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May 17, 2019

Via E-Mail

Chairman Art Graham
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

Re: Lighthouse Utility Company Inc. - Request for Test Year Approval Pursuant to
Rule 25-30.430, Florida Administrative Code

Dear Chairman Graham:

Pursuant to Rule 25-30.430, Florida Administrative Code, Lighthouse Utilities Company, Inc. (the “Company”) requests approval of a test year. The Company intends to submit an application for general rate relief to the Commission for its water system in Gulf County, Florida, and plans to file its application, including the minimum filing requirements (MFRs), on or around July 1, 2019. The Company’s rates were last established in Docket No. 100128-WU by Order No. PSC-11-00415-CO-WU dated September 26, 2011, using a test year ending December 31, 2009.

Background

On September 26, 2018, pursuant to section 367.0822, Florida Statutes, the Company petitioned the Commission for a limited proceeding to increase its water rates to cover the cost of a capital project to (i) bring its aged water system into compliance with state and federal minimum requirements for water quality, including a Florida Department of Environmental (“FDEP”) consent order dated July 9th 2018, and (ii) harden the Company’s system which is located along coastal areas in Gulf County, Florida and vulnerable to hurricane damage.¹ Unfortunately, on October 10, 2019 -- just 14 days after the Company filed its petition for limited proceeding -- Hurricane Michael destroyed or damaged substantial portions of the Company’s water distribution system.

¹ The limited proceeding has been assigned Docket No. 20180179-WU and the Company has paid the Commission the required \$1,750.00 application fee.

Although the Company is still intent on bringing its water system into compliance with applicable water quality standards and hardening the system against future storms, it has not been able to reach a stipulation with the Office of Public Counsel that a limited proceeding pursuant to section 367.0882 is the appropriate process for seeking rate relief under these circumstances. To avoid the delay and expense in trying to resolve whether the limited proceeding process is available, the Company will file a general rate case pursuant to section 367.081, Florida Statutes. Consequently, the Company is hereby withdrawing its application for limited proceeding in Docket No. 20180179-WU, and would respectfully request that the application fee previously paid in that docket be credited toward the Company's application fee for a general rate increase when that application is filed.

Request for Test Year

As part of its request for permanent and interim rate relief, the Company respectfully requests approval of a test year ending December 31, 2018. That test year is as representative of the utility's current operations as reasonably possible taking into account the extensive damage to the Company's water system caused by Hurricane Michael.

To repair, rebuild and harden its water system, and to bring it into compliance with FDEP requirements, the Company anticipates including pro forma additions which are expected to include but are not limited to: a well and treatment station; a ground storage tank; raw water mains ; additional back-up power supply; upgrades to existing water treatment and storage components; and, electrical upgrades to raise pump controls above new FEMA Flood Elevation requirements.

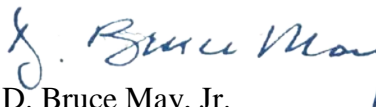
Proposed Agency Action Procedure

To minimize rate case expense and mitigate rate impact, LUCI requests that this case be processed using the proposed agency action procedures set forth in section 367.081(8), Florida Statutes.

Should you or Commission Staff have any questions regarding this request, please do not hesitate to contact me.

Sincerely,

HOLLAND & KNIGHT LLP


D. Bruce May, Jr.

DBM:kjg

cc: Commissioner Gary F. Clark
Commissioner Julie Imanuel Brown

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Commissioner Donald J. Polmann
Commissioner Andrew Giles Fay
J. R. Kelley, Office of Public Counsel
Keith Hetrick, Commission General Counsel
Andrew Maurey, Director, Accounting & Finance
Adam Teitzman, Commission Clerk
Jay Rish, Lighthouse Utilities Company, Inc.