

ORIGINAL

MEMORANDUM

March 6, 2006

RECEIVED-FPSC

06 MAR -6 PM 3:25

TO: DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES **COMMISSION CLERK**

FROM: OFFICE OF THE GENERAL COUNSEL (GERVASI) *RG*

RE: DOCKET NO. 050880-WS - Petition for limited alternative rate increase in Lake County by Brendenwood Water System, Inc.

Please file the attached LETTER dated March 3, 2006 from Kristee Mollerup, Accountant, Brendenwood Water System to Rosanne Gervasi, Senior Attorney, with attached copy of Notice of Customer Meeting, in the above-referenced docket.

DATE DOCUMENT SENT TO CCA 3/6/06

RG/pz
Attachments

- OMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- RCA _____
- SCR _____
- SGA _____
- SEC 1
- OTH _____

DOCUMENT NUMBER-DATE
01931 MAR -6 8
 FPSC-COMMISSION CLERK

March 3, 2006

Deborah Miller / Kristee Mollerup
Brendenwood Water System
3153 Penwa Ct.
Longwood, FL 32779
(407) 333-0182
(407) 435-5773

Roseanne Gervasi, Senior Attorney
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

**Re: Docket No. 050880-WU Petition for limited alternative rate increase in Lake County
by Brendenwood Water System, Inc.**

Dear Ms. Gervasi:

This letter is in response to your letter dated February 20, 2006.

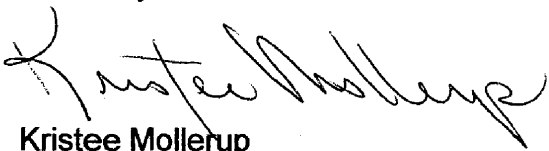
We mailed the customer meeting notice today, March 3, 2006, to all customers of Brendenwood Water System. The issued date entered on the notice was 3-3-06. Attached is a copy of the notice.

A copy of the notice was also placed on the Eustis Memorial Library city bulletin board on March 3, 2006.

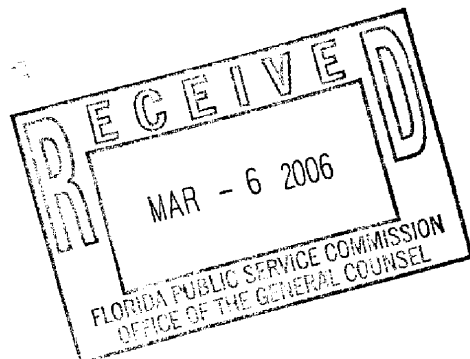
Please advise us if additional information is required.

Thank you.

Sincerely,



Kristee Mollerup
Accountant, Brendenwood Water System



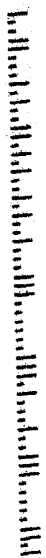
Brendenwood Water
3153 Penwa Ct.
Longwood, FL
32779

MID FLORIDA PDC
FL 327 4 L
03 MAR 2006 PM



FLORIDA PUBLIC SERVICE COMMISSION
ROSEANNE GERVASI, SENIOR ATTORNEY
2546 SHUMARD OAK BLVD.
TALLAHASSEE, FL
32399-0850

32399+7019



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

NOTICE OF CUSTOMER MEETING

TO THE CUSTOMERS OF BRENDENWOOD WATER SYSTEM, INC.

AND

ALL OTHER INTERESTED PERSONS

DOCKET NO. 050880-WU

APPLICATION OF BRENDENWOOD WATER SYSTEM, INC.

FOR A LIMITED ALTERNATIVE RATE INCREASE IN LAKE COUNTY

ISSUED: 3-3-06

Notice is hereby given that the Staff of the Florida Public Service Commission (FPSC) will conduct a customer meeting to discuss the application of Brendenwood Water System, Inc. (Brendenwood or utility) for a limited alternative rate increase in Lake County. The meeting will be held at the following time and place:

Wednesday, March 29, 2006
2:00 pm – 5:00 pm
Eustis City Commission Room
City Hall
Ten N. Grove Street
Eustis, Florida 32726

All persons who wish to comment are urged to be present at the beginning of the meeting, since the meeting may be adjourned early if no customers are present. One or more of the Commissioners of the Florida Public Service Commission may attend and participate in this meeting.

Any person requiring some accommodation at the customer meeting because of a physical impairment should call the Commission's Division of the Commission Clerk and Administrative Services at (850) 413-6770 at least five calendar days prior to the meeting. Any person who is hearing or speech impaired should contact the Florida Public Service Commission by 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 comments to the Public Service Commission Staff regarding the proposed rate increase, and to ask questions and comment on other issues. Staff members will summarize Brendenwood's proposed filing and answer questions to the extent possible. A representative from the utility has also been invited to respond to questions.

At the beginning of the meeting, procedures will be established for the order of comments. The Public Service Commission Staff will have sign-up sheets, and customers will be called to speak in the order that they sign-up. Public Service Commission Staff will be available to coordinate customers' comments and to assist members of the public.

HOW TO CONTACT THE COMMISSION

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 below:

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

All correspondence should refer to Docket No. 050880-WU, which is the docket number that has been assigned to this proceeding. Your letter will be placed in the correspondence file of this docket. You may also submit comments through the Public Service Commission's toll-free facsimile line at 1-800-511-0809.

If you wish to contact the Commission regarding complaints about service, you may call (toll free) or write the Florida Public Service Commission's Division of Regulatory Compliance and Consumer Assistance:

Division of Regulatory Compliance and Consumer Assistance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
1-800-342-3552 (Toll Free Number)

The FPSC also has a web site available at <http://floridapsc.com/apps/consumers/complaints/>

BACKGROUND

Pursuant to Rule 25-30.457, Florida Administrative Code, as an alternative to a rate case, a Class C utility may petition the Commission for a rate increase of up to 20 percent of service revenues. An engineering or financial audit of the utility's books and records is not required. The utility will hold any revenue increase granted subject to refund with interest for a period of 15 months. To insure overearnings will not occur due to the implementation of the rate increase, the Commission will conduct an earnings review of the utility's annual report for the year the adjustment in rates was implemented. If overearnings occur, such overearnings, up to the amount held subject to refund, with interest, will be disposed of for the benefit of the customers.

Brendenwood is a Class C water only utility providing service to approximately 58 customers in Lake County. The utility's revenues for the test period are \$20,884, with adjusted operating expenses of \$23,981, resulting in a net operating loss of (\$3,097) for the test period. The test period for setting rates is the historical twelve month period ending November 30, 2005.

The utility is requesting a rate increase because the existing rates do not provide sufficient revenues to cover the increasing expenses of operations. Brendenwood has not had a rate increase since 2000. Since that time, the utility has incurred substantial additional operating costs.

A copy of the application is available for public inspection during normal business hours (9:00 a.m. to 8:00 p.m., Monday – Thursday; 9:00 a.m. to 6:00 p.m. Friday; 9:00 a.m. to 1:00 p.m. Saturday) at the following location:

Eustis Memorial Library
120 N. Center St.
Eustis, Florida.
(352) 357-5686

CURRENT AND PROPOSED RATES

A schedule of the current rates and the utility's proposed rates, on a monthly basis, is set forth below:

<u>Monthly Rates – Water</u>		
<u>Residential Service</u>		
<u>Base Facility Charge</u>		
<u>Meter Sizes</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
5/8" x 3/4"	\$10.42	\$12.50
3/4"	\$15.62	\$18.74
1"	\$26.04*	\$31.25*

1 ½"	\$52.07	\$62.48
2"	\$83.32	\$99.98
3"	\$166.61	\$199.93
4"	\$260.35	\$312.42
6"	\$520.70	\$624.84
Gallonage Charge Per 1,000 Gallons		
0 – 10,000 Gallons	\$1.48	\$1.78
Over 10,000 Gallons	\$2.11	\$2.53

* This rate should be charged to existing residential customers having a 1" meter until the 1" meter is replaced, then the appropriate rate should be charged based on meter size.

Monthly Rates – Water

General Service

Base Facility Charge

<u>Meter Sizes</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
5/8" x 3/4"	\$10.42	\$12.50
¾"	\$15.62	\$18.74
1"	\$26.04	\$31.25
1 ½"	\$52.07	\$62.48
2"	\$83.32	\$99.98
3"	\$166.61	\$199.93
4"	\$260.35	\$312.42
6"	\$520.70	\$624.84
Gallonage Charge		
Per 1,000 Gallons	\$1.74	\$2.09

PROCEDURES AFTER THE CUSTOMER MEETING

After the customer meeting, Public Service Commission Staff will prepare a recommendation which is scheduled to be submitted to the Public Service Commission on May 4, 2006. The Public Service Commission will then vote on staff's recommendation at its May 16, 2006 agenda conference. The Commission will thereafter issue a proposed agency action (PAA) order. Substantially affected persons have 21 days from the date the PAA order is issued to protest the Commission's proposed agency action order. In the event of a protest, the utility may implement the rates established in the PAA Order on a temporary basis upon the utility filing a staff assisted rate case application within 21 days of the date the protest is filed. If the

utility fails to file a staff assisted rate case application within 21 days in the event there is a protest, the application for a limited alternative rate increase will be deemed withdrawn.

Five to ten customers or persons who attend the meeting and who wish to receive a copy of the recommendation and the order should so indicate at the meeting. Those individuals are expected to distribute the information in the recommendation and the order to other customers. Anyone who is unable to attend and who wishes to obtain a copy of the recommendation or the order may do so in writing to the Commission Clerk at the address provided on page two of this notice.

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