



Florida Public Service Commission **SPECIAL REPORT**

APRIL 2007

Application for a Limited Proceeding Rate Increase in Monroe County by

Key Haven Utility Corporation

DOCKET NO. 070041-SU

On January 11, 2007, Key Haven Utility Corporation (Key Haven or utility) filed an application with the Florida Public Service Commission (Commission) for a limited proceeding to increase its wastewater rates. Key Haven, a wastewater utility, provides service to approximately 446 customers in Monroe County. The utility's last rate case was conducted in 2002.

Key Haven is requesting a rate increase of \$99,287 or 27.49% in order to recover the costs associated with its continuing project for slip lining and main replacement in order to reduce saltwater infiltration of the collection system. The Florida Department of Environmental Protection identified the saltwater problems as the cause for wastewater treatment plant malfunctions. The utility also states that a portion of the requested rate increase is necessary to recover costs associated with the 2005 hurricane season.

At present, the average monthly bill for residential customers is \$69.15 (base facility charge plus gallonage charge). The average monthly bill, if the utility's requested increase was approved, would increase to approximately \$88.16 per month.

As part of the process of evaluating Key Haven's rate request, the Commission staff conducts a customer meeting to allow customers the opportunity to express their concerns about the utility and the rate setting process. Customer comments, written and oral, are taken into consideration to assist the Commissioners in reaching their decision. Utility customers are invited to give their feedback at the meeting in this case.

This rate case is being processed under the Commission's "Proposed Agency Action" (PAA) procedure. Under the PAA process, the case will not be set for a formal hearing unless a timely protest to the Commission's proposed agency action is filed.

The Commission staff is scheduled to file a recommendation with the Commission on June 7, 2007. The Commissioners are expected to vote on this matter at the June 19, 2007 Agenda Conference.

Customer Meeting

Thursday, April 5, 2007

6:00 p.m.

Old City Hall

510 Green Street
Key West, Florida

For more information:

For technical questions:

Troy Rendell (850) 413-6934

Rick Wright (850) 413-6435

For legal questions:

Lorena Holley (850) 413-6193

For general questions:

Dick Durbin (850) 413-6121

Or call toll-free 1-800-342-3552

(1-800-511-0809 to fax)

E-mail: contact@psc.state.fl.us

Internet Home Page: www.floridapsc.com

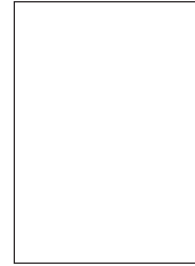
P S C C O M M I S S I O N E R S



Vacant


 COMMISSIONER
 Matthew M. Carter II

 CHAIRMAN
 Lisa Polak Edgar

 COMMISSIONER
 Katrina J. McMurrin


Vacant

Lisa Polak Edgar was appointed to the Florida Public Service Commission by Governor Jeb Bush for a four-year term beginning January 2005; she assumed the chairmanship at the PSC in January 2006. Chairman Edgar is a member of the National Association of Regulatory Utility Commissioners Board of Directors, telecommunications committee and was appointed by the Federal Communications Commission to the Universal Service Joint Board for a three-year term beginning November 2005. Prior to her appointment, Chairman Edgar served as Deputy Secretary for Planning and Management for the Florida Department of Environmental Protection (DEP) from August 1999 through January 2005. Her responsibilities at DEP included oversight of the agency's \$2.1 billion budget, fiscal and strategic planning, accountability measures, information technology, administrative services, and coordination between the state and federal government on environmental issues, including oil and gas drilling on the Outer Continental Shelf. Prior to serving at DEP, Chairman Edgar was chief analyst on Environmental Policy for the Office of Policy and Budget, Executive Office of the Governor. Chairman Edgar was appointed by the Secretary of the U.S. Department of Interior to represent the State of Florida on the Minerals Management Service Outer Continental Shelf (OCS) Policy Committee from 1993-2004. She served on the Subcommittees on Environmental Studies in OCS Areas under Moratoria and OCS Hard Minerals. During her career in public service, Chairman Edgar has also served as senior cabinet aide in the Department of Agriculture and Consumer Services, as staff counsel and legislative analyst for the Florida Senate Committees on Reapportionment and Regulated Industries, completed the Harvard Kennedy School of Government program for Senior Executives in State and Local Government, and co-taught a special topics graduate course on the Everglades at Florida A&M University. She is a member of Leadership Florida, Class XXIV. Chairman Edgar graduated cum laude from Florida State University in 1985 with a Bachelor's degree in political science and minor in English. She studied in London during her undergraduate education and in Yugoslavia during law school. She received a juris doctorate from the Florida State University College of Law in 1988 and is a member of the Florida Bar.

Commissioner Matthew Mark Carter II was appointed to the Florida Public Service Commission by Governor Jeb Bush for a four-year term beginning January 2006. Currently, he serves on the National Association of Regulatory Utility Commissioners Committee on Water, the Committee on International Relations, and the Ad Hoc Committee on Critical Infrastructure. Commissioner Carter is the son of the late Rev. Matthew and Pearl Carter. He was born in Douglas, Georgia and educated in the public schools there. He graduated from Atkinson County High School (in Pearson). After graduation from high school, he volunteered for the United States Army. In the Army, he served in the Presidential Honor Guard in Washington, D.C. and the First Armored Division in Germany. After being honorably discharged from the Army, Commissioner Carter attended Tallahassee Community College where he graduated with honors. He then attended Florida State University and graduated with a Bachelor's of Science in Mass Communications and was commissioned a Second Lieutenant in the United States Army Reserve and later the Florida National Guard. After a tour of duty with the 124th Infantry in the Panama Canal Zone, Commissioner Carter returned to Tallahassee where he set up a public relations firm concentrating on political campaigns for over ten years. Afterward, he entered into the financial investment industry and worked as a financial consultant for Waddell & Reed, Florida Professional Services Group, and Merrill Lynch. Commissioner Carter left Merrill Lynch to complete law school at the Florida State University College of Law. After graduation, he became a member of the Florida Bar and a Minister of the Gospel of Jesus Christ. As an attorney, he specialized in business law. He also served as a communications consultant and senior manager for private industry and governmental agencies. Commissioner Carter obtained a Master's degree in Theological Science from Smith Chapel Bible College and was awarded an honorary Doctor of Divinity degree from the St. Thomas Christian College. Commissioner Carter is currently pastor of the Beulah Hill Missionary Baptist Church in Gretna, Florida, where he also serves as President of the Congress of Christian Education (Union Baptist Association) and Vice Moderator for the Gadsden County Baptist Association. He has also written the book *The 90% Rule – How to Get Out of Debt and Prosper and Why It's Important*. Commissioner Carter is married to the former Rita Taylor (of Enigma, Georgia) and they have two beautiful daughters: Pearl and Markesha.

Katrina J. McMurrin was appointed to the Florida Public Service Commission by Governor Jeb Bush for a four-year term beginning January 2006. Commissioner McMurrin serves on the National Association of Regulatory Utility Commissioners (NARUC) Committee on Consumer Affairs, the Committee on Electricity, the Subcommittee on Nuclear Issues – Waste Disposal, the Subcommittee on Education and Research, and the Task Force on Net Neutrality, as well as the Executive Committee of the Nuclear Waste Strategy Coalition. Participation in these committees affords Commissioner McMurrin the opportunity to engage in national policy issues that impact each of the industries regulated by the Commission, the state economy, and millions of Florida consumers. In the eleven years prior to appointment, Commissioner McMurrin developed extensive experience in regulatory policy issues involving energy, water, and telecommunications. From 2001 to 2005, Commissioner McMurrin served consecutive terms as Chief Advisor to Commissioners Palecki and Davidson, advising them on all Commission proceedings and policy matters. Prior to becoming a Chief Advisor, Commissioner McMurrin managed the State Liaison Section of the Commission's Division of Policy Analysis & Intergovernmental Liaison. Here, she consulted with state and local government agencies on issues such as "black water," reuse, universal service, and electric reliability. Before leading the State Liaison Section, Commissioner McMurrin served as the Commission's primary liaison on all nuclear energy matters for over three years. Additionally, she was instrumental in drafting the Commission's positions on electric industry restructuring. In recognition of her work on federal energy policy, Commissioner McMurrin was a recipient of the PSC Extraordinary Accomplishment Award in 1999 and the PSC Outstanding Achievement Award in 1997. A Northwest Florida native, Commissioner McMurrin received a Bachelor's degree in finance from Florida State University in 1994 and an MBA from FSU in 1998.

Consumer Statements at PSC Meetings

The Commission is interested in what consumers have to say about the application for a limited proceeding rate increase in Monroe county by Key Haven Utility Corporation. The main purpose of this meeting is to receive comments from the public.

Anyone may make a statement, and speaking is an effective way to let the Commission know how you feel about the case under review. At the beginning of the meeting, procedures will be set up to establish an order for comments. PSC staff will have sign-up sheets that will be used to call consumers to speak. PSC staff will also be available to coordinate consumer comments and assist members of the public.

Any person who wishes to comment or provide information to the PSC staff regarding this matter may do so at the meeting, orally or in writing. Written comments also may be mailed to: Florida Public Service Commission, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, or faxed to 1-800-511-0809. Correspondence will be placed in the file of this docket (Docket No. 070041-SU). For your convenience, a comment form is attached to this Special Report.

Any person who wishes to obtain a copy of the Commission staff's recommendation or the Commission's order in this case may do so by writing to: Florida Public Service Commission, Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, or by going on-line at www.floridapsc.com.

Florida Public Service Commission

2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

The Public Service Commission provides a staff of information specialists who are available to answer questions from Florida consumers.

To reach a consumer representative, please call the Public Service Commission during business hours at **1-800-342-3552**, or send a fax to 1-800-511-0809. See the PSC's Internet home page at www.floridapsc.com.

W A S T E W A T E R

Class/Meter Sizes	Current Rates	Proposed Increase	Proposed Rates
Residential (27.49% Increase)			
Base facility charges			
5/8" x 3/4"	\$ 26.10	\$ 7.17	\$ 33.27
Gallonage Charges per 1,000 gallons			
Maximum of 10,000 gallons	\$ 6.87	\$ 1.89	\$ 8.76
General Service (27.49% Increase)			
Base facility charges			
5/8" x 3/4"	\$ 26.10	\$ 7.17	\$ 33.27
1"	\$ 65.27	\$ 17.94	\$ 83.21
1 1/2"	\$ 130.55	\$ 35.89	\$ 166.44
2"	\$ 208.88	\$ 57.42	\$ 266.30
3"	\$ 417.76	\$ 114.84	\$ 532.60
4"	\$ 652.74	\$ 179.44	\$ 832.18
6"	\$ 1,305.50	\$ 358.88	\$ 1,664.38
8"	\$ 2,088.81	\$ 574.21	\$ 2,663.02
Gallonage charge per 10,000 gallons			
	\$ 8.24	\$ 2.27	\$ 10.51

STAMP

Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

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