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December 8, 1999

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Blanca S. Bayo  
Director, Division of Records & Reporting  
Florida Public Service Commission  
Capital Circle Office Center  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: Petition for Approval of Allowance-For-Funds-Used-During-  
Construction ("AFUDC") Rate in Marion County by Sunshine Utilities  
of Central Florida, Inc., Docket No. 991693-WU

Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket are sixteen (16) copies of revised Schedules A, B and C to the Petition for Approval of Allowance-For-Funds-Used During Construction ("AFUDC") Rate in Marion County by Sunshine Utilities of Central Florida, Inc. ("Sunshine"). The revised schedules correct inadvertent errors in the balances in retained earnings. Please note that the revisions to Schedules A, B and C change the AFUDC rate for which Sunshine is requesting approval to an annual AFUDC rate of 6.52%, with a discounted monthly AFUDC rate of 0.527742%.

Please let us know if you have any questions.

Very truly yours,

HOLLAND & KNIGHT LLP

Karen D. Walker

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Blanca S. Bayo  
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Enclosure  
KDW/

cc: Jennifer Brubaker  
Barry Davis  
Patricia Merchant

*Cronin, Jackson, Nixon & Wilson*  
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

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December 2, 1999

Officers and Directors  
Sunshine Utilities of Central Florida, Inc.

In accordance with your request, we have prepared the accompanying Special Report of Sunshine Utilities of Central Florida, Inc., consisting of revised Schedules A, B, and C. This report is intended solely for use as part of an application for an approved AFUDC rate, based on the 12 months ended September 30, 1999, to be filed with the Florida Public Service Commission.

Because this Special Report was not audited by us, we do not express an opinion or any other form of assurance on it.

*Cronin, Jackson, Nixon & Wilson*  
CRONIN, JACKSON, NIXON & WILSON

Sunshine Utilities of Central Florida, Inc.  
Average Cost of Capital Used to Calculate Annual AFUDC Rate  
For the Twelve Months Ended September 30, 1999

Line No.		Average Balance 03/31/95	Percent Ratio	Cost of Each Percent	Weighted Cost
1	<b>Capital Structure</b>				
2	Common equity	\$ 560,821	41.28%	10.05%	4.15%
3	Long-term debt				
4	Sun Bank Loan	24,659	1.82%	8.25%	0.15%
5	Isuzu Truck Loan	24,587	1.81%	9.00%	0.16%
6	DEP Loan A	2,734	0.20%	3.10%	0.01%
7	DEP Loan B	711,796	52.40%	3.63%	1.90%
8	Customer deposits	33,855	2.49%	6.00%	0.15%
9		<u>\$ 1,358,452</u>	<u>100.00%</u>		<u>6.52%</u>

Sunshine Utilities of Central Florida, Inc.  
 Schedule of Average Capital Structure and Adjustments  
 For the Twelve Months Ended September 30, 1999  
 (Unaudited)

Line No.		Average Balance per Books	Adjustments (1)	Adjusted Average Balance
1	<u>Class of Capital</u>			
2	Common equity (deficit)	\$ 560,821		\$ 560,821
3	Long-term debt	51,980	\$ 711,796	763,776
4	Customer deposits	<u>33,855</u>		<u>33,855</u>
5		<u>\$ 646,656</u>	<u>\$ 711,796</u>	<u>\$ 1,358,452</u>

Note (1): Proforma adjustment to include simple average balance of DEP loan from the Drinking Water State Revolving Fund in principal amount of \$1,423,591.

Sunshine Utilities of Central Florida, Inc.  
Schedule of Average Capital Structure  
For the Twelve Months Ended September 30, 1999  
(Unaudited)

Line No.	Common Equity				Long Term Debt			Customer Deposits
	Common Stock	Additional Paid-in Capital	Retained Earnings (Deficit)	Total	Sun Bank	1997 Isuzus	DEP Loan A	
1	October, 1998	\$ 100	\$ 440,151	\$ 169,221	\$ 609,472	\$ 47,810	\$ 29,564	\$ 32,142
2	November, 1998	100	440,151	171,930	612,181	42,810	28,681	32,222
3	December, 1998	100	440,151	103,950	544,201	42,810	27,792	33,022
4	January, 1999	100	440,151	102,800	543,051	37,810	26,897	33,422
5	February, 1999	100	440,151	73,344	513,595	32,810	25,994	33,862
6	March, 1999	100	440,151	78,115	518,366	27,810	25,085	34,222
7	April, 1999	100	440,151	93,553	533,804	22,810	24,169	34,142
8	May, 1999	100	440,151	111,764	552,015	17,810	23,246	\$ 6,562 34,182
9	June, 1999	100	440,151	127,642	567,893	12,810	22,316	6,562 34,262
10	July, 1999	100	440,151	135,565	575,816	7,810	21,380	6,562 34,902
11	August, 1999	100	440,151	134,829	575,080	2,810	20,436	6,562 34,902
12	September, 1999	100	440,151	144,127	584,378	-	19,485	6,562 34,982
13	12-month average	\$ 100.0	\$ 440,151	\$ 120,570	\$ 560,821	\$ 24,659	\$ 24,587	\$ 2,734 \$ 33,855
14	Interest rate					0.0825	0.0900	0.0310 0.0600

Sunshine Utilities of Central Florida, Inc.  
 Calculation of AFUDC Rate  
 (Unaudited)

Line  
 No.

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1 I. Formula  
 2  $M = [(1 + \frac{A}{100})^{1/12} - 1] \times 100$   
 3

4 Where:  
 5 M = Discounted monthly AFUDC rate  
 6 A = Annual AFUDC rate

7 II. Application  
 8  $M = [(1 + \frac{6.52}{100})^{1/12} - 1] \times 100$   
 9

11  $M = [(1.0652)^{1/12} - 1] \times 100$

12  $M = [1.00527742 - 1] \times 100$

13  $M = 0.527742$