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OFFICE OF THE GENERAL COUNSEL
HAROLD A. MCLEAN
GENERAL COUNSEL
(850) 413-6199

Public Service Commission

October 10, 2002

Mr. Gary Winrow
Sanibel Bayous Utility Corporation
15560 McGregor Boulevard, Suite 8
Fort Myers, Florida 33908

Re: Staff Assisted Rate Case for Sanibel Bayous Utility Corporation in Lee County, Docket No. 020439-SU

Mr. Winrow:

This will confirm that Commission Staff will hold a customer meeting at the Sanibel Community Association Auditorium on November 14, 2002. 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 location of the meeting will be the:

The Sanibel Community Association Auditorium
2173 Periwinkle Way
Sanibel, Florida 33957

The original customer meeting notice is enclosed. Please note the date for issuance 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 14 and no more than 30 calendar 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.

- AUS _____
- CAF _____
- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- MMS _____
- SEC
- OTH _____

Two copies of the staff report dated October 7, 2002 are also enclosed. Please ensure that a copy of the completed Application for Staff Assistance and the staff report are available for review by all interested persons at the:

Sanibel Public Library
770 Dunlop Road
Sanibel, Florida 33957.

DOCUMENT NUMBER
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FPSC-001100501002-CLERK

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If you have any questions, you may call me at (850) 413-6234 or Sam Merta at (850) 413-6427.

Sincerely,

A handwritten signature in cursive script that reads "Ralph Jaeger".

Ralph Jaeger
Senior Attorney

RJ/sm

cc: Division of Economic Regulation (Willis, Rendell, Merta, Iwenjiora)
Division of Commission Clerk and Administrative Services (020439-SU)

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

NOTICE OF CUSTOMER MEETINGS

TO THE CUSTOMERS OF SANIBEL BAYOUS UTILITY CORPORATION

AND

ALL OTHER INTERESTED PERSONS

DOCKET NO. 020439-SU

APPLICATION OF SANIBEL BAYOUS UTILITY CORPORATION

FOR A STAFF-ASSISTED RATE CASE IN
LEE COUNTY

Issued: _____

Notice is hereby given that the Staff of the Florida Public Service Commission will conduct a customer meeting to discuss the application of Sanibel Bayous Utility Corporation (SBUC or utility) for a staff-assisted rate case in Lee County. The meeting will be held at the following time and place:

6:00 p.m., Thursday, November 14, 2002
The Sanibel Community Association Auditorium
2173 Periwinkle Way
Sanibel, Florida 33957

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.

The Public Service Commission Staff is also attempting to meet with representatives of customer groups and homeowners associations on November 14, 2002 between 2:00 p.m. and 4:00 p.m. at the Sanibel Community Association Auditorium. If you are a representative of a customer group or homeowners association and you have not been contacted by the Public Service Commission Staff, and wish to meet

with staff, please contact Sam Merta at (850)413-6427 of the Public Service Commission staff at least five calendar days prior to November 14, 2002.

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 SBUC's 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 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 Public Service Commission's toll-free facsimile line at 1-800-511-0809.

BACKGROUND

Sanibel Bayous Utility Corporation is a Class C wastewater utility located in Lee County. The utility provides wastewater

service to approximately 150 residential, 98 multi-family, and 4 general service customers in Sanibel Bayous Subdivision, Heron's Landing Subdivision, the Ridge Subdivision and Blind Pass Condominiums on Sanibel Island. The utility's adjusted revenue for the test period is \$40,968, with adjusted operating expenses of \$54,284 resulting in a net operating loss of \$13,316. The test period for setting rates is the historical twelve-month period ending March 31, 2002.

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:

<u>Monthly Flat Rates</u>			
<u>Wastewater</u>			
<u>Customer Class</u>	<u>Existing Rates</u>	<u>Staff's Preliminary Monthly Rates</u>	<u>Staff's Preliminary Quarterly Rates</u>
Residential	\$14.00	\$21.07	\$63.21
Multi-Family	\$12.00	\$16.85	\$50.55
General Service	\$25.00	\$42.13	\$126.39

SERVICE AVAILABILITY CHARGES

Service availability charges are designed to defray a portion of the utility's capital costs in construction or expansion of its facilities. Currently, the utility's tariff does not have a provision for service availability charges for future customers. In Order No. PSC-02-1298-PAA-SU, the Commission authorized SBUC to collect CIAC, as a temporary charge pending a decision in the staff-assisted rate case.

Staff's preliminary recommendation is that the utility should not be authorized to collect service availability charges because the utility has exceeded the maximum contribution level for wastewater plant prescribed in Rule 25-30.580, Florida Administrative Code.

CUSTOMER DEPOSITS

Currently, the utility's tariff has no provision for customer deposits. Staff's preliminary customer deposits, below, are designed to provide security to the utility until the customer establishes a satisfactory payment record.

Wastewater Customer Deposits

<u>Customer Class</u>	<u>Existing Deposit</u>	<u>Staff's Preliminary Deposit</u>
Residential	\$0	\$42.00
Multi-Family	\$0	\$34.00
General Service	\$0	\$84.00

LATE PAYMENT FEE

SBUC is not currently authorized to collect a late payment fee. The late payment fee is designed to provide an incentive for customers to make timely payment and to place the cost burden of processing delinquent accounts solely upon those who are the cost causers. Staff's preliminary recommendation is that the utility be allowed a late payment fee of \$5.00 for customer bills paid after a 20-day payment period.

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 place the responsibility of the cost on the person creating it rather than on the rate-paying body as a whole.

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

STAFF REPORTS AND UTILITY APPLICATION

The results of staff's preliminary investigation are contained in a staff report dated October 7, 2002. Copies of the report may be examined by interested members of the public from 9:00am to 8:00pm, Monday and Thursday, and 9:00am to 5:00pm on Tuesday, Wednesday, Friday and Saturday at the following location:

Sanibel Public Library
770 Dunlop Road
Sanibel, Florida 33957

PROCEDURES AFTER CUSTOMER MEETINGS

After the meetings, Public Service Commission Staff will prepare a recommendation which is scheduled to be submitted to the Public Service Commission on December 26, 2002. The Public Service Commission will then vote on staff's recommendation at its January 7, 2002 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 other 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. 020439-SU, Sanibel Bayous Utility Corporation"

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.