

ORIGINAL

STATE OF FLORIDA

COMMISSIONERS:
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GENERAL COUNSEL RECEIVED-FPSC
RICHARD D. MELSON
(850) 413-6248
05 FEB 25 PM 1:24

COMMISSION
CLERK

Public Service Commission

February 25, 2005

Victoria Penick
U.S. Water Services Corporation
4939 Cross Bayou Boulevard
New Port Richey, FL 34652

Re: Docket No. 041145-WU Staff Assisted Rate Case for Holiday Utility Company, Inc., in Pasco County

Dear Ms. Penick:

This will confirm that Commission Staff will hold a customer meeting at the West Pasco Government Center on March 30, 2005. 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:

West Pasco Government Center
County Commission Board Room, Suite 160
7530 Little Road
New Port Richey, FL 34654

The original customer meeting notice is enclosed. Please note 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 14 calendar days' notice of the meeting, calculated from the day that they receive the notice as required by Rule 25-22.0407(9)(b), Florida Administrative Code (F.A.C.). 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.

- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- MMS _____
- RCA _____
- SCR _____
- SEC 1
- OTH _____

Two copies of the staff report will subsequently be sent under a separate cover letter. When you receive the staff report, please ensure that a copy of the completed Application for Staff Assistance and the staff report are available for review, pursuant to Rule 25-22.0407(9)(b), F.A.C., by all interested persons at the following location:

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD • TALLAHASSEE, FL 32399-0850

An Affirmative Action / Equal Opportunity Employer

PSC Website: <http://www.floridapsc.com>

Internet E-mail: contact@psc.state.fl.us

DOCUMENT NUMBER: DA 1

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FPSC-COMMISSION CLERK

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U.S. Water Services Corporation
4939 Cross Bayou Blvd.
New Port Richey, FL 34652

For your convenience, I have also enclosed a copy of Rule 25-22.0407(9), F.A.C.

Should you have any questions about any of the matters contained herein, please do not hesitate to contact me at (850) 413-6234. In addition, you may contact Shannon Hudson at (850) 413-7021 with any questions.

Sincerely,



Ralph Jaeger
Senior Attorney

Enclosures

RJ:sh

cc: Division of Economic Regulation (Willis, Rendell, Hudson)
Division of Commission Clerk and Administrative Services (041145-WU)
Office of Public Counsel

Rule 25-22.0407(9), Florida Administrative Code

(9) When a utility applies for a staff-assisted rate case in accordance with Section 367.0814, Florida Statutes, and Rule 25-30.455, F.A.C., and staff-assistance is granted, the requirements of subsections (2), (3), (4), and (5) of this rule shall not apply.

(a) Upon receipt of the staff reports, the utility shall place two copies of its application for staff-assistance and the staff reports at any business offices it has in its service area. Such copies shall be available for public inspection during the utility's regular business hours. If the utility does not have a business office in its service area, the utility shall place two copies of its application and the staff reports at the main county library, the local community center or other appropriate location that is within or most convenient to the service area and that is willing to accept and provide public access to the copies.

(b) No less than 14 days and no more than 30 days prior to the date of a customer meeting conducted by the Commission staff, the utility shall provide, in writing, a customer meeting notice to all customers within its service area and to all persons in the same service areas who have filed a written request for service or who have been provided a written estimate for service within the 12 calendar months prior to the month the petition is filed.

(c) The customer meeting notice shall be approved by the Commission staff prior to distribution and shall include the following:

1. The date the notice was issued;
2. The time, date, location, and purpose of the customer meeting;
3. A statement that the utility has applied for a staff-assisted rate case and the general reasons for doing so;
4. A statement of the location where copies of the application and the staff reports are available for public inspection and the times during which inspection may be made;
5. A comparison of current rates and charges and the proposed new rates and charges;
6. The utility's address, telephone number, and business hours;
7. A statement that written comments regarding utility service or the proposed rates and charges should be addressed to the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0870, and that such comments should identify the docket number assigned to the proceeding;
8. A statement that complaints regarding service may be made to the Commission's Division of Consumer Affairs at the following toll-free number: 1(800)342-3552.
9. A statement that the Commission will be reviewing the utility's service availability charges in the pending case and that the Commission may adjust those charges.
10. The docket number assigned by the Commission's Division of the Commission Clerk and Administrative Services.

(d) The customer meeting notice shall be mailed to the out-of-town address of all customers who have provided the utility with an out-of-town address.

(e) If the proposed agency action order issued in the case is protested and any hearings are subsequently held, the utility shall give notice in accordance with subsections (6) and (7) above.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
NOTICE OF CUSTOMER MEETINGS
TO THE CUSTOMERS OF HOLIDAY UTILITY COMPANY, INC.
AND
ALL OTHER INTERESTED PERSONS
DOCKET NO. 041145-WU
APPLICATION OF HOLIDAY UTILITY, INC.
FOR A STAFF-ASSISTED RATE CASE IN
PASCO 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 Holiday Utility, Inc. (Holiday or utility) for a staff-assisted rate case in Pasco County. The meeting will be held at the following time and place:

6:00 p.m., Wednesday, March 30, 2005
West Pasco Government Center
County Commission Board Room, Suite 160
7530 Little Road
New Port Richey, FL 34654

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 March 30, 2005 between 2:00pm and 5:00pm at the West Pasco Government Center. 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 Troy Rendell at (850)413-6934 or Shannon Hudson at (850)413-7021 of the Public Service Commission staff prior to March 30, 2005.

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 Holiday'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

Holiday Utility Company, Inc. (utility) is a Class C water utility serving 334 water customers in Pasco County. According to the utility's 2003 annual report, total gross revenue was \$56,774, and total operating expenses were \$92,616.

The utility began operations in 1969. By Order No. 6780, issued July 17, 1975, in Docket No. 73489, the Commission granted the utility water certificate 224-W. The utility has had two staff assisted rate case (Docket No. 800514-W and Docket No. 840291-WU)

The utility currently has an open docket (Docket No. 030458-WU) for the transfer of majority organizational control to Holiday Waterworks Corporation. An audit of the utility's rate base was done as of June 30, 2003 for the transfer docket (Audit Control No. 03-176-2-1).

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:

Monthly Rates (Phase I)

Residential and General Service Water Rates

<u>Meter Sizes</u>	<u>Current Rates</u>	<u>Staff's Preliminary Rates</u>
<u>Base Facility Charge</u>		
Meter Sizes		
5/8" x 3/4"	\$5.37	\$6.57
3/4"		\$9.86
1"	\$13.45	\$16.43
1 1/2"	\$26.90	\$32.85
2"	\$43.07	\$52.56
3"	\$86.11	\$105.12
4"	\$134.56	\$164.25
6"	\$269.14	\$328.50
 <u>Gallonage Charge</u>		
Per 1,000 Gallons	\$1.36	
 <u>Gallonage Charge</u>		
<u>Residential</u>		
0 – 10 kgal (for each 1,000 gallons)		\$2.13
10+kgal (for each 1,000 gallons over 10,000)		\$3.20
 <u>General Service (for each 1,000 gallons)</u>		
		\$2.34

Monthly Rates (Phase II)

Residential and General Service Water Rates

<u>Meter Sizes</u>	<u>Current Rates</u>	<u>Staff's Preliminary Rates with Pro forma Items</u>
<u>Base Facility Charge</u>		
Meter Sizes		
5/8" x 3/4"	\$5.37	\$9.33
3/4"		\$14.00
1"	\$13.45	\$23.33
1 1/2"	\$26.90	\$46.65
2"	\$43.07	\$74.64
3"	\$86.11	\$149.28
4"	\$134.56	\$233.25
6"	\$269.14	\$466.50

Gallonge Charge

Per 1,000 Gallons \$1.36

Gallonge Charge

Residential

0 – 10 kgal (for each 1,000 gallons up to 10,000 gallons) \$3.16

10+kgal (for each 1,000 gallons over 10,000 gallons) \$4.74

General Service (for each 1,000 gallons) \$3.47

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 ratepaying body as a whole.

	<u>Preliminary Charges</u>
Initial Connection	\$15.00
Normal Reconnection	\$15.00
Premises Visit	\$15.00
Violation Reconnection	\$25.00

STAFF REPORTS AND UTILITY APPLICATION

The results of staff's preliminary investigation are contained in a staff report dated February 25, 2005. Copies of the report may be examined by interested members of the public from 8:00 a.m. to 4:00 p.m., Monday through Friday at the following location:

U.S. Water Services Corporation
4939 Cross Bayou Blvd.
New Port Richey, FL 34652

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 April 21, 2005. The Public Service Commission will then vote on staff's recommendation at its May 3, 2005 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. 041145-WU, Holiday Utility Company, 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.