

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 120183-WU

APPLICATION FOR STAFF-ASSISTED
RATE CASE IN LAKE COUNTY BY TLP
WATER, INC.

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COMMISSION
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PROCEEDINGS: COMMISSION CONFERENCE
ITEM NO. 8

COMMISSIONERS
PARTICIPATING: CHAIRMAN RONALD A. BRISÉ
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER ART GRAHAM
COMMISSIONER EDUARDO E. BALBIS
COMMISSIONER JULIE I. BROWN

DATE: Tuesday, March 5, 2013

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR
Official FPSC Reporter
(850) 413-6732

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1 P R O C E E D I N G S

2 **CHAIRMAN BRISÉ:** We are going to move to
3 Item Number 8.

4 **MS. GOLDEN:** Good morning, Commissioners.
5 Martha Golden with Commission Staff.

6 Item 8 is the application for a
7 staff-assisted rate case by TLP Water Company.
8 Staff is recommending that the utility should be
9 granted a rate increase of 17.19 percent.

10 At this time staff is prepared to answer
11 questions or we can discuss each issue, if you
12 prefer.

13 **CHAIRMAN BRISÉ:** Commissioner Balbis.

14 **COMMISSIONER BROWN:** Thank you, Mr.
15 Chairman.

16 I pulled this item because I had a
17 question for staff. As the Prehearing Officer for
18 this case, I did attend the customer meeting that
19 was held a few months ago. And although there is
20 only about 55 total connections, the customer
21 meeting was well attended. And, in fact, a petition
22 was provided into the record where I believe it was
23 31 members all signed the petition in response to
24 this rate request.

25 And in the petition there was discussion

1 about that the homeowners' association, or the
2 residents of Three Lakes Park were in discussions
3 with the City of Tavares to annex the system in and
4 possibly provide water and wastewater service. I
5 know they felt that that might be a solution to the
6 issues, and so I just wanted staff to update the
7 Commission as to where they are with those
8 discussions, or are they still ongoing.

9 **MS. GOLDEN:** Yes, they are. They are
10 ongoing. As recently as last Friday representatives
11 from the homeowners' association and also from the
12 houses -- well, let me back up. The service area is
13 composed of a mobile home park, which is a co-op,
14 and then they also serve houses which are not part
15 of the co-op.

16 The option that they are looking at now is
17 that the houses that are not part of the co-op may
18 end up breaking off from the utility and may get
19 service interconnect with the City to get service
20 from the City. If they do that, there is the
21 possibility that the Mobile Home Park would still
22 move forward with the USDA application for the grant
23 and loan.

24 Right now the utility has done everything
25 that it can as far as preparing the application.

1 They have gotten everything approved at the local
2 and state level, but the USDA wants them to wait
3 until there is a decision regarding whether or not
4 some of the customers are going to interconnect with
5 the City before they actually submit the application
6 to Washington, D.C.

7 The reason for that is that if they apply
8 for the loan to do the distribution system upgrades
9 for the entire service area, they will be asking for
10 about \$325,000. If the houses decide that they want
11 to separate and connect with the City, that piece of
12 the project will be gone, and then what is left will
13 be about a third of the project, so they are looking
14 at around \$100,000.

15 The USDA would prefer that they have a
16 more firm position on how much money they need
17 before they submit the application. But there are,
18 as I said last week, a representative for the
19 houses, a representative for the co-op, the City
20 Mayor, the City Attorney, and also the City
21 Utilities Director were supposed to have met to see
22 if they could come to a decision.

23 The City does want the customers to make a
24 firm commitment of what they want and exactly which
25 customers want to interconnect before they move

1 forward. But that's the current status of it.

2 **COMMISSIONER BROWN:** Thank you. That's
3 the only question I had.

4 **CHAIRMAN BRISÉ:** Thank you very much.
5 Commissioner Brown.

6 **COMMISSIONER BROWN:** Just a follow-up, Ms.
7 Golden. So I know the recommendation says that the
8 utility submitted an application for USDA funding in
9 September of last year, so does that -- what you
10 said, I may be confused. I thought you said --

11 **MS. GOLDEN:** Let me clarify. There are
12 stages to it. They go through local/state level,
13 they get approval at that level before they move to
14 Washington. So they have gone through the various
15 stages up to the point that now they are ready to
16 actually submit it to the USDA in Washington, D.C.
17 to actually get approval to get the funds.

18 **COMMISSIONER BROWN:** What is the time
19 frame?

20 **MS. GOLDEN:** We don't really know. It
21 just depends on how quick the government reviews it
22 and can get the money to them.

23 **COMMISSIONER BROWN:** But this is the only
24 recourse for the utility to obtain financing to
25 solve the problem?

1 **MS. GOLDEN:** Yes. Yes. Prior to the
2 utility being certificated, the co-op was providing
3 all the funds to run the utility. In 2006, they had
4 to make some expensive repairs, and that pretty much
5 depleted the co-op's reserves which come from -- the
6 homeowners pay membership dues into the co-op. So
7 they are not able to get financing, and they don't
8 have the funds on their own anymore.

9 **COMMISSIONER BROWN:** Thank you.

10 With that, Mr. Chairman, I would move
11 staff recommendation on Item 8.

12 **CHAIRMAN BRISÉ:** All right. It has been
13 moved and seconded.

14 Any further comments or discussion?

15 Seeing none, all in favor say aye.

16 (Vote taken.)

17 **CHAIRMAN BRISÉ:** Thank you very much.

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STATE OF FLORIDA)

: CERTIFICATE OF REPORTER

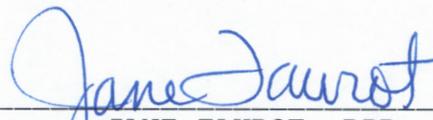
COUNTY OF LEON)

I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, FPSC Division of Commission Clerk, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 11th day of March, 2013.



JANE FAUROT, RPR
FPSC Official Commission Reporter
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