

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in
water rates in Gulf County
by Lighthouse Utilities Company, Inc.

Docket No. 20190118-WU

Filed: July 12, 2019

APPLICATION FOR INCREASE IN RATES

Applicant, Lighthouse Utilities Company, Inc. (the “Utility”), by and through its undersigned attorneys and pursuant to sections 367.081(10) and 367.082, Florida Statutes, and chapter 25-30, Florida Administrative Code (“FAC”), files this Application for an increase in its water rates in Gulf County, Florida.

Background

1. On September 26, 2018, pursuant to section 367.0822, Florida Statutes, the Utility petitioned the Commission for a limited proceeding to increase its water rates to cover the cost of a capital project to bring its aged water system into compliance with state and federal minimum requirements for water quality, and to harden the Utility’s system which is located along coastal areas in Gulf County, Florida and vulnerable to hurricane damage. See Docket No. 20180179-WU. Unfortunately, on October 10, 2019 -- just 14 days after the Utility filed its petition for limited proceeding -- Hurricane Michael destroyed or damaged substantial portions of the Company’s water distribution system. Although the Utility is still intent on bringing its water system into compliance with applicable water quality standards and hardening the system against future storms, it has not been able to reach a stipulation with the Office of Public Counsel that a limited proceeding is the appropriate procedure for seeking rate relief under these circumstances. To avoid the delay and expense in trying to resolve whether the limited proceeding process is

available, the Utility has filed this Application for a general rate case pursuant to section 367.081, Florida Statutes.

Preliminary Matters

2. The following information is provided pursuant to rule 25-30.436, FAC:

a) The name of the Utility and its mailing address is:

Lighthouse Utilities Company, Inc.
P.O. Box 428
Port St. Joe, Florida 32456

b) The names and addresses of the persons authorized to receive notices and communications in respect to this application are:

D. Bruce May, Jr.
bruce.may@hklaw.com
Patrick S. O'Bryant
patrick.obryant@hklaw.com
Holland & Knight LLP
315 S. Calhoun St., Suite 600
Tallahassee, Florida 32301

with a copy to:

Mr. William J. Rish, Jr.
President
Lighthouse Utilities Company, Inc.
P.O. Box 428
Port St. Joe, Florida 32457

c) The Utility is a Florida corporation incorporated on July 1, 1984. The names and addresses of the persons owning more than 5% of the Utility's stock are:

Name	Percent Ownership
Catherine Womac	25.14859
William J. Rish Jr. and Jessica Rish, tenants by entireties	10.51508
Carol T. Rish	5.99270
Amanda T. Flowers	8.76901
Margaret Ann Flowers	9.47006
Langdon S. Flowers III	8.64538
Other members under 5%	22.45918
Total	100.00000

d) The Utility's last rate proceeding was in Docket No. 20100128-WU utilizing a test year ending December 31, 2009, which culminated in Order No. PSC-2011-0365-PAA-WU issued September 1, 2011, and Consummating Order No. PSC-2011-0415-CO-WU issued September 26, 2011.

Application

3. The address where the Application is available for customer inspection during the time the rate application is pending is:

Lighthouse Utilities Company, Inc.
155 W. Highway 98
Port St. Joe, Florida 32456

4. Pursuant to rule 25-22.0407(2), FAC, the Utility is simultaneously herewith mailing a copy of this Application to the governing body of Gulf County.

5. The Utility is requesting water revenues which would allow it to recover all expenses that the Utility will incur on a going-forward basis utilizing a historic test year, and generate a fair rate of return on its investment on all property considered used and useful in the public

service. The revenue which the Company requests should be adjusted to incorporate the repression in the customer usage as a result of the rates established in this case, in accordance with Commission policy.

6. A substantial portion of the expenses, costs, and investment that are part of this Application for rate relief are “environmental compliance costs” that will be incurred by the Utility in order to comply with consent orders and other requirements and conditions of the Florida Department of Environmental Protection. The Utility is entitled to recover these environmental compliance costs under section 367.081(2)2., Florida Statutes.

7. A substantial portion of the expenses, costs, and investment that are part of the Application also are related to storm restoration and repair costs that the Utility has incurred and will continue to incur as a result of Hurricane Michael.

8. The Utility’s Financial, Rate and Engineering Minimum Filing Requirements are being electronically filed as **Volume I**.

9. The Utility has demonstrated through the supporting schedules within **Volume I** that it is earning outside its range of reasonable returns. Submitted as part of **Volume I** are schedules of rate base (Schedules A-1 and A-2), cost of capital (Schedule D-1) and net operating income (Schedule B-1 and Schedule B-2), as applicable, pursuant to rule 25-30.437(5), FAC.

10. The Utility has no costs or charges to it from an affiliate or related party.

11. The Billing Analysis Schedules as required by rule 25-30.437(4) are being electronically filed as **Volume II**. The Utility notes that the number of customers lost as a result of Hurricane Michael may necessitate some adjustment in the Billing Analysis.

12. The additional engineering information required by rule 25-30.440(2)-(10), FAC, which includes a comprehensive facilities plan, are being electronically filed as **Volume III**.

13. The documentation supporting the Utility's requested pro-forma capital projects is being electronically filed in **Volume III**.

14. Electronic copies of detailed system maps, as required by rule 25-30.440(1)(a) and (b) FAC, are provided in **Volume III**.

15. The Revised Tariff Sheets reflecting the proposed interim and final water rates are attached hereto as **Exhibit "A"** and **Exhibit "B"** respectively.

16. The Affidavit of William J. Rish, Jr., the President of the Utility, that the Utility will comply with rule 25-22.0407, FAC., is attached hereto as **Exhibit "C"**.

17. The Utility requests that this Application be processed under the Commission's proposed agency action ("PAA") procedure set forth in section 367.081(10), Florida Statutes.

18. The appropriate filing fee is \$3,500.00. By letter dated May 23, 2019, the Commission approved the Utility's request to credit the \$1,750 application fee it previously paid in Docket No. 201800179-WU toward the Utility's filing fee in this proceeding. Therefore, under separate correspondence, the Utility has provided the Commission a check in the amount \$1,750, which represents the remaining balance of the filing fee.

19. At this time, the Utility knows of no deviations from the policies, procedures and guidelines prescribed by the Commission in relevant rules or in the Utility's last rate case. The Utility reserves the right to petition for variances in the event that deviations become known in the future.

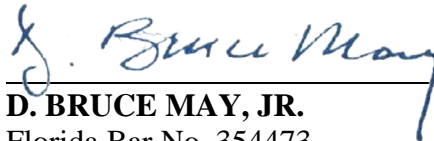
20. The Utility requests that the Commission not withhold consent to the effectiveness of the proposed final water rate increase as requested, but if it does so, grant interim rates pursuant to section 367.082, Florida Statutes, in accordance with the schedules contained in **Volume I** and the tariffs contained in **Exhibits "A"** and **"B"**.

WHEREFORE, the Utility requests that the Commission:

- a) Accept jurisdiction of this Application and grant interim and permanent increases in water rates utilizing the PAA procedure outlined in section 367.081(10), Florida Statutes, as requested herein and contained in the tariffs included in **Exhibits “A”** and **“B”**; and
- b) Provide such other relief as is fair, just and equitable.

Respectfully submitted this 12th day of July, 2019.

HOLLAND & KNIGHT LLP



D. BRUCE MAY, JR.

Florida Bar No. 354473

Email: bruce.may@hklaw.com

PATRICK S. O'BRYANT

Florida Bar No. 1011566

Email: patrick.obryant@hklaw.com

HOLLAND & KNIGHT LLP

315 S. Calhoun Street, Suite 600

Tallahassee, Florida 32301

Telephone: (850) 224-7000

Facsimile: (850) 224-8832

Secondary Email: jennifer.gillis@hklaw.com

Attorneys for Lighthouse Utilities Company, Inc.

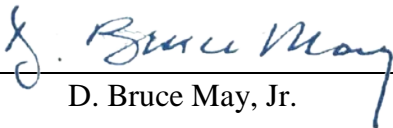
CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was provided by U.S.

Mail this 12th day of July, 2019 to:

Office of Public Counsel
J.R. Kelly/P. Christensen
c/o The Florida Legislature
111 W. Madison Street, Rm 812
Tallahassee FL 32399
christensen.patty@leg.state.fl.us
kelly.jr@leg.state.fl.us

Office of the General Counsel
Jennifer Crawford/Kristen Simmons
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850
jcrawfor@psc.state.fl.us
ksimmons@psc.state.fl.us



D. Bruce May, Jr.

EXHIBIT "A"

Proposed Interim Rate Tariff Sheets

LIGHTHOUSE UTILITIES COMPANY, INC.

WATER TARIFF

GENERAL SERVICE

RATE SCHEDULE GS

- AVAILABILTY - Available throughout the area serviced by the Company.
- APPLICABILITY - For water service so all customers for which no other schedule applies.
- LIMITATIONS - Subject to all of the Rules and Regulation of this Tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD - Monthly

RATE -	<u>METER SIZE</u>	<u>BASE FACILITIES CHARGE</u>
	5/8 X 3/4"	\$ 16.13
	1"	\$ 24.20
	1 1/2"	\$ 40.34
	2"	\$ 80.65
	3"	\$ 129.05
	4"	\$ 258.10
	6"	\$ 403.28
	8"	\$ 1,451.80
	10"	\$ 2,339.00
	Gallonage Charge per 1,000 gallons	\$ 3.94

- MINIMUM CHARGE - Base Facilities Charge
- TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five working days written notice is mailed to the customer separate and apart from any other bill, service may then be disconnected.
- EFFECTIVE DATE -
- TYPE OF FILING - Interim Rates, Test Year December 31, 2018

William J. Rish, Jr.
 ISSUING OFFICER
President
 TITLE

LIGHTHOUSE UTILITIES COMPANY, INC.

WATER TARIFF

RESIDENTIAL SERVICE

RATE SCHEDULE RS

- AVAILABILTY - Available throughout the area serviced by the Company.
- APPLICABILITY - For water service for all purposes is private residential and individually Metered apartment units.
- LIMITATIONS - Subject to all of the Rules and Regulation of this Tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD - Monthly

RATE -	<u>METER SIZE</u>	<u>BASE FACILITIES CHARGE</u>
	5/8 X 3/4"	\$ 16.13
	1"	\$ 24.20
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- EFFECTIVE DATE -
- TYPE OF FILING - Interim Rates, Test Year December 31, 2018

William J. Rish, Jr.
 ISSUING OFFICER
President
 TITLE

LIGHTHOUSE UTILITIES COMPANY, INC.

WATER TARIFF

MULTI-RESIDENTIAL SERVICE

RATE SCHEDULE RS

- AVAILABILTY - Available throughout the area serviced by the Company.
- APPLICABILITY - For water service to any master-metered residential customer including But not limited to Condominiums, Apartments, and Mobile Home Parks.
- LIMITATIONS - Subject to all of the Rules and Regulation of this Tariff and General Rules and Regulations of the Commission.
- BILLING PERIOD - Monthly

RATE -	<u>METER SIZE</u>	<u>BASE FACILITIES CHARGE</u>
	5/8 X 3/4"	\$ 16.13
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William J. Rish, Jr.
ISSUING OFFICER
President
TITLE

MISCELLANEOUS SERVICE CHARGES

The company may charge the following miscellaneous service charges in accordance with the terms stated herein. If both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the Company require multiple actions.

INITIAL CONNECTION- This charge may be levied for service initiation at a location where service did not exist previously.

NORMAL RECONNECTION- This charge may be levied for transfer of services to a new Customer account at a previously served location or reconnection of service subsequent to a Customer requested disconnection.

VIOLATION RECONNECTION- This charge may be levied prior to reconnection of an existing Customer after disconnection of service for cause according to Rule 25-30.320(2), Florida Administrative Code, including a delinquency in bill payment.

PREMISES VISIT CHARGE- This charge may be levied when a service representative visits a premises for the purpose of discontinuing service for nonpayment of a due and collectible bill and does not discontinue service because the Customer pays the service representative or otherwise makes satisfactory arrangements to pay the bill.

RETURNED CHECK CHARGE- This charge would be levied when the instrument used to pay the utility bill is not honored by the Customer's financial institution when presented for payment by the Utility.

LATE PAYMENT CHARGE- This charge would be levied when a customer's billing account is not paid within 20 days, and is therefore delinquent.

SCHEDULE OF MISCELLANEOUS SERVICE CHARGES

	<u>Normal Business Hours</u>	<u>After Normal Business Hours</u>
Initial Connection Fee	\$21.00	\$42.00
Normal Reconnection Fee	\$21.00	\$42.00
Violation Reconnection Fee	Actual cost	Actual cost
Premises Visit	\$21.00	\$42.00
Returned check charge	\$25.00	\$25.00
Late Payment Charge	\$5.25	\$5.25

EFFECTIVE DATE - _____

TYPE OF FILING - Interim Rates, Test Year December 31, 2018

William J. Rish, Jr.
ISSUING OFFICER
President
TITLE

SERVICE AVAILABILITY FEES AND CHARGES

Plant Capacity Charge:	\$157.00
Main Installation Charge:	\$843.00

EFFECTIVE DATE - _____

TYPE OF FILING - Interim Rates, Test Year December 31, 2018

William J. Rish, Jr.
ISSUING OFFICER
President
TITLE

EXHIBIT "B"

Proposed Final Rate Tariff Sheets

LIGHTHOUSE UTILITIES COMPANY, INC.

WATER TARIFF

GENERAL SERVICE

RATE SCHEDULE GS

AVAILABILITY - Available throughout the area serviced by the Company.

APPLICABILITY - For water service so all customers for which no other schedule applies.

LIMITATIONS - Subject to all of the Rules and Regulation of this Tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

RATE -	<u>METER SIZE</u>	<u>BASE FACILITIES CHARGE</u>
	5/8 X 3/4"	\$ 17.28
	1"	\$ 25.92
	1 1/2"	\$ 43.21
	2"	\$ 86.40
	3"	\$ 138.25
	4"	\$ 276.50
	6"	\$ 432.03
	8"	\$ 1,377.90
	10"	\$ 2,219.95
	Gallonge Charge per 1,000 gallons	\$ 4.22

MINIMUM CHARGE - Base Facilities Charge

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five working days written notice is mailed to the customer separate and apart from any other bill, service may then be disconnected.

EFFECTIVE DATE -

TYPE OF FILING - Final Rates, Test Year December 31, 2018

William J. Rish, Jr.
ISSUING OFFICER
President
TITLE

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- BILLING PERIOD - Monthly

RATE -	<u>METER SIZE</u>		<u>BASE FACILITIES CHARGE</u>
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	1"	\$	25.92
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	3"	\$	138.25
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	6"	\$	432.03
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	Gallonge Charge per 1,000 gallons	\$	4.22

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- TYPE OF FILING - Final Rates, Test Year December 31, 2018

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William J. Rish, Jr.
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SCHEDULE OF MISCELLANEOUS SERVICE CHARGES

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Returned check charge	\$25.00	\$25.00
Late Payment Charge	\$5.25	\$5.25

EFFECTIVE DATE - _____

TYPE OF FILING - Final Rates, Test Year December 31, 2018

William J. Rish, Jr.
 ISSUING OFFICER
President
 TITLE

SERVICE AVAILABILITY FEES AND CHARGES

Plant Capacity Charge:	\$157.00
Main Installation Charge:	\$843.00

EFFECTIVE DATE - _____

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William J. Rish, Jr.
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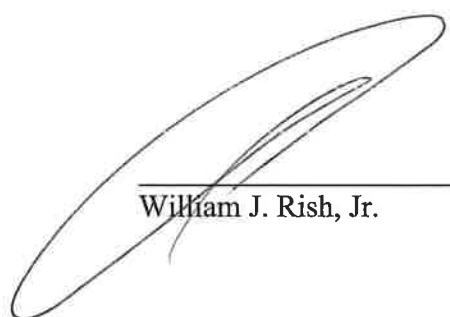
EXHIBIT "C"

Affidavit of William J. Rish, Jr.

AFFIDAVIT

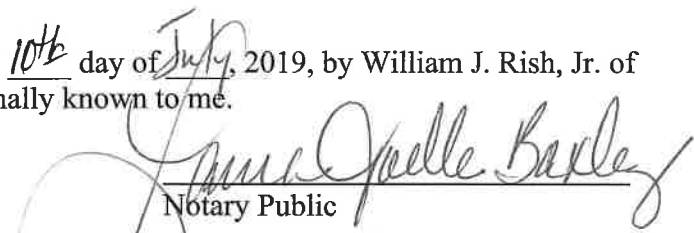
STATE OF FLORIDA)
)ss.
COUNTY OF GULF)

BEFORE ME, the undersigned authority, personally appeared William J. Rish, Jr., who is the President of Lighthouse Utilities Company, Inc., who states that Lighthouse Utilities Company, Inc. will comply with the noticing requirements of Rule 25-22.0407, Florida Administrative Code.



William J. Rish, Jr.

Sworn to and subscribed before me this 10th day of July, 2019, by William J. Rish, Jr. of Lighthouse Utilities, Inc., who is personally known to me.



Notary Public

