

Commissioners:  
SUSAN F. CLARK, CHAIRMAN  
J. TERRY DEASON  
JULIA L. JOHNSON  
DIANE K. KIESLING  
JOE GARCIA



DIVISION OF LEGAL SERVICES  
NOREEN S. DAVIS  
DIRECTOR  
(904) 413-6199

# Public Service Commission

December 2, 1996

Mr. Dallas Shepard, President  
Lake Suzy Utilities, Inc.  
12408 S.W. Sherri Avenue  
Lake Suzy, Florida 33821

Re: Docket No. ~~953799~~-WS - Application of Lake Suzy Utilities, Inc. for a staff-assisted rate case in Desoto County

Dear Mr. Shepard:

This will confirm that Commission Staff will hold a customer meeting at 6:00 p.m. on Thursday, December 19, 1996. The location of the meeting will be the Liberty Community Church, located at 12569 S.W. Kings Highway, Lake Suzy, Florida. 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 October 15, 1996, and the accounting report dated November 22, 1996 will be submitted to you under separate cover. Please ensure that a copy of the complete Application for Staff Assistance and the reports are available for review by all interested persons at the utility's office located at the utility's office 12408 S.W. Sherri Avenue, Lake Suzy, Florida, during its regular hours (8:30 a.m. to 4:30 p.m.), Monday through Friday.

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- LIN \_\_\_\_\_
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC 1
- WAS \_\_\_\_\_
- OTH Carol Purvis


DOCUMENT NUMBER-DATE

12938 DEC-4 96

Mr. Dallas Shepard, President  
Page Two

Please do not hesitate to call me if you have any questions.

Sincerely,

  
Donna Cyrus-Williams  
Staff Counsel

DCW/dp

cc: Office of Public Counsel  
Division of Consumer Affairs  
Division of Records and Reporting ✓  
Division of Water and Wastewater (Dewberry, Davis)  
Hearing Reporter

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

NOTICE OF CUSTOMER MEETING

TO THE CUSTOMERS OF

LAKE SUZY UTILITIES, INC.

AND

ALL OTHER INTERESTED PERSONS

RE: DOCKET N). 960799-WS

APPLICATION OF LAKE SUZY UTILITIES, INC. FOR A  
STAFF-ASSISTED RATE CASE IN DESOTO 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 Lake Suzy Utilities, Inc. for a staff-assisted rate case in Desoto County. The meeting will be held at the following time and place:

6:00 p.m., Thursday, December 19, 1996  
Liberty Community Church  
12569 S.W. Kings Highway  
Lake Suzy, 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 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. 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 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.

NOTICE OF CUSTOMER MEETING  
DOCKET NO. 960799-WS  
PAGE 2

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

Lake Suzy Utility, Inc (utility), is a class c water and wastewater utility located in Tesoto County. On July 3, 1996, the utility applied for this staff assisted rate case. The test period for setting rates is the historical twelve month period ended June 30, 1996. During the test year the utility provided water service to approximately 119 residential customers, 133 multi-residential customers, and 17 general service customers. It provided wastewater service to approximately 20 residential customers, 21 multi-residential customers, and 13 general service customers.

Based on the staff audit, the utility's adjusted test year revenues are \$142,675 for water and \$39,280 for wastewater. Its adjusted test year operating expenses are \$136,637 for water and \$64,258 for wastewater, resulting in a net operating income of \$6,038 for water and a net operating loss of \$24,978 for wastewater.

In this rate case, staff has calculated preliminary rates for water using the operating ratio methodology. The preliminary rates for wastewater have been calculated using the rate base methodology.

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 are as follows:

WATER  
MONTHLY RATES

Base Facility Charge  
Meter Size

5/8" x 3/4"  
1"  
1 1/2"  
2"

Existing Rates

\$ 12.63  
30.27  
60.58  
98.11

Gallonage Charge

Per 1,000 gallons  
0 - 8,000 gallons  
over 8,000 gallons

\$ 3.54  
5.45

Base Facility Charge  
Meter Size

5/8" x 3/4"  
3/4"  
1"  
1 1/2"  
2"  
3"  
4"  
6"

Staff's Preliminary Rates

\$ 9.76  
14.65  
24.41  
48.82  
78.11  
156.22  
244.10  
488.19

Gallonage Charge  
Per 1,000 gallons

\$ 5.12

WASTEWATER  
Monthly Rates

<u>Base Facility Charge</u> <u>Meter Sizes:</u>	<u>Existing Rates</u>	<u>Staff's</u> <u>Preliminary Rates</u>
All Sizes	\$ 13.59	\$ 26.14
<u>Gallonage Charge</u> Per 1,000 gallons	\$ 2.00	\$ 6.87
Maximum gallons	10,000	6,000

MULTI-RESIDENTIAL AND GENERAL SERVICE

<u>Base Facility Charge</u> <u>Meter Sizes:</u>	<u>Existing Rates</u>	<u>Staff's</u> <u>Preliminary Rates</u>
5/8" x 3/4"	\$ 13.59	\$ 26.14
3/4"	N/A	39.21
1"	32.63	65.35
1 1/2"	65.22	130.71
2"	105.63	209.41
3"	N/A	418.27
4"	N/A	653.55
6"	N/A	1,307.10
<u>Gallonage Charge</u> Per 1,000 gallons	2.39	8.25

MISCELLANEOUS SERVICE CHARGES

Currently, the utility's tariff has no provision for miscellaneous service charges. Staff's preliminary charges, below, are designed to more accurately defray the costs associated with each service and to place the responsibility of the cost on the respective customer, it rather than on the ratepaying body as a whole.

	<u>Staff's Preliminary Charges</u>	
	<u>Water</u>	<u>Wastewater</u>
Initial Connection	\$ 15.00	\$ 15.00
Normal Reconnection	15.00	15.00
Violation Reconnection	15.00	Actual Cost
Premises Visit (in lieu of disconnection)	10.00	10.00

SERVICE AVAILABILITY CHARGES

The utility's tariff authorizes a system capacity charge and meter installation charges for water. Staff is recommending that the existing system capacity charge be discontinued and recommends no change to the meter installation charge at this time.

In its application for this staff assisted rate case the utility requested emergency service availability charges for wastewater. By Order No. PSC-96-1284-FOF WS, issued October 15, 1996, the Commission approved a plant capacity charge of \$920 and a main extension charge of \$639. These charges became effective November 6, 1996. The existing charges were calculated prior to the completion of the staff audit and engineering investigation. After the completion of the audit and engineering investigation staff calculated new service availability charges for wastewater. A schedule of the utility's existing and staff's recommended preliminary charges follows:

	<u>Existing Charges</u>	
Plant Capacity	\$ 920.00	
Main Extension	\$ 639.00	
		<u>Staff's Preliminary Charges</u>
Plant Capacity (190 gpd)	\$ 2,015.00	
All others per gallon	\$ 10.61	
Main Extension Charge	\$ 120.00	
All others per gallon	\$ .63	

ALLOWANCE FOR FUNDS PRUDENTLY INVESTED (AFPI) CHARGES

The utility requested AFPI charges to be collected from future wastewater customers. Rule 25-30.434, Florida Administrative Code, allows a utility the opportunity to earn a fair return on prudently constructed plant held for future use from future customers to be served by the plant in the form of a charge paid by those customers. In order to calculate AFPI charges, the funds for plant expansion are required to be spent by the utility. The utility's wastewater plant expansion is still in progress. Therefore, AFPI charges will be calculated at a later date.

STAFF REPORTS AND UTILITY APPLICATION

The results of Staff's preliminary investigation are contained in an accounting report dated November 22, 1996, and an engineering report dated October 15, 1996. Copies of the reports may be examined by interested members of the public from 8:30 a.m. through 4:30 p.m. from Monday through Friday, at the utility's office, 12408 S.W. Sheri Avenue, Lake Suzy, Florida.

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 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 32399-0870



NOTICE OF CUSTOMER MEETING  
DOCKET NO. 960799-WS  
PAGE 7

All correspondence should refer to "Docket No. 960799-WS - Application of Lake Suzy Utilities, Inc. for a staff-assisted rate case in Desoto 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 the Commission Staff for distribution by the utility to its customers.