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STATE OF FLORIDA



DIVISION OF ECONOMICS
JUDY HARLOW
DIRECTOR
(850) 413-6842

Public Service Commission

September 27, 2018

Charles and Reatha Patterson
25308 Canterbury Drive
Lake Wales, FL 33898

Re: Application for staff-assisted rate case in Polk County by River Ranch Water Management, L.L.C.

Dear Mr. and Mrs. Patterson:

Thank you for your letter in which you expressed concerns regarding the proposed rates included in the preliminary staff report and discussed at the June 20, 2018 customer meeting for the River Ranch Water Management, L.L.C. (River Ranch) staff-assisted rate (SARC). To ensure that the Florida Public Service Commission (Commission) staff and Commissioners have knowledge of your concerns, your letter has been placed in the correspondence section of the docket file.

Pursuant to Section 367.081, Florida Statutes, the Commission must allow each utility under its jurisdiction the opportunity to earn a fair return on its investment. In addition, the Commission is required to set rates that are just, reasonable, compensatory, and not unfairly discriminatory. Staff's proposed rates were designed to reflect the estimated demand for each customer group. However, as a result of staff's site visit, investigation, and customer input, staff discovered that several properties within the service area were not metered and the metered data that was available was not reliable for purposes of estimating customer demand. Therefore, staff is reviewing other methods of estimating demand for purposes of setting final rates.

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Mr. and Mrs. Patterson

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Staff will be filing its recommendation regarding final rates for River Ranch on September 28, 2018. The recommendation will be available for your review on the Commission's website at www.floridapsc.com in Docket No. 20170219-WS. The Commissioners are scheduled to vote on staff's recommendation on October 11, 2018. Hopefully, this letter addresses your concerns. If you have any additional questions or require assistance, please feel free to contact me at (850) 413-6994 or email me at sbruce@psc.state.fl.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Sonia Bruce", written over a faint, illegible background.

Sonia Bruce
Economic Analyst

cc: Office of Commission Clerk (Docket No. 20170219-WS)