

STATE OF FLORIDA



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DIVISION OF
ACCOUNTING AND FINANCE
ANDREW L. MAUREY
DIRECTOR
(850) 413-6900

Public Service Commission

November 25, 2019

VIA U.S. MAIL
AND EMAIL

Mr. Gary A. Deremer, President
The Woods Utility Company
4939 Cross Bayou Blvd.
New Port Richey, Florida 34652
gderemer@uswatercorp.net

Re: Docket no. 20190125-WS, Application for staff-assisted rate case in Sumter County by The Woods Utility Company.

Dear Mr. Deremer:

This letter will confirm that Commission staff will hold a customer meeting on Wednesday, December 18, 2019. 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:

Wednesday, December 18, 2019
5:00 p.m.
Webster Community Center
49 SE 1st Street
Webster, Florida 33597

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2019 NOV 25 PM 1:55
COMMISSION CLERK

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.

A copy of the staff report will be forthcoming. 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:

E.C. Rowell Public Library
2810 C-478A
Webster, Florida 33597

Mr. Gary A. Deremer, President

Page 2

November 25, 2019

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) 413-6905. In addition, you may contact Dale Buys at (850) 413-6536 with any questions.

Sincerely,



John Hightower
Regulatory Analyst II

Enclosures

cc: Office of Commission Clerk (Docket No. 20190125-WS)
Office of General Counsel (Crawford, Tan, Weisenfeld)
Division of Accounting and Finance (Maurey, Bulecza-Banks, Cicchetti, D. Buys)
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 THE WOODS UTILITY COMPANY

AND

ALL OTHER INTERESTED PERSONS

DOCKET NO. 20190125-WS

APPLICATION FOR STAFF-ASSISTED RATE CASE IN SUMTER COUNTY,
BY THE WOODS UTILITY COMPANY.

Issued: _____

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

Wednesday, December 18, 2019
5:00 p.m.
Webster Community Center
49 SE 1st Street
Webster, Florida 33597

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 The Woods' 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

The Woods is a Class C utility serving approximately 58 residential and 1 general service water and 52 wastewater customers in Sumter County. The Utility is located in the Southwest Florida Water Management District, all of which is considered a water use caution area. According to The Woods' filing based on the test year ended March 31, 2019, the Utility had the following gross operating revenues, operating expenses, and net operating income.

Revenues, Expenses and Net Operating Income

	Water	Wastewater
Operating Revenues	\$39,229	\$35,951
Operating Expenses	<u>\$32,938</u>	<u>\$34,423</u>
Net Operating Income	<u>\$ 6,291</u>	<u>\$ 1,529</u>

The Woods was purchased from Aqua Utilities Florida, Inc. (AUF) in March 2013. The transfer was approved by the Public Service Commission in Order No. PSC-2014-0300-PAA-WS, issued June 11, 2014, in Docket No. 20130171-WS.¹ The rate base was last established in this Order.

The Utility filed for a Staff Assisted Rate Case (SARC) on September 21, 2015 in Docket Number 20150209-WS. The SARC application was withdrawn on February 24, 2016.² An audit was completed for the 12 month period ended July 31, 2015, but rate base was not established.³

¹ Order No. PSC-2014-0300-PAA-WS, issued June 11, 2014, in Docket No. 20130171-WS, *In re: Application for approval of transfer of certain water and wastewater facilities and Certificate Nos. 507-W and 441-S of Aqua Utilities Florida, Inc. to The Woods Utility Company in Sumter County.*

² Document No. 01005-2016 filed February 24, 2016, in Docket No. 20150209-WS, *In re: Application for staff-assisted rate case in Sumter County by The Woods Utility Company.*

³ Document No. 00709-2016 filed February 4, 2016, in Docket No. 20150209-WS, *In re: Application for staff-assisted rate case in Sumter County by The Woods Utility Company.*

The Woods was previously grouped in “Rate Bands” under the prior owner AUF in a Commission approved rate structure. The AUF “Rate Bands” grouping of multiple utilities allowed more efficient systems to subsidize less efficient systems. The Woods no longer receives these “Rate Bands” grouping subsidies or benefits.

At the time of filing, The Woods was under a Consent Order (DEP OGC File No.: 17-1067) with the Florida Department of Environmental Protection (DEP) due to exceedances in disinfectant byproducts that persisted since prior to the 2014 transfer. The Utility has since completed work on a pro forma water treatment plant rehabilitation and filter retrofit to address the disinfectant byproduct issue as well as overall water quality issues. On August 26, 2019, The Woods received a report from DEP indicating the Utility is within compliance based on a July 25, 2019 inspection.⁴

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:

⁴ Document No. 08415-2019 filed August 26, 2019, in Docket No. 20190125-WS, *In re: Application for staff-assisted rate case in Sumter County by The Woods Utility Company.*

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" X3/4"	\$19.11	\$20.62	\$0.10
3/4"	\$28.67	\$30.93	\$0.15
1"	\$47.78	\$51.55	\$0.25
1-1/2"	\$95.55	\$103.10	\$0.49
2"	\$152.88	\$164.96	\$0.79
3"	\$305.76	\$329.92	\$1.58
4"	\$477.75	\$515.50	\$2.47
6"	\$955.50	\$1,031.00	\$4.95
8"	\$1,528.80	\$1,649.60	\$7.92
10"	\$2,197.65	\$2,371.30	\$11.38
Charge per 1,000 gallons - Residential Service			
0-6,000 gallons	\$6.58	N/A	N/A
6,001-12,000 gallons	\$9.90	N/A	N/A
Over 12,000 gallons	\$13.17	N/A	N/A
Charge per 1,000 gallons - Residential Service			
0-4,000 gallons	N/A	\$10.67	\$0.05
4,001-12,000 gallons	N/A	\$12.53	\$0.06
Over 12,000 gallons	N/A	\$18.80	\$0.09
Charge per 1,000 gallons - General Service	\$7.38	\$12.08	\$0.06
<u>Private Fire Protection</u>			
Base Facility Charge by Meter Size			
2"	\$12.74	\$13.75	
3"	\$25.48	\$27.49	
4"	\$39.81	\$42.96	
6"	\$79.63	\$85.92	
8"	\$127.40	\$137.47	
10"	\$183.14	\$197.61	
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u>			
2,000 Gallons	\$32.27	\$41.96	
4,000 Gallons	\$45.43	\$63.30	
6,000 Gallons	\$58.59	\$95.80	

Wastewater Rates

	RATES AT TIME OF FILING	STAFF RECOMMENDED RATES	4 YEAR RATE REDUCTION
<u>Residential</u>			
Base Facility Charge - All Meter Sizes	\$38.47	\$39.16	\$0.20
Charge Per 1,000 gallons 6,000 gallon cap	\$9.12	\$9.28	\$0.05
<u>General Service</u>			
Base Facility Charge by Meter Size			
5/8" x 3/4"	\$38.47	\$39.16	\$0.20
3/4"	\$57.71	\$58.74	\$0.31
1"	\$96.18	\$97.90	\$0.51
1-1/2"	\$192.35	\$195.80	\$1.02
2"	\$307.76	\$313.28	\$1.63
3"	\$615.52	\$626.56	\$3.26
4"	\$961.75	\$979.00	\$5.10
6"	\$1,923.50	\$1,958.00	\$10.19
8"	\$3,077.60	\$3,132.80	\$16.31
10"	\$4,424.05	\$4,503.40	\$23.45
Charge per 1,000 gallons	\$10.95	\$11.15	\$0.06
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u>			
2,000 Gallons	\$56.71	\$57.72	
4,000 Gallons	\$74.95	\$76.28	
6,000 Gallons	\$93.19	\$94.84	

STAFF REPORTS AND UTILITY APPLICATION

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

E.C. Rowell Public Library
2810 C-478A
Webster, Florida 33597

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 February 20, 2020. The Commission is tentatively scheduled to vote on staff's recommendation at its March 3, 2020 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 (20190125) 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. 20190125-WS, The Woods Utility Company.**" 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.