

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 4, 2016
TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk
FROM: Kelley F. Corbari, Senior Attorney, Office of the General Counsel *KFC*
RE: **Docket No. 150181-WU** – Application for staff-assisted rate case in Duval County by Neighborhood Utilities, Inc.

Attached please find a copy of correspondence received from Neighborhood Utilities, Inc. confirming distribution of the Customer Meeting Notice. Please file the attached document in the documents tab of the above-referenced docket file.

Thank you for your assistance in this matter. Should you have any questions, please do not hesitate to contact me.

KFC

RECEIVED-FPSC
2016 MAY -4 PM 4: 34
COMMISSION
CLERK

Kelley Corbari

From: Larry O'Steen <wlarryo@hotmail.com>
Sent: Wednesday, May 04, 2016 9:08 AM
To: Kelley Corbari
Subject: Docket 150181-WU
Attachments: PSC Corbari 05042016.pdf

Please see attached copy of Customer Meeting Notice mailed 5/2/2016.
Original correspondence sent by US Mail today.

Larry O'Steen
Nueghborhood Utilities, Inc.

Neighborhood Utilities, Inc.

4551 Shirley Ave.

Jacksonville, Florida 32210

Phone (904) 387-0487

Fax (904) 387-4761

May 4, 2016

Kelly F. Corbari
Senior Attorney
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: Docket No. 150181-WU
Customer Meeting Notice

Dear Ms. Corbari:

Enclosed, please find a copy of Notice dated May 2, 2016.

The Notice was prepared by your office except for the May 2, 2016 which we inserted.

The Notice was mailed to all customers by US Mail on May 2, 2016.

Please advise if you need anything further.

Best Regards,



W. Larry O'Steen

President

Neighborhood Utilities, Inc.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
NOTICE OF CUSTOMER MEETING
TO THE CUSTOMERS OF NEIGHBORHOOD UTILITIES, INC.
AND
ALL OTHER INTERESTED PERSONS
DOCKET NO. 150181-WU
APPLICATION OF NEIGHBORHOOD UTILITIES, INC.
FOR A STAFF-ASSISTED RATE CASE IN
DUVAL COUNTY

Date Issued: MAY 2, 2016

NOTICE is hereby given that the Staff of the Florida Public Service Commission (Commission) will conduct a customer meeting to discuss Neighborhood Utilities, Inc.'s (Neighborhood or Utility) application for a staff-assisted rate case (SARC) in Duval County. The meeting will be held at the following time and place:

Wednesday, May 18, 2016, at 6:00 P.M.
West Regional Library
1425 Chaffee Road South
Jacksonville, FL 32210

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 Commissioners of the Commission may attend and participate in this meeting. The meeting will begin as scheduled and will continue until all the customers have been heard.

If a named storm or other disaster requires cancellation of the meeting, Commission staff will attempt to give timely direct notice to the parties. Notice of the cancellation of the meeting will also be provided on the Commission's website (<http://www.psc.state.fl.us/>) under the Hot Topics link found on the home page. Cancellation can also be confirmed by calling the Commission's Office of the General Counsel at (850) 413-6199.

Any person requiring some accommodation at the customer meeting because of a physical impairment should call the Office of Commission Clerk at (850) 413-6770 at least five calendar days prior to the meeting. Any person who is hearing or speech impaired should contact the 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 Commission staff regarding the quality of service the Utility provides, the recommended rate increase, and to ask questions and comment on staff's preliminary rates included in this notice as well as other issues. Staff members will summarize Neighborhood's filing, the preliminary work accomplished, 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. Commission staff will have sign-up sheets, and customers will be called to speak in the order that they sign up. Staff will be available to coordinate customers' comments and to assist members of the public.

Any person who wishes to comment or provide information to staff may do so at the meetings, orally or in writing. Written comments may also be sent to the Commission at the address given at the end of this notice. Your letter will be placed in the correspondence file of this docket. You may also submit comments through the Commission's toll-free facsimile line at 1-800-511-0809 or online at <https://secure.floridapsc.com/e-filings/efiling.aspx>.

BACKGROUND

Neighborhood Utilities, Inc. is a Class C utility providing service to approximately 441 water customers in Duval County. Neighborhood was granted Certificate No. 430-W in 1984.¹ The Utility's rates and charges were last approved in a staff-assisted rate case in 2010.² In 2014, the utility's index application was approved and the rates were reduced to reflect the expiration of rate case expense approved in 2010. On August 10, 2015, Neighborhood filed its application for a staff-assisted rate case. Staff selected the test year ended June 30, 2015, for the instant docket. According to Neighborhood's 2014 annual report, total gross revenues were \$133,234 and total operating expenses were \$133,961. The Commission has jurisdiction in this case pursuant to Sections 367.011, 367.0812, 367.0814, 367.0816, and 367.121, Florida Statutes (F.S.).

CURRENT AND PRELIMINARY RATES AND CHARGES

Staff has compiled the following recommended rates 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 Commission. The Utility's current and staff's recommended preliminary rates are as follows:

¹ Order No. 13723, issued September 28, 1984, in Docket No. 840063-WU, *In re: Application of Neighborhood Utilities, Inc. for a certificate to operate a water utility in Duval County, Florida.*

² Order No. PSC-10-0024-PAA-WU, issued January 11, 2010, in Docket No. 090060-WU, *In re: Application for staff-assisted rate case in Duval County by Neighborhood Utilities.*

MONTHLY RATES		
	UTILITY CURRENT RATES	STAFF RECOMMENDED RATES
<u>Residential and General Service</u>		
Base Facility Charge by Meter Size		
5/8"X3/4"	\$9.17	\$10.27
3/4"	\$13.76	\$15.41
1"	\$22.94	\$25.68
1-1/2"	\$45.86	\$51.35
2"	\$73.39	\$82.16
3"	\$146.77	\$164.32
4"	\$229.33	\$256.75
6"	\$458.67	\$513.50
Charge per 1,000 gallons - Residential		
0 - 6,000 gallons	\$2.40	N/A
6,001 - 12,000 gallons	\$3.60	N/A
Over 12,000 gallons	\$4.80	N/A
0 - 5,000 gallons	N/A	\$4.60
5,001 - 10,000 gallons	N/A	\$6.06
Over 10,000 gallons	N/A	\$9.09
Charge per 1,000 gallons - General Service	\$2.45	\$5.18
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u>		
5,000 Gallons	\$27.17	\$33.27
10,000 Gallons	\$39.17	\$63.57
15,000 Gallons	\$63.17	\$109.02

STAFF REPORTS AND UTILITY APPLICATION

The results of staff's preliminary investigation are contained in a staff report dated April 20, 2016. Copies of the report may be examined by interested members of the public on Mondays - Thursdays from 9:00 a.m. – 5:00 p.m. and Fridays from 9:00 a.m. – 12:00 p.m. at the following location:

Neighborhood Utilities, Inc.
4551 Shirley Avenue
Jacksonville, FL 32210

PROCEDURES AFTER CUSTOMER MEETING

After the customer meeting, Commission staff will prepare a recommendation which is tentatively scheduled to be submitted to the Commission on June 23, 2016. The Commission will then vote on staff's recommendation at its July 7, 2016 Commission Conference. The Commission will thereafter issue a proposed agency action (PAA) order containing rates which may be different from those contained in staff's final recommendation. Substantially affected persons have 21 days from the date that the PAA order is issued to protest the Commission's PAA order. Customers are able to obtain a copy of staff's recommendation and all documents filed in this docket under the Clerk's Office tab at the Commission's website (<http://www.floridapsc.com/>).

HOW TO CONTACT THE COMMISSION

Any person who wishes to comment or provide information to Commission staff may do so at the meetings, either orally or in writing. Other written comments regarding the Utility and the proposed rates, or requests to be placed on the mailing list for this case, may be directed to this address:

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

All correspondence should refer to "**Docket No. 150181-WU, Neighborhood Utilities, Inc.**" Your letter will be placed in the correspondence file of this docket. You may also submit comments through the Florida Public Service Commission's email at clerk@psc.state.fl.us, or the Commission's website available at <http://floridapsc.com/about/contact/form.aspx>.

If you wish to contact the Florida Public Service Commission regarding complaints about service, you may call the Commission's Office of Consumer Assistance and Outreach at the following toll-free number: 1-800-342-3552.