

STATE OF FLORIDA

ANDREW GILES FAY
CHAIRMAN



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Public Service Commission

March 23, 2022

RECEIVED-FPSC
2022 MAR 24 AM 8:45
COMMISSION CLERK

Mr. Gary Deremer
4939 Cross Bayou Boulevard
New Port Richey, Florida 34652

Re: Docket No. 20220066-WS - Application for increase in water rates in Washington County, by Sunny Hills Utility Company, Inc.

Mr. Deremer:

The Florida Public Service Commission received your letter on March 21, 2022, regarding a proposed rate case by Sunny Hills Utility Company, Inc. (Sunny Hills or Utility). In that letter, Sunny Hills requested to use a historic test year ended December 31, 2021, for establishing interim and final rates.

Pursuant to Rule 25-30.430, Florida Administrative Code (F.A.C.), Sunny Hills' test year request as outlined above is hereby approved for purposes of filing its Minimum Filing Requirements (MFRs). Docket No. 20220066-WS has been assigned to the forthcoming case. Your petition will be deemed filed on the date the Office of Commission Clerk receives the complete petition, the MFRs, and the full filing fee. To process this case expeditiously, we request that you file the above no later than May 31, 2022.

Pursuant to Section 367.083, Florida Statutes (F.S.), the official filing date will be the date that complete corrections to any deficiencies, if any, are filed. Please note that many schedules included in the MFRs are designed with a column titled "Balance Per Books." This column must reflect the balances on the general ledger and be reconciled with the balances reported in the Utility's Annual Report on file with the Commission. This requirement is applicable to all primary account balances as required by the NARUC Uniform System of Accounts. Pursuant to Rule 25-30.110(2), F.A.C., all data the Commission requests and requires to be submitted in determining a utility's rates "shall be consistent with and reconcilable with the utility's annual report to the Commission."

In addition, Sunny Hills should satisfactorily document that it has recorded all adjustments to the Utility's general ledger and accounts that have been ordered by the Commission in any prior proceeding relating to this system. If adjustments were ordered for prior periods that impact subsequent years, the related adjustments must also be made to reflect the impact for the appropriate period up to and including the approved test year. Further, Sunny Hills should be prepared to justify its requested test year operation and maintenance expenses, particularly those

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expenses which have increased above the level of customer growth and inflation since the test year utilized in the last rate case.

You state the Utility will file its application using the Proposed Agency Action provision set forth in Subsection 367.081(10), F.S. The Utility is instructed to file all information it wishes the Commission to consider when arriving at a decision on its rate case application with its original filing. Because of the time limitations contained in Section 367.081, F.S., and the lengthy auditing and investigation required, the Commission may disregard any information not filed with the original application. Approval of the test year for filing purposes does not mean that an issue regarding the appropriateness of the test period could not be raised during the proceeding. If you have any questions, please contact Todd Brown at (850) 413-6550 or TBrown@psc.state.fl.us.

Sincerely,



Andrew Giles Fay
Chairman

AF/EP:dh

cc: Commissioner Art Graham
Commissioner Gary Clark
Commissioner Mike La Rosa
Commissioner Gabriella Passidomo
Mr. Braulio Baez, Executive Director
Mr. Mark Futrell, Deputy Executive Director
Mr. Keith Hetrick, General Counsel
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Mr. Tom Ballinger, Division of Engineering
✓ Mr. Adam Teitzman, Office of Commission Clerk
Mr. Richard Gentry, Office of Public Counsel