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STATE OF FLORIDA



GENERAL COUNSEL
S. CURTIS KISER
(850) 413-6199

Public Service Commission

April 1, 2013

Pinecrest Utilities, LLC
Attn: Mike Smallridge
P.O. Box 1798
Eaton Park, FL 33840-1798

VIA ELECTRONIC MAIL

Re: Staff-Assisted Rate Case for Pinecrest Utilities, LLC in Polk County, Docket No. 120269-WU

Dear Mr. Smallridge:

This will confirm that Commission staff will hold a customer meeting on Thursday, April 25, 2013. 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 general meeting will be as follows:

5:00 p.m., Thursday, April 25, 2013
Bartow Public Library
2150 South Broadway Ave.
Bartow, FL 33830

As required by Rule 25-22.0407(9)(b), Florida Administrative Code (F.A.C.), the utility must 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. 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. 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.

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13 APR -3 PM 4:01
COMMISSION
CLERK

DOCUMENT NUMBER - DATE
01640 APR -3 10
FPSC-COMMISSION CLERK

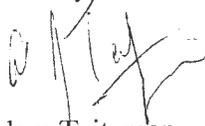
Mr. Smallridge
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We will send you two copies of the staff report no later than April 9, 2013. When you receive the staff report, please ensure that a copy of the completed Application for Staff Assistance and the staff report are available for review, pursuant to Rule 25-22.0407(9)(a), F.A.C., by all interested persons at the following location:

1902 Barton Park Road
Unit#201
Auburndale, FL 33840

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) 413-6191. In addition, you may contact Shannon Hudson at (850) 413-7021, with any questions.

Sincerely,



Adam Teitzman
Attorney Supervisor

Enclosures

CM/sb

cc: Division of Economics (Daniel, Hudson, Bruce)
Division of Accounting & Finance (Prestwood, Mouring, Barrett)
Division of Engineering (Vickery, Lewis, Ellis, McRoy)
Office of General Counsel (Teitzman, Murphy)
Office of Commission Clerk (Docket No. 120269-WU)

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 Office of Commission Clerk, 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 Service, Safety & Consumer Assistance 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 Office of Commission Clerk.

(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 MEETING

TO THE CUSTOMERS OF PINECREST UTILITIES, LLC

AND

ALL OTHER INTERESTED PERSONS

DOCKET NO. 120269-WU

APPLICATION OF PINECREST UTILITIES, LLC

FOR A STAFF-ASSISTED RATE CASE IN

POLK 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 Pinecrest Utilities, LLC (Pinecrest or Utility) for a staff-assisted rate case (SARC) in Polk County. The meeting will be held at the following time and place:

5:00 p.m., Thursday April 25, 2013
Bartow Public Library
2150 South Broadway Ave.
Bartow, FL 33830

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 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. 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 Sunrise'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

Pinecrest Utilities, LLC. (Pinecrest or Utility) is a Class C water utility serving approximately 145 customers in Polk County. The Utility is located in the Southern Water Use Caution Area of the Southwest Florida Water Management District. However, there are no water use restrictions for the Utility because annual withdrawals are less than 100,000 gallons per day. The Utility's 2011 Annual Report lists combined annual revenues of \$53,354 and total operating expenses were \$65,138, resulting in a net loss of \$21,852.

The Utility was constructed in 1987. In 1997, Pinecrest was granted Certificate No. 588-W when Polk County turned over jurisdiction of privately-owned water and wastewater utilities to the Commission.¹ Pinecrest's subsequent certification actions include a name change in 1997,² a transfer of majority organizational control in 2002,³ and a quick-take territory amendment in 2003.⁴ Rate base was last established by the Commission for rate making purposes in the Utility's 2010 staff-assisted rate case.⁵ On September 18, 2012, the Commission

¹ See Order No. PSC-97-0367-FOF-WU, issued April 2, 1997, in Docket No. 961253-WU, In re: Application for grandfather certificate to provide water service in Polk County by Pinecrest Ranches.

² See Order No. PSC-97-1087-FOF-WU, issued September 17, 1997, in Docket No. 970635-WU, In re: Application for name change on Certificate No. 588-W in Polk County from Pinecrest Ranches to Pinecrest Ranches, Inc.

³ See Order No. PSC-02-0893-FOF-WU, issued July 5, 2002, in Docket No. 011651-WU, In re: Application for transfer of majority organizational control of Pinecrest Ranches, Inc., holder of Certificate No. 588-W in Polk County, from James O. Vaughn and Margaret S. Hankin to S. Norman Duncan and Richard S. Little.

⁴ See Order No. PSC-03-0318-FOF-WU, issued March 6, 2003, in Docket No. 020823-WU, In re: Application for quick-take amendment of Certificate No. 588-W in Polk County by Pinecrest Ranches, Inc.

⁵ See Order No. PSC-10-0681-PAA-WU, issued November 15, 2010, in Docket No. 090414-WU, In re: Application for staff-assisted rate case in Polk County by Pinecrest Ranches, Inc.

approved the transfer of Certificate No. 588-W from Pinecrest Ranches, Inc. to Pinecrest Utilities, LLC, and established rate base for transfer purposes.⁶

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:

⁶ See Order No. PSC-12-0475-PAA-WU, issued September 18, 2012, in Docket No. 110311-WU, In re: Application for transfer of Certificate No. 588-W from Pinecrest Ranches, Inc., in Polk County, to Pinecrest Utilities, LLC.

| | UTILITY'S EXISTING RATES | STAFF PRELIMINARY RECOMMENDED RATES |
|---|--------------------------------|--|
| <u>Residential and General Service</u> | | |
| <u>Base Facility Charge by Meter Size:</u> | | |
| 5/8"X3/4" | \$14.45 | \$14.61 |
| 3/4" | \$21.68 | \$21.92 |
| 1" | \$36.13 | \$36.53 |
| 1-1/2" | \$72.25 | \$73.05 |
| 2" | \$115.60 | \$116.88 |
| 3" | \$231.20 | \$233.76 |
| 4" | \$361.25 | \$365.25 |
| 6" | \$722.50 | \$730.50 |
| <u>Residential and General Service Gallonage Charge</u> | | |
| Per 1,000 Gallons | \$4.35 | \$4.74 |
| <u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u> | | |
| 3,000 Gallons | | |
| 5,000 Gallons | | |
| 10,000 Gallons | | |
| | \$27.50 | \$28.83 |
| | \$36.20 | \$38.31 |
| | \$57.95 | \$62.01 |

STAFF REPORTS AND UTILITY APPLICATION

The results of staff's preliminary investigation are contained in a staff report dated April 1, 2013. Copies of the report may be examined by interested members of the public from 9:00 a.m. to 3:00 p.m., Monday through Friday at the following location:

1902 Barton Park Road
Unit#201
Aurburndale, FL 33840

PROCEDURES AFTER CUSTOMER MEETING

After the customer meeting, Commission staff will prepare a recommendation which is tentatively scheduled to be submitted to the Commission on June 6, 2013. The Commission will then vote on staff's recommendation at its June 18, 2013 Commission 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. 120269-WU, Pinecrest Utilities, LLC" If you wish to contact the Commission regarding complaints about service, you may call the Commission's Office of Consumer Assistance and Outreach 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.