

Florida Public Service Commission
Director, Office of Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0870
Docket No. 150102-SU, Utilities Inc. Of Sandalhaven

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COMMISSION
CLERK

Sirs:

I will be out of state for the hearing Sept. 24th. I therefore am enclosing remarks pertinent to the Sandalhaven's request for rate increases. The main thrust of this letter is the need for this utility to be sold and incorporated into the larger utilities around them. There is no need for them anymore and they are attempting to use these rate increases to obtain bargaining power for its sale.

Janice McHenry
President
Shamrock Shores Homeowners Association

SHAMROCK SHORES HOMEOWNERS ASSOCIATION

Utility Inc. expanded its sewer lines to accommodate what they saw as a big housing boom off Placida Rd. This did not happen as quickly as they anticipated but several developments did build. Hacienda, Cape Haze Resort and Hammocks added a very large number of customers to Utility Inc. books. Another development, Coral Cay, of 95 homes is starting now. Almost all of Utility Inc. customers are in large multiple unit developments with little or none of Utility Inc. own infrastructure. Utility Inc. made a calculated investment and the return is a little slower than they would like. They are asking for a 11% return on their investment. We elderly are getting .5% at best on ours for the last few years. With the 120% increase in their base rate, they are trying to get the present customers to finance their business mistake. Whatever increase they get you can be assured will not decrease as they get more revenue in future years. They are asking for an increase from &6.59/1000gal for treatment of sewage, to &15.75/1000gal, an increase of 150%. As of October1, 2015 they are not going to even be treating sewage, as it will all be going to EWD. What is EWD going to charge them, nothing even close to \$15.75. EWD is presently charging Sandalhaven \$7.28/1000gal. That's \$8.47/1000gal. over their cost. Utility Inc. will only be maintaining the present infrastructure. No personnel will be needed to keep up the treatment plant. This would be a windfall for them as present debt is reduced.

The really practical answer is the incorporation of this tiny utility into the surrounding utilities. They do not have the resources to expand and serve a wider area. They will be surrounded by other utilities that can deliver better and much cheaper services. They already are relying on EWD to treat their waste. With these outrages requests, maybe now is the time to force some agreement. We all know it will have to happen at some time. Giving them a large increase now is only going to encourage them to ask even more for a future buyout. This is at the expense of the present customers.

Janice McHenry

President