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Mr. Adam Teitzman, Clerk Florida Public Service Commission 2540 Shumard Oak Boulevard Tallahassee, Florida 32399-0850

Re: Sun Communities Finance Water Oak Utility – Exemption from Regulation for Wastewater Service

Dear Mr. Teitzman,

Sun Communities Finance LLC d/b/a Water Oak Utility ("Water Oak") operates a regulated water and wastewater system in Lake County, Florida. It is anticipated that on approximately February 1, 2020 Water Oak will cease operation of its own wastewater treatment plant and begin receiving bulk wastewater service from the Town of Lady Lake. Thereafter, the utility will provide wastewater service at a rate or charge which does not exceed the actual purchase price of the bulk wastewater service from the Town of Lady Lake. This will be accomplished by splitting each bulk service bill among the retail customers based upon their water usage. No "add on" charges will be assessed. As such, under the provisions of Section 367.022 (8), Florida Statutes, the wastewater system will be exempt from regulation by the Florida Public Service Commission. The water system will continue to be operated as a regulated utility.

While nothing in the statute or rules requires a notification or application to be filed with the Florida Public Service Commission of a utility's intent to become an exempt utility, Water Oak Utility felt that it was appropriate to give the Commission this advance notice.

As soon as the transition is complete, and the utility has begun operating as an exempt entity, it will prepare the necessary reports and payments of regulatory assessment fees and submit them in a timely manner to the Florida Public Service Commission as required by statute and rule.

Should you or any members of the Commission staff have any questions in this regard, please let me know.

Sincerely,

A. Marshall Detending/brf

F. Marshall Deterding Of Counsel

FMD/brf cc: Jim Hoekstra Brad Pinover