

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: March 8, 2018

TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk

FROM: Justin Swards, Public Utility Analyst I, Division of Accounting & Finance

RE: Docket No. 20160220-WS - Application for original water and wastewater certificates in Sumter County, by South Sumter Utility Company, LLC.

Please add the attached correspondence regarding requested revenues to the docket file referenced above.

Justin Sowards

From: Martin S. Friedman <mfriedman@ff-attorneys.com>
Sent: Wednesday, March 07, 2018 4:07 PM
To: Amber Norris; Justin Sowards
Cc: Arnett, Trey; Debbie Swain
Subject: DN: 20160220-WS/South Sumter Utility Company

Amber & Justin,

The explanation is as I mentioned: SSU is requesting rates which will generate less than the allowed rate of return. The rates which would produce the authorized rate of return are shown on Schedule 7 in the column titled "Required Revenues". As explained below, SSU then reduced the revenue requirement requested as shown on Schedule 7, in the column titled "Requested Revenues". The reduction in requested revenues from required revenues was proposed by SSU based on a comparison with the rates currently being paid by other residents of The Villages. While it was not possible to operate SSU with revenues which would result in the same rates as the other utilities in The Villages, SSU can accept the reduced rate of return and maintain its financial viability.

Let me know if you need anything further. Regards, Marty

MARTIN S. FRIEDMAN, ESQ.
Shareholder



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