

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: March 16, 2016
TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk
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 "Staff's response to Mr. Conant" in the above mentioned Docket File.

Thank you.

Terri Jones

From: Clayton Lewis
Sent: Wednesday, March 16, 2016 3:23 PM
To: Terri Jones
Subject: FW: Docket No. 150010-WS

Please file this message train to Docket No. 150010 and title Staff's response to Mr. Conant.

Thank you

From: Clayton Lewis
Sent: Friday, March 11, 2016 11:38 AM
To: 'rrconant@gmail.com'
Cc: Angela Charles; Robert Graves
Subject: FW: Docket No. 150010-WS

Mr. Conant,

There is an apparent typo in the Special Reports. It should have stated the last rate case was in 2003. A review of our records indicates the last rate case for the utility occurred in 2002 and the rates were made final in Order No. PSC-03-1434-CO-WS. The utility was transferred to the current owners in 2011 in Docket No. 110061. We apologize for the confusion.

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

From: Angela Charles
Sent: Friday, March 11, 2016 10:06 AM
To: Clayton Lewis
Subject: FW: Docket No. 150010-WS

Morning Clayton,

Will you please answer Mr. Conant question and also BCC me on the response please?

Angela

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, "Aquarina'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