

Ashley Quick

From: Angela Charles on behalf of Records Clerk
Sent: Friday, March 11, 2016 8:16 AM
To: 'Roger Conant'
Cc: Grant and Vicky Leslie
Subject: FW: Docket No. 150010-WS
Attachments: Aquarina Utilities Notice.pdf; Staff Report.pdf

Good morning Mr. Conant,

We will be placing your comments below in consumer correspondence in Docket No. 150010-WS and forwarding your comments to the Office of Consumer Assistance and Outreach.

Sincerely,

Angela M. Charles
Commission Deputy Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee FL 32399-0850
850-413-6826

From: rrconant@gmail.com [<mailto:rrconant@gmail.com>] **On Behalf Of** Roger Conant
Sent: Thursday, March 10, 2016 5:58 PM
To: Records Clerk
Cc: Grant and Vicky Leslie
Subject: Docket No. 150010-WS

Dear Sirs:

Today, your staff held a meeting on the docket at the Aquarina Community Center

I am an economist and finance specialist analyzing the Aquarina Utilities, Inc, rate increases your staff is proposing.

The mailing dated and mailed on February 25, 2016, by Aquarina Utilities, Inc., titled "Customer Meeting Notice", says, "Water and wastewater rates were last established for this utility **in 2003**, when it was known as Service Management Systems, Inc." A copy of first 2 pages is attached. The cited sentence is on page 2, under "Background".

However, at the meeting, the staff distributed a handout titled "Florida Public Service Commission SPECIAL REPORT, March 2016." The Report says, "Aquinara's current rates were established by the Commission **in 2011**." [bold-face emphasis added.] A copy of the first page is attached. The cited sentence is under Question 3.

The "current rates" are provided in both documents. I am trying to establish the after-inflation (i.e., Real) amount of the proposed rate increase. Obviously, computation of the real increase is crucially dependent upon the time since these "current rates" were established. Additionally, any conclusions to be drawn from the data are totally dependent upon determining which date the current rates were established, Aquarina Utilities' date of 2003 or the staff's date of 2011.

Accordingly, I request you provide to me the correct date that Aquarina's water and wastewater "current rates" were established.

Sincerely,

Roger R. Conant, MBA, Ph.D., CLU

321-317-7104

Roger R. Conant

My new telephone number is 1-321-317-7104

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 25 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.

Docket No. 150010-WS Aquarina Utilities, Inc.
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.

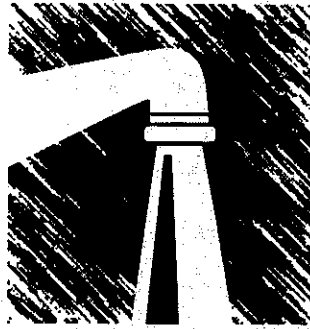
Any person who wishes to comment or provide information to staff may do so at the meetings, orally or in writing. Written comments may also be sent to the Commission at the address given at the end of this notice. Your letter will be placed in the correspondence file of this docket. You may also submit comments through the Commission's toll-free facsimile line at 1-800-511-0809 or online at <https://secure.floridapsc.com/e-filings/efiling.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-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.*



Florida Public Service Commission

SPECIAL REPORT

MARCH 2016

Application for increase in water and wastewater rates in Brevard County by

Aquarina Utilities, Inc.

DOCKET NO. 150010-WS

On February 25, 2015, Aquarina Utilities, Inc. (Aquarina) filed an application with the Florida Public Service Commission (PSC or Commission) for a staff-assisted rate case. Aquarina provides service to approximately 295 water and wastewater, and 23 wastewater only customers in Brevard County. In addition, approximately 111 customers receive non-potable irrigation service.

QUESTIONS & ANSWERS

1 Is there an opportunity for public input on this rate case?

Yes. As part of the evaluation process for Aquarina's rate request, the Commission staff will conduct a customer meeting to allow customer feedback about Aquarina and the rate-setting process. Customer comments, written and oral, will be taken into consideration when the Commission reaches a decision. One or more Commissioners may attend and participate during the customer meeting.

2 Why is Aquarina requesting a rate increase?

Aquarina is requesting a rate increase in order to recover the cost of operating the utility and allow the company to earn a fair rate of return on its investment.

3 When was Aquarina's last approved rate increase?

Aquarina's current rates were established by the Commission in 2011.

CUSTOMER MEETING

Thursday, March 10, 2016
6:00 P.M.

Aquarina Community Center
Conference Room
450 Aquarina Blvd.
Melbourne Beach, Florida

5 How much are the average monthly water and wastewater bills for a residential customer using 3,000 gallons?

The average monthly water and wastewater bills for a residential customer using 3,000 gallons are \$40.01 and \$36.50 respectively.

If cancelled, notice of meeting cancellation will be provided on the Commission's website (www.floridapsc.com) under the Hot Topics link found on the home page. Cancellation can also be confirmed by contacting the Office of General Counsel at (850) 413-6199.

Continued on back