

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in water rates in Washington County by Sunny Hills Utility Company	Docket No. 20220066-WS Filed: April 7, 2022
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APPLICATION OF SUNNY HILLS UTILITY COMPANY FOR INCREASED INTERIM AND FINAL WATER RATES IN WASHINGTON COUNTY

Sunny Hills Utility Company (hereinafter referred to as "Sunny Hills" or "Utility"), by and through its undersigned representative and pursuant to Sections 367.081, Florida Statutes (F.S.), and Chapter 25-30, Florida Administrative Code (F.A.C.), hereby files this Application for increased interim and final water rates for its water system in Washington County.

I. UTILITY INFORMATION

1. The Utility's name as it appears on its certificates and its mailing address are:

Sunny Hills Utility Company
4939 Cross Bayou Blvd.
New Port Richey, Florida 34652
(727) 848-8292 (Telephone)
(727) 848-7701 (Facsimile)

2. The names and addresses of the Utility's authorized representatives are:

Troy Rendell
Vice President
Investor Owned Utilities
U.S. Water Services Corporation
4939 Cross Bayou Blvd.
New Port Richey, Florida 34652
(727) 848-8292 (Telephone)
(727) 848-7701 (Facsimile)

3. Sunny Hills was incorporated on March 1, 2013 under the laws of Florida and is currently authorized to conduct business in Florida. The Florida Public Service Commission approved the transfer of Certificate Nos. 501-W and 435-S from Aqua Utilities Florida, Inc. to Sunny Hills in Order No. PSC-14-0315-PAA-WS, issued June 13, 2014. The names and addresses of the persons who own 5 percent or more of the Utility's stock are:

Gary A. Deremer
President and CEO
4939 Cross Bayou Blvd.
New Port Richey, FL 34652

Victoria Penick
6043 Fall River Dr.
New Port Richey, FL 34655.

4. The last full file and suspend rate proceeding for these water and wastewater systems was in Docket No. 20100330-WS, utilizing a test year ending April 30, 2010, which culminated in Order No. PSC-12-0102-FOF-WS, issued March 5, 2012.

5. A copy of this Application and supporting documents will be made available for public inspection regular business hours at the following address:

U.S. Water Services Corporation
4939 Cross Bayou Blvd.
New Port Richey, Florida 34652
(727) 848-8292 (Telephone)

6. The Utility is requesting interim and final water rates which will allow it to recover all prudently incurred expenses the Utility will incur on a going-forward basis, and generate a fair rate of return on its investment in all property considered used and useful in the public service. The Utility is also requesting pro formal plant for a new iron removal filtration and new generator.

7. The Utility has demonstrated through its supporting schedules within the attached **Volume I** that it is earning outside its range of reasonable returns, calculated in accordance with Section 367.081, Florida Statutes. Submitted as part of **Volume I** are schedules of rate base (Schedules A-1 through A-19), net operating income (Schedules B-1 through B-15), cost of capital (Schedules D-1 through D-7), and rate design (Schedules E-1 through E-14), which also contain the billing analysis pursuant to Rule 25-30.437, F.A.C.

8. Attached hereto as **Exhibit "A"** is an affidavit signed by Gary Deremer, Sunny Hills' President, stating that the Applicant will comply with the notice requirements set forth in Rule 25-22.0407, F.A.C.

9. To minimize rate case expense and in light of the Sunny Hills' financial condition, the Utility requests that this case be processed using the proposed agency action ("PAA") procedures set forth in Section 367.081(8), Florida Statutes. The PAA procedures provide a cost-effective mechanism through which the Commission and its staff can thoroughly address all of the customers' and the Utility's issues related to the rate case. Sunny Hills customers will have ample opportunity to voice any concerns that they may have at customer meetings which will be held in the Utility's service territory. Sunny Hills respectfully submits that utilizing the PAA process will minimize rate case expense to the benefit of customers.

10. The appropriate filing fee of \$3,500 (water) accompanies this Application as required by Section 367.145(2), Florida Statutes, and Rule 25-30.020, Florida Administrative Code, for the Utility's requests for increased water rates.

11. Except as may be specifically identified herein, Sunny Hills does not know of any manner in which this Application deviates from the policies, procedures or guidelines prescribed by relevant Commission rules.

12. There has been no new land recorded on the Utility's books since rate base was last established.

II. APPLICATION FOR INCREASE IN WATER RATES

13. In accordance with Rules 25-30.436 and 25-30.437, Florida Administrative Code and Form PSC/ECR 19, ten copies of Sunny Hills' Financial, Rate and Engineering Minimum Filing Requirements ("MFRs"), have been filed contemporaneously herewith.

14. Sunny Hills is requesting permission to use the Commission's current approved leverage formula to establish return on common equity ("ROE") pursuant to Section 367.081(4)(f), Florida Statutes, and Rule 25-30.433(11), Florida Administrative Code. This leverage formula produces a ROE of 8.74% for Sunny Hills.

15. There are no allocated costs and/or charges from any affiliated or related party.

16. Two copies of Volume II to the MFRs containing the Additional Engineering Information required by Rule 25-30.440(2) – (10), Florida Administrative Code, are included with the MFRs filed herewith.

17. One copy of a detailed map of Sunny Hills water systems subject to the Application, showing the location and size of each system's distribution lines, its plant sites, and the location and respective classification of each system's customers, are filed simultaneously herewith pursuant to Rule 25-30.440(1), Florida Administrative Code.

WHEREFORE, the Utility respectfully requests that the Commission:

- A. Accept jurisdiction of this Application and utilize the PAA procedure set forth in Section 367.081(8), Florida Statutes;
- B. Grant interim water rates as requested herein;
- C. Grant final water rates as requested herein;
- D. Grant such further relief as the Commission deems fair, just, equitable and appropriate.

Respectfully submitted this 7th day of April 2022.



Troy Rendell
Vice President
Investor Owned Utilities
// for Sunny Hills Utility Company
4939 Cross Bayou Blvd.
New Port Richey, Florida 34652
(727) 848-8292 (Telephone)

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a copy of the foregoing Application has been furnished
via U.S. Mail to the following this 7th day of October 2019:

Keith Hetrick
Office of General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Richard Gentry
Office of Public Counsel
c/o The Florida Legislature
111 W Madison St, Room 812
Tallahassee, FL 32399-1400

A handwritten signature in black ink, appearing to read "Troy Rendell", written over a horizontal line.

Troy Rendell
Vice President
Investor Owned Utilities