

STATE OF FLORIDA

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OFFICE OF THE GENERAL COUNSEL
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GENERAL COUNSEL
(850) 413-6199

Public Service Commission

July 6, 2018

VIA EMAIL

Mr. Gary A. Deremer, President
Pine Harbour Waterworks, Inc.
4939 Cross Bayou Blvd.
New Port Richey, Florida 34652
gderemer@uswatercorp.net

Re: Docket No. 20180022-WU, Application for staff-assisted rate case in Lake County by Pine Harbour Waterworks, Inc.

Dear Mr. Deremer:

This letter will confirm that Commission staff will hold a customer meeting on Thursday, July 26, 2018. If at all possible, we ask that you or another knowledgeable representative of the Utility attend the meeting in order to answer customer questions. The location of the general meeting will be as follows:

Thursday, July 26, 2018
6:00 p.m.
American Legion Building
101 South Bay Street
Eustis, Florida 32726

As required by Rule 25-22.0407(9)(b), Florida Administrative Code (F.A.C.), the Utility shall provide, in writing, a customer meeting notice to all customers within its service area no less than 14 days and no more than 30 days prior to the date of a customer meeting. A draft customer meeting notice is enclosed. Please note the date has been left blank so you can fill in the date that the notice is sent to the customers. Please furnish me with a copy of the notice that is distributed to your customers, together with a cover letter indicating the exact date(s) the notice was mailed or otherwise delivered to the customers.

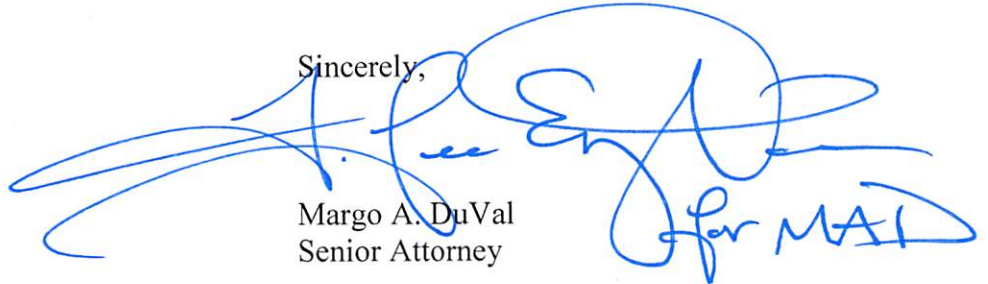
In addition, two copies of the staff report will be sent by separate cover. Please ensure that a copy of the completed Application for Staff Assistance and the staff report are available for review, pursuant to Rule 25-22.0407(9)(a), F.A.C., by all interested persons at the following location:

Eustis Memorial Library
120 North Center Street
Eustis FL, 32726

Mr. Gary Deremer
Page 2
July 6, 2018

For your convenience, I have also enclosed a copy of Rule 25-22.0407(9), F.A.C. Should you have any questions about the matters contained herein, please do not hesitate to contact me at (850) 413-6076. In addition, you may contact Kordell Wilson at (850) 413-6447 or Martha Golden at (850) 413-7015 with any questions.

Sincerely,



Margo A. DuVal
Senior Attorney

Enclosures

MD/kw

cc: Office of Commission Clerk (Docket No. 20180022-WU)
Mr. Troy Rendell, Manager of Regulated Utilities (trendell@uswatercorp.net)

Rule 25-22.0407(9), Florida Administrative Code

(9) When a utility applies for a staff-assisted rate case in accordance with Section 367.0814, Florida Statutes, and Rule 25-30.455, F.A.C., and staff-assistance is granted, the requirements of subsections (2), (3), (4), and (5) of this rule shall not apply.

(a) Upon receipt of the staff reports, the utility shall place two copies of its application for staff-assistance and the staff reports at any business offices it has in its service area. Such copies shall be available for public inspection during the utility's regular business hours. If the utility does not have a business office in its service area, the utility shall place two copies of its application and the staff reports at the main county library, the local community center or other appropriate location that is within or most convenient to the service area and that is willing to accept and provide public access to the copies.

(b) No less than 14 days and no more than 30 days prior to the date of a customer meeting conducted by the Commission staff, the utility shall provide, in writing, a customer meeting notice to all customers within its service area and to all persons in the same service areas who have filed a written request for service or who have been provided a written estimate for service within the 12 calendar months prior to the month the petition is filed.

(c) The customer meeting notice shall be approved by the Commission staff prior to distribution and shall include the following:

1. The date the notice was issued;
2. The time, date, location, and purpose of the customer meeting;
3. A statement that the utility has applied for a staff-assisted rate case and the general reasons for doing so;
4. A statement of the location where copies of the application and the staff reports are available for public inspection and the times during which inspection may be made;
5. A comparison of current rates and charges and the proposed new rates and charges;
6. The utility's address, telephone number, and business hours;
7. A statement that written comments regarding utility service or the proposed rates and charges should be addressed to the Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0870, and that such comments should identify the docket number assigned to the proceeding;
8. A statement that complaints regarding service may be made to the Commission's Division of Consumer Affairs at the following toll-free number: 1(800)342-3552.
9. A statement that the Commission will be reviewing the utility's service availability charges in the pending case and that the Commission may adjust those charges.
10. The docket number assigned by the Commission's Division of the Commission Clerk and Administrative Services.

(d) The customer meeting notice shall be mailed to the out-of-town address of all customers who have provided the utility with an out-of-town address.

(e) If the proposed agency action order issued in the case is protested and any hearings are subsequently held, the utility shall give notice in accordance with subsections (6) and (7) above.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
NOTICE OF CUSTOMER MEETING
TO THE CUSTOMERS OF PINE HARBOUR WATERWORKS, INC.
AND
ALL OTHER INTERESTED PERSONS
DOCKET NO. 20180022-WU
APPLICATION FOR A STAFF-ASSISTED RATE CASE
IN LAKE COUNTY
BY PINE HARBOUR WATERWORKS, INC.

Issued: _____

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

Thursday, July 26, 2018
6:00 p.m.
American Legion Building
101 South Bay Street
Eustis, Florida 32726

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.floridapsc.com/>) 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.

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 proposed 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 Pine Harbour's proposed 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/ClerkOffice/EfilingPublic>.

BACKGROUND

Pine Harbour is a Class C utility serving approximately 62 residential and 2 general service water customers in Lake County. Wastewater service is provided by septic tanks. The service area is located in the St. Johns River Water Management District which has enacted district wide irrigation restrictions. According to the Pine Harbour's 2017 Annual Report, the Utility had the following gross operating revenues, operating expenses, and net operating loss.

Revenues, Expenses and Net Operating Loss

	Water
Operating Revenues	\$23,286
Operating Expenses	\$26,383
Net Operating Loss	(\$3,097)

The Utility has been under Commission jurisdiction since 1985, when it was granted Certificate No. 450-W.¹ The Utility's ownership subsequently changed in 1991, 2008, and 2017.² The Utility has never had a rate case, but received approval to charge miscellaneous service charges

¹Water certificate issued pursuant to Order No. 15285, issued October 22, 1985, in Docket No. 19850417-WU, In re: Application of Earl W. Stockwell for a certificate to provide water service to the Pine Harbour Subdivision in Lake County, Florida pursuant to the provisions of Section 367.041, Florida Statutes.

²Order No. 24273, issued March 21, 1991, in Docket No. 19900525-WU, In re: Application for transfer of Certificate No. 450-W from Earl W. Stockwell (Pine Harbour) to Pine Harbour Water Utilities in Lake County.; Order No. PSC-08-0645-FOF-WU, issued October 6, 2008, in Docket No. 20080269-WU, In re: Application for authority to transfer water Certificate No. 450-W, held by Pine Harbour Water Utilities, from Jim C. Branham to Pine Harbour Water Utilities, LLC, in Lake County.; Order No. PSC-17-0043-PAA-WU, issued February 2, 2017, in Docket No. 20160169-WU, In re: Application for authority to transfer water system and Certificate No. 450-W from Pine Harbour Water Utilities, LLC to Pine Harbour Waterworks, Inc. in Lake County.

in a 2009 tariff filing and in the 2016 transfer docket. On January 22, 2018, Pine Harbour filed an application for a staff-assisted rate case (SARC). Staff selected the 12-month period ended December 31, 2017, as the test year for the instant case. Rate base has never been established for this Utility.

CURRENT AND PRELIMINARY RATES AND CHARGES

Staff has compiled the following rates and charges 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. The Utility's current, and staff's preliminary rates and charges, are as follows:

PINE HARBOUR WATERWORKS, INC.		DOCKET NO. 20180022-WU	
TEST YEAR ENDED DECEMBER 31, 2017			
MONTHLY WATER RATES			
	UTILITY CURRENT RATES	STAFF RECOMMENDED RATES	4 YEAR RATE REDUCTION
<u>Residential and General Service</u>			
Base Facility Charge by Meter Size			
5/8" x 3/4"	\$17.28	\$18.19	\$0.15
3/4"	\$25.92	\$27.29	\$0.22
1"	\$43.22	\$45.48	\$0.37
1-1/2"	\$86.41	\$90.95	\$0.74
2"	\$138.27	\$145.52	\$1.18
3"	\$276.51	\$291.04	\$2.36
4"	\$432.04	\$454.75	\$3.68
Charge per 1,000 gallons - Residential	2.17	N/A	
0 - 4,000 gallons	N/A	\$4.15	\$0.03
All Over 4,000 gallons	N/A	\$5.84	\$0.05
Charge per 1,000 gallons - General Service	N/A	\$4.90	\$0.04
<u>Typical Residential 5/8" x 3/4" Meter Bill</u>			
<u>Comparison</u>			
4,000 Gallons	\$25.96	\$34.79	
6,000 Gallons	\$30.30	\$46.47	
8,000 Gallons	\$34.64	\$58.15	

STAFF REPORTS AND UTILITY APPLICATION

The results of staff's preliminary investigation are contained in a staff report dated July 6, 2018. Copies of the report may be examined by interested members of the public at the following location:

Eustis Memorial Library
120 North Center Street
Eustis, FL 32726

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 September 27, 2018. The Commission is tentatively scheduled to vote on staff's recommendation at its October 9, 2018 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 recommendation. Substantially affected persons have 21 days from the date that the PAA order is issued to protest the Commission's PAA order. Customers may obtain all documents in this docket, including staff's recommendation and the PAA order at the Clerk's Office "Dockets" page at the Commission's website: (<http://www.floridapsc.com/ClerkOffice/Docket>). Enter the docket number (20180022) and select "Search" then select "Document Filings Index" to bring up all documents in the docket.

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. 20180022-WU, Pine Harbour Waterworks, Inc." Your letter will be placed in the correspondence file of this docket. You may also submit comments through the Florida Public Service Commission's email at clerk@psc.state.fl.us, or the Commission's website available at <https://secure.floridapsc.com/ClerkOffice/EfilingPublic>.

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 or submit a complaint form online at <http://www.floridapsc.com/ConsumerAssistance/ComplaintForm>.

This notice was prepared by Commission staff for distribution by the Utility to its customers.