

STATE OF FLORIDA



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DIVISION OF ECONOMICS
JUDY HARLOW
DIRECTOR
(850) 413-6410

Public Service Commission

September 24, 2021

Mr. Troy Rendell
Brendenwood Waterworks, Inc.
4939 Cross Bayou Blvd.
New Port Richey, FL 34652
trendell@uswatercorp.net

VIA EMAIL

Re: Docket No. 20210055-WU - Application for staff-assisted rate case in Lake County by Brendenwood Waterworks, Inc.

Dear Mr. Rendell:

This letter is to confirm that Commission staff will hold a **virtual** customer meeting on Wednesday, October 20, 2021, at 2:00 p.m. We ask that, if at all possible, you or another knowledgeable representative of the utility attend the meeting by phone in order to make a brief statement regarding your rate increase request. Attached is the customer meeting agenda.

As required by Rule 25-22.0407(9)(b), Florida Administrative Code (F.A.C.), the utility must provide, in writing, a customer meeting notice to all customers within its service area no less than 14 days and no more than 30 days prior to the date of a customer meeting. Please find enclosed a draft Notice of Customer Meeting. The date has been left blank so you can fill in the date that the notice is sent to the customers. Please furnish me with a copy of the notice that is distributed to your customers, along with a cover letter indicating the exact date on which the notice was mailed or otherwise delivered to the customers.

Should you have any questions about the matters contained herein, please do not hesitate to contact me by phone at (850) 413-6435 or email at tbethea@psc.state.fl.us.

Respectfully,

/s/ *Terence Bethea*

Terence Bethea
Public Utilities Analyst II

Attachments

cc: Office of Commission Clerk (Docket No. 20210055-WU)

FLORIDA PUBLIC SERVICE COMMISSION

CUSTOMER MEETING

BRENDENWOOD WATERWORKS, INC.

DOCKET NO. 20210055-WU

OCTOBER 20, 2021, at 2:00 P.M.

AGENDA

1. Call Meeting to Order
2. Utility Introduction
3. Office of Public Counsel Introduction
4. Staff Presentation
5. Customer Comments (Please note: the order in which customers speak at the customer meeting is based upon the order in which they sign up.)
6. Next Steps
7. Adjourn

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
NOTICE OF CUSTOMER MEETING
TO THE CUSTOMERS OF BRENDENWOOD WATERWORKS, INC.
AND
ALL OTHER INTERESTED PERSONS
DOCKET NO. 20210055-WU
APPLICATION OF BRENDENWOOD WATERWORKS, INC.
FOR A STAFF-ASSISTED RATE CASE IN
LAKE COUNTY

Date Issued: _____

NOTICE is hereby given that the staff of the Florida Public Service Commission (Commission) will conduct a customer meeting to discuss Brendenwood Waterworks, Inc.'s (Brendenwood or utility) application for a staff-assisted rate case (SARC) in Lake County. The meeting will be held virtually on the following date and time:

Wednesday, October 20, 2021, at 2:00 P.M.

In accordance with the Americans with Disabilities Act, persons needing a special accommodation to participate at this meeting should contact the Office of Commission Clerk no later than five days prior to the meeting at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850 or (850) 413-6770 (Florida Relay Service, 1-800-955-8770 Voice or 1-800-955-8771 TDD).

PURPOSE AND PROCEDURE

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 and on the preliminary rates included in this notice. Customers and other interested persons may be asked follow-up questions. These comments will be taken into consideration by the Commission in its decision regarding the proposed rate increase.

State buildings are currently closed to the public and other restrictions on gathering remain in place due to COVID-19. Accordingly, this customer meeting will be conducted virtually. The Commission shall act as the host of the customer meeting and will use a combination of technologies to ensure full participation. The Commission will employ GoToMeeting as an audio

and video platform for the meeting, and will provide for simultaneous, audio-only participation by telephone. Persons wishing to provide comments will present their comments over the telephone.

Persons wishing to comment at the customer meeting must register by contacting the Commission via email at speakersignup@psc.state.fl.us or calling (850) 413-7080. You will need to provide your name, address, and the name of the utility (Brendenwood Waterworks). Please register as soon as possible, preferably two business days prior to the meeting. After registering to comment, either by email or phone, you will be provided further instructions on how to participate, including the call-in number. Please note: the order in which customers speak at the customer meeting is based upon the order in which they sign up. To watch the meeting live, visit www.floridapsc.com and look for the “Watch Live Broadcast” icon on the left side of the webpage. If you do not have access to the internet, you may call (850) 413-7999 to listen to the meeting.

All customers who register to present comments at the meeting are urged to call-in promptly at the scheduled meeting time, since the meeting may be adjourned early if no customers are present. One or more of the Commissioners 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 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.

BACKGROUND

Brendenwood Waterworks Inc. (Brendenwood or utility) is a Class C utility which is currently providing water service to approximately 59 customers. Brendenwood is located in the St. Johns River Water Management District. According to the utility's 2020 Annual Report, Brendenwood’s operating revenues were \$28,510 and operating expenses were \$27,370.

Certificate No. 339-W was originally granted in 1981.¹ In 1990, the Commission approved a transfer of majority organizational control² and an amendment to include additional territory.³ In 2003, the Commission approved a name change from Brendenwood Water System to

¹ Order No. 10184, issued August 5, 1981, in Docket No. 810079-W, *In re: Application of Brendenwood Water System for a certificate to operate a water utility in Lake County, Florida, pursuant to Section 367.041, Florida Statutes.*

² Order No. 22425, issued January 17, 1990, in Docket No. 891121-WU, *In re: Application for transfer of ownership of Brendenwood Water System in Lake County from Robert S. Hanks, Jerry L. Rogers and Daniel H. Judy to Paul E. Day.*

³ Order No. 22398, issued January 19, 1990, in Docket No. 891122-WU, *In re: Application of Brendenwood Water System for amendment of Certificate No. 339-W in Lake County.*

Brendenwood Water Systems, Inc.⁴ In 2004, the Commission approved a transfer of majority organizational control.⁵ In 2005, the Commission approved an amendment to include additional territory.⁶ In 2011, the Commission approved an application to transfer the utility from Brendenwood Water Systems, Inc. to Brendenwood Utilities, LLC.⁷ In 2015, the Commission approved an application to transfer the utility from Brendenwood Utilities, LLC. to Brendenwood Waterworks, Inc. In 2017, the utility's rates were reduced as a result of an overearnings investigation.⁸ Subsequent to the reduction in rates, Brendenwood's rates have been increased by two price index rate adjustments in 2018 and 2019. On March 16, 2021, Brendenwood filed an application for a staff-assisted rate case and paid the appropriate filing fee on April 26, 2021.⁹ The test year is established as the year ended December 31, 2020.

The results of staff's preliminary investigation are contained in a staff report dated September 24, 2021. Copies of the staff report and the utility's application for a rate increase is available for review by members of the public by visiting <http://www.floridapsc.com/ClerkOffice/Docket> and entering 20200230 in the docket number search field.

CURRENT AND PRELIMINARY RATES AND CHARGES

Staff has compiled the following recommended rates for 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:

⁴ Order No. PSC-03-0118-FOF-WU, issued January 21, 2003, in Docket No. 020996-WU, *In re: Application for name change on Certificate No. 339-W in Lake County from Brendenwood Water System to Brendenwood Water Systems, Inc.*

⁵ Order No. PSC-04-1054-PAA-WU, issued October 27, 2004, in Docket No. 040276-WU, *In re: Application for transfer of majority organizational control of Brendenwood Water System, Inc., holder of Certificate No. 339-W in Lake County, from Paul E. Day to Deborah J. Miller.*

⁶ Order No. PSC-05-0678-FOF-WU, issued June 20, 2005, in Docket No. 050255-WU, *In re: Application for "quick take" amendment of Certificate No. 339-W in Lake County by Brendenwood Water System, Inc.*

⁷ Order No. PSC-11-0552-FOF-WU, issued December 7, 2011, in Docket No. 110255-WU, *In re: Application for approval of transfer of Brendenwood Water System, Inc., and application for certificate to operate water utility in Lake County, by Brendenwood Utilities, LLC.*

⁸ Order No. PSC-2017-0481-PAA-WU, issued December 21, 2017, in Docket No. 20170247-WU, *In re: Joint motion requesting Commission approval of settlement agreement by the Office of Public Counsel, Black Bear Waterworks, Inc., Brendenwood Waterworks, Inc., Brevard Waterworks, Inc., Country Walk Utilities, Inc., Harbor Waterworks, Inc., Lake Idlewild Utility Company, Raintree Waterworks, Inc., and Sunny Hills Utility Company.*

⁹ Order No. PSC-14-0691-PAA-WU, issued December 15, 2014, in Docket No. 140120-WU, *In re: Application for approval of transfer of Certificate No. 339-W from Brendenwood Utilities, LLC. to Brendenwood Waterworks, Inc. in Lake County.*

BRENDENWOOD WATERWORKS, INC.
TEST YEAR ENDED DECEMBER 31, 2020
MONTHLY WATER RATES

DOCKET NO. 20210055-WU

	UTILITY CURRENT RATES	STAFF RECOMMENDED RATES
<u>Residential and General Service</u>		
Base Facility Charge by Meter Size		
5/8"X3/4"	\$13.71	\$15.04
3/4"	\$20.57	\$22.56
1"	\$34.28	\$37.60
1-1/2"	\$68.55	\$75.20
2"	\$109.68	\$120.32
3"	\$219.36	\$240.64
4"	\$342.75	\$376.00
6"	\$685.50	\$752.00
Charge per 1,000 gallons - Residential		
0 - 5,000 gallons	\$1.87	N/A
5,001 - 10,000 gallons	\$2.08	N/A
Over 10,000 gallons	\$4.16	N/A
Charge per 1,000 gallons - Residential		
0 - 4,000 gallons	N/A	\$2.45
4,001 - 10,000 gallons	N/A	\$3.06
Over 10,000 gallons	N/A	\$5.51
Charge per 1,000 gallons - General Service	\$2.83	\$3.83
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u>		
4,000 Gallons	\$21.19	\$24.84
10,000 Gallons	\$33.46	\$43.20
14,000 Gallons	\$50.10	\$65.24

HOW TO PROVIDE COMMENTS TO THE COMMISSION

If you would like to share your comments with the Commission you may:

- Speak at the customer meeting on October 20, 2021, by contacting the Commission via email at speakersignup@psc.state.fl.us or calling (850) 413-7080 as indicated above.
- Email your comments to the Commission at clerk@psc.state.fl.us
- Fill out and return, by US Mail or fax, the “Comment Card” attached to this Notice.
- Submit written comments to the Commission Clerk at the address below.

Office of the Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

All correspondence should refer to:

“Docket No. 20210055-WU, Brendenwood Waterworks, Inc.”

- Address the Commissioners by phone during the Commission’s Conference, currently scheduled for January 4, 2022. You may address the Commissioners by phone even if you also provide written comments through any of the other methods. If you would like to provide comments by phone at the Commission Conference, please contact Matthew Jones at (850) 413-6212 or majones@psc.state.fl.us.

Please note that written comments are given the same consideration as if they were provided by phone during the Commission’s Conference.

PROCEDURES AFTER THE CUSTOMER MEETING

Commission staff will prepare a recommendation which is tentatively scheduled to be submitted to the Commission on December 22, 2021. The Commission will then vote on staff’s recommendation at its January 4, 2022, Commission Conference. As noted above, customers may address the Commission directly at this Conference. Customers may also watch the Commission Conference live from the PSC website at www.floridapsc.com. Look for the “Watch Live Broadcast” icon on the left side of the webpage.

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/>).

CONTACTING THE OFFICE OF PUBLIC COUNSEL (OPC)

At any time during this process, you may contact the Office of Public Counsel (OPC). The OPC was established by the Florida Legislature to represent you and the other utility customers before the Commission. The OPC is independent from the Commission and can be reached at 1-800-342-0222 or www.floridaopc.gov.

HAVE QUESTIONS OR NEED ADDITIONAL INFORMATION

Contact information for staff is provided below. You may also find additional information in the Rate Case Overview, which can be viewed at <http://www.floridapsc.com/Publications/RateCaseOverviews>.

For technical questions contact:	Terence Bethea at (850) 413-6435 or tbethea@psc.state.fl.us
For legal questions contact:	Matthew Jones at (850) 413-6212 or majones@psc.state.fl.us

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

