

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 4, 2015
TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk
FROM: Kelley F. Corbari, Senior Attorney, Office of the General Counsel: RAS Section *KFC*
RE: **Docket No. 150000-OT** – East Marion Sanitary Systems, Inc. – Apparent violations of Sections 367.0816, 367.081 and 367.091, Florida Statutes, and Rule 25-30.350, Florida Administrative Code, and Possible implementation of show cause proceedings against East Marion Sanitary Systems, Inc. pursuant to Sections 350.127 and 367.161, Florida Statutes.

Docket No. 010869-WS – Application for staff-assisted rate case in Marion County by East Marion Sanitary Systems, Inc.

Attached please find staff's correspondence to East Marion Sanitary Systems, Inc., approving East Marion's proposed plan to refund its customers the rate case expenses East Marion over-collected between September 2006 – September 2014, along with the signed certified return receipt card evidencing receipt.

Please file the document in the above docket files and reference Docket No. 010869-WS with the filing.

Thank you for your assistance in this matter. Should you have any questions, please do not hesitate to contact me.

KFC

RECEIVED - FPSC
15 MAY - 4 PM 2:40
COMMISSION
CLERK

Kelley Corbari

From: Kelley Corbari
Sent: Thursday, April 16, 2015 12:42 PM
To: Mike Smallridge (utilityconsultant@yahoo.com)
Cc: Adam Teitzman; J. R. Kelly - OPC; Steve Reilly - OPC; 'Vandiver.denise@leg.state.fl.us'
Subject: East Marion Sanitary Systems, Inc -- Rate Case Expense Refund Plan
Attachments: East Marion - Refund Plan Approval Letter (4-16-15).pdf

Mike,

Attached is a copy of staff's letter outlining the process in which East Marion Sanitary Systems, Inc. will refund its customers the rate case expenses it over-collected between the period September 2006 - September 2014. Also, attached is the notice to customers of the refunds, which staff has approved.

Please review the refund plan terms and customer notice, and confirm East Marion's agreement of the terms outlined.

I really appreciate your cooperation in working to resolve this matter. If you have any questions, please do not hesitate to contact me.

Thanks,
Kelley

Kelley F. Corbari,

Senior Attorney – Regulatory Analysis Section
Office of the General Counsel
FLORIDA PUBLIC SERVICE COMMISSION
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
Email: KCorbari@psc.state.fl.us
Direct Phone: (850) 413-6234
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STATE OF FLORIDA



GENERAL COUNSEL
CHARLIE BECK
(850) 413-6199

Public Service Commission

April 16, 2015

VIA CERTIFIED & REGULAR MAIL

Mr. Mike Smallridge, Operator
EAST MARION SANITARY SYSTEMS, INC.
3336 Grand Blvd., Suite 102
Holiday, FL 34690

Mr. Herbert Hein, President/Owner
EAST MARION SANITARY SYSTEMS, INC.
4225 Miller Road, #190
Flint, MI 48507

RE: Apparent violations of Sections 367.0816, 367.081 and 367.091, Florida Statutes, and Rule 25-30.350, Florida Administrative Code, and Possible implementation of show cause proceedings against East Marion Sanitary Systems, Inc. pursuant to Sections 350.127 and 367.161, Florida Statutes.

Dear Mr. Smallridge:

Pursuant to Section 367.0816, Florida Statutes (F.S.), Commission Order No. PSC-02-1168-PAA-WS¹ permitted East Marion Sanitary Systems, Inc. (East Marion) to recover its rate case expenses over a four year period, which ended on September 4, 2006.² The rate reduction, however, was not implemented until September 2014, resulting in East Marion over-collecting rate case expenses during the period September 2006 to September 2014. Therefore, East Marion must refund its customers the amounts it over-collected based on the amounts its customers were billed during the period of overbilling, pursuant to Rule 25-30.350, Florida Administrative Code (F.A.C.).

On April 1, 2015, East Marion submitted a proposed plan for refunding its customers the rate case expenses it over-collected between September 2006 and September 2007. Staff has reviewed East Marion's proposed plan and believes the plan complies with applicable Commission rules and statutes.

¹ See, Order No. PSC-02-1168-PAA-WS, issued August 26, 2002, finalized by Order No. PSC-02-1273-CO-WS, issued September 18, 2002, in Docket No. 010869-WS, In Re: Application for staff-assisted rate case in Marion County by East Marion Sanitary Systems, Inc. <http://www.floridapsc.com/library/filings/02/08991-02/08991-02.PDF>

² Id., at p. 55.

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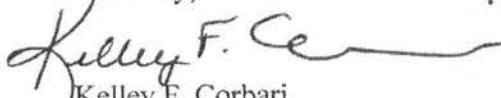
The following is a summary of the terms of East Marion's plan to refund the over-collected rate case expenses, as approved by Commission staff.

- Pursuant to Section 367.0816, F.S., and Rule 25-30.350, F.A.C., East Marion will refund the amount of rate case expenses the Utility over-collected each year between September 2006 and September 2014.
- Beginning with the Utility's May 2015 billing cycle, East Marion will issue current customers a credit on their monthly bills for the over-collected rate case expenses as outlined in the attached schedule. East Marion will continue to issue current customers credits on their monthly bills until East Marion has refunded all of the over-collected rate case expenses. The refund is expected to be completed with the December 2015 billing cycle.
- East Marion shall provide the attached notice to customers and shall include the notice with the Utility's May 2015 billing statement to its customers.
- East Marion shall submit reports on the status of the refund to Commission staff every 30 days during the refund processing period beginning May 15, 2015. The reports shall be filed with the Commission Clerk and reference "Docket No. 010869-WS East Marion Sanitary Systems, Inc. – Rate Case Expense Refund Status Report."

Thirty (30) days after the refund process is completed, Commission audit staff will perform an audit of the Utility's billing data to confirm the refund was fully completed. If at any point during the refund processing period East Marion is unable to perform or complete any portion of the plan outlined above, East Marion will notify Commission staff prior to nonperformance of the plan.

Should you have additional questions or comments, please do not hesitate to contact me at (850) 413-6234 or KCorbari@psc.state.fl.us.

Sincerely,


Kelley F. Corbari,
Senior Attorney

KFC/dl
Enclosures

cc: Office of Public Counsel (J.R. Kelly/Stephen C. Reilly)
Deputy Executive Director, Technical (Harvey)
Division of Economics (Ortega, Daniel, Dean)
Office of the General Counsel (Corbari, Teitzman, Helton)
Office of Commission Clerk

EAST MARION SANITARY SYSTEMS, INC. RATE CASE EXPENSE REFUND SCHEDULE DOCKET No. 010869-WS				
YEAR	REFUND MONTH	WATER	WASTEWATER	TOTAL
2014	May 2015	\$ 305.54	\$ 377.60	\$ 683.13
2013	June 2015	\$ 436.56	\$ 513.51	\$ 950.07
2012	July 2015	\$ 425.99	\$ 509.62	\$ 935.61
2011	August 2015	\$ 400.85	\$ 494.48	\$ 895.33
2010	September 2015	\$ 293.26	\$ 362.08	\$ 655.34
2009	October 2015	\$ 360.00	\$ 460.00	\$ 820.00
2008	November 2015	\$ 399.00	\$ 485.00	\$ 884.00
2007	December 2015	\$ 457.00	\$ 546.00	\$ 1,003.00
TOTAL REFUND				\$6,826.48

EAST MARION SANITARY SYSTEMS, INC.

3336 GRAND BLVD SUITE 102

HOLIDAY, FL. 34690

(863) 904-5574

_____, 2015

CUSTOMER NOTICE OF REFUND

Dear East Marion Sanitary Systems Customer:

In East Marion's last rate case before the Florida Public Service Commission in 2001, East Marion was permitted to recover its rate case expenses over a four year period, pursuant to Commission Order No. PSC-02-1168-PAA-WS in Docket No. 010869-WS. The permitted period for recovering the rate case expenses ended on September 4, 2006. However, due to an oversight, the rate reduction was not actually implemented until September 2014, resulting in East Marion over-collecting rate case expenses during the period September 2006 to September 2014. As a result, East Marion customers are due a refund of the over-collected rate case expenses.

Therefore, beginning in May 2015, current customers of East Marion will see a credit on their monthly water and wastewater bill. The credits will continue each month until all of the over-collected rate case expenses have been refunded.

If you have any questions, please contact the Utility Office at (863) 904-5574.

Sincerely,

Mike Smallridge, Operator
East Marion Sanitary Systems, Inc.

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**Mr. Mike Smallridge, Operator
 EAST MARION SANITARY SYSTEMS, INC.
 3336 Grand Blvd., Suite 102
 Holiday, FL 34690**

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

C. Signature
 X *Judy Rvette* Agent Addressee

D. Is delivery address different from item 1? Yes
 If YES, enter delivery address below: No

3. Service Type
 Certified Mail Express Mail
 Registered Return Receipt for Merchandise
 Insured Mail C.O.D.

4. Restricted Delivery? (Extra Fee) Yes

5. Article Number (Copy from service label)

7006 4100 0003 0097 140

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

UNITED STATES POSTAL SERVICE



First-Class Mail
 Postage & Fees Paid
 USPS
 Permit No. G-10

• Sender: Please print your name, address, and ZIP+4 in this box •

**Kelley F. Corbari, Esq.
 Office of the General Counsel
 FLORIDA PUBLIC SERVICE COMMISSION
 2540 Shumard Oak Blvd.
 Tallahassee, FL 32399-0850**

Docket No. 010869-WS

East Marion Sanitary Systems, Inc.

