

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: June 1, 2015
TO: Carlotta Stauffer, Commission Clerk, Office of Commission Clerk
FROM: Kelly J. Thompson, Public Utility Analyst II, Division of Economics
RE: Docket No. 140239-WS Application for staff-assisted rate case in Polk County by Orchid Springs Development Corporation.

Please place the attached document, dated May 26, 2015, in the docket file referenced above.

RECEIVED-FPSC
15 JUN -2 PM 4:32
COMMISSION
CLERK



ORCHID SPRINGS

DEVELOPMENT CORPORATION

WATER AND SEWER

346 E CENTRAL AVENUE – WINTER HAVEN, FLORIDA 33880
(863) 324-4445

May 26, 2015

Lee Eng Tan, Staff Attorney
Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 140239-WS – Application for staff-assisted rate case in Polk County,
by Orchid Springs Development Corporation

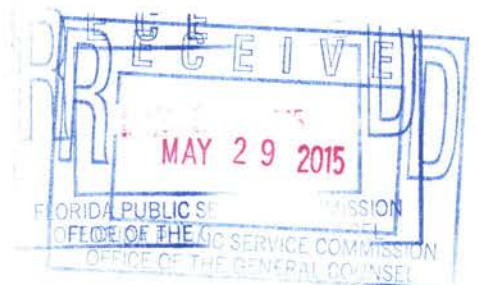
Dear Lee Eng Tan:

Enclosed you will find a copy of the approved customer meeting notice with the appropriate notice date. The notice was posted to US Mail service on May 22, 2015, and have been posted to public notice areas at Orchid Springs Village by the management company.

Should you need further information, please contact me at the above telephone number or at carol@cassidyhomes.com.

Sincerely,

Carol Cassidy Rhinehart



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
NOTICE OF CUSTOMER MEETING
TO THE CUSTOMERS OF ORCHID SPRINGS DEVELOPMENT CORPORATION
AND
ALL OTHER INTERESTED PERSONS
DOCKET NO. 140239-WS
APPLICATION OF ORCHID SPRINGS DEVELOPMENT CORPORATION
FOR A STAFF-ASSISTED RATE CASE IN
POLK COUNTY

Issued: May 22, 2015

NOTICE is hereby given that the Staff of the Florida Public Service Commission (Commission) will conduct a customer meeting to discuss Orchid Springs Development Corporation's (Orchid Springs or Utility) application for a staff-assisted rate case (SARC) in Polk County. The meeting will be held at the following time and place:

6:00 p.m., Thursday June 11, 2015
Chain O' Lakes Complex
210 Cypress Gardens Blvd., West
Winter Haven, Florida 33880

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 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 Orchid Springs' 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 meeting, 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

Orchid Springs Development Corporation (Orchid Springs or utility) is a Class C utility providing service to approximately 310 water and wastewater customers in Polk County. Effective July 7, 1998, Orchid Springs was granted Certificate Nos. 600-W and 516-S.¹ The utility has been in existence since 1969 providing water and wastewater service. The utility's rates and charges were last approved in a staff-assisted rate case in 1998.² The rates were subsequently reduced to reflect the expiration of rate case expense approved in 1998. The utility has filed numerous index and pass through applications since its last rate case. According to Orchid Springs' 2014 annual report, total gross revenues were \$94,634 for water and \$120,826 for wastewater. Total operating expenses were \$74,579 and \$170,343 for water and wastewater, respectively.

On December 11, 2014, Orchid Springs filed its application for a staff-assisted rate increase. In its application, the utility requested a test year ended December 31, 2014, for interim and final rates purposes. There are several factors that contributed to the rate case request. In 2009, the utility demolished its wastewater treatment plant (WWTP) based on a Florida Department of Environmental Protection (DEP) consent order. This led to the utility having to purchase wastewater instead of treating it themselves. In addition, this is the first requested rate increase since 1998. Interim rates were approved on February 3, 2015, for wastewater only.³ The

¹Order No. PSC-98-0918-FOF-WS, issued July 7, 1998, in Docket No. 970158-WS, In re: Application for grandfather certificate to operate a water and wastewater utility in Polk County, by Orchid Springs Development Corporation.

²Order No. PSC-98-1579-FOF-WS, issued November 25, 1998, in Docket No. 980441-WS, In re: Application for staff-assisted rate case in Polk County by Orchid Springs Development Corporation.

³Order No. PSC-15-0104-PCO-WS, issued February 13, 2015, in Docket No. 140239-WS, In re: Application for staff-assisted rate case in Polk County by Orchid Springs Development Corporation.

Commission has jurisdiction to consider this rate case pursuant to Section 367.0814, Florida Statutes (F.S.).

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:

MONTHLY WATER RATES		
	RATES AT TIME OF FILING	STAFF PRELIMINARY RECOMMENDED RATES
<u>Residential and General Service</u>		
Base Facility Charge by Meter Size		
5/8" x 3/4"	\$9.67	\$9.95
3/4"	\$14.50	\$14.93
1"	\$24.17	\$24.88
1-1/2"	\$48.35	\$49.75
2"	\$77.38	\$79.60
3"	\$154.74	\$159.20
4"	\$241.76	\$248.75
6"	\$483.55	\$497.50
Charge per 1,000 gallons	\$1.76	\$1.81

MONTHLY WASTEWATER RATES

	RATES AT TIME OF FILING	COMMISSION APPROVED INTERIM	STAFF PRELIMINARY RECOMMENDED RATES
<u>Residential Service</u>			
Base Facility Charge for All Meter Sizes	\$14.13	\$16.42	\$32.53
Charge per 1,000 gallons - Residential			
10,000 gallon cap	\$3.08	\$3.58	
6,000 gallon cap			\$5.90
<u>General Service</u>			
Base Facility Charge by Meter Size			
5/8" X 3/4"	\$14.13	\$16.42	\$32.53
3/4"	\$21.24	\$24.63	\$48.80
1"	\$35.40	\$41.05	\$81.33
1-1/2"	\$70.78	\$82.10	\$162.65
2"	\$113.26	\$131.36	\$260.24
3"	\$226.50	\$262.72	\$520.48
4"	\$353.90	\$410.50	\$813.25
6"	\$707.80	\$821.00	\$1,626.50
Charge per 1,000 gallons	\$3.72	\$4.32	\$7.08

STAFF REPORTS AND UTILITY APPLICATION

The results of staff's preliminary investigation are contained in a staff report dated May 18, 2015. Copies of the report may be examined by interested members of the public Monday through Friday from 9:00 a.m. – 5:00 p.m. at the following location:

Orchid Springs Development Corporation
346 East Central Avenue
Winter Haven, FL 33880

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 August 6, 2015. The Commission will then vote on staff's recommendation at its August 18, 2015 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

Any person who wishes to comment or provide information to Commission staff may do so at the meetings, either orally or in writing. Other written comments regarding the Utility and the proposed rates, or 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. 140239-WS, Orchid Springs Development Corporation". Your letter will be placed in the correspondence file of this docket. You may also submit comments through the Florida Public Service Commission's website available at <http://floridapsc.com/about/contact/form.aspx>, or through the Commission's email at clerk@psc.state.fl.us.

If you wish to contact the Florida Public Service 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.

Orchid Springs Development Corp.
Water and Sewer
346 E. Central Avenue
Winter Haven, FL 33880

TAMPA
FL 335
27 MAY '15
PM 5 L



*Lee Eng Van
Staff Attorney
Public Service Commission
2540 Shumard Oak Blvd
Gallahadsee FL 32399-0850*

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