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DIVISION OF ECONOMICS
JAMES W. DEAN
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Public Service Commission

June 17, 2015

Richard Woollacott
168 Parkview Circle
Lake Placid, FL 33852

RECEIVED-PSC
15 JUN 17 PM 4:52
COMMISSION
CLERK

Re: Docket No. 140158-WS Application for increase in water and wastewater rates in Highlands County by HC Waterworks, Inc.

Dear Mr. Woollacott:

Thank you for your letter in which you expressed your concerns regarding the proposed rate increase filed by HC Waterworks, Inc. (HC or Utility) and having to pay when you are away. To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

We understand your concerns regarding HC's proposed rate increase. With respect to the development of rates, the Commission is required to set rates that are just, reasonable, compensatory, and not unfairly discriminatory as dictated by Chapter 367, Florida Statutes. During a rate case, the Commission's accountants, engineers, and economists examine the Utility's financial and engineering information to make a recommendation to the Commissioners. In regards to having to pay when you are away, the utility incurs cost regardless or whether a customer is there or not. Pursuant to Rule 25-335 (7), Florida Administrative Code, the utility is allowed to bill the customer its base facility charge regardless of whether there is any usage. The base facility charge covers the cost the utility incurs ensuring that water is ready and available upon demand.

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Staff filed its recommendation on June 4, 2015, in Docket No. 140158-WS and is available on the Commission's website at www.floridapsc.com. The Commissioners are scheduled to vote on staff's recommendation on June 18, 2015. Hopefully, this letter addresses your concerns. If you have any additional questions, or require assistance, please feel free to contact Sonica Bruce at (850) 413-6994 or by email at sbruce@psc.state.fl.us.

Sincerely,

A handwritten signature in black ink that reads "Shannon J. Hudson". The signature is written in a cursive style with a large, prominent "S" at the beginning.

Shannon J. Hudson
Economic Supervisor
Division of Economics

cc: Office of Commission Clerk (Docket No. 140158-WS)