

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 20160176-WS

APPLICATION FOR STAFF-ASSISTED
RATE CASE IN POLK COUNTY BY
FOUR LAKES GOLF CLUB, LTD.

_____ /

PROCEEDINGS: CUSTOMER MEETING

APPEARING: COMMISSIONER DONALD J. POLMANN
TODD BROWN
KORDELL WILSON
TAKIRA THOMPSON
KELLY THOMPSON

DATE: Thursday, June 29, 2017

TIME: Commenced at 6:00 p.m.
Concluded at 6:30 p.m.

PLACE: Chain O'Lakes Complex
210 Cypress Gardens Boulevard
Winter Haven, Florida 33880

TRANSCRIBED BY: LINDA BOLES, CRR, RPR
Official FPSC Reporter
(850) 413-6734

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NAME:

PAGE NO.

JAY STEINBERG

16

P R O C E E D I N G S

1
2 **MR. BROWN:** It's a couple of minutes after
3 6:00. Since everybody is here, we're going to go ahead
4 and get started.

5 My name is Todd Brown. I'm from the Florida
6 Public Service Commission. And I just want to welcome
7 you, welcome you to our customer meeting for Four Lakes
8 Golf Club. Thank you for coming out this evening. I
9 know you've got other things to do. It's always nice to
10 see friendly faces in the audience, and we do appreciate
11 you being here.

12 With me tonight, we've got Kordell Wilson.
13 He's actually going to be doing the presentation here in
14 just a bit. We've also got Takira Thompson up front
15 with us. And then most of you met Kelly Thompson coming
16 in the door.

17 And Kordell is in the Division of Accounting
18 and Finance with me, Takira is in Engineering, and then
19 Kelly is with Consumer Affairs.

20 Most of you probably don't know a lot about
21 the Florida Public Service Commission because you
22 probably haven't had a lot of interaction with us. But
23 we're responsible for regulating the state's
24 investor-owned utilities, most of those being your
25 electric, natural gas, and then water and wastewater

1 companies.

2 Tonight we're going to try to give you a brief
3 overview of the rate case that's before us here with
4 Four Lakes, and hopefully you'll go away with a little
5 more information. At the very end we will also be
6 taking questions. So hopefully if you have any
7 questions, we'll get those answered this evening.

8 But I guess we're ready, Kordell. Are you
9 ready to get going?

10 **MR. WILSON:** Yep.

11 **MR. BROWN:** Okay.

12 **MR. WILSON:** Okay. So good evening, everyone.
13 Again, I am Kordell Wilson. Thank you all for taking
14 the time out of your busy evening to come and hear us
15 out at this customer meeting.

16 (Technical difficulties.)

17 Okay. So while he's doing that, I'm just
18 going to give you a brief overview of how the meeting is
19 going to run.

20 Like Todd said, we're going to give a
21 PowerPoint presentation, as you see up there, about how
22 the SARC process works; what a SARC is, a staff-assisted
23 rate case; and then we'll receive customer comments.

24 Customer comments will be taken in the order
25 that you signed up. So if you have not signed up yet,

1 you wish to speak or give a comment, you still have the
2 opportunity to do so. The sign-up sheet is in the back
3 of the room at the table when you first walked in.

4 Okay. Oh, some important things to remember.
5 This meeting is being recorded, and once we get the
6 microphone working, we'll also be recording sound. So
7 that's just a couple of things to keep in mind. It's a
8 public record so that people can access it later on.

9 The way the PowerPoint presentation is going
10 to work, we'll have, like I said, a brief overview of
11 the staff-assisted rate case process, and then we'll go
12 over some preliminary rates with you all, and then we'll
13 talk about what you can do as a customer.

14 Okay. So just a little bit of background
15 information about Four Lakes. The utility was
16 originally organized in 1995, but it was originally
17 under the jurisdiction of Polk County. We regulated it
18 -- we started regulated it -- regulating it, excuse me,
19 in 1996. That's when Polk County transferred
20 jurisdiction to the Florida Public Service Commission.

21 And the utility's current rates have been in
22 place since 1998. This is the first rate case the
23 utility has had before, so pretty much since its
24 existence the utility has had the same rates.

25 While he's working on that, I'll go ahead and

1 talk to you all briefly about what a staff-assisted rate
2 case is. There it goes. A SARC is a process where the
3 Commission staff assists smaller water and wastewater
4 companies with rate requests, rate case requests
5 basically. This eliminates the utility's need to hire
6 outside accountants and engineers, and it helps reduce
7 cost basically.

8 (Technical difficulties.)

9 I'll go ahead and just go into the steps of
10 the SARC process. So the first thing that happens is
11 the utility, Four Lakes, files an application for a
12 staff-assisted rate case saying that they want to
13 increase their rates, which the utility did so back on
14 July 27 of 2016.

15 Then after that, a staff auditor conducts an
16 examination of the records and books, and then a staff
17 engineer conducts a review of the utility's operations
18 and contacts the Department of Environmental Protection.

19 Next, a staff report is prepared with staff's
20 preliminary findings and the preliminary rate increase.
21 After that, the point in which we're at now, we have a
22 customer meeting in order to get input from you all.
23 And then after the customer meeting, we prepare a
24 recommendation that details what we are proposing the
25 rates should be.

1 The recommendation will then be heard by the
2 Commission. But while we're preparing the
3 recommendation, we do take into account the comments
4 that you all made today at the meeting and customer
5 input, whether it be here or in writing.

6 So at the Commission Conference, this is where
7 the Commissioners hear the rate case and hears staff's
8 recommendation. We call it the Commission Conference or
9 also an Agenda Conference is what it's known as. And at
10 the conference, Commissioners ask questions of staff,
11 basically, you know, seeing how we came up with our
12 recommendation.

13 And this is an important part to remember:
14 The Commission may approve, deny, or modify staff's
15 recommendation. So even after we make a recommendation,
16 it's not final. The Commission has the right to alter
17 it and they vote on it.

18 And you, as the customers, as well as the
19 utility's owner may come and speak at this Commission
20 Conference. Just -- I'll go ahead and throw it out
21 there. If you do plan on coming to the Agenda
22 Conference, it's very important that you contact a staff
23 member. My contact information as well as my
24 counterpart's contact information is in the blue handout
25 that you all received. And I also have business cards

1 available for you all after the meeting. But if you do
2 plan on coming to the Agenda Conference, please make
3 sure that you let a staff member know.

4 So, like I said, at the Agenda Conference the
5 Commissioners, they vote to alter, approve, or deny the
6 utility's request for rate relief. But after agenda the
7 Commission issues what's called a proposed agency
8 action. Basically it's saying the Commissioners voted
9 on this, and unless there is a protest within 21 days of
10 the PAA order being filed, then it pretty much becomes,
11 you know, what it is.

12 But if there is a protest filed within 21
13 days -- which a protest can only come from a customer or
14 any other party other than the utility. The utility, in
15 requesting for a SARC, basically agrees to accept what
16 we come up with. But the customers have the ability to
17 protest if they're unhappy with the results as long as
18 it's 21 days after the PAA order is issued.

19 If a timely protest is filed, there will be
20 another hearing held in the utility's service area. The
21 hearing will be before at least three Commissioners, and
22 the utility as well as the protesting parties will be
23 able to litigate the issue at this hearing. Customers
24 can testify before the Commissioners at this hearing as
25 well.

1 After the hearing we take into account what
2 was discussed at the hearing, and we prepare another
3 recommendation and we have another Commission Conference
4 or agenda. But at this Commission Conference or agenda,
5 there isn't allowed any participation from the customers
6 or from the utility. And then a final vote is made and
7 a final order is issued.

8 If there is a further request to protest this
9 final order, then the customer or any other parties
10 involved have the ability to appeal to the First
11 District Court of Appeals.

12 Okay. So let's talk about Four Lakes and what
13 we came up with you guys -- came up for you guys in
14 particular.

15 So currently, based on the test year, we've
16 come up with a test year ranging from a particular
17 date, and we go through the company's expenses and
18 income.

19 So right now, based on the test year, for the
20 water side of Four Lakes, they're operating at a net
21 loss of \$21,672; and for the wastewater side, they're
22 operating at a net loss of \$62,893. With the
23 preliminary rates that we're going to propose, which
24 you'll see in the next slide, they'll have a net income
25 of \$28,833 for water and a net income of \$13,898 for

1 wastewater.

2 Okay. So talk about the rates, the deciding
3 part. Currently, to my understanding, you guys receive
4 a base facility charge or basically a fixed cost of
5 \$13.09. That's for water, and then you also receive
6 that for wastewater. So a little bit over \$26. And
7 according to the owners, it's included in your lot rent.

8 And then you guys receive a gallonage charge
9 for water for anything over 5,000 gallons at \$1.05 per
10 1,000 gallons and the same for wastewater, and this is
11 billed quarterly.

12 We're proposing that we switch to a monthly
13 billing instead and that the base facility charge is
14 \$10.94 for water -- I'm sorry, that's for wastewater.
15 For water, we're proposing 8.04; and for wastewater,
16 10.94.

17 Could you go back to the --

18 **MR. BROWN:** I don't know that I can right now,
19 Kordell.

20 **MR. WILSON:** Oh, it's frozen.

21 **MR. BROWN:** Yes.

22 **MR. WILSON:** Okay. Well, the rates are
23 available for you all to view in the blue handout that
24 you all received, the rate case overview, if you want to
25 follow along there.

1 **MR. BROWN:** Water rates are on page 3, and
2 wastewater rates are on page 4.

3 **MR. WILSON:** Okay. So we'll get right back
4 into it.

5 The preliminary rate so far, like I said, a
6 base facility charge for water at 8.04 per gallon, 8.04,
7 and then anything between zero and 3,000 gallons there
8 will be a charge of \$1.86 per 1,000 gallons. Anything
9 over 3,000 gallons, there will be a charge of \$2.26 per
10 1,000 gallons.

11 For wastewater, like I said, the base facility
12 charge will be 10.94 per month. And then anything
13 between zero and five -- I'm sorry, zero and 8,000
14 gallons, which there will be an 8,000 gallon cap, you
15 would be charged \$1.93 per 1,000 gallons.

16 So here is a little bit of comparison of what
17 your bill would look like versus what it looks like now.
18 So as I stated, you receive a base facility charge of
19 13.09 for water, 13.09 for wastewater. So as long as
20 you use below 5,000 gallons as of now, your bill is
21 26.18. With preliminary rates, you will receive --
22 let's say you use 3,000 gallons. You'll be charged
23 13.62 for water and 16.73 for wastewater, or a monthly
24 total bill of about 30.35.

25 Let's say you use 5,000 gallons. With the

1 preliminary rates, you'd be charged 18.14 for water and
2 20.59 for wastewater, or a total bill of about 38.73.
3 If you use 8,000 gallons, then, as you see on the
4 PowerPoint, you will be charged 24.92 for water, 16.24
5 for wastewater -- or, I'm sorry, 26.38 for wastewater,
6 for a total bill of 51.30.

7 So just some information about the
8 recommendation and agenda that's upcoming. Staff's
9 recommendation is tentatively scheduled to be filed by
10 August 24th, and then the Commission is set to hear our
11 recommendation at the Commission Conference on
12 September 7.

13 And, again, if you do plan on coming to the
14 Commission Conference, please let myself or one of the
15 other staff members know. And, again, the Commission
16 may either approve, deny, or modify staff's
17 recommendation at this Commission Conference.

18 So what can you do as a customer? Well,
19 again, you can provide comments at today's meeting that
20 we're having or you can provide written comments.

21 If you all want to turn to the last page in
22 the rate case overview, the blue pamphlet, right here
23 you have a slip in which you're able to input customer
24 comments. And then on the back we even give you a form
25 so you can easily mail it off back to the Commission.

1 And if you know someone that wasn't able to
2 make the meeting today but did have some comments or did
3 have something they wanted to say, feel free to grab
4 them a copy. We have more than enough in the back.

5 Like I say, you can provide written comments.
6 Other than that, you can obtain a copy of staff's
7 recommendation, and then you can monitor the Agenda
8 Conference online as well if you're unable to make it
9 and you want to watch it live. And we'll go over that
10 in the upcoming slides.

11 That's just showing the rate case, shows you
12 what you all were given and the form in the back for you
13 to leave comments.

14 Oh, here we go. So this is the Public Service
15 Commission or the PSC's home page. Our website is
16 www.floridapsc.com, and this is where you're able to
17 watch the live stream of the Commission Conference. Or
18 if you're unable to catch it live and you want to watch
19 it after the fact, you can do it on the website as well.

20 So right there on the home page, if you click
21 on the blue --

22 (Technical difficulties.)

23 Did you guys see the blue camera looking thing
24 on the left side of the home page?

25 **MR. BROWN:** Give me a second, Kordell.

1 **MR. WILSON:** No problem.

2 Oh, there we go. Okay. So on the home page
3 there's a blue camera on the left side of the page where
4 it says, "Watch live broadcast." That's what you click
5 on in order to access the live feed of the Commission
6 Conference.

7 Or if you're unable to catch the live feed,
8 that's where you can also see archives of Commission
9 Conferences that have already taken place, and you'll be
10 able to catch it from there as well.

11 Then once you click on that, it'll take you to
12 this page. And the most recent or whatever Commission
13 Conference that's going on live will appear at the top,
14 and you can just click on it and it'll open up a video
15 stream in order for you all to watch. So that's how you
16 access the Commission Conference video.

17 Also I'd like to talk about the Office of
18 Public Counsel briefly. They're a state office that
19 advocates for the consumers before the Florida Public
20 Service Commission, and their number is there displayed
21 on the screen. And their website is www.floridaopc.gov.

22 Next up I would like to talk about the Florida
23 Public Service Commission, Department of Consumer
24 Assistance. This is a 1-800 number for you all to call.
25 However, it is not 24 hours. It operates during normal

1 business hours Monday through Friday.

2 And basically they're here to hear your
3 concerns. If you ever have a problem with your utility,
4 this number is available for you to call. The preferred
5 method, of course, is for you to reach out to your
6 utility first and try to, you know, discuss issues with
7 them before coming -- calling the Office of Consumer
8 Assistance. But if for some reason you and your utility
9 are unable to reconcile, then this 1-800 number is
10 available for your call, and they'll be more than happy
11 to take your concerns.

12 So that pretty much wraps up the PowerPoint
13 presentation. We're going to open up the floor for
14 comments now. Just some quick things to remember.
15 Again, this meeting is being recorded by video and by
16 voice recorder. Customers will be called forth in the
17 order that they signed up. And please come forward to
18 this podium. I'm going to move it in a second for you
19 all to come speak. And once you come up to speak,
20 please give your full name, spell out your last name,
21 and please provide us with your address for the record.
22 Okay?

23 **MR. BROWN:** Real quick, before we call our
24 first speaker, I was -- I failed to recognize a few
25 people in the audience this evening.

1 We have representatives from the company here
2 that are here to listen to your concerns and your
3 questions and comments. And you all are lucky enough
4 that we have one of our Commissioners here this evening.
5 Commissioner Polmann is in, is in the audience. And
6 his -- he's here tonight to observe the customer
7 meeting, and basically he's here to hear you guys and to
8 take in your comments and concerns. So that's kind of
9 unusual for us to have a Commissioner here, so we thank
10 you for being here, Commissioner Polmann.

11 And our first speaker is Jay Steinberg. Did I
12 pronounce that correctly?

13 **MR. STEINBERG:** Correct.

14 **MR. BROWN:** Okay. Would you like to come up
15 to the podium, sir, so we can hear your questions or
16 concerns?

17 **MR. STEINBERG:** Sure.

18 First of all, thank you for being here. And
19 I, you know, I looked at the changes. You know, I can
20 see that it's -- you know, water consumption, if you did
21 4,000 gallons, you might be looking at about a five --
22 well, 13 -- maybe a \$2 or \$3 increase, which isn't,
23 isn't terrible on a 4,000 gallon unit.

24 And the -- looking at the wastewater, you
25 know, it depends on how much, you know, you use. But,

1 again, it's going to be about \$3. I don't think this is
2 unreasonable, and certainly we haven't had a rate
3 increase, you know, for a long time. I, you know, as
4 long as the systems are maintained at the park and the
5 meters or whatever that they have will be kept up to
6 date, it seems reasonable. So that's my comments.

7 **MR. WILSON:** All right. Thank you.

8 **COMMISSIONER POLMANN:** Name and address?

9 **MR. STEINBERG:** It's 2017 Wentworth Place,
10 Winter Haven.

11 **MR. BROWN:** And that's Winter Haven 33881?

12 **MR. STEINBERG:** Correct.

13 **MR. BROWN:** I can tell you as part of the rate
14 case the utility is requesting money to replace the
15 meters. They currently have quite a few meters that
16 are, that are not operational. So that's one of the
17 things that they have requested. It's -- they're going
18 to be replacing all of the meters in Four Lakes. So --
19 okay.

20 **MR. STEINBERG:** Super. Great. Thank you.

21 **MR. BROWN:** That's the only speaker that I
22 have to sign up is -- that's signed up to speak. Is
23 there anybody else that would like to make any comments
24 or ask questions? Nobody?

25 Commissioner Polmann.

1 **COMMISSIONER POLMANN:** Thank you. The
2 Commission is very interested, and this is why the staff
3 comes out, to receive your comments and to speak with
4 you. And in the case of the smaller utilities, this
5 utility serves about 800 connections, obviously more
6 residents, these are handled by the staff, as was
7 explained.

8 The last water and wastewater case that the
9 Commission was involved in had 60,000 connections, so
10 much larger, and the Commissioners participated in this
11 type of meeting. We had hundreds of people attend and
12 we had nine meetings for that one utility.

13 What I'd like to say is that this meeting with
14 you is just as important as those, and this is the
15 opportunity for us to receive your input. So if you
16 don't have any issues here and if you don't have any
17 comments today, we sure would like to hear anything that
18 you have to offer. And this is included in the record
19 so that we can take into account your concerns, whether
20 they're quality of service, maintenance issues, billing
21 issues, or your concerns about the rate changes in
22 whatever way.

23 You know, the procedures or the rate impact,
24 anything that you're concerned about, we would like to
25 hear that so the staff can take that into account. And

1 as was identified, you can provide that in writing. I'm
2 not sure if we have an opportunity for email. I simply
3 don't know.

4 **MR. BROWN:** They can email as long as they --
5 the important thing to remember is to include the docket
6 number. And so --

7 **COMMISSIONER POLMANN:** That's provided in the
8 handout.

9 **MR. BROWN:** Yes, sir. It's in the, in the
10 blue handout. I think normally they can email the Clerk
11 and it will get its way -- it'll find its way into the
12 file, or they can email staff members and we can always
13 do a memo to the docket file and have their comments
14 inserted in the record.

15 **COMMISSIONER POLMANN:** So the contact
16 information for staff is included. So please
17 participate in that. That really helps us. Thanks very
18 much.

19 **MR. BROWN:** Thank you all for coming out. We
20 appreciate your participation this evening.

21 **COMMISSIONER POLMANN:** And we'll stay around
22 if you have any questions, you want to discuss
23 something.

24 **MS. THOMPSON:** This meeting concluded at 6:30.
25 (Proceeding adjourned at 6:30 p.m.)

STATE OF FLORIDA)
 : CERTIFICATE OF REPORTER
COUNTY OF LEON)

I, LINDA BOLES, CRR, RPR, Official Commission Hearings Reporter, Hearing Reporter Services Section, Office of Commission Clerk, do hereby certify that the foregoing proceedings were transcribed from digital recording to the best of my ability.

I FURTHER CERTIFY that I am not a relative, employee, attorney, or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorneys or counsel connected with the action, nor am I financially interested in the action.

DATED this 7th day of July, 2015.

Linda Boles

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