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(850) 413-6900

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COMMISSION
CLERK

Public Service Commission

November 8, 2010

Howard E. Adams, Esq.
Pennington, Moore, Wilkinson, Bell & Dunbar, PA
215 South Monroe Street
2nd Floor
Tallahassee, Florida 32302

Re: Staff Assisted Rate Case for Commercial Utilities, Division of Grace & Co., Inc. in Duval County, Docket No. 100326-SU

Dear Mr. Adams:

This will confirm that Commission staff will hold a customer meeting at the Jacksonville Urban Office Training Center on December 8, 2010, starting at 6:00 p.m. 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:

Jacksonville Urban Office
Training Center
2198 Edison Avenue
Jacksonville, FL 32204

A draft 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. As required by Rule 25-22.0407(9)(b), Florida Administrative Code (F.A.C.), the utility shall provide, in writing, a customer meeting notice to all customers within its service area no less than 14 days and no more than 30 days prior to the date of a customer meeting. 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.

DOCUMENT NUMBER - 09263
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FPSC-COMMISSION CLERK

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We will send you two copies of the staff report in the near future. 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:

Commercial Utilities, Division of Grace & Co., Inc.
865 South Lane Avenue
Jacksonville, FL 32205

For your convenience, I have also enclosed a copy of Rule 25-22.0407, F.A.C. Should you have any questions about any of the matters contained herein, please do not hesitate to contact me at (850) 413-6187. In addition, you may contact Avy Smith at (850) 413-6425, with any questions.

Sincerely,

Martha C. Brown

Martha C. Brown
Senior Attorney

Enclosures

MCB/as

cc: Division of Economic Regulation (Maurey, Bulecza-Banks, Smith, Daniel, Fletcher, Hudson, Simpson)
Office of General Counsel (Teitzman, Murphy)
Office of Commission Clerk (Docket No. 100326-SU)
Ms. Anne Lee

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

NOTICE OF CUSTOMER MEETINGS

TO THE CUSTOMERS OF COMMERCIAL UTILITIES, DIVISION OF GRACE & CO., INC.

AND

ALL OTHER INTERESTED PERSONS

DOCKET NO. 100326-SU

APPLICATION OF COMMERCIAL UTILITIES, DIVISION OF GRACE & CO., INC.

FOR A STAFF-ASSISTED RATE CASE IN

DUVAL COUNTY

Issued:

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

6:00 p.m., Wednesday, December 8, 2010
Jacksonville Urban Office
Training Center
2198 Edison Avenue
Jacksonville, FL 32204

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 Commission may attend and participate in this meeting. The meeting will begin as scheduled and will continue until all the customers have been heard.

If a named storm or other disaster requires cancellation of the meeting, Commission staff will attempt to give timely direct notice to the parties. Notice of the cancellation of the meeting will also be provided on the Commission's website (<http://www.psc.state.fl.us/>) under the Hot Topics link found on the home page. Cancellation can also be confirmed by calling the Commission's Office of the General Counsel at (850) 413-6199.

Any person requiring some accommodation at the customer meeting(s) because of a physical impairment should call the Office of Commission Clerk 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 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 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 Commercial'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. Commission Staff will have sign-up sheets, and customers will be called to speak in the order that they sign up. 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 Commission's toll-free facsimile line at 1-800-511-0809.

BACKGROUND

Commercial Utilities, Division of Grace & Co., Inc. (Commercial or Utility) is a Class C utility serving 43 wastewater customers in Duval County. The Utility applied for a staff-assisted rate increase on June 14, 2010. The test year for setting rates is the twelve-month period ended June 30, 2010. Commercial's 2009 annual report indicates gross revenues of \$246,308 and operating expenses of \$280,961.

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 Commission. The Utility's current, and staff's preliminary rates and charges, are as follows:

COMMERCIAL UTILITIES, DIVISION OF GRACE & CO., INC.		
MONTHLY WATER RATES		
	UTILITY'S EXISTING RATES	STAFF PRELIMINARY RECOMMENDED RATES
<u>General Service</u>		
<u>Base Facility Charge by Meter Size:</u>		
5/8"X3/4"	\$27.54	\$33.98
3/4"	\$71.49	\$88.20
1"	\$107.26	\$132.34
1-1/2"	\$143.02	\$176.46
2"	\$228.81	\$282.31
3"	\$457.61	\$564.60
4"	\$715.05	\$882.23
<u>Gallonge Charge</u>		
Gallonge Charge (all gallons)	\$3.71	\$4.58
<u>Typical 5/8" x 3/4" Meter Bill Comparison</u>		
3,000 Gallons	\$38.67	\$47.71
5,000 Gallons	\$46.09	\$56.87
10,000 Gallons	\$64.64	\$79.75

CUSTOMER DEPOSITS

Currently, the Utility's tariff has no provision for customer deposits. Rule 25-30.311, Florida Administrative Code (F.A.C.), provides guidelines for collecting, administering and refunding customer deposits. It also authorizes customer deposits to be calculated using an average monthly bill for a two-month period. A schedule of the Utility's existing, and staff's recommended deposits are as follows:

Wastewater Customer Deposits

General Service

Meter Size	Existing Deposit	Recommended Deposit
5/8" x 3/4"	N/A	2 x average bill
All over 5/8" x 3/4"	N/A	2 x average bill

STAFF REPORTS AND UTILITY APPLICATION

The results of staff's preliminary investigation are contained in a staff report dated November 8, 2010. Copies of the report may be examined by interested members of the public from 9:00 a.m. to 4:00 p.m., Monday through Friday at the following location:

Commercial Utilities, Division of Grace & Co., Inc.
865 South Lane Avenue
Jacksonville, FL 32205

PROCEDURES AFTER CUSTOMER MEETING

After the customer meeting, Commission staff will prepare a recommendation which is scheduled to be submitted to the Commission on January 27, 2011. The Commission will then vote on staff's recommendation at its February 8, 2011 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 that the PAA order is issued to protest the Commission's PAA 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, Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

All correspondence should refer to "Docket No. 100326-SU, Commercial Utilities, Division of Grace & Co., Inc." If you wish to contact the Commission regarding complaints about service, you may call the Commission's Division of Service, Safety and Consumer Assistance 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.