

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: May 13, 2026

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

FROM: Brian Lenberg, Public Utility Analyst II, Division of Accounting & Finance

RE: Docket No. 20250108-WS - Application for staff-assisted rate case in Lake County by Sunlake Estates Utilities, L.L.C.

Please place the attached email and supporting documentation regarding staffs' responses to Robert Anderson's questions in the consumer correspondence section.

BL/at

Attachment

Brian Lenberg

From: Brian Lenberg
Sent: Wednesday, May 13, 2026 9:04 AM
To: 'Robert.J.Anderson@outlook.com'
Cc: Devlin Higgins; Garret Kelley
Subject: RE: Responses to Submitted Questions

Good morning,

In response to your question two, regarding the Utility's actual 2025 water expenses, the Utility's 2025 annual report reflects actual operating expenses for water of \$131,275.

Please let me know if you have any additional questions.

Best regards,
Brian

From: Brian Lenberg
Sent: Monday, May 11, 2026 8:19 AM
To: 'Robert.J.Anderson@outlook.com' <Robert.J.Anderson@outlook.com>
Cc: Devlin Higgins <DHIGGINS@PSC.STATE.FL.US>; Garret Kelley <GKelley@psc.state.fl.us>
Subject: Responses to Submitted Questions

Good morning,

Attached please find staff's responses to the questions you submitted regarding Sunlake Estates Utilities, Docket No. 20250108-WS.

Please note that staff is still awaiting documentation necessary to provide a response to Question 2. A response to that question will be provided once the documentation is received and reviewed.

Please let me know if you have any additional questions.

Best regards,

Brian Lenberg
Florida Public Service Commission
Public Utility Analyst
Division of Accounting & Finance
Blenberg@PSC.STATE.FL.US
Tel: 850.413-6404

SUNLAKE CUSTOMER QUESTION RESPONSES

1. Why is there a difference, 178 percent increase for 2,000 gallons, 256 percent for 6,000 gallons, and 290 percent for 10,000 gallons?

The percent increase varies based on the amount of water used. As the consumption level increases, the price increases. This is referred to as a tiered rate structure, which encourages water conservation.

2. A rate increase of 135 percent across the board would yield \$145,801 annually which would cover the 2024 expenses. What are the actual 2025 expenses for water?

Staff is still awaiting documentation needed to provide a response. A response will be provided once the documentation is received and reviewed.

3. What has been done to reduce the amount of unaccounted for water loss? A percentage of 27.63 percent, adjusted to 17.63 percent based on a 10 percent allowable, is excessive and should be less than the allowable if possible.

Regarding the amount of excessive unaccounted for water (EUW), staff is still investigating the Utility's EUW and possible causes. Per Commission Rule 25-30.4325(1)(e), Florida Administrative Code (F.A.C.), EUW is defined as unaccounted for water in excess of 10 percent of the amount produced. In accordance with Rule 25-30.4325(10), F.A.C., EUW will be included in the used and useful calculation, and staff will adjust operation and maintenance expenses accordingly.

4. Has the accounting of retiring assets and depreciation on water main equipment been corrected?

Yes, staff has properly accounted for retired assets and depreciation related to water main equipment.

5. Is the current base charge correct or is it still in error?

Yes, the current base charges are correct.

6. Why were accounting practices not followed for ten years?

The Utility stated that the accounting irregularities resulted from a change in the accounting system, as well as certain items being incorrectly coded by company personnel.

7. Sunlake Utilities is amortizing their losses over four years due to accounting errors and not keeping proper books for ten years. Will they actually reduce rates, or claim increased operating expenses? The rate reductions after four years total \$.06 for the base charge and \$.02 for using 0 to 4,000 gallons.

No, staff is not amortizing Sunlake's losses over four years. Staff is amortizing rate case expense over four years and this results in a rate reduction after the expiration of the four-year amortization period for rate case expense.

8. Are units that are using zero gallons per month included in the average monthly water usage per unit?

Yes. Customers with zero gallons of consumption per month are included in the average monthly water usage calculation.

9. The rate increase is designed to reduce average monthly water usage from 5,892 gallons per unit to 3,779 gallons per unit. Does this include the requirement to water lawns twice per week? Does the average water usage include an adjustment for unaccounted for water?

The rate structure is intended to encourage a reduction in average monthly discretionary water usage. The rate structure does not contemplate the customers' requirement of watering lawns twice per week. No, the average water usage calculation does not include unaccounted for water.