

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-**

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**DATE:** June 30, 2016

**TO:** Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk

**FROM:** Penelope D. Buys, Engineering Specialist III, Division of Engineering *PDB REG*

**RE:** Docket No. 150181-WU – Application for staff-assisted rate case in Duval County by Neighborhood Utilities, Inc.

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Please place the following document in the docket file. This document is an email from the Utility addressing concerns raised at the customer meeting.

## **Penny Buys**

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**From:** Larry O'Steen <wlarryo@hotmail.com>  
**Sent:** Thursday, June 30, 2016 9:00 AM  
**To:** Penny Buys  
**Subject:** RE: Docket No. 150181-WU - Neighborhood Utilities  
**Attachments:** 05182016 Customer meeting responses .doc

Please see attached comments.

*Larry O'Steen  
Neighborhood Utilities, Inc.*

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**From:** [PBuys@PSC.STATE.FL.US](mailto:PBuys@PSC.STATE.FL.US)  
**To:** [wlarryo@hotmail.com](mailto:wlarryo@hotmail.com)  
**CC:** [RGRAVES@PSC.STATE.FL.US](mailto:RGRAVES@PSC.STATE.FL.US); [SHudson@PSC.STATE.FL.US](mailto:SHudson@PSC.STATE.FL.US)  
**Subject:** Docket No. 150181-WU - Neighborhood Utilities  
**Date:** Wed, 25 May 2016 19:00:22 +0000

Mr. O'Steen,

Please provide a response to the comments made by Mr. Jackson, Ms. Ayoub, and Ms. Weatherford, the customers who provided comments at the customer meeting. Please respond no later than June 30, 2016. If you have any questions, please contact me.

Thank you,

*Penelope Buys  
Engineering Specialist  
Division of Engineering  
Florida Public Service Commission  
(850) 413-6518  
Fax – (850) 413-6519  
[pbuys@psc.state.fl.us](mailto:pbuys@psc.state.fl.us)*

## 5/18/2016 CUSTOMER MEETING

### RESPONSE TO ISSUES

CUSTOMER: Charles Jackson  
2215Cherokee Cove Trl  
SPEAKER: Tracy Jackson ( customer's father)

#### ISSUES:

1 Jackson stated NUI broke even in 2014 , revenues and expenses the same, So NUI did not lose money in 2014.

Reply: Jackson failed to account for all expenses shown. Net loss was \$16,742.

2 5.000 gallon per month average use questioned.

Reply: A recent check confirms this to still be accurate within +/- 200 gallons per month. Customers with irrigation use more. Those without irrigation use less. Some yards in low elevation areas use less irrigation than others in higher elevation, more sandy, areas. Mr. Jackson's yard is in a higher area of the subdivision.

3 Inflation not more than 10 to 12 percent since last increase.

Reply: Costs of operation of the water system has little or no correlation to the consumer price index. Our system is about 35 years old. The older it gets, the more things wear out and repair and replacement costs go up.

4 Is NUI absorbing all the cost of it's shared employee?

Reply: NUI pays for one employee and get two shared employees. In addition we get, at no additional cost: office space; water, sewer and electric utilities; furniture, monthly accounting services; cleaning service; kitchen and bathroom supplies; security alarm service; postal meter service; office computers; dual backup computer storage and security; etc.

5 Qualified service people.

Reply: Water treatment facilities are checked and serviced by qualified and properly licensed personnel 6 days per week as required by regulations. All appropriate testing is done daily, monthly, annually or other as required by regulations. Repairs and replacements are noted and scheduled as needed.

6 Tiered rate structure.

Reply Tiered rate structures are required by current regulations. Irrigation water can be separately metered to avoid sewer charges and drop into lower tier rate.

**CUSTOMER:** CHAFFEE PINES  
(YES! COMMUNITIES)  
2081 CHAFFEE RD. S.

**SPEAKER:** Jackie Ayoub ( community manager)

**ISSUES:**

**1 Broken meters**

**Reply:** We do have several malfunctioning meters which we plan to replace . Useage is estimated on these.

**2 Sulphur smell in water**

**Reply:** We have had recent chlorine feed equipment problems from time to time. Problem is always repaired promptly when discovered. Chlorine level has not fallen below minimum required levels. It has, however, fallen low enough to allow some sulphur odor to occur. Lines are flushed after equipment repair to eliminate sulphur smell. If customer asks, we suggest ways to eliminate smell more quickly.

**3 Broken and leaking service connections**

**Reply:** Broken and leaking service connections have been a continuing problem for two primary reasons. First is willful or negligent damage to meters, boxes and connections by driving over or parking on them. The second is tampering with meters and valves after service has been turned off for nonpayment. We do not consider that a normal cost of doing business.

**4 Office runaround**

**Reply:** When a problem is reported to our office, we have the appropriate person investigate to determine the solution, the call back to report our findings and repair plans. Emergency problems are handled immediately on an emergency basis. Minor problems are scheduled along with other nonemergency work.

**CUSTOMER:** Elizabeth Weatherford  
2349 Cherokee Cove Trl

**SPEAKER:** Elizabeth Weatherford

**ISSUES:**

**1 Not informed promptly of service interruptions**

**Reply:** We have always hand delivered Boil Water Notices on doors when we have a service interruption. Since we have a small staff (outside service company), we first investigate and repair the problem. While that is being done, notices are drafted, printed and delivered for distribution. Since we are a small company we have previously been denied newspaper or broadcast announcements. We have, however, in the last month, reviewed our internet web site setup with our provider and made changes to accommodate this problem. We now can post messages and notices on our web site when a service interruption occurs, is fixed, and Boil Water as well as Rescission notices.

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CASE\DOCUMENTS GERERATED\05182016 Customer meeting responses .doc