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Public Service Commission

September 18, 2015

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15 SEP 18 AM 9:55
COMMISSION
CLERK

Ms. Eleanor Camisulli
13668 County Road 109 B-1
Lady Lake, FL 32159

Re: Docket No. 140217-WU - Application for increase in water rates in Sumter County by Cedar Acres, Inc.

Dear Ms Camisulli:

Thank you for your letter expressing your concerns about the rate increase petition filed by Cedar Acres, Inc. (Cedar Acres or utility). 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.

Many factors affect the rate adjustment or cost of providing water service. These factors can include: the size and age of the utility system; the quality of the water at its source; the number of customers; and the geographic spread of the service area. An additional component for Cedar Acres is the length of time between initial rates being set and this rate proceeding coupled with the initial and existing rates being so very low.

Rates are increased relative to a utility's revenue requirement and are designed in order to allow a utility the opportunity to recover its reasonable and prudent costs for providing service and a reasonable rate of return on its investment in facilities necessary to provide such water service.

We appreciate your letter and understand your concerns regarding the proposed rate increase. The Commission also understands that these are difficult economic times for so many people. I hope the above information is helpful.

Ms. Camisulli
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If you have any additional questions, or require further assistance, please call me at (850) 413-6922 or email me at cgallowa@psc.state.fl.us.

Sincerely,



Cecilia Galloway
Public Utility Analyst

cc: Division of Accounting and Finance (Norris, Fletcher, Smith)
Division of Engineering (Mtenga, Rieger, Vickery)
Division of Economics (Thompson, Hudson)
Office of Commission Clerk (Docket No. 140217-WU)