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NAME :

PAGE :

RON ARLOTTA

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ANDREW BISCARDI

12

CAROLE HANAN

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P R O C E E D I N G S

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2 **MS. NORRIS:** Okay. We're right at 10:00,
3 so we'll go ahead and start the meeting.

4 We're here today for the staff-assisted
5 rate case for Holiday Gardens Utilities, Docket No.
6 140177-WU, which is also on your Special Report as
7 well.

8 My name is Amber Norris, and this is Curt
9 Mouring. We're both Public Utilities Supervisors
10 for the Florida Service Commission -- Florida Public
11 Service Commission. And this is Mr. Dick Durbin,
12 who you met when you were coming in. Again, if
13 you'd like to sign up to speak, he would be able to
14 sign you up in back as well.

15 And just kind of a brief overview of what
16 we're going to go through today is I'll give a brief
17 presentation describing our rate case,
18 staff-assisted rate case process. We'll also
19 receive customer comments as well. You will be
20 called in the order in which you signed up, and the
21 comments are going to be recorded. Since we are a
22 smaller group, if you have any questions going
23 through the presentation, feel free to raise your
24 hand, if you need anything clarified. We would ask
25 for comments regarding the utility or any type of

1 issue, if you would save those towards the end so we
2 can get those on the record.

3 Okay. So, again, going through the
4 staff-assisted rate case process, and we'll cover
5 the preliminary rates which you've seen in the
6 Special Report as well as what you can do as a
7 consumer.

8 As a little bit of background on the case,
9 on September 10, 2014, Holiday Gardens filed an
10 application for a staff-assisted rate case. The
11 utility also has an application for transfer that
12 was filed concurrently with the SARC. And SARC is a
13 term given to the staff-assisted rate case, just an
14 acronym for that. Rates were last established for
15 the utility in 1993, although it was a 1992 docket.

16 The staff-assisted rate case is the
17 process where the Commission staff assists small
18 water and wastewater utilities when processing rate
19 relief requests. And staff's assistance usually
20 eliminates the need for the utility to hire
21 consultants such as for accounting or legal,
22 engineers, and tries to keep that expense down
23 because rate case expense is recoverable through
24 rates. So staff in turn is able to fill some of
25 those roles and cut down rate case expense.

1 Again, the application was filed on
2 September 10th, 2014. The first step would be a
3 staff auditor conducting an examination of the
4 utility's books and records. The staff engineers
5 also conduct a review of the utility's operation and
6 contacts DEP, Department of Environmental
7 Protection, and a staff report is prepared as a
8 preliminary recommendation. So today is where we're
9 presenting that preliminary recommendation.

10 At this point we're at the step in the
11 SARC process, we're having a customer meeting to
12 receive customer comments and input. After the
13 customer meetings, staff files and prepares a
14 recommendation. So that will be taking the
15 preliminary recommendation and making any
16 adjustments for, you know, input from customers or
17 additional analysis that we do at the Commission.

18 The recommendation will be heard by the
19 Commission. Staff considers the customer input and
20 information obtained subsequent to its preliminary
21 staff report for its recommendation. So that's,
22 like I referred to before, the input we get from
23 customers is also incorporated in that final
24 recommendation.

25 The rates in the final recommendation may

1 be different than the staff report. That's to
2 really emphasize that these are preliminary, this is
3 a preliminary recommendation, so additional changes
4 may come about between now and the final. We'll
5 tell you how you can access that final
6 recommendation towards the end on the website.

7 So the next step in the process would be the
8 recommendation agenda. And at the Commission Conference
9 is where we would take that final recommendation before
10 our five Commissioners, and they would vote on staff's
11 recommendation. They may approve, modify, or deny
12 staff's recommendation. The utility and the customers
13 are able to speak as well. The only thing we ask is if
14 you do choose and come to speak, please let us know that
15 you are coming to do so so we can make appropriate
16 accommodations for you to speak.

17 After the agenda, after the Commission votes,
18 a PAA order is issued within 20 days, and that will
19 incorporate the Commissioners' decision whether it's to
20 approve, modify, or deny. A 21-day protest period
21 begins after that point where any substantially affected
22 party other than the utility may protest the order and
23 request a hearing.

24 The utility must agree to accept the final
25 rates and charges set by the Commission unless they

1 produce revenue that's less than the existing rates and
2 charges. If a timely protest is filed, that would be
3 within that 21-day period, a hearing is held. The
4 hearing will be before at least three Commissioners, and
5 the utility and protesting parties will litigate the
6 issues. Customers can also testify before the
7 Commissioners at this hearing as well.

8 After the hearing, staff will prepare another
9 recommendation based on the testimony given at the
10 hearing. There isn't any participation in that final
11 recommendation after the hearing, however. A final
12 vote, again, is made and then a final order issued after
13 this point. The Commission's decision may be appealed
14 by the First District of Appeal -- Court of Appeal.

15 So kind of getting back to specifically
16 Holiday Gardens' SARC, after we've gone through the
17 whole process of the Commission -- so like we mentioned,
18 the staff auditor examines the books and records of the
19 utility. So right here would be the initial revenues of
20 the utility, \$77,847, with operating expenses of
21 \$78,029, generating a net loss of \$182. So staff's
22 preliminary recommendation, including, you know, the
23 different analysis we've done up to this point, are
24 rates created to generate revenues of \$150,395 with
25 operating expenses of \$145,479, producing a net income

1 of \$4,916.

2 And as far as how that translates to your
3 current rates and bill, right now a 5/8-inch meter --
4 oops, sorry. Current monthly would be \$7.64 for that
5 base facility charge at that meter size. The
6 preliminary recommendation, that same size meter would
7 be \$11.12. Currently the water charge, gallonage charge
8 per thousand is \$1.35.

9 Staff's recommendation is also restructuring
10 the rates so that it would be a tiered rate. So for the
11 first 1,000 gallons, it would be \$4.01 per 1,000. Over
12 3,000 gallons, the gallonage charge would be \$6.01 per
13 1,000 gallons.

14 And as a monthly bill comparison, you can just
15 add standard usage rates kind of demonstrating the
16 difference between the current water rates and the
17 preliminary water rate. Some of this information is
18 also in the Special Report you have as well.

19 Staff's recommendation, this would be
20 incorporating any other changes from the preliminary to
21 the final is scheduled to be filed on October 22nd,
22 2015, and taken before the agenda November 5th, 2015.
23 Again, the Commission staff may -- the Commission -- the
24 Commissioners may either approve, deny, or modify
25 staff's recommendation at that point.

1 As far as what you can do as a consumer, you
2 can provide customer comments at today's meeting. Also
3 the Special Report you have, you have the ability to
4 also mail in written comments, and we'll get to some of
5 that as well later, obtain a copy of staff's
6 recommendation, and monitor the agenda as well based
7 upon the website.

8 Here's a copy of the Special Report. It's
9 very important, and it has the docket number on there,
10 140177, for any correspondence that you might send in.
11 Of course, there is the pre-formatted mail-in that you
12 can fold up and stick a stamp on. Any other
13 correspondence you send in, though, it's very important
14 for you to put that docket number on it as well. It's
15 also helpful to have that too if you choose to call in
16 and provide something additional.

17 So this is the website you also have in the
18 Special Report, www.floridapsc.com, and up here -- it's
19 hard to see from back there -- are the tabs that are
20 going to help you access things like the recommendation
21 and how to monitor it.

22 Right here we have Conferences and Meeting
23 Agendas and here's the Clerk's Office tab. These are
24 the two important tabs for accessing this docket. From
25 the Clerk's Office, if you click on there, you can run a

1 search using the docket number that you have in the
2 Special Report. And if you click Conferences and
3 Meeting Agendas, it's where you can access the actual
4 agenda on November 5th. You're also, as of October the
5 22nd when we file a recommendation, you're able to
6 access that recommendation there as well.

7 So this is just kind of an example of that day
8 when you're able to pull up and be able to stream this
9 live and see, you know, the different comments at the
10 actual agenda.

11 Another resource for consumers is the Office
12 of Public Counsel. We actually have a representative
13 here today with OPC, as they're also known. They are
14 advocates for consumers before the Commission. They
15 also have a telephone number, 1-800-342-0222, or they
16 also have a website, floridaopc.gov.

17 The consumer assistance line is with the
18 actual Commission, Public Service Commission. This
19 number you also have access to. They're able to provide
20 some answers upfront or to get you to the necessary
21 party if you have further concerns or comments they're
22 not able to answer for you at the time. Again, having
23 that docket number is very helpful to you in kind of
24 routing those concerns if you are calling in.

25 So the next phase of our meeting is to get

1 feedback from the customers. Please remember that this
2 meeting is being recorded. Customers will be called up
3 in the order that they signed up to speak. If you'll
4 come forward to the microphone when your name is called,
5 and please give us your name, address, and spell out
6 your last name, if you will, for us, we'd appreciate it.

7 So if there are no further questions on the
8 presentation, we'll go ahead and start on the customer
9 comments.

10 (Pause.)

11 We're getting our technology worked out.

12 **MR. MOURING:** The first name I have on
13 here -- is it Ron Arlotta?

14 **MR. ARLOTTA:** Good morning.

15 (Inaudible comments.)

16 **MR. MOURING:** If you don't mind.

17 **MR. ARLOTTA:** Good morning. Ron Arlotta.
18 I live at 2022 Telogia Court, Holiday, Florida. I'm
19 also a community advocate to the area. I'd like to
20 say that since the new company took over, I do see
21 improvement. They've done a good job of bringing
22 the service up. Unfortunately a lot of the problems
23 are people who dig without permits. I don't know if
24 there's a way to fix that so that if it's a chronic
25 customer who is violating the system, there's some

1 sort of penalty. I don't know if we can do that.

2 The water quality is good. I thank them.
3 We have the cheapest water around. I hate to come
4 up here and say that I don't mind paying an increase
5 because for some folks it's going to be a hardship,
6 but I don't mind because I know other counties,
7 including Pasco, if you want Pasco County water,
8 it's a lot higher. So I thank them for the good job
9 that they're trying to do. (Inaudible.)

10 Customer service, I see they (inaudible)
11 message when the water goes down. I just want to
12 thank them, and that's it.

13 **MR. MOURING:** Thank you for your comments.

14 **MS. NORRIS:** Yeah, thank you. Okay.
15 That's the only -- would anybody else like to come
16 up and speak? You can still sign up.

17 Sure. Yes. Thank you. Just state your
18 name and address and spell your last name.

19 **MR. BISCARDI:** My name is Andrew Biscardi,
20 B-I-S-C-A-R-D-I. I live at 5425 Dawn Lane. I
21 wouldn't mind the rate increase if I could be
22 guaranteed that there weren't so many outages. I've
23 been living here since May of '08. I can tell you
24 that it's a ridiculous number of outages I've never
25 heard of before, well over 50.

1 I get home -- I work, you know, out in the
2 field, and I can guarantee you that I've never seen
3 as many outages as this company has shown even in
4 the last year, and it will be out for hours at a
5 time. Boil water notices are not given at every
6 outage. And I have two children; one is two and one
7 is nine. And I'll fill the tub up and I'll know
8 that there's an outage because it is brown, brown
9 water.

10 Now when it's good, it is good. The
11 quality is fine. No issues with it, you know. I
12 give it to my pets. But I would like to see more
13 boil water notices given out.

14 And as of right now, due to the amount of
15 outages, I don't approve of this rate increase
16 whatsoever. Thank you very much.

17 **MS. NORRIS:** I appreciate your comments.

18 **MR. MOURING:** Thank you.

19 **MS. NORRIS:** Are there any other customers
20 that would like to come up? Again, feel free to use
21 the Special Report, and you can write in those
22 comments if you have anything you'd like to add.
23 Take it to neighbors if you do -- if somebody was
24 not able to attend today. There are numbers in
25 there also you can share to call in for any

1 follow-up or additional customer comments.

2 We appreciate y'all coming out here today,
3 and if there's no further --

4 **MR. MOURING:** Just any correspondence that
5 you send in, this last page, like Amber said, it
6 does have the docket number on it. Any time you're
7 calling in, any comments you'd like to make or
8 friends and neighbors, just it is very important
9 that you reference the docket number, the 140177-WU,
10 so that we know which case you're speaking about.

11 **MS. NORRIS:** Yes, ma'am.

12 **MS. HANAN:** I'm sorry. I came in late.
13 When you give out notices, are you emailing people
14 for different things, for different notices, for
15 different changes or anything? Are you doing
16 emails?

17 **MS. NORRIS:** Are you talking about notices
18 of rates increasing?

19 **MS. HANAN:** Well, anything, anything from
20 the --

21 **MS. NORRIS:** That would come directly --

22 **MR. MOURING:** Those would be coming from
23 the water company itself. We're with the Florida
24 Public Service Commission. I want to be clear about
25 that.

1 **MS. NORRIS:** Right. Yes.

2 **MR. MOURING:** Is there a noticing issue
3 that you've had or --

4 **MS. HANAN:** Well, I don't have a computer.

5 **MS. NORRIS:** Okay.

6 **MR. MOURING:** Okay.

7 **MS. HANAN:** And so when they pass out the
8 water boil notices, I never, never got one. It was
9 down on the street a block away.

10 **MR. MOURING:** If you don't mind, would
11 you -- or could -- you don't have to stand, but if
12 you could give us your name and your address and --

13 **MS. HANAN:** Carole Hanan, H-A-N-A-N,
14 5216 Victoria Lane, Holiday, Florida 34690. I'm in
15 Holiday Gardens subdivision. And when I called the
16 water department, she said, "Oh, I left it on your
17 doorknob on the outside screen door." Well, I guess
18 the wind blew it off. So I said, "Don't leave it on
19 the outside anymore. Put it on the inside, put it
20 on the inside door." Because I never received it.
21 And I had an infection in my leg, and that's very
22 serious. We were supposed to be boiling our water,
23 and I didn't even know it.

24 **MR. MOURING:** I appreciate your comments.
25 Well --

1 **MS. HANAN:** Because I don't have an email.

2 **MS. NORRIS:** Right. Right.

3 **MS. HANAN:** I don't have a computer, so I
4 need notices mailed to me, put on the inside door.

5 **MR. MOURING:** Would OPC like to make any
6 comments or --

7 **MS. ROTH:** I'm Danielle Roth. Like Amber
8 said, I'm with the Office of Public Counsel, so I
9 actually represent the ratepayers, so you all. So I
10 don't work for the Public Service Commission or the
11 utility. I work for you. So if you do have any
12 questions or want to talk to me after, please come
13 up to me, and I'd love to give you my card and be in
14 communication. Just let me know, please.

15 **MS. NORRIS:** Well, we want to thank you
16 again for coming out today.

17 **UNIDENTIFIED SPEAKER:** Is there anybody
18 here from the utility?

19 **MR. MOURING:** Mr. Smallridge is here with
20 the utility. If you'd like to speak with him after
21 the meeting, I'd encourage that.

22 **MS. NORRIS:** With no further ado, I
23 guess -- we appreciate y'all coming out today.
24 Again, if you need to follow up afterwards with the
25 utility or with OPC, you're welcome to do so. And

1 with that being said, we'll close this meeting out.

2 Thank you so much.

3 (Meeting adjourned at 10:25 a.m.)

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14 DATED this 8th day of October, 2015.

15 *Linda Boles*

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