

STATE OF FLORIDA

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DIVISION OF ECONOMICS  
JAMES W. DEAN  
DIRECTOR  
(850) 413-6410

Public Service Commission

June 24, 2014

RECEIVED-FPSC  
14 JUN 26 AM 9:30  
COMMISSION  
CLERK

Mrs. Dianne Boyer  
Little Gasparilla Water Utility, Inc.  
PO Box 5159  
Grove City, FL 34224

**Re: Docket No. 130265-WU - Application for staff-assisted rate case in Charlotte County, by Little Gasparilla Water Utility, Inc.**

Dear Mrs. Boyer:

This will confirm that Commission staff will hold a customer meeting on Wednesday, July 16, 2014. 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:

6:00 p.m., Wednesday, July 16, 2014  
Tringali Community Center  
3400 N. Access Road  
Englewood, Florida

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.

Mrs. Diane Boyer

Page 2

June 24, 2014

We will send you two copies of the staff report no later than June 30, 2014. 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:

Little Gasparilla Office  
1916 Michigan Avenue  
Grove City, FL 34224

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 Sonica Bruce at (850) 413-6994, with any questions.

Sincerely,



Charles Murphy  
Senior Attorney

Enclosures

CM/sb

cc: Division of Economics (Daniel, Hudson, Bruce)  
Division of Accounting & Finance (Cicchetti, Mouring, Golden, Vogel)  
Division of Engineering (Vickery, King, P. Buys)  
Office of General Counsel (Teitzman, Murphy)  
Office of Commission Clerk (Docket No. 130265-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 LITTLE GASPARILLA WATER UTILITY, INC.

AND

ALL OTHER INTERESTED PERSONS

DOCKET NO. 130265-WU

APPLICATION OF LITTLE GASPARILLA WATER UTILITY, INC.

FOR A STAFF-ASSISTED RATE CASE IN

CHARLOTTE 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 Little Gasparilla Water Utility, Inc. (Little Gasparilla or Utility) for a staff-assisted rate case (SARC) in Charlotte County. The meeting will be held at the following time and place:

6:00 p.m., Wednesday July 16, 2014  
Tringali Community Center  
3400 N. Access Road  
Englewood, Florida

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 recommended 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 Little Gasparilla's 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

Little Gasparilla Water Utility, Inc. (Little Gasparilla or Utility) is a Class B water utility serving approximately 371 customers on Little Gasparilla Island in Charlotte County. The Utility's service area is on a private island, which consists primarily of vacation rentals. Little Gasparilla's service territory is located in the Southern Water Use Caution Area (SWUCA) within the Southwest Florida Water Management District (SWFWMD). Water service is provided through a reverse osmosis water treatment plant. Wastewater service is provided by either septic tanks or a central wastewater system owned by the condominiums homeowners' association (HOA).<sup>1</sup> According to Little Gasparilla's 2013 annual report, total gross revenues were \$258,770 and total operating expenses were \$156,844 resulting in a net loss of \$101,926.

Little Gasparilla has been in existence since 1986 and was granted an original certificate in 2001.<sup>2</sup> Effective September 25, 2007, the Florida Public Service Commission's (Commission or PSC) jurisdiction was rescinded by Charlotte County, and the Utility's certificate was cancelled.<sup>3</sup> Subsequently in 2013, Charlotte County transferred jurisdiction back to the PSC. Effective February 12, 2013, Little Gasparilla was granted Certificate No. 661-W.<sup>4</sup> Little Gasparilla's rate base was established by Charlotte County as of December 31, 2010, but has

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<sup>1</sup> The homeowner's association provides service solely to members and is exempt pursuant to Section 367.022 (7), F.S.

<sup>2</sup> See Order No. PSC-01-0992-PAA-WU, issued April 20, 2001, in Docket No. 001049-WU, In re: Application for original water certificate in Charlotte County by Little Gasparilla Water Utility, Inc.

<sup>3</sup> See Order No. PSC-07-0984-FOF-WS, issued December 10, 2007, in Docket No. 070643-WS, In re: Resolution No. 2007-143 by Charlotte County Board of Commissioners, in accordance with Section 367.171, F.S., rescinding Florida Public Service Commission jurisdiction over private water and wastewater systems in Charlotte County.

<sup>4</sup> See Order No. PSC-13-0177-PAA-WU, issued April 29, 2013, in Docket No. 130052-WU, In re: Application for grandfather certificate to operate water utility in Charlotte County by Little Gasparilla Water Utility, Inc.

never been established by the PSC.<sup>5</sup> In the instant docket, the Utility filed its application on November 4, 2013. The official date of filing is January 3, 2014. One of the primary reasons the Utility filed this case is to address the planned subaqueous pipeline from the island to an interconnection with Charlotte County to purchase bulk water. The Utility indicated that the interconnection will be an economical and feasible means of expanding the plant while improving the water source. Furthermore, the Utility anticipates the completion of the interconnect by November 2014.

CURRENT AND PRELIMINARY RATES AND CHARGES

Staff has compiled the following recommended rates 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 recommended preliminary rates are as follows:

	UTILITY CURRENT RATES	STAFF PRELIMINARY RECOMMENDED RATES
<b><u>Residential and General Service</u></b>		
Base Facility Charge by Meter Size		
5/8"X3/4"	\$49.80	\$55.75
3/4"		\$83.63
1"		\$139.38
1-1/2"		\$278.75
2"		\$446.00
3"		\$892.00
4"		\$1,393.75
6"		\$2,787.50
Charge per 1,000 gallons - Residential and General Service	\$4.81	\$5.38
<b><u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u></b>		
2,000 Gallons	\$59.42	\$66.51
5,000 Gallons	\$73.85	\$82.65
8,000 Gallons	\$88.28	\$98.79

<sup>5</sup> See Charlotte County Board of County Commissioners' Resolution Number 2012-032, issued June 12, 2012, in Charlotte County Docket No. 2011-02-W, In re: Application of Little Gasparilla Water Utility, Inc. for Staff Assisted Rate Case.

	STAFF'S RECOMMENDED PHASE I RATES	STAFF'S RECOMMENDED PHASE II RATES
<b><u>Residential and General Service</u></b>		
Base Facility Charge by Meter Size		
5/8"X3/4"	\$55.75	\$93.89
3/4"	\$83.63	\$140.84
1"	\$139.38	\$234.73
1-1/2"	\$278.75	\$469.45
2"	\$446.00	\$751.12
3"	\$892.00	\$1,502.24
4"	\$1,393.75	\$2,347.25
6"	\$2,787.50	\$4,694.50
Charge per 1,000 Gallons - Residential and General Service	\$5.38	\$9.06
<b><u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u></b>		
2,000 Gallons	\$66.51	\$112.01
5,000 Gallons	\$82.65	\$139.19
8,000 Gallons	\$98.79	\$166.37

### STAFF REPORTS AND UTILITY APPLICATION

The results of staff's preliminary investigation are contained in a staff report. Copies of the report may be examined by interested members of the public from 8:30 a.m. to 5:00 p.m., Monday through Friday at the following location:

Little Gasparilla Office  
1916 Michigan Avenue  
Grove City, FL 34224

### 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 September 25, 2014. The Commission will then vote on staff's recommendation at its October 9, 2014 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. Customers are able to obtain a copy of staff's recommendation and all documents filed in this docket from the Commission's website.

#### 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. 130265-WU, Little Gasparilla Water Utility, Inc." 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.