

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Notice of Intent of Peoples
Water Service Company of Florida, Inc.
to increase water rates and required decrease
in rates for four year amortization based upon
the application of the provisions of
Section 367.081(4)(a), Florida Statutes.

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COMMISSION
CLERK

PEOPLES WATER SERVICE COMPANY OF FLORIDA, INC.
NOTICE OF INTENT TO INCREASE ITS RATES
AND REQUIRED DECREASE IN RATES FOR FOUR YEAR
AMORTIZATION OF RATE CASE EXPENSE

Peoples Water Service Company of Florida, Inc., by and through its undersigned attorneys, gives notice to the Florida Public Service Commission of its intent to apply the indexing provisions of Section 367.081(4)(a), Florida Statutes, and Order No. PSC-14-0068-PAA-WS, to increase rates for water service provided by Peoples Water Service Company of Florida, Inc. to its customers in Escambia County, Florida.

In accordance with the requirement of Commission Order No. PSC-10-0117-PAA-WU, Peoples Water Service Company of Florida, Inc. is required to decrease its rates for the effect of the four year amortization of rate case expense in that case.

In order to save the cost of two customers' notices and the confusion caused by two changes in rates, the utility has combined the 2013 index rate increase with the required decrease in rates for full amortization of rate case expense in this filing.

In accordance with the requirements of Rule 25-30.420, Florida Administrative Code, the

- COM _____
- AFD 4 _____
- APA _____
- ECO 1 _____
- ENG _____
- GCL 1 _____
- IDM _____
- TEL _____
- CLK _____

following information is provided:

1. Attached hereto as **EXHIBIT A** are three schedules prepared by the Utility which
_____ comply with the financial requirements of Rule 25-30.420, Florida Administrative Code, and to
_____ combine those schedules with those necessary in order to comply with the requirements of Order No.

PSC-10-0117-PAA-WU related to a reduction in revenues for fully amortized rate case expense.

Schedule No. 1 is a calculation of the percentage increase in rates necessary to implement the index increase percentage.

A schedule showing the calculation of annualized revenues at current rates is included as **Schedule No. 2**.

Schedule No. 3 is a schedule of present and proposed rates taking into account the index increase for the 2013 price index as calculated in Schedule 1 and the decreases in rates for full amortization of rate case expense as outlined on Schedule 4, page 27 of PSC Order No. PSC-10-0117-PAA-WU.

2. Attached hereto as **EXHIBIT "B"** in conformance with the requirements of Section 25-30.420(2)(d), F.A.C., is a copy of the Notice to Customers of this change in rates. This notice conforms to the requirements of Section 25-30.420(6), F.A.C., and will be provided to each of the Utility's customers prior to the time those customers begin consumption at the rates established by application of the index and required rate reduction.

3. Attached hereto as **EXHIBIT "C"** are revised tariff sheets reflecting the change in rates proposed in conformance with the requirements of Section 25-30.420(2)(a), F.A.C.

4. Attached hereto as **EXHIBIT "D"** is a copy of an affirmation as required by Section 367.081(4)(c), Florida Statutes, and Section 25-30.420(2)(c), F.A.C.

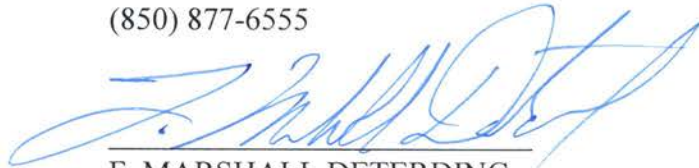
5. The utility does not have any active written complaints, corrective orders, consent orders, or outstanding citations with the Department of Environmental Protection (DEP) or the County Health Department.

Peoples Water Service Company of Florida, Inc. requests that the Florida Public Service Commission and its Staff approve the form of the Customer Notice provided herein as soon as

possible so that it may be distributed to the utility's customers well in advance of the implementation of the change in rates. The Utility will implement the change in rates for all service provided on or after sixty (60) days after the filing of this Notice of Intent.

Respectfully submitted on this 20th day of
February, 2014, by:

SUNDSTROM & MINDLIN, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
(850) 877-6555



F. MARSHALL DETERDING

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EXHIBITS

Exhibit "A"

Schedule No. 1 - Calculation of Index Percentage

Schedule No. 2 - Schedule of Annualized Revenue

Schedule No. 3 - Schedule of Present and Proposed Rates

Exhibit "B" Customer Notice

Exhibit "C" Revised Tariff Sheets

Exhibit "D" Affirmation

EXHIBIT "A"

GROUP OF THREE SCHEDULES FROM UTILITY

2013 PRICE INDEX APPLICATION
TEST YEAR ENDED DECEMBER 31, 2012
Peoples Water Service Company of FL, Inc.

	WATER	WASTEWATER
2012 Operation and Maintenance Expenses (O & M based on Table 5, PSC OrderNumber PSC-13-0647-PAA-WU)	\$2,432,657	\$0
LESS:		
(a) Pass-through Items:		
(1) Purchased Power	\$138,140	\$0
(2) Purchased Water	\$0	\$0
(3) Purchased Wastewater Treatment	\$0	\$0
(4) DEP Required Water Testing	\$0	\$0
(5) DEP Required Wastewater Testing	\$0	\$0
(6) NPDES Fees	\$0	\$0
(b) Rate Case Expense Included in in 2012 Expenses	\$41,278	\$0
(c) Adjustments to O & M Expenses from last rate case, if applicable:		
(1) PSC-13-0647-PAA-WU	\$11,501	\$0
(2)	\$0	\$0
Costs to be Indexed	<u>\$2,241,738</u>	<u>\$0</u>
Multiply by change in GDP Implicit Price Deflator Index	1.63%	1.63%
Indexed Costs	<u>\$36,540</u>	<u>\$0</u>
Add Pass-Through Items:		
(1)	\$0	\$0
(2)	\$0	\$0
Divide Index by Expansion Factor for Regulatory Assessment Fees	95.50%	95.50%
Increase in Revenue	<u>\$38,262</u>	<u>\$0</u>
Divide by Annualized 2012 Revenue (Revenue based on Table 5 Projected Revenue, PSC OrderNumber PSC-13-0647-PAA-WU)	\$3,415,665	
Percentage Increase in Rates for Index	<u>1.12%</u>	<u></u>

Peoples Water Service Company of FL, Inc.

2013 Price Index Rates

Water Rates

Residential and General Service	Current	2013	080695-WU	New
<u>Base Facility Charges by Meter Size</u>	Rates	Price	Rate Case	Rates
		Index	Amort.	
5/8"x 3/4"	\$7.59	0.09	-0.08	\$7.60
1"	\$18.98	0.21	-0.20	\$18.99
1 1/4"	\$30.36	0.34	-0.33	\$30.37
1 1/2"	\$37.95	0.43	-0.41	\$37.97
2"	\$60.72	0.68	-0.65	\$60.75
3"	\$121.44	1.36	-1.31	\$121.49
4"	\$189.75	2.13	-2.05	\$189.83
6"	\$379.50	4.25	-4.09	\$379.66
8"	\$683.10	7.65	-7.37	\$683.38
10"	\$1,100.55	12.33	-11.87	\$1,101.01
<u>Charge per 1,000 gallons - Residential</u>				
First 3,000 Gal.	\$1.47	0.02	-0.02	\$1.47
3,001-6,000 Gal.	\$4.40	0.05	-0.06	\$4.39
6,001- 12,000 Gal.	\$6.59	0.07	-0.10	\$6.56
Over 12,000 Gal.	\$8.79	0.10	-0.13	\$8.76
Charge per 1,000 gallons - General	\$3.36	0.04	-0.05	\$3.35
<u>Multi-Family per unit</u>				
Base Facility Charge - All Meter	\$7.59	0.09	-0.08	\$7.60
Charge per 1,000 gallons	\$3.36	0.04	-0.05	\$3.35
<u>Private Fire Protection</u>				
2"	\$5.06	0.06	-0.05	\$5.07
3"	\$10.12	0.11	-0.11	\$10.12
4"	\$15.81	0.18	-0.17	\$15.82
6"	\$31.63	0.35	-0.34	\$31.64
8"	\$56.93	0.64	-0.61	\$56.96
10"	\$91.71	1.03	-0.99	\$91.75

Peoples Water Service Company of FL, Inc.
Annualized Revenue 2012

Water

	<u>Gallons</u>	<u>Billing Units</u>	<u>Rates</u>	<u>Revenues</u>
<u>Residential</u>				
First 3,000 Gal.	242,064,000		\$1.47	\$355,834
3,001-6,000 Gal.	117,884,000		\$4.40	\$518,690
6,001- 12,000 Gal.	59,568,000		\$6.59	\$392,553
Over 12,000 Gal.	26,465,000		\$8.79	\$232,627
Multi-Res & G.S. Consumption	214,794,000		\$3.36	\$721,708
<u>Residential</u>				
5/8 X 3/4"		98259	\$7.59	\$745,786
1"		2073	\$18.98	\$39,346
1 1/4"		0	\$30.36	\$0
1 1/2"		12	\$37.95	\$455
2"		0	\$60.72	\$0
4"		11	\$189.75	\$2,087
<u>Multi-Res.</u>				
5/8 X 3/4"		5831	\$7.59	\$44,257
1"		4310	\$7.59	\$32,713
1 1/4"		0	\$7.59	\$0
1 1/2"		8218	\$7.59	\$62,375
2"		3369	\$7.59	\$25,571
3"		1656	\$7.59	\$12,569
4"		3684	\$7.59	\$27,962
6"		8048	\$7.59	\$61,084
<u>General Service</u>				
5/8 X 3/4"		4464	\$7.59	\$33,882
1"		1226	\$18.98	\$23,269
1 1/4"		0	\$30.36	\$0
1 1/2"		591	\$37.95	\$22,428
2"		411	\$60.72	\$24,956
3"		48	\$121.44	\$5,829
4"		0	\$189.75	\$0
6"		48	\$379.50	\$18,216
<u>Private Fire Protection</u>				
2"		12	\$5.06	\$61
3"		137	\$10.12	\$1,386
4"		0	\$15.81	\$0
6"		239	\$31.63	\$7,560
8"		72	\$56.93	\$4,099
	<u>660,775,000</u>	<u>142,719</u>		<u>\$3,417,303</u>
				Less Immaterial Difference
				-\$1,638
				<u>\$3,415,665</u>

EXHIBIT "B"

NOTICE TO CUSTOMERS

NOTICE TO CUSTOMERS

Pursuant to Section 367.081(4)(a), Florida Statutes, water and wastewater utilities are permitted to adjust, the rates and charges to its customers without those customers bearing the additional expense of a public hearing. Those adjustments in rates would depend on increases or decreases in non-controllable expenses subject to inflationary pressures such as chemicals, and other general and maintenance costs.

On February 20, 2014, PEOPLES WATER SERVICE COMPANY OF FLORIDA, INC. filed its notice of intention with the Florida Public Service Commission to increase its water rates in Escambia County pursuant to this Statute.

Under the provisions of the Commission's 2010 Order granting a water rate increase to Peoples Water Service Company of Florida, Inc., the utility was required to reduce its rates for fully amortized rate case expenses four years after implementation of the rate increase in that case. The exact amount of such decreases were listed within Order No. PSC-10-0117-PAA-WU.

The utility has combined the effect of the index that the utility has filed and the required rate reduction in order to save money and expense of two separate changes in rates. The net result is a change of less than ½ of 1% on the average customer's bill. Please refer to the back of this letter notice for a schedule of the new rates and how they were calculated.

These rates will go into effect on April 21, 2014 and will appear on your bills for all meter readings 30 days or after that date.

PEOPLES WATER SERVICE COMPANY OF FLORIDA, INC.

EXHIBIT "C"

REVISED TARIFF SHEETS

NAME OF COMPANY WATER TARIFF PEOPLES WATER SERVICE COMPANY OF FLORIDA, INC.

GENERAL SERVICE
RATE SCHEDULE GS

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For water service to all customers for which no other schedule applies.

LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

RATE -

<u>Base Facility Charges</u>	
5/8" or 3/4"	\$ 7.60
1"	\$ 18.99
1 1/4"	\$ 30.37
1 1/2"	\$ 37.97
2"	\$ 60.75
3"	\$ 121.49
4"	\$ 189.83
6"	\$ 379.66
8"	\$ 683.38
10"	\$ 1,101.01

Charge Per 1,000 Gallons \$3.35

TERMS OF PAYMENT - Bills are due when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice is mailed to the customer separate and apart from any other bill and service may then be discontinued.

EFFECTIVE DATE - April 21, 2014

TYPE OF FILING - 2013 Index/Rate Reduction

Sherlock S. Gillet, Jr.
ISSUING OFFICER

President
TITLE

NAME OF COMPANY WATER TARIFF PEOPLES WATER SERVICE COMPANY OF FLORIDA, INC.

RESIDENTIAL SERVICE
RATE SCHEDULE RS

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For water service for all purposes in private residences and individually metered apartment units.

LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

RATE -

<u>Base Facility Charges</u>	
5/8" or 3/4"	\$ 7.60
1"	\$ 18.99
1 1/4"	\$ 30.37
1 1/2"	\$ 37.97
2"	\$ 60.75
3"	\$121.49
4"	\$189.83
6"	\$379.66

<u>Charge per 1,000 gallons</u>	
First 3,000 gallons	\$ 1.47
3,001 – 6,000 gallons	\$ 4.39
6,001 – 12,000 gallons	\$ 6.56
Over 12,000 gallons	\$ 8.76

TERMS OF PAYMENT - Bills are due when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice is mailed to the customer separate and apart from any other bill and service may then be discontinued.

EFFECTIVE DATE – April 21, 2014

TYPE OF FILING - 2013 Index/Rate Reduction

Sherlock S. Gillet, Jr.
ISSUING OFFICER

President
TITLE

NAME OF COMPANY PEOPLES WATER SERVICE COMPANY OF FLORIDA, INC.
WATER TARIFF

MULTI-RESIDENTIAL SERVICE
RATE SCHEDULE MS

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For water service to all master-metered residential customers including, but not limited to, Condominiums, Apartments, and Mobile Home Parks.

LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

RATE - Base Facility Charges
All Meter Sizes \$ 7.60 per unit behind meter
Charge Per 1,000 Gallons \$ 3.35

TERMS OF PAYMENT - Bills are due and payable when rendered. In accordance with Rule 25-30.320, Florida Administrative Code, if a Customer is delinquent in paying the bill for water service, service may then be discontinued.

EFFECTIVE DATE - April 21, 2014

TYPE OF FILING - 2013 Index/Rate Reduction

Sherlock S. Gillet, Jr.
ISSUING OFFICER

President
TITLE

NAME OF COMPANY PEOPLES WATER SERVICE COMPANY OF FLORIDA, INC.
WATER TARIFF

FIRE PROTECTION SERVICE
WATER

AVAILABILITY - Available throughout the Company's service area where main sizes are adequate to provide service.

APPLICABILITY - For water service to sprinklers and private hydrants.

LIMITATIONS - Subject to all of the Rules and Regulations of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

RATE - Private Fire Protection:

2" connection	\$ 5.07
3" connection	\$ 10.12
4" connection	\$ 15.82
6" connection	\$ 31.64
8" connection	\$ 56.96
10" connection	\$ 91.75

Connections to sprinklers and private hydrants shall be for fire-fighting purposes only and no other use shall be permitted.

TERMS OF PAYMENT - Same as general service.

EFFECTIVE DATE - April 21, 2014

TYPE OF FILING - 2013 Index/Rate Reduction

Sherlock S. Gillet, Jr.
ISSUING OFFICER

President
TITLE

EXHIBIT "D"

AFFIRMATION

AFFIRMATION

I, SHERLOCK S. GILLET, JR., hereby affirm that the figures and calculations upon which the change in rates is based is accurate and that the change will not cause PEOPLES WATER SERVICE COMPANY OF FLORIDA, INC. to exceed the range of its last authorized rate of return on equity, which is 9.67 percent.

I, the undersigned officer of PEOPLES WATER SERVICE COMPANY OF FLORIDA, INC., have read the foregoing and declare that, to the best of my knowledge and belief, the information contained in this application is true and correct.

This affirmation is made pursuant to my request for a combined 2013 price index rate increase and the rate reduction required by Order No. PSC-10-0117-PAA-WS in conformance with Section 367.081(4)(2), Florida Statutes.

Further, I am aware that pursuant to Section 837.06, Florida Statutes, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree.



Sherlock S. Gillet, Jr.
President
Telephone Number: 410-825-3722
Fax Number: 410-825-0015

Sworn to and subscribed before me this
13th day of February, 2014.

3/30/2016

My Commission Expires:

(SEAL)



Elizabeth A. Krauss