

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: February 25, 2016
TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk *CS*
FROM: Clayton Lewis, US Engineering Specialist, Division of Engineering *CKL*
RE: Docket No. 150010-WS - Application for staff-assisted rate case in Brevard County by Aquarina Utilities, Inc.

Please file the attached "Confirmation of Mailing Customer Notices, with Attached Notice of Customer Meeting" in the above mentioned Docket File.

Thank you.

Patti Zellner

From: Clayton Lewis
Sent: Thursday, February 25, 2016 3:19 PM
To: Patti Zellner
Cc: Robert Graves
Subject: FW: Aquarina Utilities Public Notification
Attachments: Public Notice Certification Cover Letter.pdf; Public Notification.pdf

Please file this message and the attachments is Docket No. 150010 – Aquarina.

Please title “Confirmation of mailing customer notices, with attached notice of customer meeting”

From: Kevin Burge [<mailto:aquarinautilities@bellsouth.net>]
Sent: Thursday, February 25, 2016 3:01 PM
To: Clayton Lewis
Subject: Re: Aquarina Utilities Public Notification

Dear Clayton,

Please view the attached.

Thank you,
Holly Burge

On Thursday, February 25, 2016 2:20 PM, Clayton Lewis <CLewis@PSC.STATE.FL.US> wrote:

Holly,

We applaud your efforts. Please provide me with a copy of the notice that was distributed along with a cover letter indicating the exact date(s) on which the notice was mailed or otherwise delivered to the customers.

Thank you,

*Clayton K. Lewis
Florida Public Service Commission
Division of Engineering
850 413-6578*

From: Kevin Burge [<mailto:aquarinautilities@bellsouth.net>]
Sent: Thursday, February 25, 2016 1:07 PM

To: Clayton Lewis
Subject: Aquarina Utilities Public Notification

Dear Clayton et al,

The public notifications have been mailed. Further, I am posting a packet of notices on each of the 6 mid-rise condominium buildings and bulletin boards in each community. (2) copies of the staff report will be placed at the Community Center and (2) will be available at the utility maintenance office by this afternoon. I have also notified everyone by email that I will supply them with the PDF of the report upon request and that it is also available on the PSC website under our docket number. Please let me know if there is anything else I need to do for you before the meeting.

Clayton, also attached are the bills associated with the repair of the blocked service line to 212 Osprey Villas Court. Replacing all the affected lines is going to be a real expensive proposition.

Sincerely,
Holly Burge
Account Manager; Aquarina Utilities, Inc.

Aquarina Utilities, Inc.

P.O. Box 1114
Fellsmere, FL 32948
(772) 708-8350 (office)
(772) 708-7946 (emergency)
aquarinautilities@bellsouth.net

25 February 2016

Mr. Clayton Lewis
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

**Reference: Docket No. 150010-WU - Aquarina Utilities, Inc. SARC
Certification of Public Notification**

Dear Mr. Lewis:

This letter serves to certify that on 25 February 2016, the attached dated public notification was mailed to all of the registered mailing addresses of the customer accounts currently active with Aquarina Utilities, Inc. Paper copies were mailed to all United States addresses. Copies were emailed to all customers with contact addresses outside the United States. Additional copies, sufficient for each resident to have one each, were circulated to the six condominium buildings and copies were posted on community bulletin boards. Copies of the Staff Recommendations Report have been posted at the Aquarina Community Center and at the Aquarina Utilities maintenance office. An email has been circulated indicating that PDF copies of the 66 page staff report are available upon request or at the FPSC website, referencing this docket number.

Please let me know if any further action is required regarding this notice.

Sincerely,



Holly Burge
Account Manager; Aquarina Utilities, Inc.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

NOTICE OF CUSTOMER MEETING

TO THE CUSTOMERS OF AQUARINA UTILITIES, INC.

AND

ALL OTHER INTERESTED PERSONS

DOCKET NO. 150010-WS

APPLICATION OF AQUARINA UTILITIES, INC.

FOR A STAFF-ASSISTED RATE CASE IN

BREVARD COUNTY

Date Issued: FEB 2 5 2016

Notice is hereby given that the staff of the Florida Public Service Commission (Commission) will conduct a customer meeting to discuss the application of Aquarina Utilities, Inc. (Aquarina or Utility) for a staff-assisted rate case (SARC) in Brevard County. The meeting will be held at the following time and place:

**Wednesday, March 10, 2016, at 2:00 P.M.
Aquarina Community Center Conference Room
450 Aquarina Blvd.
Melbourne Beach, Florida, 32951**

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.

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Customer Meeting Notice

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 the Utility'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 or online at <https://secure.floridapsc.com/e-filings/e-filing.aspx>.

BACKGROUND

Aquarina is a Class B utility providing service to approximately 288 water and wastewater customers in Brevard County. Water and wastewater rates were last established for this utility in 2003, when it was known as Service Management Systems, Inc.¹ The Utility was transferred to Aquarina in 2012.² On January 2, 2015, Aquarina filed an application for a Staff Assisted Rate Case (SARC). Staff selected the test year ending December 31, 2014, for the instant case. According to Aquarina's 2014 annual report, its total operating revenues for water

¹ Order No., PSC-03-1342-PAA-WS, issued November 24, 2003, in Docket No. 021228-WS, *In re: Application for staff-assisted rate case in Brevard County by Service Management Systems, Inc.*

² Order No., PSC- PSC-12-0614-CO-WS, issued November 16, 2012, in Docket No. 110061-WS, *In re: Application for authority to transfer assets and Certificate Nos. 517-W and 450-S of Service Management Systems, Inc. to Aquarina Utilities, Inc., in Brevard County.*

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Customer Meeting Notice

and wastewater were \$269,405 and \$161,736, respectively. The Utility reported a net loss of \$45,050 for the water service and net income of \$5,320 for the wastewater service.³

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. Aquarina Utilities, Inc.'s current, and staff's preliminary rates, are summarized in the tables below.

³ Aquarina Utilities, Inc. 2014 Annual Report filed March 13, 2015, with the Commission.
<http://www.floridapsc.com/library/financials/WS949-DOCS/ANNUAL-REPORTS/WS949-14-AR.PDF>

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Water			
	RATES AT TIME OF FILING	STAFF RECOMMENDED PHASE I RATES	4 YEAR RATE REDUCTION
<u>Residential and General Service</u>			
Base Facility Charge by Meter Size			
5/8" x 3/4"	\$19.16	\$27.32	\$0.10
3/4"	\$28.74	\$40.98	\$0.15
1"	\$47.90	\$68.30	\$0.25
1-1/2"	\$95.79	\$136.60	\$0.51
2"	\$153.27	\$218.56	\$0.81
3"	\$306.55	\$437.12	\$1.62
4"	\$478.96	\$683.00	\$2.53
6"	\$957.93	\$1,366.00	\$5.06
Charge per 1,000 gallons – Residential and General Service	\$6.95		
0-3,000 gallons		\$11.57	\$0.04
Over 3,000 gallons		\$13.60	\$0.05
Charge Per 1,000 gallons – General Service		\$11.94	\$0.04
<u>IRRIGATION SERVICE</u>			
Charge per 1,000 gallons	\$0.78	\$1.11	\$0.01
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u>			
3,000 Gallons	\$40.01	\$62.03	
6,000 Gallons	\$60.86	\$102.83	
8,000 Gallons	\$74.76	\$130.03	

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Wastewater			
	RATES AT TIME OF FILING	STAFF RECOMMENDED PHASE I RATES	4 YEAR RATE REDUCTION
<u>Residential</u>			
Base Facility Charge - All Meter Sizes	\$22.13	\$24.80	\$0.24
Charge Per 1,000 gallons			
8,000 gallon cap	\$4.79		
6,000 gallon cap		\$6.96	\$0.07
Flat Rate Service	\$34.69	\$39.83	\$0.39
<u>General Service</u>			
Base Facility Charge by Meter Size			
5/8" x 3/4"	\$22.13	\$24.80	\$0.24
3/4"	\$33.16	\$37.20	\$0.36
1"	\$55.28	\$62.00	\$0.61
1-1/2"	\$110.56	\$124.00	\$1.21
2"	\$176.90	\$198.40	\$1.94
3"	\$353.81	\$396.80	\$3.88
4"	\$552.83	\$620.00	\$6.06
6"	\$1,105.67	\$1,240.00	\$12.13
Charge per 1,000 gallons	\$5.76	\$8.36	\$0.08
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u>			
2,000 Gallons	\$31.71	\$38.72	
6,000 Gallons	\$50.87	\$66.56	
8,000 Gallons	\$60.45	\$66.56	

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Water		
	STAFF RECOMMENDED PHASE I RATES	STAFF RECOMMENDED PHASE II RATES
<u>Residential and General Service</u>		
Base Facility Charge by Meter Size		
5/8" x 3/4"	\$27.32	\$28.69
3/4"	\$40.98	\$43.04
1"	\$68.30	\$71.73
1-1/2"	\$136.60	\$143.45
2"	\$218.56	\$229.52
3"	\$437.12	\$459.04
4"	\$683.00	\$717.25
6"	\$1,366.00	\$1,434.50
Charge per 1,000 gallons – Residential Service		
0-3,000 gallons	\$11.57	\$12.15
Over 3,000 gallons	\$13.60	\$14.28
Charge per 1,000 gallons – General Service		
	\$11.94	\$12.54
<u>Irrigation Service</u>		
Charge per 1,000 gallons	\$1.11	\$1.15
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u>		
3,000 Gallons	\$62.03	\$65.14
6,000 Gallons	\$102.83	\$107.98
8,000 Gallons	\$130.03	\$136.54

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Wastewater		
	STAFF RECOMMENDED PHASE I RATES	STAFF RECOMMENDED PHASE II RATES
<u>Residential</u>		
Base Facility Charge - All Meter Sizes	\$24.80	\$25.54
Charge Per 1,000 gallons		
6,000 gallon cap	\$6.96	\$7.17
Flat Rate Service	\$39.83	\$41.02
<u>General Service</u>		
Base Facility Charge by Meter Size		
5/8" x 3/4"	\$24.80	\$25.54
3/4"	\$37.20	\$38.31
1"	\$62.00	\$63.85
1-1/2"	\$124.00	\$127.70
2"	\$198.40	\$204.32
3"	\$396.80	\$408.64
4"	\$620.00	\$638.50
6"	\$1,240.00	\$1,277.00
Charge per 1,000 gallons	\$8.36	\$8.61
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u>		
2,000 Gallons	\$38.72	\$39.88
6,000 Gallons	\$66.56	\$68.56
8,000 Gallons	\$66.56	\$68.56

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STAFF REPORTS AND UTILITY APPLICATION

The results of staff's preliminary investigation are contained in a staff report dated February 22, 2016. Copies of the report may be examined by interested members of the public, Monday through Saturday, at the following locations:

Aquarina Community Center
450 Aquarina Blvd.
Melbourne Beach, Florida, 32951

Aquarina Utilities
235 Aquarina Blvd.
Melbourne Beach, Florida 32951

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 May 26, 2016. The Commission will then vote on staff's recommendation at its June 9, 2016, 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. 150010-WS, Aquarina Utilities, 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.