

State of Florida



Public Service Commission
-M-E-M-O-R-A-N-D-U-M-

DATE: September 18, 2001
TO: Division of the Commission Clerk and Administrative Services
FROM: Division of Legal Services (Espinoza) *JAE*
RE: Docket No. 010403-WU - Application for staff-assisted rate case in Highlands County by Holmes Utilities, Inc.

Please file the attached letter with accompanying Notice of Customer Meetings dated September 17, 2001, in the docket file for the above-referenced docket.

LAE/dm

cc: Division of Regulatory Oversight (Vandiver, Winston)
Division of Economic Regulation (Biggins, Fitch, Lingo, Munroe, Rendell)

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DOCUMENT NUMBER-DATE

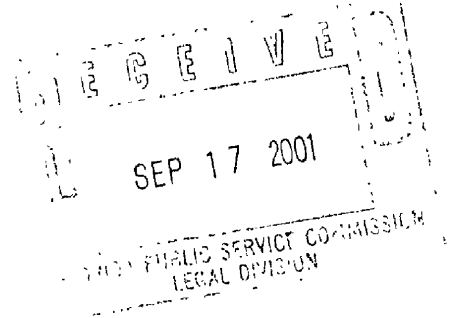
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FPSC-COMMISSION CLERK

Holmes Utilities Service, Inc.
760 Henscratch Road
Lake Placid, Florida 33852
(863) 465-6911

September 17, 2001

Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
Attention: Lorena Espinoza



Dear Ms. Espinoza:

This letter is to inform you that Holmes Utilities, Inc. mailed notices regarding the customer meeting, to each customer, on Monday September 17, 2001. If you have any questions regarding this matter, please feel free to contact this office.

Sincerely,

Carol S. Powers
Carol S. Powers, Secretary
Holmes Utilities, Inc.

BEFORE THE PUBLIC SERVICE COMMISSION
NOTICE OF CUSTOMER MEETINGS TO THE CUSTOMERS OF
HOLMES UTILITIES, INC.

AND

ALL OTHER INTERESTED PERSONS

DOCKET NO. 010403-WU

APPLICATION OF HOLMES UTILITIES, INC.

FOR A STAFF-ASSISTED RATE CASE IN

HIGHLANDS COUNTY

Issued: September 17, 2001

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

6:00 p.m., Wednesday, October 10, 2001
Highlands County Civic Center
Civic Center Auditorium
4509 George Boulevard
Sebring, Florida 33875

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. The meeting will begin as scheduled and will continue until all the customers have been heard.

In addition, the Public Service Commission Staff is also attempting to meet with representatives of customer groups and homeowners associations on October 10, 2001, from 2:00 p.m. to 4:00 p.m. If you are a representative of a customer group or homeowners association and you have not been contacted by the Public Service Commission Staff, please contact Ryan Fitch at (850) 413-6928 at least five calendar days prior to October 10, 2001.

All persons who wish to participate in individual meetings are urged to make an appointment, since the individual meeting session may be canceled if no appointments are made.

Any person requiring some accommodation at the customer meeting(s) because of a physical impairment should call the Division of Commission Clerk and Administrative Services at (850) 413-6770 at least five calendar days prior to the meeting(s). 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 quality of service the utility provides, the proposed 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 Holmes' proposed 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. 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.

Any person who wishes to comment or provide information to staff may do so at the meeting(s), orally or in writing. Written comments may also be sent to the Commission 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 Public Service Commission's toll-free facsimile line at 1-800-511-0809.

BACKGROUND

Holmes is a Class C utility which is currently providing water service to 64 single family residences. At buildout, the utility anticipates serving 89 single family residences. The utility has been in existence and providing water service since 1987. Its facilities consist of one water treatment plant and one water transmission and distribution system. Wastewater is provided by

septic tank. According to the utility's 2000 annual report, the utility had a gross revenue of \$8,669 and an operating expense of \$17,659.

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 approval by the Commissioners. The utility's current and staff's preliminary rates and charges are as follows:

Monthly Rates - Water
Residential and General Service
Base Facility Charge

<u>Meter Sizes</u>	<u>Existing Rates</u>	<u>Staff's Preliminary Rates</u>
5/8" x 3/4"	\$8.00	\$17.52
3/4"	N/A	\$26.28
1"	N/A	\$43.80
1 1/2"	N/A	\$87.61
2"	N/A	\$140.18
3"	N/A	\$280.35
4"	N/A	\$438.05
6"	N/A	\$876.10

Inclining Block Rate

0-5,000 gallons*	\$1.40	N/A
5,001-10,000 gallons	\$1.70	N/A
Above 10,001 gallons	\$2.00	N/A

Gallonage Charge

Per 1,000 Gallons	N/A	\$5.93
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Water

Residential and General Service

<u>Meter Size</u>	<u>Existing deposit</u>	<u>Preliminary deposit</u>
5/8" x 3/4"	N/A	\$70.00
All over 5/8" x 3/4"	N/A	2 x average bill

Water

Residential and General Service

	<u>Existing Charge</u>	<u>Preliminary Charge</u>
<u>Tap in Fee</u>		
5/8" x 3/4"	\$550.00	\$150.00
All Over 5/8" x 3/4"	Actual Cost	Actual Cost
<u>Meter Installation Charge</u>		
5/8" x 3/4"	N/A	\$100.00
All Over 5/8" x 3/4"	N/A	Actual Cost

STAFF REPORTS AND UTILITY APPLICATION

The results of staff's preliminary investigation are contained in a staff report dated August 20, 2001. Copies of the report may be examined by interested members of the public during regular business hours, Monday through Friday, at the following address:

Holmes Utilities, Inc.
760 Henscratch Road
Lake Placid, Florida 33852

PROCEDURES AFTER CUSTOMER MEETINGS

After the meetings, Public Service Commission Staff will prepare a recommendation which is scheduled to be submitted to the Commission on November 7, 2001. The Public Service Commission will then vote on staff's recommendation at its November 19, 2001, Agenda 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 the PAA order is issued to protest the Commission's proposed agency action order. 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 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 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 Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

All correspondence should refer to "Docket No. 010403-WU, Holmes Utilities, Inc."

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 Commission Staff for distribution by the utility to its customers.