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STATE OF FLORIDA



DIVISION OF
ACCOUNTING AND FINANCE
ANDREW L. MAUREY
DIRECTOR
(850) 413-6900

Public Service Commission

July 20, 2016

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2016 JUL 20 PM 1:48
COMMISSION
CLERK

Ms. Janet H. Herold
5134 River Birch Ave.
Holiday, FL 34690

Re: Annual reestablishment of price increase or decrease index of major categories of operating costs incurred by water and wastewater utilities pursuant to Section 367.081(4)(a), F.S.

Dear Ms. Herold:

Thank you for your letter expressing your concerns about the 2016 Price Index and Pass-Through rate increase filed by Utilities, Inc. of Florida (UIF 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.

The docket in which you filed your correspondence specifically addresses the annual reestablishment and calculation of a price index. Since March 31, 1981, pursuant to the guidelines established by Section 367.081(4)(a), Florida Statutes (F.S.), and Rule 25-30.420, Florida Administrative Code, the Commission has established a price index increase or decrease for major categories of operating costs on or before March 31 of each year.

Once approved by the Commission, the price index is applied in a process initiated by a utility. This application process, which is handled administratively by Commission staff, allows water and wastewater utilities to adjust rates based on current specific expenses without applying for a rate case. The rate increase calculation and information supporting the calculation are verified by Commission staff. However, this process, as prescribed by Section 367.081(4)(a), F.S., does not consider customer participation in the approval of a utility's price index rate increase. Additionally, the price index rate increase is not subject to a protest period.

We appreciate your letter and understand your concerns regarding the proposed rate increase. However, the Utility's price index application has already been approved by the process outlined above, with the rate increase effective as of June 24, 2016.

Ms. Janet H. Herold

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I hope the above information is helpful. If you have any additional questions, or require further assistance, please call me at 850-413-6984 or email me at amber.norris@psc.state.fl.us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Amber', with a long horizontal flourish extending to the right.

Amber M. Norris
Public Utilities Supervisor

cc: Division of Accounting and Finance (Bulecza-Banks, Fletcher)
Office of General Counsel (Crawford)
Office of Commission Clerk (Docket No. 150005-WS)