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DIVISION OF LEGAL SERVICES
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DIRECTOR
(904) 413-6199

ORIGINAL
FILE COPY

Public Service Commission

January 8, 1997

Mr. Vincent Formosa
Vice President & General Manager
Useppa Island Utilities, Inc.
P.O. Box 640
Bokeelia, Florida 33922

Re: Docket No. **960975-WS**, Application of Useppa Island Utilities, Inc. for a staff assisted rate case in Lee County.

Dear Mr. Formosa:

This will confirm that Commission Staff will hold a customer meeting at 10:00 a.m. on Wednesday, February 5, 1997. The location of the meeting will be the Marina Side Club House, Tarpon Room, Useppa Island. We ask that, if at all possible, you or another knowledgeable representative of the utility attend the meeting in order to answer customer questions.

The original customer meeting notice is enclosed. Please note that the date has been left blank so that you can fill in the date that the notice is sent to the customers. The customers must have at least fourteen days' notice of the meeting, calculated from the day that they receive the notice. Please furnish me with a copy of the notice, as reproduced at the time it is distributed to your customers, together with a cover letter indicating the exact date(s) on which the notice was mailed or otherwise delivered to the customers.

Two copies of the engineering report dated December 2, 1996, are enclosed along with two copies of the accounting report dated December 18, 1996. Please make the reports available for review by all interested persons at the administrative offices of Useppa Inn and Dock Company, during its regular hours (8:00am to 5:00pm), Monday - Friday.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
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- EAG _____
- LEG _____
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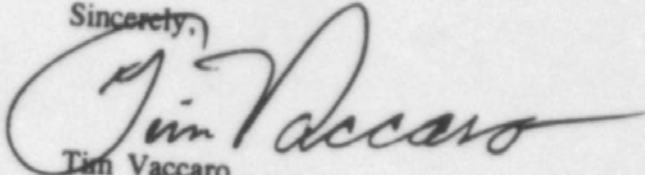
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Mr. Vicent Formosa
Page 2
January 8, 1997

If you have any questions, please do not hesitate to call me at (904) 413-6181.

Sincerely,


Tim Vaccaro
Staff Counsel

TV/dp

Enclosures

cc: Office of Public Counsel
Division of Consumer Affairs
Division of Records and Reporting
Division of Water and Wastewater (Betha, Casey)
Hearing Reporter
Public Information

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

NOTICE OF CUSTOMER MEETING

TO THE CUSTOMERS OF

USEPPA ISLAND UTILITY, INC.

AND

ALL OTHER INTERESTED PERSONS

RE: DOCKET NO. 960975-WS

APPLICATION OF USEPPA ISLAND UTILITY, INC.

FOR A

STAFF-ASSISTED RATE CASE IN LEE COUNTY.

DATED: - - - - -

NOTICE is hereby given that the Staff of the Florida Public Service Commission will conduct a customer meeting to discuss the application of Useppa Island Utility, Inc. for a staff-assisted rate case in Lee County. The meeting will be held at the following time and place:

10:00 a.m., Wednesday, February 5, 1997
Marina Side Club House
Tarpon Room
Useppa Island, Florida

All persons who wish to testify are urged to be present at the beginning of the meeting, since the meeting may be adjourned early if no customers are present.

Any person requiring some accommodation at this hearing, meeting, etc. because of a physical impairment should call the Division of Records and Reporting at (904) 413-6770 at least five calendar days prior to the hearing, meeting, etc. If you are hearing or speech impaired, please contact the Florida Public Service Commission using the Florida Relay Service, which can be reached at 1 (800) 955-8771 (TDD).

PURPOSE

The purpose of this meeting is to give customers and other interested persons an opportunity to offer sworn testimony regarding the quality of service the utility provides and to ask questions and comment on staff's preliminary rates included in this notice as well as other issues. Staff members will answer questions to the extent possible. A representative from the

utility has also been invited to respond to questions.

Any person who wishes to comment or provide information to staff may do so at the meeting, orally or in writing. Written comments may also be sent to the Commission at the address given at the end of this notice.

BACKGROUND

Useppa Island Utility, Inc. is a Class C water and wastewater utility located in Lee County. The utility provides service to approximately 144 water customers and 137 wastewater customers. On August 26, 1996, the utility applied for this staff assisted rate case and has paid the appropriate filing fee. The official filing date has been set as October 25, 1996.

CURRENT AND PRELIMINARY RATES AND CHARGES

Staff has compiled the following rates and charges for the purpose of discussion at the customer meeting. These rates are preliminary and subject to change based on information gathered at the customer meeting, further staff review, and the final decision by the Commissioners. The utility's current and staff's preliminary rates and charges for staff's recommendation are as follows:

RESIDENTIAL AND GENERAL SERVICE WATER RATES

Base Facility Charge	Existing Rate	Recommended Monthly Rate
<u>Meter Size</u>		
5/8" x 3/4"	\$ 14.18	\$ 36.31
3/4"	21.27	54.46
1"	35.45	90.77
1-1/2"	70.90	181.54
2"	113.44	290.46
3"	226.88	580.92
4"	354.50	907.69
6"	709.00	1,815.38
Gallage Charge		
Per 1,000 gallons	\$ 4.64	\$ 5.92

RESIDENTIAL WASTEWATER RATES

Base Facility Charge Meter Size	Existing Rate	Recommended Monthly Rate
5/8" x 3/4"	\$ 11.12	\$ 21.41
3/4"	11.12	32.11
1"	11.12	53.52
1-1/2"	11.12	107.03
2"	11.12	171.25
3"	11.12	342.50
4"	11.12	535.16
6"	11.12	1,070.31
Gallonage Charge Per 1,000 gallons (6,000 gallon max. per month)	\$ 3.25	\$ 6.44

GENERAL SERVICE WASTEWATER RATES

Base Facility Charge Meter Size	Existing Rate	Recommended Monthly Rate
5/8" x 3/4"	\$ 11.12	\$ 21.41
3/4"	16.68	32.11
1"	27.80	53.52
1-1/2"	55.60	107.03
2"	88.96	171.25
3"	177.92	342.50
4"	278.00	535.16
6"	556.00	1,070.31
Gallonage Charge Per 1,000 gallons (No Maximum)	\$ 3.90	\$ 7.73

NOTICE OF CUSTOMER MEETING
 DOCKET NO. 960975-WS
 PAGE 4

Using the 128 test year 5/8" x 3/4" residential water customers with an average use of 3,388 gallons/month per customer, an average residential MONTHLY water bill comparison would be as follows:

	Average <u>MONTHLY</u> Bill Using Existing <u>Rates</u>	Average <u>MONTHLY</u> Bill Using Recommended <u>Rates</u>	Percent <u>Increase</u>
Base Facility Charge	\$14.18	\$ 36.31	
Gallorage Charge	<u>15.72</u>	<u>\$ 20.06</u>	
Total	\$29.90	\$ 56.37	88.53%

Using the 125 test year 5/8" x 3/4" residential wastewater customers with an average use of 1,993 gallons/month per customer, an average residential MONTHLY wastewater bill comparison would be as follows:

	Average <u>MONTHLY</u> Bill Using Existing <u>Rates</u>	Average <u>MONTHLY</u> Bill Using Recommended <u>Rates</u>	Percent <u>Increase</u>
Base Facility Charge	\$11.12	\$ 21.41	
Gallorage Charge	<u>6.48</u>	<u>\$ 12.83</u>	
Total	\$17.60	\$ 34.24	94.55%

STAFF REPORTS AND UTILITY APPLICATION

The results of staff's preliminary investigation are contained in an accounting report dated December 18, 1996, and an engineering report dated December 2, 1996. Copies of the reports may be examined by interested members of the public at the administrative offices of Useppa Inn and Dock Company, during its regular hours (8:00am to 5:00pm), Monday - Friday.

PROCEDURES AFTER CUSTOMER MEETING

After the meeting, staff will prepare and submit a recommendation to the Commission. The Commission will thereafter issue a proposed agency action order containing rates which may be different from those contained in staff's final recommendation. Five to ten customers or persons who attend the meeting and who wish to receive a copy of the recommendation and the order may so indicate at the meeting. Those individuals are expected to

NOTICE OF CUSTOMER MEETING
DOCKET NO. 960975-WS
PAGE 5

distribute the information in the recommendation and the order to other customers and interested persons. Anyone who is unable to attend and who wishes to obtain a copy of the recommendation or the order may do so by writing to the Commission at the address at the end of this notice.

HOW TO CONTACT THE COMMISSION

Written comments regarding the utility and the proposed rates, and requests to be placed on the mailing list for this case, may be directed to this address:

Director, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

All correspondence should refer to "Docket No. 960975-WS - Application of Useppa Island Utility, Inc. for a staff-assisted rate case in Lee County."

If you wish to contact the Commission regarding complaints about service, you may call the Commission's Division of Consumer Affairs at the following toll-free number: 1-800-342-3552.

This notice was prepared by Commission Staff for distribution by the utility to its customers.