



Florida Public Service Commission

SPECIAL REPORT

FEBRUARY 2012

Application for staff-assisted rate case in Lee County by

Useppa Island Utilities Co., Inc.

DOCKET NO. 110260-WS

On October 26, 2011, Useppa Island Utilities Co., Inc. (Useppa Island) filed an application with the Florida Public Service Commission (PSC or Commission) for a staff-assisted rate case to increase its water and wastewater rates. Useppa Island provides service to approximately 156 water and 145 wastewater customers in Lee County.

QUESTIONS & ANSWERS

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

Yes. As part of the evaluation process for Useppa Island's rate request, the Commission staff will conduct a customer meeting to allow customer feedback about Useppa Island 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 customer meeting.

2 Why is Useppa Island requesting a rate increase?

Useppa Island is requesting a rate increase to cover increasing operating costs.

3 When was Useppa Island's last approved rate increase?

Useppa Island's last approved rate increase was in 2007.

4 Presently, how much are the average monthly water and wastewater bills for a residential customer?

Currently, the average monthly water and wastewater bills for a residential customer are \$70.42 and \$74.36, respectively.

CUSTOMER MEETING

Wednesday, February 29, 2012

6:00 p.m.

Useppa Island

Tarpon Bar

Bokeelia, FL 33922

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5 Using staff's proposed rates, how much would the average monthly water and wastewater bills be for a residential customer?

Under staff's proposal, the average monthly water and wastewater bills for a residential customer would be \$78.21 and \$80.85, respectively.

6 What if I cannot attend the customer meeting or prefer not to speak? Are there other ways to comment on this case?

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.* 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, **110260-WS**.

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 Useppa Island's quality of service and other matters. If you have questions, contact the Florida Public Service Commission's Division of Safety, Reliability and Consumer Assistance at 1-800-342-3552.

** Any e-mail or other correspondence sent to a Florida Public Service Commissioner, or any other public official and/or employee of the PSC, in the transaction of public business is considered a public record and is subject to Florida's Public Records Law. This means that Florida law generally requires the PSC to provide a copy of any*

such e-mail or correspondence, upon request, for inspection and copying to any Florida citizen or to any member of the media.

7 Who can answer technical or legal questions?

For technical questions, contact:

Lydia Roberts
(850) 413-6877

Sonica Bruce
(850) 413-6994

Shannon Hudson
(850) 413-7021

Bart Fletcher
(850) 413-7017

Patti Daniel
(850) 413-6808

Paul Stallcup
(850) 413-6441

Robert Simpson
(850) 413-7001

For legal questions, contact:

Charles Murphy
(850) 413-6191

Adam Teitzman
(850) 413-6175

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, **110260**.

9 When will the PSC make a decision?

The PSC staff is scheduled to file a recommendation with the Commission on April 12, 2012. The Commissioners are expected to vote on this matter at the April 24, 2012 Commission Conference.

PSC Commissioners



COMMISSIONER
Eduardo E. Balbis



COMMISSIONER
Lisa Polak Edgar



CHAIRMAN
Ronald A. Brisé



COMMISSIONER
Art Graham



COMMISSIONER
Julie I. Brown

Useppa Island Monthly Water Service Rates (Phase I)

	Utility Present Rates	Staff Recommended Phase I Rates
<u>Residential and General Service</u>		
Base Facility Charge by Meter Size		
5/8" x 3/4"	\$ 35.24	\$ 37.82
3/4"	\$ 52.86	\$ 56.73
1"	\$ 88.10	\$ 94.55
1-1/2"	\$ 176.20	\$ 189.10
2"	\$ 281.92	\$ 302.56
3"	\$ 563.84	\$ 605.12
4"	\$ 881.00	\$ 945.50
6"	\$ 1,762.00	\$ 1,891.00
8"	\$ 2,819.00	\$ 3,060.80
<u>Residential and General Service Gallonage Charge</u>		
Per 1,000 Gallons	\$ 6.33	\$ 7.10
<u>Fire Protection Service</u>		
2"	\$ 23.49	\$ 25.21
3"	\$ 46.99	\$ 50.43
<u>Typical Residential Bills 5/8" x 3/4" Meter</u>		
3,000 Gallons	\$ 54.23	\$ 59.12
5,000 Gallons	\$ 66.89	\$ 73.32
10,000 Gallons	\$ 98.54	\$ 108.82

Useppa Island Monthly Wastewater Service Rates (Phase I)

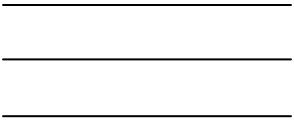
	Utility Present Rates	Staff Recommended Phase I Rates
<u>Residential Service</u>		
Base Facility Charge, All Meter Sizes	\$ 45.13	\$ 52.06
<u>Gallonge Charge per 1,000 Gallons (6,000 gallon cap)</u>	\$ 11.81	\$ 11.76
<u>General Service</u>		
Base Facility Charge by Meter Size		
5/8" x 3/4"	\$ 45.13	\$ 52.06
3/4"	\$ 67.69	\$ 78.09
1"	\$ 112.82	\$ 130.15
1-1/2"	\$ 225.65	\$ 260.30
2"	\$ 361.04	\$ 416.48
3"	\$ 722.08	\$ 832.96
4"	\$ 1,128.24	\$ 1,301.50
6"	\$ 2,256.49	\$ 2,603.00
8"	\$ 3,610.40	\$ 3,492.00
<u>Gallonge Charge per 1,000 Gallons</u>	\$ 14.17	\$ 14.11
<u>Typical Residential Bills 5/8" x 3/4" Meter</u>		
3,000 Gallons	\$ 80.56	\$ 87.34
5,000 Gallons	\$ 104.18	\$ 110.86
10,000 Gallons	\$ 115.99	\$ 122.62

Useppa Island Monthly Water Service Rates (Phase II)

	Staff Recommended Phase I Rates	Staff Recommended Phase II Rates
<u>Residential and General Service</u>		
Base Facility Charge by Meter Size		
5/8" x 3/4"	\$ 37.82	\$ 38.28
3/4"	\$ 56.73	\$ 57.42
1"	\$ 94.55	\$ 95.70
1-1/2"	\$ 189.10	\$ 191.40
2"	\$ 302.56	\$ 306.24
3"	\$ 605.12	\$ 612.48
4"	\$ 945.50	\$ 957.00
6"	\$ 1,891.00	\$ 1,914.00
8"	\$ 3,060.80	\$ 3,095.20
<u>Residential and General Service Gallonage Charge</u>		
Per 1,000 Gallons	\$ 7.10	\$ 7.19
<u>Fire Protection Service</u>		
2"	\$ 25.21	\$ 25.52
3"	\$ 50.43	\$ 51.04
<u>Typical Residential Bills 5/8" x 3/4" Meter</u>		
3,000 Gallons	\$ 59.12	\$ 59.85
5,000 Gallons	\$ 73.32	\$ 74.23
10,000 Gallons	\$ 108.82	\$ 110.18

Useppa Island Monthly Wastewater Service Rates (Phase II)

	Staff Recommended Phase I Rates	Staff Recommended Phase II Rates
<u>Residential Service</u>		
Base Facility Charge, All Meter Sizes	\$ 52.06	\$ 57.71
<u>Gallonge Charge per 1,000 Gallons (6,000 gallon cap)</u>	\$ 11.76	\$ 12.89
<u>General Service</u>		
Base Facility Charge by Meter Size		
5/8" x 3/4"	\$ 52.06	\$ 57.71
3/4"	\$ 78.09	\$ 86.57
1"	\$ 130.15	\$ 144.28
1-1/2"	\$ 260.30	\$ 288.55
2"	\$ 416.48	\$ 461.68
3"	\$ 832.96	\$ 923.36
4"	\$ 1,301.50	\$ 1,442.75
6"	\$ 2,603.00	\$ 2,885.50
8"	\$ 3,492.00	\$ 3,920.00
<u>Gallonge Charge per 1,000 Gallons</u>	\$ 14.11	\$ 15.47
<u>Typical Residential Bills 5/8" x 3/4" Meter</u>		
3,000 Gallons	\$ 87.34	\$ 96.38
5,000 Gallons	\$ 110.86	\$ 122.16
10,000 Gallons	\$ 122.62	\$ 135.05



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

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