

# SPECIAL REPORT



NOVEMBER 1999 NO. 16

## Florida Public Utilities Company Fernandina Beach Division

On August 6, 1999, Florida Public Utilities Company (FPUC or utility) officially filed an application for a rate increase with the Florida Public Service Commission (PSC or Commission). FPUC provides electric and water service to approximately 12,500 electric customers and 6,400 water customers in Nassau County.

In its application, the company states that it is experiencing a decline in its rate of return on its water operations in Fernandina Beach. The company also states that it is necessary to request an increase in rates and charges in order to have the opportunity to earn a fair rate of return on its investment.

Since its last general rate increase in 1987, the company further states that they have experienced increased replacement plant costs; plant expansion and improvement projects due to significant population growth and new regulations; recent significant improvements to their #2 Waterworks high service pump and building, and an increase in operation expenses.

In its 1998 annual report, the utility recorded operating revenues of \$2,160,904 for its water service and a net operating income of \$442,115.

In its filing, the utility is using a projected test year ending December 31, 2000, for this rate case. A "test year" is a 12-month operating period the PSC uses in a utility rate case to evaluate the cost of service and the adequacy of the rates a utility is charging or proposing to charge its customers.

The current rate case is being processed under the PSC's "Proposed Agency Action" (PAA) procedure. Under the PAA process, the case will not be set for a formal Commission hearing unless a timely protest to the Commission's proposed action is filed.

This customer meeting is being conducted in the utility's service area to hear and respond to customer comments on quality of service, rate structure and the utility's proposed rate increase. In accordance with Florida Statutes, the PSC will consider the utility's quality of service and other matters in this case.

PSC staff is scheduled to make a recommendation to the Commission on January 6, 2000, and the Commission vote on this matter is scheduled for January 18, 2000.

## CUSTOMER MEETING

Request for approval of increase in water rates in Nassau County by Florida Public Utilities, Company (Fernandina Beach Division).

DOCKET NO. 990535-WU

**Wednesday, November 3, 1999**

6:30 p.m.

Fernandina Beach Recreation Center  
Auditorium  
2500 Atlantic Avenue  
Fernandina Beach, Florida

\*In addition to the customer meeting, the Commission staff will be available the morning of November 4, 1999, to meet with individual customers who desire a more in-depth discussion of the issues. Appointments may be set up by contacting Connie Binford at (850) 413-7011 prior to November 3, 1999, or signing up at the customer meeting on November 3, 1999. All persons who wish to participate in the November 4, 1999 session are urged to make an appointment, since the session may be canceled if no customers sign up.

### PSC Staff and Reference Numbers

#### For technical questions, contact:

Division of Water and Wastewater  
Patricia Merchant (850) 413-6918  
Neil Bethea (850) 413-6960  
Connie Binford (850) 413-7011

#### For legal questions, contact:

Division of Legal Services  
Ralph Jaeger (850) 413-6234  
Jason Fudge (850) 413-6236

#### For general information, contact:

Thelma Crump (850) 413-7087  
Robby Cunningham (850) 413-6129  
or call toll-free 1-800-342-3552  
1-800-511-0809 to fax

Internet: [contact@psc.state.fl.us](mailto:contact@psc.state.fl.us)

Home Page: <http://www.floridapsc.com>

## FPSC Commissioners



### **Joe Garcia**

Chairman Joe Garcia was appointed by the late Governor Lawton Chiles in August 1994 to complete a term ending in January 1998, and was then reappointed by Governor Chiles to a new term ending in January 2002. He was installed as Chairman of the Florida Public Service Commission in January 1999. Prior to his service on the Commission, he was Executive Director of the Cuban Exodus Relief Fund, the Cuban American National Foundation's private sector resettlement program, and was Assistant Director of the Salvadoran American Foundation, where he coordinated fund-raising efforts for humanitarian relief campaigns. Chairman Garcia is currently Vice Chair of the National Association of Regulatory Utility Commissioners' (NARUC) Committee on International Relations and serves on the NARUC Committee on Consumer Affairs. He is second Vice Chair of the Southeastern Association of Regulatory Utility Commissioners (SEARUC). He has also served on the Department of Energy's National Electric and Magnetic Fields Advisory Committee. He received a bachelor of arts degree in politics and public affairs, as well as a law degree, from the University of Miami. He is a director of The Beacon Council and The Latin Chamber of Commerce of USA (CAMACOL).



### **J. Terry Deason**

Commissioner Deason was first appointed by the Florida Public Service Commission Nominating Council in February 1991 for a term ending in January 1995. He has been reappointed to consecutive terms by the late Governor Lawton Chiles and Governor Jeb Bush. Commissioner Deason's current term ends in January 2003. He served as Commission Chairman from January 5, 1993, through January 2, 1995. Commissioner Deason is an active member of the National Association of Regulatory Utility Commissioners (NARUC). He currently

serves on NARUC's Board of Directors, its Finance and Technology Committee, and its Utility Association Oversight Committee. Prior to his appointment, he served as Chief Regulatory Analyst in the Office of Public Counsel. In that capacity, he was responsible for the coordination of accounting and financial analysis used by the Public Counsel in cases before the Public Service Commission, presented testimony as an expert witness, and consulting with the Public Counsel on technical issues and ratemaking policies concerning regulated utilities in the State of Florida. From 1981 to 1987, he served as Executive Assistant to PSC Commissioner Gerald L. Gunter, during which time he reviewed and analyzed staff recommendations and advised the Commissioner on those recommendations and other pertinent policy determinations. From 1977 to 1981, he served as a Legislative Analyst with the Office of Public Counsel. He attended the U.S. Military Academy at West Point, and in 1975 received his bachelor of science degree in accounting, summa cum laude, from Florida State University. Deason also received his master of accounting degree from FSU in 1989.



### **Julia L. Johnson**

Commissioner Johnson was appointed by the late Governor Lawton Chiles in January 1993 and was reappointed to another four-year term ending in 2001. She served as Commission Chairman from January 7, 1997, through January 5, 1999. Prior to her appointment, she served as Legislative Affairs Director for the Department of Community Affairs (DCA), where she represented the agency before the Florida Legislature on issues relating to economic development, land-use growth management, energy efficiency, housing, and emergency manage-

ment. From 1990-91 she served as a senior attorney for the DCA, where she participated in state judicial and administrative proceedings on growth management issues. From 1988-90 she was an associate with the Orlando law firm of Maguire, Voorhis and Wells. She has a bachelor of science degree in business administration, as well as a law degree, from the University of Florida, and is a member of the National Bar Association. She serves as Vice Chair of the National Association of Regulatory Utility Commissioners' Communications Committee, and is also a member of the Communications Subcommittee on Federal Legislation and Regulation. She also serves as State Chair of the Federal/State Joint Board on Universal Service.



### **Susan F. Clark**

Commissioner Clark was first appointed to the Commission in August 1991 and was recently reappointed to a term ending in 2003. She served as Commission Chairman from January 2, 1995, through January 7, 1997. She served the Commission as General Counsel, representing the Commissioners in all state and federal courts, from 1988 until she was appointed Commissioner. Prior to that, she served as Associate General Counsel and Deputy General Counsel. Before her employment with the Public Service Commission, she was

staff attorney with the Florida Joint Administrative Procedures Committee, and was staff attorney for Florida Senate Legislative Services. She received her bachelor's degree in political science and her juris doctor degree from the University of Florida. She is a member of the Florida Bar and is admitted to practice in several federal courts, including the U.S. Supreme Court. She serves as Chair of the National Association of Regulatory Utility Commissioners' (NARUC) Committee on Electricity, and Chair of the Ad Hoc Committee on Electric Industry Restructuring. She represents NARUC on the North American Electric Reliability Council, and is a member of the Electric Power Research Institute Advisory Council and the Steering Committee of the National Council on Competition.



### **E. Leon Jacobs, Jr.**

Commissioner Jacobs was appointed by the late Governor Lawton Chiles to a four-year term beginning in January 1998. Prior to his appointment, he was a staff attorney for the House Committees on Tourism and Economic Development, Insurance, and Financial Services in the Florida House of Representatives, where he authored reforms to the state's minority business enterprise programs and managed health insurance and workers' compensation issues. He was staff counsel to the Florida Senate Committee on Reapportionment addressing redistricting

issues, which involved support of court appeals of the political districts up through the U.S. Supreme Court. He also was an attorney with the Florida Public Service Commission, where he served as counsel to Commission staff and litigator of administrative proceedings. He is a member of the National Association of Regulatory Utility Commissioners' (NARUC) Committee on Water, chairs NARUC's Ad Hoc Task Force on Y2K Readiness, and is a member of the Environmental Protection Agency's Small Systems Working Group under the National Drinking Water Advisory Council. He is also a board member of Child Advocates II of Tallahassee, and a volunteer guardian in the Guardian Ad Litem Program in the Second Judicial Circuit. He formerly served as President of the Board of Directors of the Tallahassee affiliate of Habitat for Humanity. Commissioner Jacobs is a member of the Florida Bar. He received a bachelor of technology degree, with honors, in data processing from Florida A&M University, and his juris doctor degree from the College of Law at Florida State University.

## WATER SERVICE

Class/Meter Size	Present Rates	Proposed Final Rates
<b>Residential</b>		
Base Facility Charge (monthly per meter)	\$ 8.20	\$ 10.45
5/8"	\$ 18.54	\$ 23.62
1"	\$ 56.51	\$ 72.00
2"	\$ 111.70	\$ 142.32
3"	\$ 208.33	\$ 265.43
4"		
Commodity Charge per hundred cubic feet (CCF)		
All CCF's	\$ 0.84	
0-5 CCF's		\$ 0.62
6-20 CCF's		\$ 0.93
>20 CCF's		\$ 1.28
<b>General Service (Commercial, Industrial, and Public Authority)</b>		
Base Facility Charge (monthly per meter)		
5/8"	\$ 8.20	\$ 10.45
1"	\$ 18.54	\$ 23.62
2"	\$ 56.51	\$ 72.00
3"	\$ 111.70	\$ 142.32
4"	\$ 208.33	\$ 265.43
Commodity Charge per hundred cubic feet (CCF)		
All CCF's	\$ 0.84	\$ 1.09
<b>Fire Hydrant Service</b>		
4"	\$ 70.29	\$ 89.56
5"	\$ 107.11	\$ 136.47
6"	\$ 145.07	\$ 184.83
<b>Automatic Sprinkler System Service</b>		
2"	\$ 19.09	\$ 24.32
4"	\$ 70.29	\$ 89.56
6"	\$ 145.07	\$ 184.83
8"	\$ 185.32	\$ 236.12
10"	\$ 265.82	\$ 338.68
<b>Miscellaneous Service Charges</b>		
During Business Hours		
Initial Connection	\$ 5.00	\$ 12.00
Normal Reconnection	\$ 8.00	\$ 12.00
Violation Reconnection	\$ 8.00	\$ 12.00
Premises Visit	\$ 4.00	\$ 8.00
After Business Hours		
Initial Connection	\$ 5.00	\$ 12.00
Normal Reconnection	\$ 8.00	\$ 12.00
Violation Reconnection	\$ 12.00	\$ 18.00

## Consumer Statements at PSC Meetings

The PSC is interested in what utility customers have to say about the application for the request for approval of increase in water rates in Nassau County by Florida Public Utilities Company (Fernandina Beach Division). One purpose of this meeting is to receive comments from the public.

Anyone may make a statement, and speaking is an effective way to let the Commission know how you feel about the case under review. Those consumers who wish to speak should arrive early. The meeting will begin as scheduled and continue until all the consumers have been heard.

At the beginning of the meeting, procedures will be set up to establish an order for comments. The Public Service Commission staff will have sign-up sheets, and consumers will be called in the order of those sheets. PSC staff will be available to coordinate consumer comments and assist members of the public.

Any person who wishes to comment or provide information to PSC staff may do so at the meeting, orally or in writing. Written comments may be sent to the Commission at: Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850. Your letter will be placed in the correspondence file of this docket (Docket No. 990535-WU). For your convenience, a comment form is attached to this Special Report. You may also call the Commission's toll-free number, **1-800-342-3552**, or **1-800-511-0809** to fax.

Any person who is unable to attend and who wishes to obtain a copy of the recommendation or the order may do so by writing to: Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850.

### *Florida Public Service Commission*

BUREAU OF

### **Consumer Information and Conservation Education**

2540 Shumard Oak Boulevard  
Betty Easley Conference Center, Room 184  
Tallahassee, Florida 32399-0850

The Public Service Commission's Bureau of Consumer Information and Conservation Education provides a staff of information specialists who are available to answer questions from the media and from Florida consumers.

To reach a PSC media representative, please call the Bureau of Consumer Information and Conservation Education during business hours at (850) 413-6100 or send a fax to 1-800-511-0809. See the PSC's Internet home page at <http://www.floridapsc.com>.

**Florida Public Utilities Company, Fernandina Beach Division**

DOCKET NO. 990535-WU

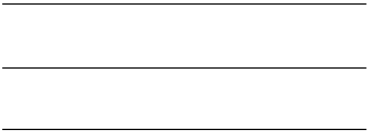
Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

If you want to let the Public Service Commission know how you feel about this case, please fill out this comment form and return it by mail. It will be placed in the correspondence file of this case.

CUSTOMER COMMENTS



STAMP

Florida Public Service Commission  
Division of Records and Reporting  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

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