



Florida Public Service Commission

SPECIAL REPORT

SEPTEMBER 2010

Application for increase in water rates by

Ni Florida, LLC

DOCKET NO. 100149-WU

On July 28, 2010, Ni Florida, LLC (Ni Florida) filed an application with the Florida Public Service Commission (PSC or Commission) for an increase in water rates. Ni Florida is a Class A utility serving approximately 745 water customers in Lee County.

QUESTIONS & ANSWERS

1 Is there an opportunity for public input on this case?

Yes. As part of the evaluation process for Ni Florida's request, the Commission staff will conduct a customer meeting to allow customer feedback about Ni Florida and the rate setting process. Customer comments, written and oral, will be taken into consideration when the Commission reaches a decision. One or more Commissioners may attend and participate during the meeting.

2 Why is Ni Florida requesting a rate increase?

Ni Florida is requesting a rate increase to cover increasing operating costs and to earn a fair rate of return on its investment.

3 When was Ni Florida's last approved rate increase?

Ni Florida's last approved rate increase was in December 2009 for its sewer system in Pasco County.

4 Presently, how much is the average monthly water bill for a residential customer?

Currently, the average monthly water bill for a residential customer is \$19.98.

CUSTOMER MEETING

Wednesday, September 29, 2010

6:00 p.m.

Friendship Hall at Tamiami Village

16555-A North Cleveland Avenue

North Ft. Myers, FL 33903

To check if a meeting has been canceled, look on the Commission's Web site (www.floridapsc.com) under the Hot Topics link on the home page. Cancellation can also be confirmed by calling the Office of the General Counsel at (850) 413-6199.

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5 Using Ni Florida's proposed rates, how much would the average monthly water bill be for a residential customer?

Using Ni Florida's proposal, the average monthly water bill for a residential customer would be \$37.26.

6 What if I can't make the customer meeting or prefer not to speak? Are there other ways to comment on the issue?

Any person who wants to comment or provide information to the Commission regarding this matter may do so orally at the meeting or in writing. Correspondence will be placed in the docket file. Written comments should be mailed to:

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

The PSC will also accept faxes and e-mails.

Fax number: 1-800-511-0809

Internet e-mail address:
contact@psc.state.fl.us

Please be sure to include the docket number, **100149 - WU**.

Customer comments are placed on the consumer side of the docket file and are taken into consideration by the Commissioners in reaching their decision. In accordance with Florida Statutes, the PSC will also consider Ni Florida's quality of service and other matters. If you have questions, call the Florida Public Service Commission's Division of Service, Safety and Consumer Assistance at 1-800-342-3552.

7 Who can answer technical or legal questions?

For technical questions, contact:

Jared Deason
(850) 413-6844

Kaley Thompson
(850) 413-6443

Jay Williams
(850) 413-6447

Paul Stallcup
(850) 413-6441

Bart Fletcher
(850) 413-7017

For legal questions, contact:

Ralph Jaeger
(850) 413-6234

8 Where on the Internet can I obtain more detailed information?

Detailed docket information is available on the PSC Web site at www.floridapsc.com. Click on **Dockets and Filings/Dockets** and then type in the docket number, **100149**.

9 When will the PSC make a decision?

The PSC staff is scheduled to file a recommendation with the Commission on December 2, 2010. The Commissioners are expected to vote on this matter at the December 14, 2010 Commission Conference.

PSC Commissioners



COMMISSIONER
Art Graham



COMMISSIONER
Lisa Polak Edgar



CHAIRMAN
Nancy Argenziano



COMMISSIONER
Nathan A. Skop



COMMISSIONER
Ronald A. Brisé

Nancy Argenziano was appointed to the Florida Public Service Commission by Governor Charlie Crist for a four-year term beginning May 2007 and was elected Chairman for the years 2010 and 2011. Before her appointment to the PSC, Chairman Argenziano served more than 10 years in the Florida legislature. She was first elected to the Florida House of Representatives in 1996 (District 43) and served there until her election in 2002 to the Florida Senate (District 3). ♦ While serving in the legislature, she served on many different committee and council assignments including Environmental Preservation, Governmental Oversight (Chair), Comprehensive Planning, Criminal Justice (Chair), Criminal Justice Appropriations, Regulated Industries, Rules and Calendar, Agriculture (Chair), Administrative Procedure, Public Service Commission Oversight, Ethics and Elections, Health Policy, Elder Affairs (Chair), Healthcare Council (Chair), Crime and Punishment, Water Resource Management, and Utilities and Communication. ♦ As a Senator, her legislative career focused on protection of the elderly and other vulnerable citizens, resource protection, and full participation of the citizens in their government. Notable legislation which she has sponsored includes nursing home reform, "local sources first" (water use), two pharmacy discount programs, a law providing for clearing the courtroom for victim sex crime testimony, enhanced penalties for crimes against the elderly, Public Counsel representation in utility rates cases, protection of our springs, a "scambusters" program for the protection of consumers, and protection for our children from sexual predators (the Jessica Lunsford Act), just to mention a few. ♦ Chairman Argenziano has one son, Joseph, who has proudly served his country for 14 years in the United States Air Force. Chairman Argenziano is a member of the National Association of Regulatory Utility Commissioners (NARUC).

Lisa Polak Edgar was appointed to the Florida Public Service Commission (PSC) by Governor Jeb Bush for a four-year term beginning January 2005. From January 2006 to January 2008, she served as Chairman and participated as a member of the Florida Energy Commission and the Governor's Action Team on Energy and Climate Change. Governor Charlie Crist reappointed Commissioner Edgar to a second four-year term, January 2009 through December 2012. ♦ During her first term, Commissioner Edgar worked to develop policies to strengthen the state's electric infrastructure to better prepare for, and withstand, storm events; to establish net metering and interconnection rules that encourage customer participation and renewable energy development; to further the diversification of Florida's fuel supply; to effectively reform the collection and distribution of Universal Service funds; and to broaden stakeholder participation. ♦ Commissioner Edgar served on the Federal Communications Commission Universal Service Joint Board from 2005 through 2009 working for efficient, accountable and fiscally responsible use of Universal Service funds. She is currently a member of the National Association of Regulatory Utility Commissioners Board of Directors, as well as the Committees on Electricity and Consumer Affairs. ♦ Prior to joining the PSC, Commissioner Edgar served as Deputy Secretary for the Florida Department of Environmental Protection (DEP). Her responsibilities at DEP included executive management oversight of the agency's \$2.1 billion budget, fiscal and strategic planning, accountability measures, information technology, administrative services, Florida Geological Survey, and coordination between the state and federal government on environmental issues, including proposed and existing oil and gas drilling on the Outer Continental Shelf. Commissioner Edgar represented the State of Florida on the Minerals Management Service Outer Continental Shelf (OCS) Policy Committee from 1993-2004, and on the Subcommittees on Environmental Studies in OCS Areas under Moratoria and OCS Hard Minerals. ♦ Commissioner Edgar received her Bachelor of Science and Juris Doctorate degrees from Florida State University and is a member of the Florida Bar. She is a member of Leadership Florida and the Capital Tiger Bay Club, and serves on the Board of Directors of Sustainable Florida—Collins Center. ♦ Commissioner Edgar and her husband are members of Killlearn United Methodist Church and are raising their two active children in Tallahassee.

Nathan A. Skop was appointed to the Florida Public Service Commission by Governor Charlie Crist for a four-year term beginning January 2007. ♦ Commissioner Skop currently serves as a faculty instructor for the National Association of Regulatory Utility Commissioners (NARUC) Utility Rate School. Commissioner Skop also serves on the NARUC Committee on Electricity and the Subcommittee on Nuclear Issues - Waste Disposal. Commissioner Skop previously served on the NARUC Committee for Consumer Affairs and the Committee on Energy Resources and the Environment. ♦ Prior to his appointment, Commissioner Skop gained over thirteen years of engineering, manufacturing, operations, program management, and financial management experience working for Fortune 500 corporations. ♦ Commissioner Skop began his professional career as a nuclear project engineer with the Electric Boat Division of General Dynamics Corporation in Groton, Connecticut. As a member of the Advanced Propulsion

PSC Commissioners continued

Plant Technology Program he participated in the design, integration, and qualification testing of nuclear submarine propulsion system turbomachinery for the USS SEAWOLF (SSN 21), and participated in the initial criticality and power range testing of the USS SANTA FE (SSN 763) nuclear submarine reactor plant. ♦ Commissioner Skop continued his professional career as a specialist engineer with the Propulsion Systems and Customer Service divisions of the Boeing Commercial Airplane Group in Seattle, Washington. While serving in these positions he participated in the design, integration, and test of Engine Build-Up installations for Pratt & Whitney engines installed on Boeing 777 aircraft, and supported General Electric aircraft engines installed on Boeing 747, 767, and 777 aircraft. ♦ Prior to attending law school, Commissioner Skop gained substantial renewable energy and energy industry experience as a business manager with FPL Energy (an unregulated subsidiary of FPL Group) through managing nine renewable wind energy projects located in Altamont Pass, California, and a coal fired co-generation plant located in Stockton, California. ♦ Commissioner Skop's extensive power generation experience includes renewable energy (wind and solar), fossil fuel (combined cycle, gas turbine, co-generation, and coal), and nuclear power. ♦ Commissioner Skop graduated from the University of Florida with a BS in Aerospace Engineering in 1991. He later earned an MBA with concentrations in financial management and investment analysis from Rensselaer Polytechnic Institute in 1996, and a JD from the University of Florida Levin College of Law in 2006. Commissioner Skop also holds a graduate level certificate in environmental management from the Hartford Graduate Center and attended an executive education program focusing on mergers and acquisitions at the Wharton School of Business at the University of Pennsylvania. ♦ Commissioner Skop has been quoted in BusinessWeek, The New York Times, and NPR Morning Edition on regulatory policy issues, and had a case comment published in the Journal of Technology Law & Policy for the Levin College of Law at the University of Florida. ♦ Commissioner Skop is admitted to practice law in Florida, a member of the Florida Bar, and serves as a Guardian ad Litem for the Circuit Court of the Second Judicial Circuit in Leon County. ♦ Commissioner Skop was raised in Sanford, Florida. Prior to relocating to Tallahassee to serve in his current position, Commissioner Skop previously lived in Gainesville and Palm Beach Gardens, Florida.

Art Graham was appointed to the Florida Public Service Commission by Governor Charlie Christ to fill an unexpired term through January 2014. Prior to his appointment, Commissioner Graham served on the Jacksonville City Council. ♦ Among his duties as a council member, Commissioner Graham helped oversee the budget of JEA; a publicly owned electric, water, and wastewater utility; and chaired the Transportation, Energy and Utilities Committee. He also served on the Jacksonville Beach City Council from 1998 to 2002. ♦ Commissioner Graham is a past chair of the North Florida Transportation Planning Organization and vice president of the Northeast Florida Regional Planning Association. He was a recovery engineer with Georgia Pacific Pulp and Paper from 1995 to 2002 and a sales engineer with Betz PaperChem from 1991 to 1995. With Goodyear Tire and Rubber, he was a regional sales manager from 1989 to 1991 and an application engineer from 1988 to 1989. ♦ Commissioner Graham received a bachelor's degree in chemical engineering from the Georgia Institute of Technology in Atlanta.

Ronald A. Brisé was appointed to the Florida Public Service Commission by Governor Charlie Crist in July 2010 to fill an unexpired term through January 2014. Before this appointment, Commissioner Brisé served the citizens of North East Miami-Dade (District 108) in the Florida House of Representatives for four years. ♦ As a Representative, Commissioner Brisé was named Democratic Whip from 2006 to 2008 and served as Vice Chairman of the Florida Conference of Black State Legislators. He served on the Education & Economic Development Appropriations, General Government & Health Care Appropriations, and Select Strategic & Economic Planning Councils, was the Ranking member on the State & Community Colleges and Workforce Appropriation Committee and served on the State Universities & Private Colleges Policy Committee. He also served on the Transportation & Economic Development Appropriations and the Energy & Utilities Policy Committees. Most notably as a legislator, Commissioner Brisé sponsored successful legislation to expand broadband deployment throughout the State of Florida making it possible for underserved areas to have access to broadband technology. Commissioner Brisé was also successful in passing legislation to provide relief from garnishment to heads of families by increasing the amount that heads of families are able to retain in earnings before garnishment. ♦ Recently Commissioner Brisé was the Chief Executive Officer of Strategic Partner Consulting, LLC, which provides leadership and development strategies for corporate clients. Until 2008 Commissioner Brisé was also the Chief Operating Officer for IPIP Corporation, a VoIP telecommunications carrier. Prior to this, he was the Science Department Chairperson at Miami Union Academy from 2000 to 2005 and was also the Academy's Director of Development, Marketing, and Recruitment from 2003 to 2005. ♦ Commissioner Brisé served as a member of the North Miami Planning Commission and is a past president of the Albert C. Pierre Community Center, a member of the NAACP as well as a member of the board of the Haitian-American Scholarship Fund and Miami Union Academy. ♦ Commissioner Brisé received a bachelor's degree in biology education from Oakwood College in Huntsville, Alabama and received MBA degrees in management and marketing from American Intercontinental University in Illinois. He and his wife, JoAn, have one son, Ronald Brisé II and together are faithful members of Tabernacle Seventh-day Adventist Church.

Monthly Water Service Rates

	Present Rates	Utility Requested Interim	Commission Approved Interim	Utility Requested Final
<u>Residential Service</u>				
All meter sizes	\$ 13.61	\$ 23.93	\$ 20.90	\$ 25.39
<u>Residential Service Gallonage Charge</u>				
Per 1,000 Gallons	\$ 3.36	\$ 5.50	\$ 5.16	\$ 6.27
<u>General Service</u>				
Base Facility Charge by Meter Size:				
5/8" x 3/4"	\$ 11.13	\$ 19.57	\$ 17.09	\$ 20.76
1"	\$ 27.89	\$ 49.03	\$ 42.83	\$ 52.02
1-1/2"	\$ 55.76	\$ 98.02	\$ 85.62	\$ 104.01
2"	\$ 89.21	\$ 156.82	\$ 136.98	\$ 166.40
3"	\$ 195.18	\$ 343.11	\$ 299.71	\$ 364.07
4"	\$ 278.82	\$ 490.14	\$ 428.14	\$ 520.08
<u>General Service Gallonage Charge</u>				
Per 1,000 Gallons	\$ 3.36	\$ 5.91	\$ 5.16	
<u>General Service (RV Park)</u>				
Base Facility Charge by Meter Size:				
3"	\$ 1,425.53	\$ 2,505.97	\$ 2,188.95	\$ 2,659.04
<u>General Service Gallonage Charge</u>				
Per 1,000 Gallons (RV Park)	\$ 3.54	\$ 6.22	\$ 5.44	\$ 6.60
<u>Typical Residential Bills 5/8" x 3/4" Meter</u>				
3,000 Gallons	\$ 23.69	\$ 40.43	\$ 36.38	\$ 44.20
5,000 Gallons	\$ 30.41	\$ 51.43	\$ 46.70	\$ 56.74
10,000 Gallons	\$ 47.21	\$ 78.93	\$ 72.49	\$ 88.09

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Name _____

Address _____

If you want to let the Public Service Commission know how you feel about this case, you may fill out this comment form and return it by mail, or send a fax to 1-800-511-0809.

Correspondence will be placed in the file of this docket.

CONSUMER COMMENTS	

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STAMP

Florida Public Service Commission
Division of the Commission Clerk and Administrative Services
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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