the Commission.

Request No. 1242588W Name DVENEY ,MICHAEL MR. Business Name _____

The report to the Commission on Oct. 10, 2017. Ruth McHargue

10/2/17: 9:34 a.m. Returned call to Mr. Michael Dveney at 863-412-7460; no answer; unable to leave message as the mailbox is full. Shonna McCray

10/02/2017 - Company response received via Email. DScott.

10/3/17: REVIEWED COMPANY RESPONSE. Response states the following:

"WE NEVER ATTEMPTED TO DISCONNECT THE CUSTOMER- we had no reasons, but since he had amount due the software generated a Final Notice to inform the Customer of the end balance.

The Customer Bill was Billed twice because of an error read but corrected and the amount due was \$21.75

The Customer made a payment#24559781 on 9/19/2017 for \$20.00= Amount due owing \$1.75 -see attachment Customer History

On 9/21/2017 was made another payment #257796 for \$5.00 and now the Customer has a credit for the difference \$3.25

Why should we disconnect a Customer who paid in time, this time?

9/29/2017 - Mr. Dveney called regarding a disconnect notice he received for \$8.75 with a disconnect date of 9/29/2017.

I am sorry to inform you that the Customer is twisting the facts- his Final Notice indicated if he will not pay the \$1.75 then the late fee charge is applied and goes for the next Month Billing.

(We cannot generate a SEPARATE BILL FOR THE CUSTOMER- this is a standard letter format generated by the Software.)

Since the Customer paid the \$1.75 before due date, the late fee is not applied on the next month Billing.

IN THE FINAL NOTICE CLEARLY INDICATES THAT THE PAST DUE AMOUNT IS NOT CORRECT PLEASE CONTACT US AT yourwaterutility@gmail.com

NEXT TIME BEFORE THE CUSTOMER THINKS SOMETHING THAT IS NOT STATED ON HIS FINAL NOTICE AND HAS QUESTIONS OR CONCERN I SUGGEST TO GET ALL THE FACTS

Provide a report to the PSC which include the date bills are being delivered to the customers.

I attached the ONE YEAR CUSTOMER HISTORY that clearly shows the Billing Dates and Payments made and received by the Company on the same date when is recorded-

Delivery is ALWAYS next day via Post Mail- and we have no control on that time but when a Bill is made, an Invoice is Printed and next day is mailed.

We have many Customers who have no problem receiving their Bills and paying in time.

One more time let me emphasize, we are a small water utility and the only way possible to receive payment or sending Bills is VIA POST MAIL. Therefore you cannot make a payment on the DUE DATE.

When we receive the payment, on the same day it is posted on the Account.

We do not charge late fee for no reason.

Also, we do not discontinue water service for a partial payment, since we could clearly see that was a mistake made and not intentionally. But the Final Notice indicated to ask or let us know what isn't clear.

Please Advise Since the Customer has no Security Deposit with Sunrise Utility and we are having some serious

Request No. 1242588W Name DVENEY ,MICHAEL MR. Business Name

issues and differences with the Customer what is the correct procedure in such cases and accordingly to the PSC Rules?

I really appreciate your help,

M.Mitra"

Shonna McCray

10/3/17: Mr. Dveney called directly. He stated that he was charged a \$7.00 late fee even though he made payment on time. Mr. Dveney stated he did not receive the September bill so he made a payment of \$20.00. He stated on Monday or Tuesday (9/18/17 or 9/19/17), the company representative hand delivered his bill requesting payment of \$21.75, due on 9/21/17. Mr. Dveney stated he then made an additional \$5.00 payment. Mr. Dveney stated he received a past due notice on 9/28/17, requesting payment by 9/29/17. He stated the past due notice was received via mail. He stated that the company representative had what appeared to be several customer bills when he hand delivered the bills. Mr. Dveney will forward additional documentation to the PSC. Explained to Mr. Dveney the rules require that the company cannot consider a customer delinquent in paying the bill until the 21st day after the utility has mailed or presented the bill for payment. Shonna McCray

10/3/17: Customer correspondence received via email. Shonna McCray

10/3/17: Reviewed customer correspondence and added to file. Customer provided the Utility Bill, Final Notice, and banking information confirming the payments were made. Noted the following:

* The Final Notice was dated 9/24/17, and indicates the Amount Due as \$8.75.

* The banking information indicates that \$20.00 was withdrawn on 9/18/17, and \$5.00 on 9/21/17.

Shonna McCray

NOTE: Customer correspondence confirms payments totaling \$25.00 were made by the due date. Shonna McCray

In reviewing the company's response, the following was noted:

The Payment of \$20.00 was made on 9/19/17 and payment of \$5.00 was made on 9/21/17, leaving a credit balance; however, the Final Notice dated 9/24/17 indicates that \$8.75 is the Amount Now Due.

The Final Notice should not have generated on an account with a credit balance.

Shonna McCray

Per F.A.C. 25-30.335 (4) A utility may not consider a customer delinquent in paying his or her bill until the 21st day after the utility has mailed or presented the bill for payment.

10/3/17: Note: It appears the company has violated PSC rules

* Inaccurate Meter Readings (WB-04)

* Improper delinquent notice (WB-13)

* Improper billing of Reconnect/Service Charges (WB24)

Shonna McCray

Request No. 1242588W Name DVENY ,MICHAEL MR. Business Name _____

PAGE NO: 7

10/3/17: ATTN COMPANY, REQUEST FOR SUPPLEMENTAL RESPONSE:

* PLEASE PROVIDE COPIES OF THE BILLING STATEMENTS AND FINAL NOTICES SENT TO THIS CUSTOMER DURING THE LAST 3 MONTHS.

* WHY WAS THE CUSTOMER'S SEPTEMBER BILL HAND DELIVERED TO HIM?

* WHAT IS THE USUAL METHOD OF DELIVERY OF CUSTOMER BILLS?

PROVIDE RESPONSE BY 10/12/17. Shonna McCray

10/10/17: The following email received from customer:

"From: Michael Dveney [mailto:mpdveney@gmail.com]

Sent: Monday, October 09, 2017 9:06 PM

To: Shonna McCray

Subject: RE: PSC Complaint 1242588W

I got my water bill on the 5 this mounth

Sent from Mail for Windows 10"

Shonna McCray

10/10/17: Reviewed customer correspondence; added to file; replied to customer requesting the due date of the bill. Shonna McCray

10/10/2017 - Company response received via Email. DScott.

10/11/17: REVIEWED COMPANY'S SUPPLEMENTAL RESPONSE. Response states the following:

". Mr. D'veney previously sent Customer History clearly shows that the CUSTOMER hasn't been charged for a late fee, except 5/2/2017 when he made a late payment (for previous outstanding balance) 4/25/20175

Mr. Dveney stated he did not receive the September bill so he made a payment of \$20.00. I questioned our local representative and he said that the reason for he was hand delivering this one time the Bill it was because there was a correction made for meter reading.

There was an error made with the wrong meter reading and the Bill was made accordingly - BECAUSE THE CUSTOMER METER WAS CHANGED FOR THE LOW USAGES- SHOWING THAT THE METER ISN'T WORKING PROPERLY.

Then the Customer's Bill was corrected accordingly to the new meter reading.

New meter starting with 0 and 3240 gallon is charged for \$21.75 see attached Customer History: Dveney Jul-Oct. Cust Hist

The correct Bill \$21.75 was made after the corrections were made and the Bill clearly shows the DUE DATE and all our BILLS clearly indicate if you have any issue with billing please contact yourwaterutility@gmail.com.

Request No. 1242588W

Name DVENEY ,MICHAEL MR.

Business Name

The Customer never contacted Utility.

If Customer contacts utility, could clarify the occurred miscommunication in such situations.

Mr. Dveney stated "he then made an additional \$5.00 payment." THIS ADDITIONAL PAYMENT WAS RECEIVED BY THE COMPANY AFTER THE FINAL NOTICES WERE MAILED ALREADY and as in the attachment is shown Account has \$1.75 outstanding balance- see attachment D'veney Final Notice

Mr. Dveney stated he received a past due notice on 9/28/17, WE HAVE NO CONTROL OVER WHEN THE CUSTOMER "RECEIVING" MAIL; WITH ALL THE FINAL NOTICES WE FOLLOW THE RULES, THAT THE FINAL NOTICES ARE MAILED ON THE DUE DATE, expending with 5 business day till the cut off date, INDICATED CLEARLY THE CUT OF DATE ON THE FINAL NOTICE requesting payment by 9/29/17.

SEPTEMBER BILLING DUE DATE WAS ON 9/23/2017 BUT FOR MR. D'VENEY INDICATED THE BILL 9/21/2017 because we made a separated Bill for the wrong meter reading. Since it was not our Customer's fault that he was billed on a different date than all of our Customers, we extended the 9/21/2017 for 9/23/2017

A FINAL NOTICE WAS PREPARED FOR ALL THE CUSTOMERS ON 9/24/2017 AND MAILED TO THEIR ADDRESS ON THE SAME DAY- SEE ATTACHMENT FOR THE FINAL NOTICE.

FINAL NOTICE CLEARLY SHOWS:

Amount past due:\$1.75+ Late fee: \$7.00= Total Amount due :\$ 8.75

Customer did not pay the full amount of outstanding balance for September Bill so a late fee is charged, On the Final Notices it is CLEARLY stated the service disconnection date and 'if you believe that the amount is incorrect, please contact us at yourwaterutility@gmail.com "

The Customer never contacted utility at given email address.

10/3/17: Reviewed customer correspondence and added to file. Customer provided the Utility Bill, Final Notice, and banking information confirming the payments were made. Noted the following:

- * The Final Notice was dated 9/24/17, and indicates the Amount Due as \$8.75. THAT IS CORRECT.
- * The banking information indicates that \$20.00 was withdrawn on 9/18/17, and \$5.00 -on 9/21/17.

Shonna McCray Please Note: THESE PAYMENTS HAVE TWO DIFFERENT DATES AND THEREFORE WERE MAILED WITH THREE DAYS DIFFERENCE APART.

NOTE: Customer correspondence confirms payments totaling \$25.00 were made by the due date. Shonna McCray

INCORRECT: AS EXPLAINED PREVIOUSLY, PAYMENTS WERE NOT MADE BY DUE DATE

THIS STATEMENT IS NOT TRUE BECAUSE THE TOTAL OF \$25.00 PAYMENT FROM THE CUSTOMER WAS MADE BEFORE DUE DATE BUT NOT RECEIVED BY THE DUE DATE FROM THE COMPANY. (AS I PROVIDED PREVIOUSLY RECORDS FOR THIS AND EXPLANATION FOR CORRECTING THE CUSTOMER STATEMENTS.)

In reviewing the company's response, the following was noted:

The Payment of \$20.00 was made on 9/19/17 and payment of \$5.00 was made on 9/21/17, leaving a credit balance; however, the Final Notice dated 9/24/17 indicates that \$8.75 is the Amount Now Due.

FINAL NOTICES ARE PREPARED ON DUE DATE- WE HAD NO PAYMENT FOR \$1.75 AT THAT TIME SO A LATE FEE CHARGE IS ADDED AND FINAL NOTICES MAILED TO THE CUSTOMER.

PLEASE NOTE: PAYMENTS NEED TO BE MADE IN TIME IN ORDER TO RECEIVE THE PAYMENT. WE DO NOT RECEIVE OUR PAYMENTS ONLINE.

The Final Notice should not have generated on an account with a credit balance.

Shonna McCray

Request No. 1242588W

Name DVENEY ,MICHAEL MR.

Business Name

DID NOT GENERATED THE CREDIT BALANCE SINCE WE DID NOT RECEIVED THE PAYMENT ON TIME AND A LATE FEE CHARGE WAS ADDING TO THE OUTSTANDING BALANCE \$1.75

Final notices are made based on payments received. On Due date the Customer payment was not received. Per F.A.C. 25-30.335 (4) A utility may not consider a customer delinquent in paying his or her bill until the 21st day after the utility has mailed or presented the bill for payment.

THE CUSTOMER BILL 9/1/2017 FOR \$21.71 DUE DATE IS 9/21/2017 if not paid by dues date, amount due is \$28.75 - FINAL NOTICES WERE PREPARED ON 9/24/2017 (after the due date on Mr. D'veney's Bill that indicates 9/21/2017) and because to make sure that he received the Bill THIS ONE TIME was hand delivered by our local representative. (Usually we send by mail but the Customer stated before that he did not received his Bill.)- see attachment Final Notice

By the Cut Off Date 9/29/2017 PAYMENT WAS MADE.

PLEASE NOTE AND ADVISE : AFTER ALL, WE DID NOT CHARGE FOR THE CUSTOMER THE LATE FEE CHARGE \$7.00 FOR HIS \$1.75 OUTSTANDING BALANCE- (since we received before the cut off date 9/29/17)

see Utility Bill 10/2/2017 for \$19.75 and Customer History that shows clearly this fact. If utility goes by the book or accordingly to the PSC regulation, has the right to add late fee charge for any amount of outstanding balance, even \$1.75

Company Statement: Utility offers several resolution,

Utility made clear several times with it's records that the Customer payments were not made in time.

Even from his Bank account comes off the amount of the payment on the date when he is dating his checks or making the payments, that doesn't mean that is automatically on the utility's account. The payment needs to be mailed and you need to count extra few days, for the utility to receive those payments.

Utility did not add late fee charge even could add late fee charge for \$1.75 because I assume this was an honest mistake from the Customer's part that not paid the full amount.

But the Final Notice was made correctly- only utility did not charge this one time.

Utility made sure, since the Customer having ongoing issues with every management, to receive his Bill.

This one time was hand delivered and this one time utility reversed the late fee charge for \$7.00.

The Customer has the right to refuse the reversed late fee charge as had the right to refuse the hand delivered Bill.

For the future Utility encourages the Customer to turn to yourwaterutility@gmail.com with every question or concern has.

In case of the late payments, at least give us a head up here at yourwaterutility@gmail.com with the copy of your payment and it will be recorded on to your account on the same day.

Utility mails their Customer's Bills or Final Notices and keeps a record or copy to have evidence that the Bills and Final Notices were mailed.

Therefore the Customer statements costed us extra work and investigation utility was glad to cooperate with the PSC and it's Staff.

M.Mitra"

Shonna McCray

10/11/17: 12:29 p.m. Called Mr. Dveney at 863-412-7460 to discuss his concerns and provide resolution. Mr.

Request No. 1242588W Name DVENEY ,MICHAEL MR. Business Name

Dveney stated the number on the bill is for the meter reader and customer cannot get assistance regarding their bills. He stated that a number should be provided and customers not required to contact the company via email. Mr. Dveney's current bill is dated on 10/2/17 and due on 10/22/17. Advised Mr. Dveney if his bill is not received by the 5th or 6th of the month to re-contact the PSC. Mr. Dveney stated he just wants to be treated fairly. Shonna McCray

10/11/17: Customer correspondence received via email. Shonna McCray

10/11/17: Customer provided the 10/2/17 billing statement. Shonna McCray

10/11/17: This inquiry closed. It appears the company has violated PSC rules---Inaccurate Meter Readings (WB-04), Improper delinquent notice (WB-13), Improper billing of Reconnect/Service Charges (WB24). Shonna McCray

11/7/17: Mr. Dveney called directly at 2:23 p.m. He continues to dispute a \$7.00 late fee. Explained to Mr. Dveney that the company did not bill the \$7.00 late fee was not billed. Discussed Mr. Dveney's concerns in detail and at length. Call ended at 2:51 p.m. Shonna McCray

12/29/17: Customer sent correspondence regarding payment not being credited and the possibility of the service being interrupted. Complaint 1266156 filed. Shonna McCray

Request No. 1242588W

Name DVENY ,MICHAEL MR.

Business Name _____

Request No. 1242589W

Name ROSS ,KANDI MS.

Business Name

Consumer Information

Name: KANDI ROSS

Business Name:

Svc Address: 2429 GRADEN ST

County: Polk

Phone: (863)-618-5803

City/Zip: Auburndale / 33823-

Account Number: 2429G-TM

Caller's Name: KANDI ROSS

Mailing Address: 2429 GRADEN ST

City/Zip: AUBURNDALE ,FL 33823-

Can Be Reached:

E-Tracking Number: 122898

Florida Public Service

Commissioner - Consumer Request

2540 Shumard Oak Boulevard

Tallahassee, Florida 32399

850-413-6480

Utility Information

Company Code: W0870

Company: SUNRISE UTILITIES, LLC

Attn. Maria Mitral242589W

Response Needed From Company? Y

Date Due: 05/30/2017

Fax:

R

Interim Report Received: / /

Reply Received: 05/08/2017

Reply Received Timely/Late: T

Informal Conf.: N

PSC Information

Assigned To: REY CASTILLO

Entered By: DH

Date: 05/08/2017

Time: 08:10

Via: E-FORM

Prelim Type: IMPROPER BILLS

PO:

Disputed Amt: 0.00

Supmntl Rpt Req'd: / /

Certified Letter Sent: / /

Certified Letter Rec'd: / /

Closed by: RJC

Date: 06/12/2017

Closeout Type: GI-25

Apparent Rule Violation: N

Please review the "incorporated" Internet correspondence, located between the quotation marks on this form, in which the customer reports the following:

"-----Original Message-----

From: consumerComplaint@psc.state.fl.us [mailto:consumerComplaint@psc.state.fl.us]

Sent: Saturday, May 06, 2017 5:00 PM

To: Consumer Contact

Subject: E-Form Other Complaint TRACKING NUMBER: 122898

CUSTOMER INFORMATION

Name: Kandi Ross

Telephone: (863) 618-5803

Email: Ewoodham@yahoo.com

Request No. 1242589W

Name ROSS ,KANDI MS.

Business Name

Address: 2429 Graden St. Auburndale FL 33823

BUSINESS INFORMATION

Business Account Name: Kandi Ross

Account Number: 2429G-TM

Address: 2429 Graden St. Auburndale FL 33823

Water County Selected: Polk

COMPLAINT INFORMATION

Complaint: Other Complaint against Sunrise Utilities, LLC

Details:

Just please call. They are charging me. When I should be credited 4.00 this month 5-6-2017

PSC was contacted previously "

Per Consumer Complaint Rule 25-22.032, please use the following procedures when responding to PSC complaints.

1. Complaint resolution should be provided to the customer via direct contact with the customer, either verbally or in writing, within 15 working days after the complaint has been sent to the company.
2. A response to the PSC is due by 5:00 p.m. Eastern time, of the 15th working day after the complaint has been sent to the company.
3. The response should include the following:
 - a) the cause of the problem
 - b) actions taken to resolve the customer's complaint
 - c) the company's proposed resolution to the complaint
 - d) answers to any questions raised by staff in the complaint
 - e) confirmation that the company has made direct contact with the customer
4. Send your written response to the PSC, and copies of all correspondence with the customer to the following e-mail, fax or physical addresses:

E-Mail - pscreply@psc.state.fl.us

Fax - 850-413-7168

Mail - 2540 Shumard Oak Blvd.

Tallahassee, Florida 32399-0850

Case taken by Diane Hood

Request No. 1242589W Name ROSS ,KANDI MS. Business Name _____

PAGE NO: 2

Customer filed two additional eforms (122899, 122900)with the same language, only filing with eform 122898.

05/08/2017 - Company response received via Email. DScott.

Company response indicates the following:

Please help me with the above Complaint-

I cannot see the original complaint and I don't know the issue of this complaint.

"Please review the "incorporated" Internet correspondence, located between the quotation marks on this form"

Thank you,

M.Mitra

Company response entered by R.Castillo

05/08/2017 Forwarded email to yourwaterutility@gmail.com with a portion of the complaint copied in the message is highlighted: COMPLAINT INFORMATION Complaint: Other Complaint against Sunrise Utilities, LLC Details: Just please call. They are charging me. When I should be credited 4.00 this month 5-6-2017 .
R.Castillo

05/10/2017 - Company response received via Email. DScott.

Company response indicates the following:

From: Sunrise&Alturas <yourwaterutility@gmail.com>

Sent: Tuesday, May 09, 2017 5:16 PM

To: Rey Castillo; PSCREPLY

Subject:Re: FW: FL. PSC CATS NO: 1242589W KANDI ROSS

Attachments:CustHistKandi Ross.pdf

Sorry,

I forget the attachment

On Tue, May 9, 2017 at 5:14 PM, Sunrise&Alturas <yourwaterutility@gmail.com> wrote:

Thank you so much for your help-

I was very confused since I saw two names with this complaint; Kandi Ross and Elisabeth Sue Woodham.

CUSTOMER INFORMATION

Request No. 1242589W Name ROSS ,KANDI MS. Business Name _____

PAGE NO: 3

Name: Kandi Ross
Telephone: (863) 618-5803
THE OTHER CUSTOMER INFORMATION Email: Ewoodham@yahoo.com
Address: 2429 Graden St. Auburndale FL 33823
BUSINESS INFORMATION
Business Account Name: Kandi Ross
Account Number: 2429G-TM
Address: 2429 Graden St. Auburndale FL 33823

You see, KANDI ROSS Service Address is indeed 2429 Garden street; but the email address Ewoodham@yahoo.com is not her email address but another Customer with Sunrise Utility.

I do not wish to talk with this Customer and I will state the reasons for it.

I want a written record of every conversation.

The only via direct contact must be written to protect the company I represent.

Kandi Ross has no outstanding balance on her Account with Service Address 2429 Garden Street since prepaid an amount (which was her choice) having interrupted water service since this Service Address is rented to her.

We had no problem at all with this Customer and her payments until her neighbor Elisabeth Sue Woodham, Service Address 2425 Garden Street did not interfere with our Customer relation with Kandi Ross.

I try to be factual so I recall the event from my records.

Elisabeth Sue Woodham was disconnected for non payment in December 2011 for \$353.98- We Billed her for a while, then we add the late Fee charges and finally we stop to Billing her or charging for late fees, when her outstanding balance reached \$864.50 and refused to pay. We were told that the house is in no shape to live there but we find out that was a misleading information.

I was just assuming logically that nobody can live in a house without water service unless someone from the neighbor doesn't help you out.

It turns out that I was right, Elisabeth Sue Woodham was provided with water but I could not put my finger on anybody since I deal only with the administration part of the business.

This year Elisabeth Sue Woodham approached Mr. William Scott, our field technician under another name on the Service Address 2425 Garden Street- asking for a favor.

Request No. 1242589W Name ROSS ,KANDI MS. Business Name

I realized that we are dealing with the same person and customer: Elisabeth Sue Woodham.

I instructed Mr. Scott to tell her to contact me.

Informing that she needs to pay her outstanding balance before we can help her, and also offering her a payment plan and water service also, till she is catching up.

I get no answer and never heard from her.

Mr. Scot informed me later that he got a call from Kandi Ross on our emergency line yelling and demanding to call him back because "the water is no good" and was threatening to contact the county the PSC, the news and seemed very disturbed.

Of course Mr. Scott returned the call to see what is going on with the water since he thought it is an emergency issue.

I do not know why certain Customers believe that they are allowed to be disrespectful when they have a problem but we need to disregard their remarks in order to address to the real problem.

When Mr. Scott called Kandi Ross about her problem, instead to solve the issue, was faced with Elisabeth Sue Woodham who was demanding to help her with her problem. (Of course that was nothing wrong with the water service and Kandi Ross or something regarding her Account with Sunrise) They just pair themselves to trick Mr. Scott and return the call.

This is not a joke and that we are not taken seriously is adding to our problems.

This complaint is one more evidence that why I choose to have a written record from our Customers.

Their concerns and issues we take seriously but when comes to verbal communication we just cannot follow the direction to come up with a solution.

Hearsay in the past proved to be an endless effort for resolution. She said that and I said that, making false allegations or accusations without any foundation only to serve their purposes is adding extra work and expense to the company and to the PSC Staff also.

Mr. Scot and myself we are doing our job and always address to the real issues or concerns.

But using our emergency line as emergency and call for help, not having a real need it is not only a waste of time but they should be charged for the extra work they caused. Probably they would think twice before their

Request No. 1242589W Name ROSS ,KANDI MS. Business Name _____

next gimmick.

Since Kandi Ross first attempt was unsuccessful now they plan to have more and further burden to the company's administration.

This is a copy of my conversation with this customer who sent me an email: from another address than ewoodham@yahoo.com

1shot2bu@gmail.com wrote>"I need to know my amount for my water bill. I also need to find out who's name the deposit is in.

Thank you,

Kandi Ross"

Sent from my MetroPCS 4G LTE Android Device
Sunrise&Alturas <yourwaterutility@gmail.com>
May 3 (6 days ago)
to 1shot2bu

Thank you for contacting yourwaterutility@gmail.com

Service Address 2429 Garden Street is currently on Kandi Ross name; Kandi Ross is registered since 8/6/2015

Before we had plenty occupants at this Service Address with outstanding balances.

The current Account's Deposit was made on 12/3/2015 for \$52.00

Last payment made on 4/3/2017 for \$55.00

IMO#2182495924

Outstanding balance (\$83.22) prepaid-

Your new Utility Bill 5/2/2017 for \$31.06

Outstanding balance (\$52.16) prepaid-

There is a record of charging you on 12/1 for a "change over" service but this was registered by someone else before my time.

Request No. 1242589W Name ROSS ,KANDI MS. Business Name _____

PAGE NO: 6

The Account Information is insufficient to know why do not know the amount of your water bill since was sent every Month to the above service address.

M.Mitra

And later on,

5/8/2017 I received this Complaint that she was given some credit and she did not received?

I am sorry to inform you based on my experiences with this Customer that her intentions with Sunrise Utility are not honest. Based on her attitude toward Mr. Scott and the misleading attitude she has with her neighbor Elisabeth Sue Woodham (who registered lately her property as Church and this also shows their illegal activity on her property)it raised some suspicion in me that they are somehow together in this new complaint again.

I would like to propose an investigation. I feel it is my obligation to report to the Health Department authorities that our Customer at Service Address 2425 Garden Street, Elisabeth Sue Woodham is living in a house for so many years without having water-

PLEASE ADVISE-

Also, this investigation will reveal who is providing her water illegally. For a clearer overview this complaint of Kandi Ross, I will attach her Customer History to show that Sunrise owes her nothing. Since her payments are periodically and are on International Money Order's we do not know who is paying for the water Bill on this Account.

M.Mitra

Company response entered by R.Castillo

06/12/2017 Having not received any further contact from the customer, this inquiry will be closed as a GI - 25. R.Castillo

Request No. 1242589W Name ROSS ,KANDI MS. Business Name _____

PAGE NO: 7

Request No. 1243419W

Name BENTLEY ,TRACY MR.

Business Name

<p>Consumer Information</p> <p>Name: TRACY BENTLEY</p> <p>Business Name:</p> <p>Svc Address: 2579 KING AVE</p> <p>County: Polk Phone: (863)-777-0460</p> <p>City/Zip: Auburndale / 33823-</p> <p>Account Number: 2579KA</p> <p>Caller's Name: TRACY BENTLEY</p> <p>Mailing Address: 2579 KING AVE</p> <p>City/Zip: AUBURNDALE ,FL 33823-</p> <p>Can Be Reached:</p> <p>E-Tracking Number:</p>	<p>Florida Public Service</p> <p>Commission - Consumer Request</p> <p>2540 Shumard Oak Boulevard</p> <p>Tallahassee, Florida 32399</p> <p>850-413-6480</p>	<p>PSC Information</p> <p>Assigned To: SHONNA MCCRAY</p> <p>Entered By: DH</p> <p>Date: 05/19/2017</p> <p>Time: 08:04</p> <p>Via: E-MAIL</p> <p>Prelim Type: IMPROPER BILLS</p> <p>PO:</p> <p>Disputed Amt: 0.00</p> <p>Supmntl Rpt Req'd: / /</p> <p>Certified Letter Sent: / /</p> <p>Certified Letter Rec'd: / /</p> <p>Closed by: SDM</p> <p>Date: 07/17/2017</p> <p>Closeout Type: WB-24</p> <p>Apparent Rule Violation: Y</p>
	<p>Utility Information</p> <p>Company Code: WU870</p> <p>Company: SUNRISE UTILITIES, LLC</p> <p>Attn. Maria Mitra1243419W</p> <p>Response Needed From Company? Y</p> <p>Date Due: 06/12/2017</p> <p>Fax: R</p>	
	<p>Interim Report Received: / /</p> <p>Reply Received: 05/25/2017</p> <p>Reply Received Timely/Late: T</p> <p>Informal Conf.: N</p>	

Please review the attached correspondence in which the customer reports the following:

"From: John Plescow
 Sent: Thursday, May 18, 2017 11:17 AM
 To: Ruth McHargue
 Subject: Mr. Tracy Bentley

Mr. Tracy Bentley
 2579 King Ave
 Auburndale, FL 33823
 Company Code WU870
 Sunrise Utilities LLC

Request No. 1243419W

Name BENTLEY ,TRACY MR.

Business Name

Customer's only phone number: 863-777-0470
E-mail Address: t.bentley2001@yahoo.com

Previous complaint 1232339W.

Mr. Bentley said that his water service was interrupted yesterday May 17, 2017. Mr. Bentley explained that company staff was escorted by the local police department. Mr. Bentley said that he did not understand his bill. He indicated that he currently owes \$68.10 plus a reconnection charge of \$25.00. He indicated that he wanted to see the bill for the fourth month of service, which he claims he did not receive.

Note, Mr. Bentley as of today, May 18, 2017, is still without water service. He understands that the FPSC cannot make Sunrise restore his service because the service was interrupted before Mr. Bentley contacted the FPSC. Mr. Bentley wants to review all the billing statements issued since the beginning of the year.

Mr. Bentley said he would provide copies of the current billing statement via E-mail. See the following:

Please note attached bill copies

Per Consumer Complaint Rule 25-22.032, please use the following procedures when responding to PSC complaints.

1. Complaint resolution should be provided to the customer via direct contact with the customer, either verbally or in writing, within 15 working days after the complaint has been sent to the company.
2. A response to the PSC is due by 5:00 p.m. Eastern time, of the 15th working day after the complaint has been sent to the company.
3. The response should include the following:
 - a) the cause of the problem
 - b) actions taken to resolve the customer's complaint
 - c) the company's proposed resolution to the complaint
 - d) answers to any questions raised by staff in the complaint
 - e) confirmation that the company has made direct contact with the customer
4. Send your written response to the PSC, and copies of all correspondence with the customer to the following e-mail, fax or physical addresses:

E-Mail - pscreply@psc.state.fl.us
Fax - 850-413-7168
Mail - 2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Request No. 1243419W Name BENTLEY ,TRACY MR. Business Name _____

PAGE NO: 2

Case scanned and emailed to company. Case taken by Diane Hood

5-23-2017 - Mr. Bentley called. He wanted to know if a complaint had been filed, and I explained that a complaint had been filed on his behalf. I explained that it was filed the same day we last spoke. I reminded Mr. Bentley that the utility has 15 days to respond to the Commission. I also reminded Mr. Bentley that because he filed the complaint after his service was interrupted, the PSC could not make the utility restore his service without the past due balance being paid.

I told Mr. Bentley I would check on his complaint, and I would call him back.

/JPlescow

+++++

5-23-2017 - I checked with Ms. McCray, the analyst assigned to Mr. Bentley's complaint, and she informed me that she had not received a response yet.

I called Mr. Bentley. I told Mr. Bentley we had not received a response. Mr. Bentley said that he did not know how much he owed. He indicated that he was looking at the notice, but he thought he was being over-billed. I explained that without a response from the utility, the Commission would not be able to tell him if the invoice he received was accurate or incorrect. Mr. Bentley indicated he would pay the bill he received.

I explained that in the future he should contact Ms. McCray regarding his complaint.

/JPlescow

+++++

5/24/17: The following customer correspondence received via email:

"From: John Plescow
Sent: Wednesday, May 24, 2017 7:40 AM
To: Shonna McCray
Subject: FW: 2579 King Ave.

FYI

From: T Bentley [mailto:t.bentley2001@yahoo.com]
Sent: Tuesday, May 23, 2017 8:41 PM
To: l.szabo@rogers.com; John Plescow; Kelley Corbari
Subject: 2579 King Ave.

Can you please call me. I need to talk to you about my watar. William advise me you told him to take me off the books and not to turn my water back on he also brought me the money order back I paid my water bill in full and give William his 20 dollars he ask for to turn it back on. It is my right to call the water commission at any time I feel it is necessary. I will not lie for you nor him. my complain to the water

Request No. 1243419W Name BENTLEY ,TRACY MR. Business Name _____

commission was turthfull and honest so I will do without water before I will ever call and tell them I lie about anything to just get my water turn back on and four free months of water.

Thank you.

Tracy Bentley"
Shonna McCray

5/24/17: Customer correspondence added ti file. Shonna McCray

5/24-2017 - Mr. Bentley left me a phone message requesting I call him. During my last conversation with Mr. Bentley I explained that he would have to contact Ms. McCray regarding his complaint, because she was the assigned analyst. I let Ms. McCray know that Mr. Bentley called and requested his call be returned.

/JPlescow

+++++

05/25/2017 - Company responses received via Email. DScott.

5/25/17: REVIEWED COMPANY RESPONSE. Response states the following:

"Mr. Tracy Bentley refused to pay his Bills with the utility several times in the past years.

Based only on his false assumptions he was causing extra work and additional expenses for the company.

Causing the same problems over and over are well documented evidences for his untrue accusations in the past.

Mr. Bentley always had a way to go around for not paying his Bills in time or at all, arguing for improper billing, turning to the PSC; stretching his complaints because this way he could avoid the late fee charges.

The company record proves that wasn't our fault and all this it is a written record.

By looking at Mr. Bentley FL. PSC CATS in 2016 and 2017-

Also, having this ongoing aggressive attitude toward the company's field technician and making false allegations with different authority is unacceptable.

Mr. William Scott is the representative for Sunrise Utility and his good will and efforts must be appreciated and not disrespected by Mr. Bentley.

Mr. Bentley misled Mr. Scott with various excuses for delaying his payment in April.

Request No. 1243419W Name BENTLEY ,TRACY MR. Business Name _____

We are attaching the Customer History for this year of 2017:

Mr. Bentley paid only two times this year, once in 2/21/2017 and second time on 3/28/2017; having a complaint with PSC stretching and delaying his obligations.

Mr. Bentley was billed five times this year, 1/2/2017- for December usage, 1/30/2017-for January usage, 2/28/2017-for February usage, 3/30/2017 for March usage and 5/2/2017 for April usage;

In March 2017 we received his payment late, after the due date and \$7.00 late charge fee was added to his Account and this increased his amount of the upcoming 3/30/2017 Bill for \$25.16= Total amount \$32.16

This amount not being paid Mr. Bentley by 4/21/2017 he received a Final Notice from the company that according to our records his account become delinquent.

Amount past due: \$32.16 +\$7.00 after the due date= total outstanding balance \$39.16 and he was informed that the disconnect day is Tuesday, APRIL 27, 2017

Since the payment was not made by disconnect date, Mr. Scott was having Mr. Bentley on cut off list.

Mr. Scott disconnected Mr. Bentley's water meter but a young couple living on the same property convinced him to give back their water service since they just gave birth to a little baby and they need water.

Mr. Scott connected them back and they promised that Mr. Bentley will take care of his Bill. This promise was never completed by Mr. Bentley who clearly was having the money but not the willingness to pay his water bill.

In May 17, 2017 Mr. Scott went to the Service address where he informed the little baby's Mother to take some water because he must cut the water off and he will be back in two hours.

When he went back Mr. Bentley closed his property and put his truck in a way to obstruct and prevent Mr. Scott to cut the water by standing with his foot on the water meter.

Mr. Scott was forced to require the Sheriff Department for assistance for discontinue the service for non-payment in May 17, 2017.

These ongoing abuses from the Customer, for non-payment of bills we should discontinued long time ago the service provided but Mr. Bentley continuous complaints with the PSC prevented us to do so.

Based on his past payment behavior and current events occurred we decided to use his Security Deposit \$52.00 against the outstanding balance and we closed Mr. Bentley Account.

The initiation for the service was on 4/1/2013 when Mr. Bentley paid the Security Deposit and connection fee

Request No. 1243419W Name BENTLEY ,TRACY MR. Business Name _____

for the Utility.

On 5/17/2017 this Security Deposit \$52.00 was applied to the Account- still having a remaining balance of \$16.10 + the upcoming Bill charges.

Noncompliance with the utility's rules and regulations and for nonpayment Sunrise Utility refused Mr. Bentley to tolerate his attitude of bullying and threatening.

Looking at Mr. Tracy Bentley's Customer History, his unreasonable excuses for non- payments and disrespectful attitude, Sunrise Utility exercised it;s rights and we refuse him service.

The initiation for a new service and Account on Service Address 2579 King must be with the company's policy for requiring to complete our Application, paying security deposit and connection fee.

In Mr. Bentley's case twice the connection fee since he was twice disconnected and an additional \$52.00 Security Deposit is required to secure payments.

Please Note:

At any new account setup with Sunrise utility it is asked to complete an Application and provide us with the required documents (copy of Property Ownership Documentation or Rental Agreement, also Driver's License or state/government issued picture ID.)

Security deposit of \$52.00 and Connect fee for \$15.00 (twice)2X

Outstanding Balance: \$16.10 + Upcoming Bill for May usages

Connect fee's 2x\$15.00=\$30.00

Security Deposit \$52.00x 2=\$104.00

Total Amount: \$150.10+ (Upcoming Bill at the end of Month)

Upon receiving the completed application form (provided by Mr. Scott) and required payments to Sunrise Utility for water services; the services can be restored at Service Address 2579 King Avenue, Auburndale, Florida 33823

M. Mitra "
Shonna McCray

5/25/17: Received call from Mrs. Leanne Bentley. Customer advised they were previously told by a company representative if they would contact the PSC and advise they had lied, their water service would be restored and the would be given 4 months of free service. She stated that she took a money order in the amount of

Request No. 1243419W Name BENTLEY ,TRACY MR. Business Name

PAGE NO: 6

\$95.00 to the company 2 days ago; however, the payment was returned to her and she was advised they would never have water again since they contacted the PSC. Mrs. Bentley stated they still do not have water. Advised Mrs. Bentley that I would add this information to the complaint and request additional information from the company. Shonna McCray

5/25/17: ATTN COMPANY, REQUEST FOR SUPPLEMENTAL RESPONSE:

- * PROVIDE BILL STATEMENTS FROM FEBRUARY 2017 TO CURRENT
- * DID THE CUSTOMER RECEIVE ANY INTEREST ON THE PREVIOUS DEPOSIT OF \$52.00, AS REQUIRED BY F.A.C.?
- * WHY IS CUSTOMER BEING BILLED \$104.00 FOR THE DEPOSIT? PER YOUR TARIFF, THE DEPOSIT IS \$52.00.
- * WHY IS THE CUSTOMER BEING CHARGED \$30.00 CONNECT FEE, PER YOUR TARIFF, THE CHARGE IS \$15.00?
- * BEING THE CUSTOMER'S ACCOUNT WAS CLOSED, WHY WASN'T A FINAL BILL GENERATED AT THAT TIME?
- * WHY WAS THE CUSTOMER'S PAYMENT OF \$95.00 RETURNED TO THE CUSTOMER AND SERVICE DENIED?
- * WHAT IS THE AMOUNT NEEDED TO ESTABLISH SERVICE?
- * HAS THE CUSTOMER BEEN CONTACTED SINCE 5/19/17, REGARDING THIS COMPLAINT?

PROVIDE RESPONSE TO PSC BY 6/6/17. Shonna McCray

5/25/17: Company tariff and F.A.C. 25-30.11 added to file. Shonna McCray

05/26/2017 - Company response received via Email. DScott.

5/26/17: REVIEWED COMPANY'S SUPPLEMENTAL RESPONSE. Response states the following:

"The Customer can say whatever is pleased to say about what happened and as usually it is only her version. And her version doesn't mean anything because the facts are the facts.

About the statements she made I have a few comments:

Doesn't make any sense to me why would we prevent the Customer to turn to the PSC for making a complaint. In contrary, I even find it very relieving to have all Customer statements written because those are real evidences.

Hearsay has many interpretations.

Also this promise for free water and for a period of four Month is unrealistic and ridiculous. A representative cannot make such a promise and why should make at all?

As we stated previously in my letter the Account on Service Address was closed due to non payment and the Security Deposit was applied for the outstanding balance.

A decision was made with the condition previously written for a new Account and initiation of service.

No matter what Ms Bentley thinks or believes about this decision, she cannot overrule by rushing next day to make a payment.

Request No. 1243419W Name BENTLEY ,TRACY MR. Business Name

5/25/17: ATTN COMPANY, REQUEST FOR SUPPLEMENTAL RESPONSE:

* PROVIDE BILL STATEMENTS FROM FEBRUARY 2017 TO CURRENT

COMPANY: See Attachments for February, March and April 2017-

* DID THE CUSTOMER RECEIVE ANY INTEREST ON THE PREVIOUS DEPOSIT OF \$52.00, AS REQUIRED BY F.A.C.?

COMPANY: Yes, a credit was given against his Monthly bill 11/5/2015- see attachment

* WHY IS CUSTOMER BEING BILLED \$104.00 FOR THE DEPOSIT? PER YOUR TARIFF, THE DEPOSIT IS \$52.00.

COMPANY: Yes, Security Deposit is \$52.00 but this one tariff cannot cover the Customer outstanding balances and with this second additional Deposit we secure his payments based on his credit history.

I refer to my previous letter and the necessity to have at least \$104.00 Security Deposit based on his credit history with the utility.

* WHY IS THE CUSTOMER BEING CHARGED \$30.00 CONNECT FEE, PER YOUR TARIFF, THE CHARGE IS \$15.00?

COMPANY: Since the Customer was disconnected in April once and reconnected with a verbal agreement which wasn't honored, second time in May, we charge him for two connect fee.

* BEING THE CUSTOMER'S ACCOUNT WAS CLOSED, WHY WASN'T A FINAL BILL GENERATED AT THAT TIME?

COMPANY: The Customer received a FINAL NOTICE but since we were forced to disconnect service by ask for additional help from the sheriff department we did not prepare a Final Bill.

The customer unacceptable behavior and the circumstances asked for a solution.

The company was never asked for a Final Bill, as the customer did not move from the service address.

The previous company response clarified these unusual circumstances adding any additional information recorded.

* WHY WAS THE CUSTOMER'S PAYMENT OF \$95.00 RETURNED TO THE COMPANY AND SERVICE DENIED?

COMPANY: Let 's clarify the facts once again.

The service was disconnected 5/17/2017 and the Account was closed.

Next day or so the Customer rushed to make a payment which wasn't accepted not having having sufficient Deposit on the Account. (His previous deposit was applied on the Account and against the outstanding balance.)

* WHAT IS THE AMOUNT NEEDED TO ESTABLISH SERVICE?

COMPANY: It is already stated in my previous letter-

* HAS THE CUSTOMER BEEN CONTACTED SINCE 5/19/17, REGARDING THIS COMPLAINT?

COMPANY: Yes, the Customer was contacted.

Provided all the detailed responses to the PSC on the same day, 5/25/2017

M.Mitra"

Shonna McCray

5/26/17: NOTE:

Based on the company's tariff and PSC rules, the customer should be required to pay the following to have service restored/new account activated:

\$16.10 - previous balance

\$52.00 - deposit

Request No. 1243419W Name BENTLEY ,TRACY MR. Business Name

PAGE NO: 8

\$15.00 - connect fee
\$83.10 - total

The company is requesting a payment of \$150.10, which exceeds the required amount. It appears the company has violated PSC rules. Shonna McCray

5/26/17: 2:06 p.m. Called Mr. Tracy Bentley regarding the payment that was returned by the company. Mr. Bentley stated they got a refund for the money order from the place it was purchased, but he will go now and get another one. Shonna McCray

5/26/17: ATTN COMPANY, REQUEST FOR SUPPLEMENTAL RESPONSE:
THE PAYMENT OF \$95.00 THAT WAS RETURNED TO THE CUSTOMER COVERS THE CHARGES OWED/REQUIRED TO ESTABLISH SERVICE.
RESTORE THE CUSTOMER'S SERVICE IMMEDIATELY. PROVIDE RESPONSE BY 6/7/17. Shonna McCray

5/31/17: 9:35 a.m. Called Mr. Tracy Bentley at 863-777-0460 to determine if the water has been restored. Mr. Bentley advised the water has not been re-connected. Shonna McCray

5/31/17: The following email was sent to Attorney Kelley Corbari from the company:

"From: Kelley Corbari
Sent: Wednesday, May 31, 2017 9:39 AM
To: Shonna McCray
Subject: FW: T. Bentley

Shonna,

Please add Mr. Szabo's response below to CATS NO. 1243419W TRACY BENTLEY

Thanks!
Kelley

Kelley F. Corbari,
Senior Attorney - Regulatory Analysis Section
Office of the General Counsel
FLORIDA PUBLIC SERVICE COMMISSION
Email: KCorbari@psc.state.fl.us
Direct Phone: (850) 413-6234
Direct Fax: (850) 413-6235

PLEASE NOTE: Florida has a very broad public records law. Most written communications to or from state officials regarding state business are considered to be public records and will be made available to the

Request No. 1243419W Name BENTLEY ,TRACY MR. Business Name

public and the media upon request. Therefore, your e-mail message may be subject to public disclosure.

From: L SZABO [mailto:l.szabo@rogers.com]
Sent: Thursday, May 25, 2017 4:52 PM
To: Kelley Corbari; L. SZABO
Subject: T. Bentley

Hello Ms. Corbari,

I was hoping, - having the access to all customer complaint that you have already looked into Mr. Bentley claims for your better understanding of the situation prior sending your letter.

It shows that Mr. Bentley within the last years made many falsified complaints and unrealistic demands for his own benefit .

Mr. Bentley has also demonstrated many times his rude and vulgar behavior to our field technician. Our field technician went to the premises of Mr. Bentley more than once and offered his help, - and demonstrated his compassion to avoid disconnection, - due to Mr. Bentley notorious nonpayment of his bills. He has already explained to him his obligation and the payment he must make to provide him with water services.

Mr. Bentley actions already cost Sunrise Utilities lot of additional administrative work without any valid reason

Yes Mr. Bentley has been contacted, and Ms. Shonna McCray was brought to up to date today with the latest events before receiving your letter.

Leslie Szabo"
Shonna McCray

6/1/17: Mr. Bentley called directly. He stated that he received a bill from the company with an amount due that he does not owe. Mr. Bentley stated he sent in a payment of \$90.00 last week. Mr. Bentley asked about the deposit that he had on the account. Explained that the response indicates the deposit was applied to the balance on the account. Mr. Bentley stated that with the deposit and the \$90.00 he paid last week, he has paid over \$100.00 to the company. Requested Mr. Bentley send a copy of the bill and the money order; provided the email information. Shonna McCray

6/1/17: Customer correspondence received via email. Customer provided copies of the following:

- * Residential Utility Service Application/Agreement
- * Money Order for \$95.00 (returned to customer by company)
- * Money Order for \$90.00
- * 5/31/17 Utility Bill

Shonna McCray

Request No. 1243419W Name BENTLEY ,TRACY MR. Business Name

6/2/17: 9:39 a.m. Called Mr. Tracy Bentley at 863-777-0460 to determine if the service had been restored. Mr. Bentley advised the service was restored about 9:00 p.m. on 6/1/17. Shonna McCray

7/17/17: This inquiry closed. It appears the company has violated PSC rules---improper billing of reconnect/service charges and inaccurate information on bills. Shonna McCray

Request No. 1243419W Name BENTLEY , TRACY MR. Business Name

Request No. 1244426W

Name MERRIT ,CHRISTY MS.

Business Name DYLON VERSCHAGE

Consumer Information	Florida Public Service Commission - Consumer Request 2540 Shumard Oak Boulevard Tallahassee, Florida 32393 850-413-6480	PSC Information
Name: Business Name: DYLON VERSCHAGE Svc Address: 2347 CHERRY ST	Utility information Company Code: WU870 Company: SUNRISE UTILITIES, LLC Attn. Maria Mitral1244426W Response Needed From Company? Y Date Due: 06/26/2017 Fax: R	Assigned To: SHONNA MCCRAY Entered By: SDM Date: 06/05/2017 Time: 12:16 Via: PHONE Prelim Type: IMPROPER BILLS PO: Disputed Amt: 0.00
County: Polk Phone: (863)-967-3819 City/Zip: Auburndale / 33823- Account Number: Caller's Name: JANICE WILLIAMS-ROUSE Mailing Address: 2810 KIMBERLY LANE	Interim Report Received: / / Reply Received: 06/27/2017 Reply Received Timely/Late: L Informal Conf.: N	Supantl Rpt Req'd: / / Certified Letter Sent: / / Certified Letter Rec'd: / / Closed by: SDM Date: 07/12/2017 Closeout Type: WB-23 Apparent Rule Violation: Y

Preclose type - Sewer Service Quality

Customer Comments:

Customer received a bill for a property she owns. She stated the bill should not be sent to her, it should go to the tenants. Mrs. Williams-Rouse is the property owner for the property located at 2347 Cherry St, Auburndale.

Mrs. Williams-Rouse stated the bill does not include a contact number for the company so that she can call regarding this matter.

Why was another customer's bill sent to Mrs. Williams-Rouse?

Per Consumer Complaint Rule 25-22.032, please use the following procedures when responding to PSC complaints.

Request No. 1244426W

Name MERRIT ,CHRISTY MS.

Business Name DYLON VERSCHAGE

1. Complaint resolution should be provided to the customer via direct contact with the customer, either verbally or in writing within 15 working days after the complaint has been sent to the company.
2. A response to the PSC is due by 5:00 p.m. Eastern time, of the 15th working days after the complaint has been sent to the company.
3. The response should include the following:
 - a) the cause of the problem
 - b) actions taken to resolve the customer's complaint
 - c) the company's proposed resolution to the complaint
 - d) answers to any questions raised by staff in the complaint
 - e) confirmation the company has made direct contact with the customer
4. Send your written response to the PSC, and copies of all correspondence with the customer to the following e-mail, fax, or physical addresses:
E-Mail - pscreply@psc.state.fl.us
Fax - 850-413-7168
Mail - 2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Case taken by Shonna McCray

6/05/2017 Customer correspondence received via fax, and forwarded to S McCray. DHood

6/5/17: FAX TO COMPANY:

PLEASE SEE CUSTOMER CORRESPONDENCE AND PROVIDE RESPONSE BY 6/26/17. Shonna McCray

06/27/2017 - Company response received via Email. DScott.

6/28/17: REVIEWED COMPANY RESPONSE. Response states the following:

"To the Customer was Billed only the copy of her tenant's Bill- it is on the tenants name and she knows better that wasn't billed.

We stop sending the copy of the Bill if she has a problem with that.

M.Mitra"

Shonna McCray

6/28/17: ATTN COMPANY, REQUEST FOR SUPPLEMENTAL RESPONSE:

THE PROPERTY OWNER CANNOT BE HELD RESPONSIBLE FOR AN OUTSTANDING BILL IN THE NAMES OF TENANTS. THE BILL FOR THE CUSTOMER OF RECORD SHOULD NOT BE SENT TO THE PROPERTY OWNER. PLEASE PROVIDE RESPONSE BY 7/10/17. Shonna McCray

NOTE: It appears the company has violated PSC rules---failure to provide response to customer and/org PSC

Request No. 1244426W Name MERRIT ,CHRISTY MS. Business Name DYLON VERSCHAGE

within 15 days. Shonna McCray

6/28/17: ATTN COMPANY, REQUEST FOR ADDITIONAL RESPONSE:
HAS RESOLUTION BEEN PROVIDED TO MS. JANICE WILLIAMS-ROUSE? PLEASE PROVIDE RESPONSE WITH YOUR SUPPLEMENTAL
RESPONSE DUE ON 7/10/17. Shonna McCray

07/11/2017 - Company response received via Email. DScott.

7/12/17: REVIEWED COMPANY'S SUPPLEMENTAL RESPONSE. Response states the following:
"OKAY- we stop sending the copy of the tenant's Bill for Service Address 2347 Cherry." Shonna McCray

7/12/17: This inquiry closed. It appears the company has violated PSC rules---resolution not provided to
customer and PSC within 15 days and billing wrong customer. Shonna McCray

Request No. 1244426W Name MERRIT ,CHRISTY MS. Business Name DYLON VERSCHAGE

Request No. 1251537W

Name COLEMAN , JENNIFER MRS

Business Name

Consumer Information	Florida Public Service Commission - Consumer Request 2540 Shumard Oak Boulevard Tallahassee, Florida 32393 850-413-6480	PSC Information
Name: JENNIFER COLEMAN Business Name: Svc Address: 2371 PEACH AVE		Assigned To: SHONNA MCCRAY Entered By: CD Date: 08/28/2017 Time: 14:00
County: Polk Phone: (407)-692-4811 City/Zip: Auburndale / 33823- Account Number: 2371P Caller's Name: JENNIFER COLEMAN Mailing Address: 2371 PEACH AVE	Utility Information Company Code: WU870 Company: SUNRISE UTILITIES, LLC Attn. Maria Mitral251537W Response Needed From Company? Y Date Due: 09/19/2017 Fax: R	Via: PHONE Prelim Type: QUALITY OF PO: Disputed Amt: 0.00
City/Zip: AUBURNDALE ,FL 33823- Can Be Reached: E-Tracking Number:	Interim Report Received: / / Reply Received: 09/18/2017 Reply Received Timely/Late: T Informal Conf.: N	Supmntl Rpt Req'd: / / Certified Letter Sent: / / Certified Letter Rec'd: / / Closed by: SDM Date: 10/04/2017 Closeout Type: WS-12 Apparent Rule Violation: Y

Preclose type - Quality of Service

Customer Comments: Customer states that Sunrise Utilities Inc is providing substandard service due to the fact that the bill was paid on the due date. Customer states that water service was still disconnected after funds for bill payment was placed in the required drop box and service was not restored until after noon that same day. Customer states that they also received a bill from previous consumer and continues to receive improper bills. Customer feels that bills are not conducted in a business procedures. Customer is also concern with water quality.

Per Consumer Complaint Rule 25-22.032, please use the following procedures when responding to PSC complaints.

1. Complaint resolution should be provided to the customer via direct contact with the customer, either verbally or in writing within 15 working days after the complaint has been sent to the company.
2. A response to the PSC is due by 5:00 p.m. Eastern time, of the 15th working days after the complaint has

Request No. 1251537W

Name COLEMAN , JENNIFER MRS

Business Name

been sent to the company.

3. The response should include the following:

- a) the cause of the problem
- b) actions taken to resolve the customer's complaint
- c) the company's proposed resolution to the complaint
- d) answers to any questions raised by staff in the complaint
- e) confirmation the company has made direct contact with the customer

4. Send your written response to the PSC, and copies of all correspondence with the customer to the following e-mail, fax, or physical addresses:

E-Mail - pscreply@psc.state.fl.us

Fax - 850-413-7168

Mail - 2540 Shumard Oak Blvd.

Tallahassee, Florida 32399-0850

Case taken by Kenny Davis

9/18/17: Response received via email. Shonna McCray

9/19/17: REVIEWED COMPANY RESPONSE. Response states the following:

"The Customer contacted us on the same day and I get back to her right away to explain the nature of miscommunication that occurred.

The reason that was a misunderstanding that the real Due Date was on a Friday, August 25/2017 but being a Friday, the Final Notices were indicating Monday, August 28/2017

Our field technician was trying to do his job without being aware that the payment was in the mail box since the morning of Monday, August 28/2017 but the service was restored and of course we do not charged a reconnect fee.

As a resolution I advised the Customer for the future, to send me a copy of her payment here at yourwaterutility@gmail.com and I will post the payment right away and inform our field technician that the payment was made."

Shonna McCray

NOTE: It appears the company has violated PSC rules---service improperly disconnected. Shonna McCray

Request No. 1251537W Name COLEMAN , JENNIFER MRS Business Name _____

PAGE NO: 2

09/19/2017 Customer called back regarding her complaint. Customer states Company has not contacted her. Transferred caller to SMcCray's voicemail. Email sent to SMcCray. BJoiner

9/19/17: 2:08 p.m. Returned call to Mrs. Jennifer Coleman at 407-692-4811. Mrs. Coleman stated she was calling to check the status if the complaint as she had not heard anything from the company. Provided the information from the response to Mrs. Coleman. Ms. Coleman stated she does not understand her current bill. She also has concerns with the water quality. Mrs. Coleman has concerns with having the pay approximately \$35.00 of the previous tenant's bill. She will forward the previous tenant's bill and the current bill to me. Mrs. Coleman expressed concerns with the utility representatives taunting her. Referred Mrs. Coleman to DEP for her water quality concerns. Explained to Mrs. Coleman that I would request the company provide her with a written response. Customer's objection noted. Shonna McCray

9/19/17: ATTN COMPANY, REQUEST FOR SUPPLEMENTAL RESPONSE:

* THE CUSTOMER STATES SHE WAS REQUIRED TO PAY THE PREVIOUS TENANT'S LAST BILL. WHY WAS THE CUSTOMER REQUIRED TO PAY THE PREVIOUS TENANT'S BILL? THIS CUSTOMER IS NOT RESPONSIBLE FOR SERVICE PROVIDED PRIOR TO HER ACCOUNT BEING ESTABLISHED. REFUND ALL FUNDS COLLECTED FROM THE COLEMANS FOR THE PREVIOUS TENANT'S ACCOUNT.

* PROVIDE A DETAILED ACCOUNT HISTORY AND COPIES OF ALL BILLS.

* THE CUSTOMER STATES SHE HAS NOT BEEN CONTACTED BY THE UTILITY, PLEASE PROVIDE A WRITTEN RESPONSE TO THE CUSTOMER.

PLEASE PROVIDE A RESPONSE TO THE PSC BY 9/28/17. Shonna McCray

09/21/2017 - Company response received via Email. DScott.

9/22/17: REVIEWED COMPANY'S SUPPLEMENTAL RESPONSE. Response indicates the following:

* The customer was provided with resolution via email.

* The customer's additional concerns were addressed as follows:

"All Customer Bills clearly indicates, with all billing issues turn to yourwaterutility@gmail.com

'We never heard from the Customer's about her billing issues, therefore I didn't know about her concerns.

Mrs. Coleman having concerns with a payment (approximately \$35.00 of the previous tenant's bill) and claims that she was required to pay the previous tenants bill.

Since I don't understand this who required because we provid with Application form every new Customer for Initiation for service and I received a completed form along with Security deposit and connect fee.

Not being aware of that payment, I talked with our field technician Mr. Scott.

He told me what happen on Service Address 2371 Peach: the previous tenant, Phillip Alexander was evicted or moved out and the property owner show him the house how damaged was.

Request No. 1251537W	Name COLEMAN ,JENNIFER MRS	Business Name
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We closed the account and the meter read was locked with 1572370-

We applied the security Deposits \$52.00 on the Account but a \$34.85 still was outstanding balance.
(I was notified in writing in May "Please close account meter read ends are 1572370 locked he moved out demolished her home belongs to angela todd")

In June 25,2017 I was informed that we have a new renter " a new renter for Phillip Alexander Account (Angela Todd's house)" and I open a New Account on the name Nathan Sheddon/Jenna Coleman with meter read 1572370-

Received cash payment for Security deposit+ connect fee and also the exact amount for outstanding balance of the previous tenants outstanding balance and I assumed that the property owner paid this amount on the previous renter's Account and rented the place to those new people who needed to make the house in order to move in.

See the History of the new Account attached- I was not aware of the \$34.85 belongs to the New Renter. If she would inform me I would correct or credit to her Account. The new Customer never said anything about this so I was never informed.

Being aware I credited this amount \$34.85 on their Account and I made a new Bill for Ms Coleman. See attachments New Bill and J Coleman credited

I added Ms Coleman email address to this correspondence as well, to assure her that all these misunderstandings could be avoided if we communicate in the future here: yourwaterutility@gmail.com

For the future I encourage our Customer to turn to yourwaterutility@gmail.com with confidence and any questions or concerns regarding her payments or billing issues will be answered.

M.Mitra"

* Billing statements were provided as requested.
Shonna McCray

9/22/17: NOTE: It appears the company has violated PSC rules---service improperly disconnected and billing wrong customer. Shonna McCray

10/4/17: 1:24 p.m. Called Mrs. Jennifer Coleman at 407-692-4811 to discuss her concerns. Discussed her concerns and the company's response. Mrs. Cooper stated the company has refused to provide her with a contact number whereby she can speak with someone. Mrs. Coleman expressed concerns regarding retaliation; advised Mrs. Coleman to re-contact the PSC if it occurs. Shonna McCray

10/4/17: This inquiry closed. It appears the company has violated PSC rules---service improperly

Request No. 1251537W Name COLEMAN ,JENNIFER MRS Business Name

disconnected and billing wrong customer. Shonna McCray

11/15/2017 Customer called back. Customer states that she is having ongoing issues with Company. Customer states that Company has told her they will not communicate with her over the phone and all communication must be done via email. Customer states Company is demanding that she provide them proof of payment via email every time she makes a payment to her account. She states that she was the only customer being requested to do this and was advised that she should not have to. She states that she makes payments to her account but that payments are not credited to her account. She states Company advised her that they have not received her payments. Transferred caller to SMcCray who accepted the call. BJoiner

11/15/17: Mrs. Coleman transferred by Belkis. Mrs. Coleman stated that payments are still not posting to her account as they should and her bill has doubled, it is now over \$66.00. Mrs. Coleman stated she was advised by email that a payment of \$30.00 was not received, but in an email she received from the company, a copy of the money order was attached to the email. Mrs. Coleman will send her concerns to the PSC via email. Shonna McCray

11/27/17: Ms. Coleman transferred by Belkis. She stated she will send the information via email. Shonna McCray

11/27/2017 Customer correspondence received via email and added to file. ACalhoun
"From: Jennifer Coleman [mailto:jennymarie.coleman@gmail.com]
Sent: Monday, November 27, 2017 3:30 PM
To: Consumer Contact
Subject: Fwd: re complaint#1251537

This is one of several emails. After my last complaint was closed I started emailing him to let him know when a payment was made. I also have emailed him requesting a response on billing issues, name change etc and received no response.

----- Forwarded message -----
From: "Jennifer Coleman" <jennymarie.coleman@gmail.com>
Date: Sep 29, 2017 12:28 PM
Subject: Payment made
To: "Sunrise&Alturas" <yourwaterutility@gmail.com>
Cc:

This email is to notify of payment made at 6am this morning, in the amount of \$11.00"

"From: Jennifer Coleman [mailto:jennymarie.coleman@gmail.com]
Sent: Monday, November 27, 2017 3:30 PM

Request No. 1251537W Name COLEMAN , JENNIFER MRS Business Name _____

To: Consumer Contact
Subject: Fwd: Billing error #2

----- Forwarded message -----
From: "Jennifer Coleman" <jennymarie.coleman@gmail.com>
Date: Nov 7, 2017 1:37 PM
Subject: Billing error #2
To: "Sunrise&Alturas" <yourwaterutility@gmail.com>
Cc:

Good afternoon,

This email is to notify that the most recent bill that was sent is also incorrect in respect to our past due amount. I am also very concerned as to why our bill is now TRIPLED the usual cost. But we can treat that as a separate issue. Please check your records to verify, we should not only have a zero past due balance, but a small credit on the acct as well. I would ask that you please double check the acct history to find that ALL prior bills have been paid in full. Thank you.

Jennifer Coleman
Acct# 2371P
407-692-4811"

"From: Jennifer Coleman [mailto:jennymarie.coleman@gmail.com]
Sent: Monday, November 27, 2017 3:30 PM
To: Consumer Contact
Subject: Fwd: Re: Payment made

I never received a response to the following emailcompletly ignores certain requests.

----- Forwarded message -----
From: "Jennifer Coleman" <jennymarie.coleman@gmail.com>
Date: Oct 19, 2017 10:54 PM
Subject: Re: Payment made
To: "Sunrise&Alturas" <yourwaterutility@gmail.com>
Cc:

This email is to notify that our last bill sent is incorrect. We are being billed for past due payment of \$10.43 along with current charges of , \$26.41. However, we have already paid last bill (past due), and in actuality the amount paid was \$11.00 paid by M.O. in the Dropbox at the gas station. (I also sent you an email the same day to notify you of payment made as a courtesy) So, i will be making a payment before the 22nd but only for the amount of our current usage. Another issue i have noticed is, we tend to round up on our

Request No. 1251537W Name COLEMAN ,JENNIFER MRS Business Name _____

payments, for instance, if the amount due is say, \$34.23, then we will sometimes pay \$35.00. However, I've never noticed any credits on our account. If it is too much trouble for accounting than we can stop sending in payment this way, and only send in the exact amount. Lastly, please correct our names on our bill. It should be addressed to Nathan Sneddon and Jennifer Coleman. (In the event that we move and have our water deposit mailed to us in a check, having the wrong names for us in your record could pose a problem. Also, sometimes we are asked to show proof of residence by means of a utility bill, but the names need to be correct.) Thank you for your time looking into this matter.

Jennifer Coleman
Acct#2371p
407-692-4811

On Sep 29, 2017 1:27 PM, "Sunrise&Alturas" <yourwaterutility@gmail.com> wrote:
Ms. Coleman I need a copy of your payment attached to this email, to post on your Account."

"From: Jennifer Coleman [mailto:jennymarie.coleman@gmail.com]
Sent: Monday, November 27, 2017 3:30 PM
To: Consumer Contact
Subject: Fwd: Received Emails?"

----- Forwarded message -----

From: "Jennifer Coleman" <jennymarie.coleman@gmail.com>
Date: Nov 9, 2017 5:41 AM
Subject: Received Emails?
To: "Sunrise&Alturas" <yourwaterutility@gmail.com>
Cc:

Hello,

This is now my 2nd email which has now had zero response. You're a utility company and I may not have "professional knowledge", as you stated previously, on how a water system operates....but I do know that as a utility BUSINESS, I am entitled to be able to have some sort of open communication with you. Especially when you are falsly billing me for payments that were rendered.

I also know that, when I checked with the PSC, that I DO not have to send you a copy of my payment every time I make one, if you are not requiring it of other customers.

HOWEVER, I still have been courteous enough to at least send you an email to let you know when i make a payment in the drop box. (The ONLY way that as a customer I am able to make payments, considering you have no usable customer service phone number or website).

In closing, I would again ask that you please send some sort of response to let me know that you have received my now 3 emails and are looking into the issue.

Request No. 1251537W Name COLEMAN, JENNIFER MRS Business Name

Thank you kindly,
Jennifer Coleman
2371p"

"From: Jennifer Coleman [mailto:jennymarie.coleman@gmail.com]
Sent: Monday, November 27, 2017 3:30 PM
To: Consumer Contact
Subject: Fwd: RE: Billing error #2

----- Forwarded message -----
From: "William Scott" <wscottforever@gmail.com>
Date: Nov 10, 2017 7:02 PM
Subject: RE: Billing error #2
To: "Sunrise&Alturas" <yourwaterutility@gmail.com>, "Jennifer Coleman" <jennymarie.coleman@gmail.com>
Cc:

Sent from Mail for Windows 10

From: Sunrise&Alturas
Sent: Friday, November 10, 2017 5:49 PM
To: Jennifer Coleman; William Scott
Subject: Re: Billing error #2

I am attaching the copy of your Bill, informing you that for the 10/2/2017 Bill for \$\$26.41+ \$10.43= Total of \$36.84
Received only partial payment#2183577706 for \$11.00
Remaining Balance: \$25.84

Next Billing: 10/31/2017 for \$66.52 has a calculated 12420 gallon usage based on the meter read + previous balance\$25.84 +(and\$7.00 late charge fee for previous outstanding balance,=I will ad this amount today, as it came to my attention that I did not charge you)

TOTAL OUTSTANDING BALANCE: \$69.36

If you have a payment that is not recorded to your Customer History, please send us the copy of your payment and we will credit the amount.
You had only one time credited amount on 9/20/2017 for \$34.85 which left \$10.43 outstanding balance on your

Request No. 1251537W Name COLEMAN ,JENNIFER MRS Business Name _____

PAGE NO: 8

Account.

Your meter flow ended with 1608790 on 10/30/2017 and if you think that is not accurate, please contact our Field Technician Mr. Scott for a bucket test.

On Tue, Nov 7, 2017 at 1:37 PM, Jennifer Coleman <jennymarie.coleman@gmail.com> wrote:
Good afternoon,

This email is to notify that the most recent bill that was sent is also incorrect in respect to our past due amount. I am also very concerned as to why our bill is now TRIPLED the usual cost. But we can treat that as a separate issue. Please check your records to verify, we should not only have a zero past due balance, but a small credit on the acct as well. I would ask that you please double check the acct history to find that ALL prior bills have been paid in full. Thank you.

Jennifer Coleman
Acct# 2371P
407-692-4811"

"From: Jennifer Coleman [mailto:jennymarie.coleman@gmail.com]
Sent: Monday, November 27, 2017 3:30 PM
To: Consumer Contact
Subject: Fwd: Re: RE: Billing error #2

----- Forwarded message -----

From: "Sunrise&Alturas" <yourwaterutility@gmail.com>
Date: Nov 15, 2017 11:19 AM
Subject: Re: RE: Billing error #2
To: "Jennifer Coleman" <jennymarie.coleman@gmail.com>, "William Scott" <wscottforever@gmail.com>
Cc:

I don't know what isn't clear about the numbers given when You Have a Bill at hand and along with the explanation that you were credited for the amount's payed to your Utility.

Let me clear again for you the Customer History recorded-
On 9/20/2017 you were credited from some confusions with your account and your landlord's account or previous tenant's account mix up for an amount of \$34.85
This amount was redacted from your previous outstanding balance \$45.25
leaving you with \$10.43

Request No. 1251537W Name COLEMAN, JENNIFER MRS Business Name

PAGE NO: 9

On 10/2/2017 YOU WERE BILLED (for Month of September) for \$26.42

Outstanding balance TOTAL OF \$36.84

Your Payment#2183577706 for \$11.00 was received and posted on your account on the same day 10/3/2017 (and you were not billed for late fee charge \$7.00 even we received your payment after due date)

 $\$10.43 + \$26.42 = \$36.84 - \$11.00 = \$25.84$

On 10/30/2017 YOU WERE BILLED (for Month of October) for \$66.52 and TOTAL OUTSTANDING BALANCE:\$92.36

Your Payment#2186139775 for \$30.00 was received and posted on your account on the same day 10/31/2017

TOTAL OUTSTANDING BALANCE $\$62.36 + \$7.00 = \$69.36$

(Because this time for the late payment the Late Fee Charge was Applied \$7.00)

Mr. Scott will make the bucket test and unless isn't a meter fault, your outstanding amount of \$69.36 must be paid till due date 11/19/2017

Mr. Scott was kind enough to place a box in the store to ease the Customers payment option but was out from his heart and compassion. When someone is taking advantage of him is very discouraging not only for him but for all of us who we are content with the work he does.

Hopefully you appreciate that he is doing his job and having a bucket test,

M.Mitra

On Tue, Nov 14, 2017 at 8:52 AM, Jennifer Coleman <jennymarie.coleman@gmail.com> wrote:

----- Forwarded message -----

From: "Jennifer Coleman" <jennymarie.coleman@gmail.com>

Request No.	1251537W	Name	COLEMAN ,JENNIFER MRS	Business Name	
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PAGE NO: 10

Date: Nov 14, 2017 8:50 AM
Subject: RE: Billing error #2
To: "William Scott" <wscottforever@gmail.com>
Cc:

M. Mitra,

Your explanation, amounts and timeline is not making sense. Please take another look at what you stated
QUOTED:" ""Next Billing: 10/31/2017 for \$66.52 has a calculated 12420 gallon usage based on the meter read +
previous balance\$25.84 +(and\$7.00 late charge fee for previous outstanding balance,=I will ad this amount
today, as it came to my attention that I did not charge you
TOTAL OUTSTANDING BALANCE: \$69.36"""""" END QUOTE.
(Please note how these numbers do not add up correctly? This would total at 99.36, I assume that's what you
meant.)

First of all, at the time that you credited me for overpayment, it left a balance of 10.43. I then paid11.00
to cover the cost of that bill with a \$0.17 credit. The next bill you sent to me was on 10/2 still showing
that we owed 10.43 plus new charges of \$26.41. I assumed you just had not yet posted payment yet, and so i
sent you an email about it and paid only the NEW charges in the amount of 30.00 (Which you keep saying is past
due, and yet YOU sent me a copy of this money order in your last email when you stated that you were attaching
copy of my 11.00 payment, you actually attached coy of the 30.00 Payment! So I know that you received it)...to
cover \$26.41 leaving a \$3.59 credit on my account. (Total credits= \$3.76). One of those payments was late,
yes. So should owe only 3.76 (\$7.00-3.59credit=\$3.76)late fee PLUS current charges 66.52. Totaling at \$69.76.
Thank you for looking into this matter.

Jennifer Coleman

On Nov 10, 2017 7:02 PM, "William Scott" <wscottforever@gmail.com> wrote:

Sent from Mail for Windows 10

From: Sunrise&Alturas
Sent: Friday, November 10, 2017 5:49 PM
To: Jennifer Coleman; William Scott
Subject: Re: Billing error #2

I am attaching the copy of your Bill, informing you that for the 10/2/2017 Bill for \$\$26.41+ \$10.43= Total of
\$36.84
Received only partial payment#2183577706 for \$11.00

Request No. 1251537W Name COLEMAN , JENNIFER MRS Business Name _____

PAGE NO: 11

Remaining Balance: \$25.84

Next Billing: 10/31/2017 for \$66.52 has a calculated 12420 gallon usage based on the meter read + previous balance \$25.84 +(and \$7.00 late charge fee for previous outstanding balance,=I will ad this amount today, as it came to my attention that I did not charge you)

TOTAL OUTSTANDING BALANCE: \$69.36

If you have a payment that is not recorded to your Customer History, please send us the copy of your payment and we will credit the amount.

You had only one time credited amount on 9/20/2017 for \$34.85 which left \$10.43 outstanding balance on your Account.

Your meter flow ended with 1608790 on 10/30/2017 and if you think that is not accurate, please contact our Field Technician Mr. Scott for a bucket test."

"From: Jennifer Coleman [mailto:jennymarie.coleman@gmail.com]
Sent: Monday, November 27, 2017 4:24 PM
To: Consumer Contact
Subject: Fwd: RE: Bucket test

----- Forwarded message -----

From: "William Scott" <wscottforever@gmail.com>
Date: Nov 14, 2017 8:12 PM
Subject: RE: Bucket test
To: "Jennifer Coleman" <jennymarie.coleman@gmail.com>
Cc: "Sunrise&Alturas" <yourwaterutility@gmail.com>

Yes maam ill be glad too what will be a good time for you I prefer evenings weekends

Sent from Mail for Windows 10

From: Jennifer Coleman
Sent: Tuesday, November 14, 2017 9:00 AM
To: wscottforever@gmail.com
Cc: Sunrise&Alturas
Subject: Bucket test

Good morning,

Request No. 1251537W Name COLEMAN ,JENNIFER MRS Business Name

PAGE NO: 12

I was advised by m.mitra to contact you to schedule a bucket test for 2371 Peach Avenue. If you could please contact me at your earliest convenience to discuss this matter, I would certainly appreciate it. You may contact me by email, phone or text message. Thank you kindly.

Jennifer Coleman
407-692-4811
Acct#2371P"

"From: Jennifer Coleman [mailto:jennymarie.coleman@gmail.com]
Sent: Monday, November 27, 2017 4:24 PM
To: Consumer Contact
Subject: Fwd: Bucket test

The following is a chain of emails between sunrises employee, Mr.Scott and myself (I also cc'd Sunrise in these emails as they were sent). By the way, the bucket test was never done and resulted in the police being called when mr.scott came out, for refusing to leave the property. (I will send the audio clip that I have of mr.scott in a separate email. "

"From: Jennifer Coleman [mailto:jennymarie.coleman@gmail.com]
Sent: Monday, November 27, 2017 4:24 PM
To: Consumer Contact
Subject: Fwd: RE: Bucket test

----- Forwarded message -----

From: "Jennifer Coleman" <jennymarie.coleman@gmail.com>
Date: Nov 15, 2017 6:43 AM
Subject: RE: Bucket test
To: "William Scott" <wscottforever@gmail.com>
Cc:

Perfect. Saturday at 9 am. Thanks a bunch. Have a good day.

Jennifer Coleman

On Nov 15, 2017 5:57 AM, "William Scott" <wscottforever@gmail.com> wrote:
Great about 9 will be fine

Sent from Mail for Windows 10

From: Jennifer Coleman

Request No. 1251537W Name COLEMAN ,JENNIFER MRS Business Name

PAGE NO: 13

Sent: Tuesday, November 14, 2017 9:37 PM
To: William Scott
Subject: RE: Bucket test

Mr. Scott,

Does the water need to be shut off at all to do the test? How about Saturday morning? We are currently remodeling another home in the evenings during the week til about 8pm. So either during the week after 8, or Sat before 10am would work best for us. Thank you for your prompt response by the way, i appreciate it.

Jennifer Coleman
407-692-4811"

"From: Jennifer Coleman [mailto:jennymarie.coleman@gmail.com]
Sent: Monday, November 27, 2017 4:24 PM
To: Consumer Contact
Subject: Fwd: Re: Bucket test

----- Forwarded message -----

From: "Sunrise&Alturas" <yourwaterutility@gmail.com>
Date: Nov 15, 2017 11:23 AM
Subject: Re: Bucket test
To: "William Scott" <wscottforever@gmail.com>
Cc: "Jennifer Coleman" <jennymarie.coleman@gmail.com>

To the Customer,

Please confirm that you got our field technician's message to have a record of everything we do for you.

Thank You William,
and please be kind and read those numbers before and after the bucket test to be accurate enough for the Customer.

She is a difficult one to understand (what I wrote about her payment)
I don't want you to waste your time for nothing.

In case it is the Utility's fault we adjust the Bill. Otherwise this is the Customer's problem.

M.Mitra"

Request No. 1251537W Name COLEMAN ,JENNIFER MRS Business Name _____

PAGE NO: 14

"From: Jennifer Coleman [mailto:jennymarie.coleman@gmail.com]
Sent: Monday, November 27, 2017 4:24 PM
To: Consumer Contact
Subject: Fwd: Re: Bucket test

----- Forwarded message -----

From: "Jennifer Coleman" <jennymarie.coleman@gmail.com>
Date: Nov 15, 2017 2:09 PM
Subject: Re: Bucket test
To: "Sunrise&Alturas" <yourwaterutility@gmail.com>
Cc:

Are you serious? You are sending me a copy of the chain of emails that I generated between mr.scott and myself, where I am confirming a date and time for the test....(in Which there were 3 more emails back to back where we decided on a date and time) and you want me to confirm my confirmation?? This seems very redundant and these emails are a serious waste of my time. You cannot keep your records straight, you are rude and very unprofessional? You told Mr. Scott that you feel I am difficult to understand ?

Here, let me make this simple.

1. You are a business, I am your customer. I expect you to be professional and provide answers when i have a valid question. For example, when I asked you about the water quality, instead of ignoring my question, and telling me that i don't know what I am talking about, and that I can just go buy bottled water if I am that concerned.... it would have been better to provide me with information, what other possibilities that my water came out brown. No other company would ever think of talking to a customer in that manner, but you do it repeatedly, it is amazing to me.

2. When you bill me for another person's debt, or attempt to bill me for payments that were already made, then that is a problem. You admit in your email that you received the 11.00 money order that was to cover the 10.43, but attached in that same email was a copy of my money order for 30.00, which you claim you did not receive. (I down loaded it from your email, I'll gladly send it back to you.)

3. You have yet to address other valid concerns. As it seems, you/ Your company continue to make mistakes, and when I ask to have you look into it or rectify, then i am treated as a pest, or menace to your business flow. That is very unfair and asinine business practice. For example, I have asked several times to have our names corrected on our bill. We have lived here 6 months now and it still has both of our names incorrect. How would you possibly return our deposit? You would write a check to the wrong names. This makes me very uneasy, I wonder if we'd ever see our deposit again.

In closing, please check with your employee, whom with I already confirmed a time on Saturday for the bucket test. Now I must use the advice you gave me once because I also.. (to quote m.mitra) "should only spend so

Request No. 1251537W Name COLEMAN ,JENNIFER MRS Business Name

much time on any one persons intrusive questioning, - and I believe that i have already done it diligently in your case"
end qoute

P.s. don't forget to check out my attachment of your attachment, for lack of a better description. (Bottom of this email)

Jennifer Coleman
2371p "

"From: Jennifer Coleman [mailto:jennymarie.coleman@gmail.com]
Sent: Monday, November 27, 2017 4:43 PM
To: Consumer Contact
Subject: Fwd: Water service and relocation due to harrassment

----- Forwarded message -----

From:
Date: Nov 27, 2017 4:13 PM
Subject: Water service and relocation due to harrassment
To: "Sunrise&Alturas" <yourwaterutility@gmail.com>
Cc:

M. Mitra,

I would like to know what you want us to do. I will tell you that you've won. I can no longer handle your company and the harassment from mr.scott and your complete and udder rudeness and disregard to my concerns, etc.

I had to call the police on your employee when he came out last Saturday to do the bucket test. THE TEST WAS NEVER DONE. All he wanted to do was go back and forth about billing issues that I already handled with you via email, and inform me that he was sick and hoped I was not requesting the test out of spite. He tried to say that you all credited me as a courtesy when I filed complaint, even though I did owe that money.

I eventually asked him to leave my property and he refused. (Sending next is audio/video recording of him refusing to leave). He only did so once I called 911 (2nd video).

Nonetheless, I do not care anymore, we are moving simply to not have to deal with your company anymore. I do however need to know how to settle my bill. We have a deposit on file. But the bill is due now. We need the water turned off on the 30th of November. You have yet to change our names on the account, which i have requested MULTIPLE TIMES so I do not believe you have any intention on refunding our deposit.

Request No. 1251537W Name COLEMAN ,JENNIFER MRS Business Name _____

PAGE NO: 16

Please let me know what you want to do about this. And once again, our names are JENNIFER COLEMAN AND NATHAN SNEDDON.

ACCT #2371P"

"From: Jennifer Coleman [mailto:jennymarie.coleman@gmail.com]
Sent: Monday, November 27, 2017 4:43 PM
To: Consumer Contact
Subject: Fwd: billing error number2

----- Forwarded message -----

From:
Date: Nov 27, 2017 3:28 PM
Subject: Fwd: RE: Billing error #2
To: <contact@psc.state.fl.us>
Cc:

----- Forwarded message -----

From: "Jennifer Coleman" <jennymarie.coleman@gmail.com>
Date: Nov 14, 2017 8:50 AM
Subject: RE: Billing error #2
To: "William Scott" <wscottforever@gmail.com>
Cc:

M. Mitra,

Your explanation, amounts and timeline is not making sense. Please take another look at what you stated
QUOTED:" ""Next Billing: 10/31/2017 for \$66.52 has a calculated 12420 gallon usage based on the meter read +
previous balance\$25.84 +(and\$7.00 late charge fee for previous outstanding balance,=I will ad this amount
today, as it came to my attention that I did not charge you
TOTAL OUTSTANDING BALANCE: \$69.36"""""" END QUOTE.

(Please note how these numbers do not add up correctly? This would total at 99.36, I assume that's what you meant.)

First of all, at the time that you credited me for overpayment, it left a balance of 10.43. I then paid11.00 to cover the cost of that bill with a \$0.17 credit. The next bill you sent to me was on 10/2 still showing that we owed 10.43 plus new charges of \$26.41. I assumed you just had not yet posted payment yet, and so i sent you an email about it and paid only the NEW charges in the amount of 30.00 (Which you keep saying is past due, and yet YOU sent me a copy of this money order in your last email when you stated that you were attaching copy of my 11.00 payment, you actually attached coy of the 30.00 Payment! So I know that you received it)...to

Request No. 1251537W Name COLEMAN ,JENNIFER MRS Business Name _____

cover \$26.41 leaving a \$3.59 credit on my account. (Total credits= \$3.76). One of those payments was late, yes. So should owe only 3.76 (\$7.00-3.59credit=\$3.76)late fee PLUS current charges 66.52. Totaling at \$69.76. Thank you for looking into this matter.

Jennifer Coleman "

"From: Jennifer Coleman [mailto:jennymarie.coleman@gmail.com]
Sent: Monday, November 27, 2017 4:43 PM
To: Consumer Contact
Subject: Fwd: Re: Payment made

----- Forwarded message -----

From:
Date: Nov 27, 2017 3:27 PM
Subject: Fwd: Re: Payment made
To: <contact@psc.state.fl.us>
Cc:

I never received a response to the following emailcompletely ignores certain requests."

"From: Jennifer Coleman [mailto:jennymarie.coleman@gmail.com]
Sent: Monday, November 27, 2017 4:43 PM
To: Consumer Contact
Cc: Sunrise&Alturas
Subject: Video/audio of harrassment

This is audio of Mr. William Scott in my yard to do a bucket test but instead never did the test, saying he was sick and thought I "requested it out of spite" and only wanted to chastize me for a late payment and tell me that they credited me the \$35 in September ,as requested by psc, but only as a courtesy, not because I over paid. After about 30 min of this harassment from him I asked him to leave, he refused so i grabbed my phone and hit record. In the video he says "I'm going to call Angela and tell her how you're acting," and " I'm going to call the cops on YOU." And "I dont have to leave its not your yard, it's angelas yard" (Angela is my landlord by the way)"

11/28/2017 Customer correspondence received via email, added to file, and forwarded to SMcCray. DHood

"From: Jennifer Coleman [mailto:jennymarie.coleman@gmail.com]
Sent: Tuesday, November 28, 2017 2:52 PM
To: Consumer Contact
Subject: Fwd: shonna Re: jennifer coleman /Water service and relocation due to harrassment

Request No. 1251537W Name COLEMAN , JENNIFER MRS Business Name _____

----- Forwarded message -----

From: "Jennifer Coleman" <jennymarie.coleman@gmail.com>
Date: Nov 28, 2017 2:50 PM
Subject: Re: Water service and relocation due to harrassment
To: "Sunrise&Alturas" <yourwaterutility@gmail.com>
Cc:

Every one of my bills has been paid!!!! My water has been shut off once by your admitted mistake. But I have no more energy to argue with the likes of you and your business. God is good, and he sees all things.

However, my landlord requested that I obtain a complete customer statement to date. (You had sent one back in September to the psc.) I am requesting an updated one to reflect the last payment made yesterday. I am aware that there may be other charges not reflected yet. Once we receive our statement we can most CERTAINLY End all conversations!!! Thank you kindly.

On Nov 28, 2017 12:23 PM, "Sunrise&Alturas" <yourwaterutility@gmail.com> wrote:
Ms Coleman,

Your payment is accepted and posted on your account.

Your are entitled to your opinion but we have ours and this is the end of our conversation.

As Mr. Scott mentioned "black and white bottom line never have to see me if the bill is paid she ask for our assistance" and you could avoid all the unnecessary conversations.

Based on the previous statement of yours the Water Service will be discontinued on 11/30/17 and the upcoming Bill with the usages calculated will go to the address given. Nathan Sneddon 4150 Dietz Road, Bartow Fl 33830

On Tue, Nov 28, 2017 at 6:15 AM, William Scott <wscottforever@gmail.com> wrote:
God bless them I never disrespected her she was using vulgar words in front of her daughter saying we cant cut her water off until 12 pm like it says in black and white bottom line never have to see me if the bill is paid she ask for our assistance we didn't ask her she seems so angry ask me to leave get out of her yard I proceeded to tell her she dosent own property that I would talk with ms todd she then said she was calling cops and couldn't believe I was calling her landlord I said I can call cops also and I went home I was there about 8 to 9 minutes not 30 what would we do for thirty minutes I will move on and if we can help them we will

Request No. 1251537W Name COLEMAN ,JENNIFER MRS Business Name

Thanks

Sent from Mail for Windows 10

From: Jennifer Coleman
Sent: Monday, November 27, 2017 9:35 PM
To: William Scott; Sunrise&Alturas
Subject: RE: Water service and relocation due to harrassment

I was able to open now, disregard other email requesting to resend this email, it was my phone needed update to download msgs.

To avoid any conflicts or issues..... we made our payment tonight at 8:53 pm. Attached to this email is a PICTURE OF THE MONEY ORDER GOING INTO THE BOX. I will leave you with our fwd address and hope for the best.

M. Mitra and Mr.Scott, I do not wish to carry on with your insanity. I NEVER HAVE NOR EVER WILL DENY ACCESS TO THE METER...he was there for 30 min i asked him REPEATEDLY TO check the meter, but instead he wanted to carry on about billing issues that have already been resolved and chastise me and degrade me.... THAT'S when I asked him to leave after my daughter got upset and my husband was not home.

Nonetheless, you continue to speak of these people that love you guys oh so much, but all of seen is a multitude of mistakes, and mistreating and lack of communication and just all around BAD BUSINESS. Good luck with your future tenants!

Please remit deposit to : Nathan Sneddon 4150 Dietz Road, Bartow Fl 33830

On Nov 27, 2017 8:24 PM, "William Scott" <wscottforever@gmail.com> wrote:
I tried every way possible make her happy she was very unhappy

Sent from Mail for Windows 10

From: Sunrise&Alturas
Sent: Monday, November 27, 2017 8:06 PM
To: Jennifer Coleman; William Scott
Subject: Fwd: Water service and relocation due to harrassment

Ms Coleman,

I understand your frustration but I believe it is only miscommunication and you did not interpreted correctly Mr. Scot's intention. He is a hard worker and all you need to ask the Sun Acres Neighborhood, all think very highly of him.

Request No. 1251537W Name COLEMAN , JENNIFER MRS Business Name

First of all I can assure you that the name was changed from Jenna Coleman to Jennifer Coleman just to have your way but let me remind you to take a look on your lease were it is stated "I Nate and Jenna Coleman agree to pay..."

Later it is used your name as Jenny/Nate and since you did not presented me with a picture ID, only I received Mr. Nathan Wayne Sneddon driver license, I use whatever name I was able to fit on the Account.

(I could even leave you out from this Account as you did not presented government picture ID but since I saw your name on the lease I put Jenna instead of Jennifer.) There is no harm in this.

About the video and picture(the second attachment is only a picture) I have nothing to ad because Mr. Scot had the right to be on the property since we have the utility property on your territory.

And yes, he has the right and can call the sheriff to enforce collection tomorrow if you refuse him the access to the meter.

I advise you to pay your Bill till tomorrow on a money order and give it to Mr. Scott when he is enforcing collection and comes for discontinuance for service. This way you avoid to be cut off from water.

You will lose the water service accordingly to your Final Notice. A Final Notice was issued on 11/21/17 with due date 11/28/17 which is tomorrow.

You have two options and you need to decided which is working for you.

1.

You pay your Bill for \$69.36 and the service will be not disconnected.
(And you saved already \$7.00 late fee charge that will be added in case you have outstanding balance.)

Also in this case you keep your Security Deposit and the water service till the date you move out.
The amount of water used till the date you move out will be deducted from your Security Deposit.
If you have any amount remaining from the Deposit it will be refunded to the address given were you can be reached.

Furthermore inform you that according to the Rules there is a service charge of \$10.00 (disconnect fee) and to reconnect Service is an additional \$15.00 and must be paid prior in order to restore Water Service. Please avoid this -

2.

I can apply your deposit on your Account and the remaining outstanding balance owing to the utility is still

Request No. 1251537W Name COLEMAN ,JENNIFER MRS Business Name _____

\$24.36 + a New Security Deposit \$52.00 if you want to keep your water till 11/30/2017.

(since you used the water in continuance from the last meter reading that will be collected from the Sec. Dep.)

Please let me know about your decision.

For the record I state,

I forwarded your email as it is to Mr. Scott also and it will be considered his side of this story. It was illegal to deny him access to the utility meter.

All he was doing and it is his job to read the meter standing numbers and as you requested the bucket test, when did not accepted the fact of the meter read.

Ms Coleman did not agree with her Bill based on the meter flow numbers read and the utility made an appointment for bucket test (test for the accuracy of meter).

The Customer has an ongoing issue with the utility and their workers and looking for conflict and not solution causing extra work to administration as well.

In the past was a misunderstanding and disagreement regarding her payment for deposit and initiation for service which was solved from the utility's part by giving the Customer a credit for \$34.85

Customer had an outstanding amount of \$10.43 on 9/20/17 and the next Bill was \$26.41= Total of 36.84 on 10/2/2017

We received a payment#2183577706 for \$11.00 on 10/3/2017

REMAINING OUTSTADING BALANCE \$25.84

Next Billing Cycle with increased usages gave her Bill on 10/30/2017 for \$66.52

TOTAL OUSTANDING BALANCE \$92.36

We received a payment #2186139775 on 10/31/2017 for \$30.00

Remaining outstanding balance \$62.36+\$7.00 (late fee for outstanding balance) =\$69.36

After due date: another late fee charge is added \$7.00=\$76.36 WE WAVED THIS AMOUNT AS SHE WAS NOT CHARGED FOR LATE FEE PRIOR

Request No. 1251537W Name COLEMAN ,JENNIFER MRS Business Name _____

PAGE NO: 22

Since she informed me that she is moving if apply her Security Deposit \$52.00- \$69.36
TOTAL REMAINING OUTSTANDING BALANCE OF \$17.36 must be paid or the Service will be disconnected on 11/28/2017
at Noon

In case we use her Security Deposit \$52.00 as she decided to move out we need another Deposit to maintain
Water Service in continuance.

M.Mitra"

11/29/17: Reviewed customer correspondence and added to file. Customer provided emails exchanged between her
and the company. Customer will be moving from the property on 12/1/17, and has advised the company; customer
also requested a updated account history. Shonna McCray

Request No. 1251537W Name COLEMAN , JENNIFER MRS Business Name

PAGE NO: 23

verbally or in writing within 15 working days after the complaint has been sent to the company.

2. A response to the PSC is due by 5:00 p.m. Eastern time, of the 15th working days after the complaint has been sent to the company.

3. The response should include the following:

- a) the cause of the problem
- b) actions taken to resolve the customer's complaint
- c) the company's proposed resolution to the complaint
- d) answers to any questions raised by staff in the complaint
- e) confirmation the company has made direct contact with the customer

4. Send your written response to the PSC, and copies of all correspondence with the customer to the following e-mail, fax, or physical addresses:

E-Mail - pscreply@psc.state.fl.us

Fax - 850-413-7168

Mail - 2540 Shumard Oak Blvd.

Tallahassee, Florida 32399-0850

Case taken by Daniel Chung.

09/18/2017 - Company response received via Email. DScott.

Company response indicates the following:

From: PSCREPLY

Sent: Wednesday, September 20, 2017 9:24 AM

To: Rey Castillo

Subject: FW: FL. PSC CATS NO: 1252352W CHRISTY MERRIT

Follow Up Flag: Follow up

Flag Status: Completed

From: Sunrise&Alturas [<mailto:yourwaterutility@gmail.com>]

Sent: Monday, September 18, 2017 12:44 PM

To: Daniel Chung Mou; PSCREPLY

Subject: Re: FL. PSC CATS NO: 1252352W CHRISTY MERRIT

We do not have Customer in our records with name WILLIAMS ROUSH JANICE,

Request No. <u>1252352W</u>	Name <u>MERRIT ,CHRISTY MS</u>	Business Name <u></u>
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PAGE NO: 2

ADDRESS: 2810 KIMBERLY LN- (who filed the Complaint)

Therefore I don't know what is the real problem here.

We recorded the PROPERTY OWNER of Service Address 2347 Cherry Street with our current resident, Customer: CHRYSTI MERRITT.

(In the past happened to send a copy of the Bill of our Customer to the property owner as well, as other property owners required and having many outstanding balances in the past related to this Service Address we try to protect our interest.)

When a Service Address is a rental property and their residents are changing often, most likely we cannot enforce collection because the property owner doesn't take the responsibility to inform the utility of these, changes on their property.

Service Address 2347 is one of those properties-in the past I did made an accounting and our losses are piling up at the Service Address. Just this year was rented to Alicia Deleon and she was using water till March, making partial payments only but having a deposit with us we trusted that she will pay her bill. She left without informing us and the property owner never informed the utility. When we looked the Meter for non payment the Customer moved out already.

The Security Deposit \$52.00 was applied to Account and the outstanding balance still remain \$64.08+ Late fees. Before this year Greg Monday \$88.00+ Late Fees, Jeff Monday \$43.19+late Fees

We secure the utility interest for payments by informing the property owners about their renters water bill because once they move out from their property there is no way we can collect from them.

These properties make a profit by renting their properties but there is no way that they could rent without water service. Still they do take advantage of the fact that the Application form is completed by their renters, therefore they are not responsible for the Bill.

To my logic this doesn't make sense and since the person named above requested to be removed from the Billing list, we did so. Never sent or received one Bill after this specific request.

Service Address 2357 Cherry current occupants are Christy Merritt/Dylon Verschage, our Customers and we have an account with them and nobody else.

Please Note: this person is not our Customer and since states she contacted Sunrise utilities before regarding having a contact phone number on the bill, already give an answer in the past for her issues.

Request No. 1252352W Name MERRIT ,CHRISTY MS Business Name _____

PAGE NO: 3

We spend our time and money over someone who is not even a Customer with Sunrise.

Let me repeat myself for one more time:

Our past correspondences indicated by the person who made the complain, everything is written record, exactly the way I like: There is no hearsay as would be over the phone conversation, only to explain what really didn't happen.

WE DO NOT MAKE EXCEPTIONS and yourwaterutility@gmail.com is her only contact.

Our Phone number is for emergency issues or repairs and for initiation for Service.

Any Billing issues, questions or concerns, for the initiation of Service, Closing an Account etc. happens at our dedicated and indicated email address: yourwaterutility@gmail.com

Today I was notified that the current resident moved out from the Service Address 2347 Cherry Street and since in the past Months made only partial payments, we accepted because has security deposit.

Now, even I apply the \$52.00 Security Deposit to Account,we still have an outstanding balance for \$11.68

It's happening again. Vicious Cycle: the property owner must know this and to avoid any responsibility instead to inform the utility about the renter is moving out, files a complain even it is not our Customer.

Please advise what is the procedure in this case.

The property owner is not our Customer not having an Application completed with Sunrise.

The tenant left the property and the property owner must know about this, still never informed the Utility.

What would be the solution to recover our losses?

We have similar situations and we would like to know how to handle to recover our losses.

M.Mitra

Company response entered by R.Castillo

09/25/2017 Customer called to discuss complaint. Customer transferred to RCastillo who accepted the call.
BJoiner

Request No. 1252352W Name MERRIT ,CHRISTY MS Business Name

PAGE NO: 4

09/25/17 Ms. Janice Roush stated that she is the property owner and concerned that Sunrise Utilities does not have a customer service number. Ms. Roush explained that every time one of her tenants have an issue with the water utility they contact her about it. Ms. Roush explained that the tenants complete their own application with Sunrise Utilities and that she does not have an account open with Sunrise Utilities. Ms. Roush believes that Sunrise Utilities should have a telephone number for customer service. R.Castillo
10/02/2017- Customer called to speak to Rey.-Kenny Davis

10/02/17 Ms. Janice Roush called back regarding her complaint. Ms. Roush stated that the new tenat at 2347 Cherry Street had applied to receive service and the water was turned on Friday September 29, 2017. Ms. Roush stated that she was informed by her tenant that she was going to pay her deposit on Saturday September 30, 2017 and she was waiting for the individual from Sunrise Utilities to come by and pick up the deposit but no one ever came by. Ms. Roush stated that since Sunrise does not have an office a representative would come by in person to pick up the deposit. Ms. Roush stated that her tenant is now without water because Sunrise had turned her water off on Saturday September 30, 2017. I told Ms. Ms. Roush that this information will be documented in her complaint. R.Castillo

10/03/2017 - Company response received via Email. DScott.

Company response indicates the following:

From:Sunrise&Alturas <yourwaterutility@gmail.com>
Sent:Monday, October 02, 2017 6:22 PM
To: Daniel Chung Mou; PSCREPLY
Subject:Re: FL. PSC CATS NO: 1252352W CHRISTY MERRIT
Attachments:C. Merritt.pdf

Since Ms Merritt's name was made a complaint on 9/7/2017 and never heard about the complaint that was closed I have a inquire -

Please inform the company of the right procedure in such situations.

Here you have attached the Service Address 2347 Cherry's previous Renter's Bill- Christy Merritt

Today a new Customer was added to this Service Address after the Initiation for Service was required accordingly to the Utility policy.

(Since our field technician informed us of the unpleasant circumstances of how was he threatened over the phone, and disrespected before this happened)

We would like to know what is the solution in such situations as these.

Request No. 1252352W Name MERRIT ,CHRISTY MS Business Name

Also I would like to have a record that Service Address 2347 Cherry was rented several times and the majority of the renter leave without warning or closing the Account properly and the Security Deposit doesn't cover their outstanding balance.

It happened again!

The property owner who is not a Customer with Sunrise Utility is taking advantage of the fact that we have no solution to put an end to our losses and still makes complains.

In the year of 2009-2010 the place was rented by Henry Parker; left no outstanding balance.

In 2010-2012 we had another Customer Jeffrey Monday; the outstanding balance was \$43.19+ Monthly \$7.00 Late Fee since and we had no address to forward the amount owing. The property owner never informed us about the change were made.

Next renter in 2012-2013 Greg Monday; the outstanding balance \$88.88+ Monthly \$7.00 Late fee since, same as before.

In 2013-2015 Cherrie DuFour; left no outstanding balance and she is still a Customer with Sunrise Utility.

In 2016-2017 Alicia Deleon, left without inform us and her outstanding balance \$64.08+ Late Fee's since isn't paid.

In 2017 a New CUSTOMER WITH SUNRISE UTILITY LLC at SERVICE ADDRESS 2347 Cherry Street CHRISTY MERRITT/DYLON VERSCHAGE left and the outstanding balance \$30.40

I have no choice but close the Account again with outstanding amount.

All could we do to mail to the Service Address 2347 Cherry Street because this is the Address we have with our Customer.

Maybe the current renter will forward the Bill to an address we are not aware of.

My question is that what can we do as Utility in a situation like this?

I am aware of the Rule that I cannot make anybody else responsible for Christy Merritt/ Dylan Verschage's outstanding balance but what would be the solution in such cases?

Please inform about the procedure in such situations or what else could we do?

Request No. 1252352W Name MERRIT ,CHRISTY MS Business Name _____

I really appreciate your response,

M.Mitra

Company response entered by R.Castillo

10/04/17 I contacted Ms. Janice Roush regarding her concerns. I explained to Ms. Roush that I received a copy of Ms. Christy Merritt's billing statement dated for 10/02/2017, that on the bill there is a contact telephone number which is (863) 510 - 1318 and also an email address for customers who have billing issues. I informed Ms. Roush since she is not the customer of record and she could not dispute the billing, Ms. Merritt would have to submit her own complaint against the utility regarding improper billing. I also explained to Ms. Roush that the contact telephone on the billing statement does not have to provide customer service 24 hours per day to its customers. It is not required by the F.A.C. therefore Sunrise Utilities is in compliance with F.A.C. Rule 25 - 30.330 Information to Customers. It appears that she understood. Having provided resolution to the complainant over the telephone, this inquiry will be closed as a GI - 30. R.Castillo

Request No. 1252352W

Name MERRIT ,CHRISTY MS

Business Name

PAGE NO: 7

Request No. 1266150W

Name DVENY ,MICHAEL MR.

Business Name _____

Consumer Information	Florida Public Service Commission - Consumer Request	PSC Information
Name: MICHAEL DVENY	2540 Shumard Oak Boulevard Tallahassee, Florida 32309 850-413-6480	Assigned To: SHONNA MCCRAY
Business Name:		Entered By: DV
Svc Address: 2544 EDMOND CIRCLE		Date: 12/29/2017
County: Polk Phone: (863)-412-7460	Utility Information	Time: 09:13
City/Zip: Auburndale / 33823-	Company Code: WU870	Via: PHONE
Account Number: 2544e	Company: SUNRISE UTILITIES, LLC	Prelim Type: QUALITY OF
Caller's Name: MICHAEL DVENY	Attn. Maria Mitral266150W	PO:
Mailing Address: 2544 EDMOND CIRCLE	Response Needed From Company? Y	Disputed Amt: 0.00
City/Zip: AUBURNDALE ,FL 33823-	Date Due: 01/23/2018	Supmntl Rpt Req'd: / /
Can Be Reached:	Fax: R	Certified Letter Sent: / /
E-Tracking Number:	Interim Report Received: / /	Certified Letter Rec'd: / /
	Reply Received: 01/04/2018	Closed by: SDM
	Reply Received Timely/Late: T	Date: 02/13/2018
	Informal Conf.: N	Closeout Type: GI-30
		Apparent Rule Violation: N

Preclose type - Quality of Service

Customer Comments:

Customer states that he paid his bill on 12/21/17 and the bill was not due until 12/23/17. Customer states that it was an electronic payment but his account does not show that Sunrise has cashed the check. Customer states that he received a final notice from the company. He states that there is no customer service phone number where he can call to clarify whether his payment was received. Customer would like a customer service phone number where he can speak to a person about his payment. Please provide a customer service phone number where customer can be assisted.

Per Consumer Complaint Rule 25-22.032, please use the following procedures when responding to PSC complaints.

1. Complaint resolution should be provided to the customer via direct contact with the customer, either

Request No. 1266150W

Name DVENY ,MICHAEL MR.

Business Name _____

verbally or in writing within 15 working days after the complaint has been sent to the company.

2. A response to the PSC is due by 5:00 p.m. Eastern time, of the 15th working days after the complaint has been sent to the company.

3. The response should include the following:

- a) the cause of the problem
- b) actions taken to resolve the customer's complaint
- c) the company's proposed resolution to the complaint
- d) answers to any questions raised by staff in the complaint
- e) confirmation the company has made direct contact with the customer

4. Send your written response to the PSC, and copies of all correspondence with the customer to the following e-mail, fax, or physical addresses:

E-Mail - pscreply@psc.state.fl.us

Fax - 850-413-7168

Mail - 2540 Shumard Oak Blvd.

Tallahassee, Florida 32399-0850

Case taken by Diana Vizcarrondo

12/29/2017 Duplicate case 1266156W deleted and added to this complaint. ACalhoun

"-----Original Message-----"

From: Consumer Contact

Sent: Friday, December 29, 2017 9:58 AM

To: Shonna McCray

Subject: FW: E-Form Improper Billing TRACKING NUMBER: 125545

-----Original Message-----

From: consumerComplaint@psc.state.fl.us [mailto:consumerComplaint@psc.state.fl.us]

Sent: Thursday, December 28, 2017 9:13 PM

To: Consumer Contact

Subject: E-Form Improper Billing TRACKING NUMBER: 125545

CUSTOMER INFORMATION

Name: Michael Dveney

Telephone: (863) 412-7460

Email: mpdveney@gmail.com

Address: 2544 Edmond circle auburndale FL 33823

BUSINESS INFORMATION

Business Account Name: Michael Dveney

Account Number: 2544E

Request No. 1266150W

Name DVENey ,MICHAEL MR.

Business Name _____

Address: 2455 Edmond circle Auburndale FL 33823

Water County Selected: Polk

COMPLAINT INFORMATION

Complaint: Improper Billing against Sunrise Utilities, LLC

Details:

I sent payment in to the water company well before my bill was due they sent me pass due notice today this company is as shady as they get ripping off customers

PSC was contacted previously"

"-----Original Message-----

From: Consumer Contact

Sent: Friday, December 29, 2017 9:58 AM

To: Shonna McCray

Subject: FW: E-Form Service Outage TRACKING NUMBER: 125544

-----Original Message-----

From: consumerComplaint@psc.state.fl.us [mailto:consumerComplaint@psc.state.fl.us]

Sent: Thursday, December 28, 2017 8:43 PM

To: Consumer Contact

Subject: E-Form Service Outage TRACKING NUMBER: 125544

CUSTOMER INFORMATION

Name: Michael Dveney

Telephone: (863) 412-7460

Email: mpdveney@gmail.com

Address: 2544 Edmond circle auburndale FL 33823

BUSINESS INFORMATION

Business Account Name: Michael Dveney

Account Number: 2544E

Address: 2455 Edmond circle Auburndale FL 33823

Water County Selected: Polk

COMPLAINT INFORMATION

Complaint: Service Outage against Sunrise Utilities, LLC

Details:

Request No.	1266150W	Name	DVENY ,MICHAEL MR.	Business Name
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I sent payment in to the water company well before my bill was due they sent me pass due notice today this company is as shady as they get ripping off customers"

Other Comments: Customer states that payment was made by his bank and the company received the payment of \$17.00 on 12/21/17; however, the check has not cleared his account. He stated the bill was \$16.24. Mr. Dveney stated he received a disconnect notice on 12/28/17, requesting payment of \$23.24 or service would be interrupted on 12/19/17.

DO NOT INTERRUPT THE CUSTOMER'S SERVICE WHILE THIS MATTER IS BEING DISPUTED."

01/04/2018 - Company response received via Email. DScott.

1/4/18: Mr. Dveney called to say that he knows for a fact that his payment was mailed in time to get to the company before the due date. He states the company is just lying about receiving the payments in order to charge the late fee. Explained to Mr. Dveney the date mailed does not confirm when the payment was received. Shonna McCray

01/04/2018 - Company response received via Email. DScott.

1/5/18: REVIEWED COMPANY RESPONSE. Response states the following:
"The Customer never contacted us prior made a complaints to PSC.
We received the payment#57287650 for \$17.00 on 12/28/17
Due date was 12/23/2017 when the Final Notices are prepared.

Next day he made two complaint:

FL. PSC CATS NO 1266150W at 9:13 AM and another later at 9:54 AM FL. PSC CATS NO 1266156W
Then contacted the Utility at the same day 9:56 AM and 10:27 AM in one single email.
Since I will repeat myself over and over as last year happened, I need an action for solving the problem for once and all.
The PSC cannot expect from the utility to waste time for false allegations that was already clarified before.
Also we need a resolution for the future and for such repetitious issues.
The same Customer with the same allegation had between 5/15/17 and 9/30/17 FL. PSC CATS NO 1242588W
We tuck our time to explain to PSC and to the Customers also in detail that he is mistaken when he makes the payment two days before due date and expects us to know about his payment.

Simply, we don't receive his payment on the same day, when he makes the payment.
The check(payment) must be mailed and takes time to get to us.
I offered him last time that when the payment is made so close to due date, to send me a copy of his payment here at yourwaterutility@gmail.com to post on his Account but he never take advantage of my offer.

Request No. 1266150W Name DVENEY ,MICHAEL MR. Business Name _____

We explained then and I repeat again that on the same day when an inquire is made we respond from our dedicated email address yourwaterutility@gmail.com

The only way to contact us regarding their Bill, concerns or questions, it is written via email at our dedicated email address yourwaterutility@gmail.com

Our phone line is for emergencies only.

This way we can avoid the "hearsay" who said what which happened in the past but also they have their answer on the same day from the email address.

The Customer never contacted me and has ongoing, unfounded issues with the utility.

I have a record at the Customer history Notes/Reminder section, entered by another representative on 3/19/2016 that he won't collaborate even when we are willing to explain something that he doesn't understands.

At this point I cannot waste more time explaining the same thing over and over as I did between May and September last year.

The Final Notices are prepared on due date and all the payments are posted on the Accounts on the day it is received.

I have problem only with the same Customers who don't make their payment in time or at all but I never have problems with the majority of Customers.

WE MUST REJECT THE CUSTOMER STATEMENT, HIS ALLEGATION AND DEFORMATION OF THE CHARACTER OF THE BUSINESS THE WAY IS BEEN CONDUCTED.

WE DO NOT TAKE LIGHTLY THE CUSTOMER ABUSIVE AND FALSIFIED CLAIM THAT WAS MADE.

"I sent payment in to the water company well before my bill was due they sent me pass due notice today this company is as shady as they get ripping off customers" WAS STATED FROM THE CUSTOMER.

We demand a written explanation or at least a proof from the person who made this statement when was something done illegally or wrong because these accusations are unacceptable.

M.Mitra"

Shonna McCray

1/8/18: REVIEWED COMPANY'S SUPPLEMENTAL RESPONSE. Response states the following:

"I sent this email just for the record, I can assure you.

Last year and before the utility explained several times the procedure for payment.

Choosing to disregard the facts and making false allegations without any evidence makes impossible to have a civilized conversation or communication.

Hopefully you return my respectful manner and appreciate the time and the work I did on your behalf.

it should be a fee for the time and work I spent to explain that you are mistaken and I expect an answer in this matter from the authorized personnel to come to a resolution.

Request No. 1266150W Name DVENY ,MICHAEL MR. Business Name _____

The Utility did not charge you unlawfully in the past or in the present.

M.Mitra"
Shonna McCray

02/06/2018 Customer correspondence received via email, added to file, and forwarded to SMcCray. DHood
"-----Original Message-----

From: consumerComplaint@psc.state.fl.us [mailto:consumerComplaint@psc.state.fl.us]
Sent: Monday, February 05, 2018 5:56 PM
To: Consumer Contact
Subject: E-Form Improper Billing TRACKING NUMBER: 125903

CUSTOMER INFORMATION

Name: Michael Dveney
Telephone: (863) 412-7460
Email: mpdveney@gmail.com
Address: 2544 Edmond circle Auburndale FL 33823

BUSINESS INFORMATION

Business Account Name: Michael Dveney
Account Number:
Address: 2544 Edmond circle Auburndale FL 33823

COMPLAINT INFORMATION

Complaint: Improper Billing against Sunrise Utilities, LLC
Details:

They are saying that I never pay my last month payment and they are saying that I was late this both are not true pls contact me 863-412-7460 this is getting a bit old

PSC was contacted previously"

20/06/2018 Customer posted a duplicate with eform 125902. Only posting eform 125903. Forwarded to SMcCray. DHood

2/7/18: Reviewed customer correspondence; added to file. Customer states the payments are being sent in timely but the company is not. Shonna McCray

Request No. 1266150W Name DVENY ,MICHAEL MR. Business Name

2/8/18: ATTN COMPANY, REQUEST FOR SUPPLEMENTAL RESPONSE:
PLEASE PROVIDE AN UPDATED ACCOUNT HISTORY BY 2/19/18. Shonna McCray

02/08/2018 - Company response received via Email. DScott.

2/12/18: REVIEWED COMPANY RESPONSE. Company provided the Account History as requested. The Account History indicates the following:

- * Payment of \$17.00 was received on 12/28/17, for the 12/3/17 bill in the amount of \$16.24.
- * 1/1/18 bill: \$17.76 current + \$7.00 late fee + \$1.78 taxes - \$0.76 = \$25.78
- * 1/30/18 bill: \$17.25 current + \$25.78 past due + \$7.00 late fee + \$1.73 taxes = \$51.76

Shonna McCray

2/12/18: NOTE: Will have complaint 1270272 deleted and added to this complaint. Shonna McCray

*****02/12/18: The following information was extracted from 1270272W, which has been deleted as a duplicate of 1266150W. RRoland

Preclose Type - Improper Bills

What is the amount of the bill in dispute? \$58.76

What is the date of the bill? 1/30/2018

Why do you believe you have been billed improperly? previous bill was paid

Other Comments: Customer states that he paid his bill of \$25.78 December bill and have the required bank statements that show his payment was not late. Customer states that he received a new bill for \$58.76 in January which included the December amount. Customer states that when he discusses issues with Sunrise Utilities that the customer service person always wants to argue and he cannot get anything resolved. Customer would like someone other than the local customer service person to contact to discuss.

2/13/18: REVIEWED COMPANY RESPONSE PROVIDED FOR 1270272 , WHICH HAS BEEN DELETED. Response states the following:

"Please Note, Consider and find a solution:

Customer Michael Denvey, Service Address 2544 Edmond Circle is out of line here again.

It is one thing to make a Complaint.

But making a complaint before attempting to know all the facts or making false allegations is another thing.

Request No. 1266150W Name DVENEY ,MICHAEL MR. Business Name

The Utility is always open to correct mistakes when they are made or to clarify miscommunications.

This is why we have this dedicated email address for all Billing issues and it is stated on every Bill.

Our goal is always to find a solution and not to waste the time of unnecessary work going in circle with no end result.

I am not against for the rights that a Customer could make a Complaint any time but please begin processing a Complaint by ASKING THE CUSTOMER IF CONTACTED THE UTILITY. And please have a validated tariff for charging the Customer if the allegation was not true.

It is your time and mine and the work does not has the end results we are all working for it.

Sunrise Utility has a dedicated and direct contact with it's Customers VIA EMAIL- to have also a written record about what was the Communication.

Our emergency line is for emergency issues only as needs to be open for any time availability.

The Customer wrote an email at 4:39 PM on 2/9/18 here at yourwaterutility@gmail.com

" So what is the deal this time check was received on the 18th and cash on the 18th for \$26 and never credited to my account please advise why I received a late fee plus previous balance from the last month "

I find it very disrespectful and this rude tone is about start to repeating itself. Not only showing a lack of disrespect but escalating to insult.

This "please advise" was ironically used as turned out from the second email I received from the Customer, (after I explained to him the circumstances we faced during the mistake was made.)

I would make a complaint against him as a Customer, as I was treated unfairly in the past several times but is no use, (I asked the PSC's help to stand up for the company and against the false allegations made but I did not received any answer.)

Regardless that this ONE TIME THAT THE CUSTOMER IS RIGHT, at least what regards his payment made and corrections made he continues to follow his agenda by threatening.

(He is not the only one this Month who needed adjustment on his Account as consequences of some unfortunate events.)

But he never emailed me or clarified how much he paid or asking to correct the mistake accordingly.

I still have no copy of his payment as it was not sent it here and I explained him the reason but it was

Request No. 1266150W Name DVENY ,MICHAEL MR. Business Name

credited.

The Customer is disregarding the facts after I emphasized that our communication are only via email (it is stated on every Bill that Customer receive, that all Billing Issues have a dedicated email address yourwaterutility@gmail.com) leaves text messages on the emergency line.

Everything can be sorted out when it is clarified that a mistake or misunderstanding was made: HERE AT CUSTOMER AND BILLING DEPARTMENT.

Please assist us to close these false allegations or personal crusade against the utility by stating clear that our intentions are to provide water for the people at Sunrise and not to rip off our Customer's as Mr. Denvey believes.

Of course I contacted Mr. Denvey via email but then again we were threatened in the same tone: " Due to a lack of integrity and professionalism I will be contacting PSC every time you mess up regardless what your excuse or problem is as well as the health department for the poor water quality"

Why we need to take these false allegations from this Customer? I don't know. But do I know that is escalating (Verbal bullying and abuse begins with threatening someone or intimidating with false allegations.)

As intermediator party who have all the evidences that the past Complaints were not truthful, please come up with a resolution.

Please take in consideration your time and my time. making mutual efforts for finding the resolution.

Thank you for your time for assisting the company in this matter,

M.Mitra"
Shonna McCray

2/13/18: 12:05 p.m. Returned call to Mr. Dveney at 863-412-7460; no answer; left message requesting a return call. Shonna McCray

2/13/18: Mr. Dveney called directly. He stated the matter appears to be resolved. Mr. Dveney advised that they received a letter from the company indicating if payments are not received before the due date it is past due. Shonna McCray

2/13/18: This inquiry closed. Shonna McCray

Request No. 1266150W

Name DVENY ,MICHAEL MR.

Business Name _____

Request No. 1277057W

Name TUCKER, JONATHAN MR.

Business Name

Consumer Information

Name: JONATHAN TUCKER

Business Name:

Svc Address: 2595 OAK DR.

County: Polk

Phone: (863)-332-3622

City/Zip: Bartow

/ 33830-

Account Number: 2595

Caller's Name: JONATHAN TUCKER

Mailing Address: 2595 OAK DR.

City/Zip: BARTOW, FL 33830-

Can Be Reached:

E-Tracking Number: 126518

**Florida Public Service
Commission - Consumer Request
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
850-413-5480**

Utility Information

Company Code: WUB70

Company: SUNRISE UTILITIES, LLC

Attn. Maria Mitral277057W

Response Needed From Company? Y

Date Due: 05/23/2018

Fax:

R

Interim Report Received: / /

Reply Received: 05/08/2018

Reply Received Timely/Late: T

Informal Conf.: N

PSC Information

Assigned To: REY CASTILLO

Entered By: DH

Date: 05/02/2018

Time: 07:57

Via: E-FORM

Prelim Type: IMPROPER BILLS

PO:

Disputed Amt: 0.00

Supmntl Rpt Req'd: / /

Certified Letter Sent: / /

Certified Letter Rec'd: / /

Closed by: RJC

Date: 06/06/2018

Closeout Type: GI-25

Apparent Rule Violation: N

Please review the "incorporated" Internet correspondence, located between the quotation marks on this form, in which the customer reports the following:

"-----Original Message-----

From: consumerComplaint@psc.state.fl.us [mailto:consumerComplaint@psc.state.fl.us]

Sent: Tuesday, May 01, 2018 5:27 PM

To: Consumer Contact

Subject: E-Form Improper Billing TRACKING NUMBER: 126518

CUSTOMER INFORMATION

Name: Jonathan Tucker

Telephone: (863) 332-3622

Email: Jon.tucker17@aol.com

Request No. 1277057W

Name TUCKER, JONATHAN MR.

Business Name

Address: 2535 Oak Drive Bartow FL 33830

BUSINESS INFORMATION

Business Account Name: Jonathan

Account Number: 2595Oak

Address: 2595 Oak Drive Bartow FL 33830

Water County Selected: Polk

COMPLAINT INFORMATION

Complaint: Improper Billing against Sunrise Utilities, LLC

Details:

I had my water turned on towards the end of December and it began to get towards the end of February and I had not received a bill. I then emailed the company wondering what was going on, and they proceeded to tell me that they send a bill and had not received payment so my water would be shut off. I asked them what the mailing address they had listed was and they said it was 2595. I then told them it was wrong and it was in fact 2535. The lady said she would get it fixed and emailed me my bill in which I sent payment the next day. Now today 5/1/2018 I get home to my water being shut off and an email saying they have not received payment since 2/28/2018 which is when I paid the last time. I however never received a bill in the mail which can only mean that they still have not changed my mailing address in the last five months. They also sent me the fire departments in February somehow. They take forever to email back and have no phone number in which to get in contact with anyone besides the emergency only line. "

Per Consumer Complaint Rule 25-22.032, please use the following procedures when responding to PSC complaints.

1. Complaint resolution should be provided to the customer via direct contact with the customer, either verbally or in writing, within 15 working days after the complaint has been sent to the company.
2. A response to the PSC is due by 5:00 p.m. Eastern time, of the 15th working day after the complaint has been sent to the company.
3. The response should include the following:
 - a) the cause of the problem
 - b) actions taken to resolve the customer's complaint
 - c) the company's proposed resolution to the complaint
 - d) answers to any questions raised by staff in the complaint
 - e) confirmation that the company has made direct contact with the customer
4. Send your written response to the PSC, and copies of all correspondence with the customer to the following e-mail, fax or physical addresses:

Request No. 1277057W

Name TUCKER ,JONATHAN MR.

Business Name _____

E-Mail - pscreply@psc.state.fl.us
Fax - 850-413-7168
Mail - 2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Case taken by Diane Hood

05/08/2018 - Company response received via Email. DScott.

Company response indicates the following:

From: Sunrise&Alturas [mailto:yourwaterutility@gmail.com]
Sent: Tuesday, May 08, 2018 1:40 PM
To: Diane Hood
Subject: Re: FL. PSC CATS NO: 1277057W Jonathan Tucker

The Customer's service was restored at the same day when the complaint was made, the missing payment posted and it was reversed the late fee charges- it was an error from administration part that not changed the MAILING ADDRESS as it is different from the Service Address.

The Customer did not received his Invoices and it was not his fault that we disconnected him.

Customer was contacted on the very same day when the complaint was made, on 5/2/2018 by and a resolution was provided from the company at the same day.

M.Mitra

Company response entered by R.Castillo

05/15/2018 Acknowledgement letter returned marked: "RETURNED TO SENDER/ UNCLAIMED / UNABLE TO FORWARD."
Forwarded to DVizcarrondo /dh

5/15/18 Acknowledgement letter e-mailed to customer. Copy attached to file. DVizcarrondo

05/16/18 I attempted to contact Mr. Tucker to acquire correct mailing address, left message at telephone number 863.332.3622. R.Castillo

06/06/18 Having not received any further contact from the customer, this inquiry will be closed as a GI - 25.

Request No. 1277057W Name TUCKER ,JONATHAN MR. Business Name _____

PAGE NO: 3

R. Castillo

Request No. 1277057W Name TUCKER, JONATHAN MR. Business Name

PAGE NO: 4