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TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

July 13, 2006

Mr. Norman Duncan
Pincecrest Ranches, Inc.
P.O. Box 2427
Bartow, FL 33831-2427

RECEIVED-FPSC
06 JUL 13 PM 1:31
COMMISSION
CLERK

Re: Docket No. 060416-WU – Petition for limited alternative rate increase in Polk County by Pinecrest Ranches, Inc.

Dear Mr. Duncan:

This will confirm that Commission Staff will hold a customer meeting at the Chain of Lakes Complex (Poolside Room) on August 16, 2006. 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:

Chain of Lakes Complex
Poolside Room
210 Cypress Garden Boulevard
Winter Haven, Florida 33880
6:00 pm-9:00 pm

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 and no more than 30 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. Therefore, the notice should not be mailed prior to July 17, 2006. 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 _____
- RCA _____
- SCR _____
- SGA _____
- SEC 1
- OTH _____

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

Should you have any questions about any of the matters contained herein, please do not hesitate to contact me at (850) 413-6234.

Sincerely,

A handwritten signature in black ink that reads "Ralph R. Jaeger". The signature is written in a cursive style with a large, prominent "R" at the beginning.

Ralph R. Jaeger
Senior Attorney

Enclosures

RJ:tb

cc: Division of Economic Regulations (Rendell, Biggins)
Division of Commission Clerk and Administrative Services (060416-WU)

BEFORE THE PUBLIC SERVICE COMMISSION
NOTICE OF CUSTOMER MEETING TO THE CUSTOMERS OF
PINECREST RANCHES, INC.

AND

ALL OTHER INTERESTED PERSONS

DOCKET NO. 060416-WU

APPLICATION BY PINECREST RANCHES, INC.

FOR A LIMITED ALTERNATIVE RATE INCREASE IN

POLK 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 Pinecrest Ranches, Inc. (Pinecrest or Utility) for a limited alternative water rate increase in Polk County. The meeting will be held at the following time and place:

Wednesday, August 16, 2006
6:00 p.m. to 9:00 p.m.
Chain of Lakes Complex
Poolside Room
210 Cypress Gardens Boulevard
Winter Haven, Florida 33880

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.

Any person requiring some accommodation at the customer meeting 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 proposed water rate increase, and to ask questions and comment on other issues. Staff members will summarize Pinecrest Ranches, Inc.'s proposed filing, 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.

HOW TO CONTACT THE COMMISSION

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 below:

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. 060416-WU, which is the docket number that has been assigned to this proceeding. 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.

If you wish to contact the Commission regarding complaints about service, you may call (toll free) or write the Florida Public Service Commission's Division of Regulatory Compliance Consumer Assistance:

Division of Regulatory compliance and Consumer Assistance
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
1-800-342-3552 (Toll Free Number)

The FPSC also has a web site available at <http://floridapsc.com/apps/consumers/complaints/>

BACKGROUND

Pursuant to Rule 25-30.457, Florida Administrative Code, as an alternative to a rate case, a Class C utility may petition the Commission for a rate increase of up to 20 percent of service revenues. An engineering or financial audit of the utility's books and records is not required. The utility will hold any revenue increase granted subject to refund with interest for a period of

15 months. To insure overearnings will not occur due to the implementation of the rate increase, the Commission will conduct an earnings review of the utility's annual report for the year the adjustment in rates was implemented. If overearnings occur, such overearnings, up to the amount held subject to refund, with interest, will be disposed of for the benefit of the customers.

Pinecrest Ranches, Inc. (Pinecrest or utility) is a Class C water utility located in Polk County serving approximately 144 water customers in a community known as Citrus Highlands. The utility's revenues for the test period are \$40,194 with adjusted operating expenses of \$49,628, resulting in a net operating loss of (\$9,434) for the test period. The test period for setting rates is the historical twelve month period ending December 31, 2005.

The utility is requesting a rate increase because the existing rates do not provide sufficient revenues to cover the increasing expenses of operations. Pinecrest has not had a rate increase since 2003.

A copy of the application is available for public inspection during normal business hours (8:00 a.m. to 4:00 p.m., Monday – Friday) at the following location:

Pinecrest Ranches, Inc.
6115 Highway 60 East
Bartow, FL 33830

CURRENT AND PROPOSED RATES

A schedule of the current rates and the utility's proposed rates, on a monthly basis, is set forth below:

Monthly Water Rates Residential and General Service

<u>Meter Sizes</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
<u>Base Facility Charge</u>		
Meter Sizes		
5/8" x 3/4"	\$9.99	\$11.99
3/4"	\$14.99	\$17.99
1"	\$24.98	\$25.48
1 1/2"	\$49.95	\$59.94
2"	\$79.92	\$95.90
3"	\$159.83	\$191.80
4"	\$249.73	\$299.68
6"	\$499.46	\$599.35
 <u>Gallonage Charge</u>		
Per 1,000 Gallons	\$3.02	\$3.62

PROCEDURES AFTER CUSTOMER MEETINGS

After the meeting, Public Service Commission Staff will prepare a recommendation which is scheduled to be submitted to the Commission on October 12, 2006. The Public Service Commission will then vote on staff's recommendation at its October 24, 2006, agenda conference. The Commission will thereafter issue a Proposed Agency Action Order (PAA Order). 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.

This notice was prepared by Commission Staff for distribution by the utility to its customers.