

SPECIAL REPORT



APRIL 2001 NO. 20

Application for a Staff-Assisted Rate Case by
Laniger Enterprises of America, Inc.

On May 15, 2000, Laniger Enterprises of America, Inc. (Laniger or utility) filed an application for a staff-assisted rate case with the Florida Public Service Commission (PSC or Commission). Laniger is a water and wastewater utility operating in Jensen Beach, Florida. The utility provides water to 283 water customers and 527 wastewater customers in Jensen Beach.

PSC staff has audited the utility's records for compliance with Commission rules and orders and determined all components necessary for rate setting. A review of Laniger's operating expenses, files and rate application was performed to obtain information about the physical plants and operating costs.

The PSC selected a historical test year ending June 30, 2000, for this rate case. A "test year" is a 12-month operating period the PSC uses in a rate case to review the utility's revenues, expenses, and return on its investment in order to determine the appropriate rates for the utility. Laniger's adjusted test year revenues were \$116,419 and \$114,516 for water and wastewater, respectively, with adjusted operating expenses of \$95,734 and \$155,760 for water and wastewater, respectively. This resulted in a profit of \$20,685 for the water system and a loss of \$41,244 for the wastewater system, for an overall loss of \$20,559.

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 hearing unless a protest to the Commission's proposed agency action is filed in writing in a timely manner.

The PSC is conducting a customer meeting on April 23, 2001, in the utility's service area to hear and respond to customer comments on the 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 May 31, 2001, and the Commission vote on this matter is scheduled for the June 12, 2001, Agenda Conference.

CUSTOMER MEETING

DOCKET NO. 000584-WS

Monday, April 23, 2001

6:00 p.m.

Martin County Commission

Meeting Room

2401 SE Monterey Road

Stuart, Florida

PSC Staff & Reference Numbers

For technical questions, contact:

Troy Rendell (850) 413-6934

Ryan Fitch (850) 413-6928

For legal questions, contact:

Jennifer Brubaker (850) 413-6228

For general questions, contact:

Thelma Crump (850) 413-7087

Or call toll-free 1-800-342-3552

1-800-511-0809 to fax

E-Mail: contact@psc.state.fl.us

Internet Home Page:

<http://www.floridapsc.com>

PSC COMMISSIONERS



Chairman Jacobs

E. Leon Jacobs, Jr. was appointed by the late Governor Lawton Chiles to a four-year term beginning in January 1998, and is currently serving a two-year term as Chairman of the Commission. 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. There, he authored reforms to the state's minority business enterprise programs, as well as managing health insurance and workers' compensation issues. He also 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. In addition, he was an attorney with the Florida Public Service Commission, where he served as counsel to Commission staff and litigator of administrative proceedings. He is Chairman of the National Association of Regulatory Utility Commissioners' (NARUC) Committee on Consumer Affairs and a member of NARUC's Committee on Electricity. Chairman Jacobs also served as a member of the Distributed Energy Advisory Committee of the Consumer Energy Council of America Research Foundation, and served as a member of the National Drinking Water Advisory Council Small Systems Implementation Working Group. He is also a volunteer guardian in the Guardian Ad Litem Program in the Second Judicial Circuit. Additionally, Chairman Jacobs formerly chaired NARUC's Ad Hoc Task Force on Y2K Readiness, and formerly served as President of the Board of Directors of the Tallahassee affiliate of Habitat for Humanity. Chairman Jacobs is a member of the Florida Bar. He received a bachelor of technology/science degree, with honors, in data processing from Florida A&M University, and received his juris doctorate from the College of Law at Florida State University. Chairman Jacobs is married with two children.



Commissioner Deason

J. Terry Deason was first appointed to the Commission by the Florida Public Service Commission Nominating Council in January 1991 for a term ending in January 1995. He was subsequently reappointed by the late Governor Lawton Chiles for a term ending in January 1999. Commissioner Deason was then reappointed by Governor Jeb Bush to his current term, which ends in January 2003. Commissioner Deason has served as Chairman of the Commission on two occasions, from January 1993 to January 1995, and from July 2000 to January 2001. 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 consulted with the Public Counsel on technical issues and ratemaking policies concerning regulated utilities in the State of Florida. From 1981 to 1987, Commissioner Deason 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. He also received his master of accounting degree from FSU in 1989.



Commissioner Jaber

Lila A. Jaber was appointed to the Florida Public Service Commission by Governor Jeb Bush in February 2000 to complete a term ending in January 2001. She was reappointed by Governor Jeb Bush for a term ending in January 2005. From April 1999 to November 1999, she served as Assistant to Florida Public Service Commissioner Julia L. Johnson. From 1994 to 1999, Commissioner Jaber served as a Bureau Chief with the PSC's Division of Legal Services, Bureau of Water and Wastewater, implementing law and policies on the regulation of more than 1,500 water and wastewater facilities throughout the state of Florida. She also served as an attorney with the Division of Legal Services from 1991 to 1994. Commissioner Jaber is a court-certified mediator and a member of the Florida Bar and the National Bar Association. She serves on the National Association of Regulatory Utility Commissioners' Committee on Telecommunications and the Committee on Consumer Affairs. Commissioner Jaber also serves as co-chair of the e-Infrastructure Subcommittee for the Information Service Technology Development Task Force. In November 2000, she was appointed by the Federal Communications Commission to the Federal-State Joint Conference on Advanced Services. She received a bachelor of arts degree in political science and business from Stetson University in DeLand, and received a juris doctorate from the Stetson University College of Law in St. Petersburg.



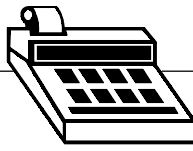
Commissioner Baez

Braulio L. Baez was appointed on August 23, 2000, to the Florida Public Service Commission by Governor Jeb Bush to complete a term ending in January 2002. Prior to his appointment, Commissioner Baez was an attorney in Miami with a statewide practice representing municipal and county governments in telecommunications, cable franchising and other regulatory matters. He served as Executive Assistant to Florida Public Service Commissioner Joe Garcia from 1994 to 1998. A native of South Florida, Commissioner Baez received his undergraduate degree from Florida International University in 1988, and his juris doctorate from Nova University, Shepard Broad Law Center, in 1993. Commissioner Baez is a current member of the Florida Bar, the American Bar Association, the Federal Communications Bar Association, the International Municipal Lawyers Association and the National Association of Telecommunications Officers and Administrators. He is also a past Director of the Hispanic Bar Association, 2nd Judicial District, and serves on the National Association of Regulatory Utility Commissioners' Committee on Electricity.



Commissioner Palecki

Michael A. Palecki was appointed to the Florida Public Service Commission by Governor Jeb Bush on November 20, 2000, to complete a term ending in January 2003. From 1995 until his appointment, Commissioner Palecki was Manager of Regulatory Affairs for NUI Corporation, where he practiced before the New York, Pennsylvania, Maryland, North Carolina and Florida Public Service Commissions. He also served as Secretary of the Associated Gas Distributors of Florida, and was on the Board of Directors of the Florida Natural Gas Association. From 1989 to 1995, Commissioner Palecki was an attorney for the Florida Public Service Commission, and was promoted to Chief of the Electric and Gas Bureau in the Legal Division in 1990. Prior to that, he was an attorney for the State Fire Marshal's Office, where he prosecuted arsons and fire-related murders statewide. He also worked with a major law firm, where he represented 23 insurance companies in over 100 arson and fraud cases. He became president of the Florida Advisory Committee on Arson Prevention, and was a founding partner of FireDogs, a company that pioneered the training and use of canines to "sniff" for evidence of arson at fire scenes. Commissioner Palecki also worked for the State Attorney's Office in Polk County, and for the Florida Attorney General's Office, where he argued and won over 300 criminal cases, including the U.S. Supreme Court case of Tibbs v. State, preserving Florida's right to retry defendants after appellate reversal of conviction. Commissioner Palecki is a 1976 graduate of the Stetson University College of Law. He is a member of the Florida Bar and is admitted to practice in several federal courts, including the U.S. Supreme Court.



MONTHLY RATES - WATER

RESIDENTIAL and GENERAL SERVICE	Existing Rates	Staff's Preliminary Rates
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Base Facility Charge

Meter Sizes

5/8" X 3/4"	\$ 10.86	\$ 10.86
3/4"	\$ 16.28	\$ 16.28
1"	\$ 27.14	\$ 27.14
1 1/2"	\$ 54.27	\$ 54.27
2"	\$ 86.83	\$ 86.83
3"	\$ 173.66	\$ 173.66
4"	\$ 271.33	\$ 271.33
6"	\$ 542.67	\$ 542.67

Gallonge Charge

per 1,000 gallons	\$ 3.58	\$ 3.58
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MULTI-RESIDENTIAL SERVICE

Base Facility Charge

Per Unit	\$ 10.86	\$ 10.86
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Gallonge Charge

per 1,000 gallons	\$ 3.58	\$ 3.58
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MONTHLY RATES - WASTEWATER

RESIDENTIAL SERVICE	Existing Rates	Staff's Preliminary Rates
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Flat Rates

River Club (Per Unit)	\$ 17.52	\$ 26.82
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Base Facility Charge

All Meter Sizes	N/A	\$ 15.18
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Gallonge Charge

per 1,000 gallons	N/A	\$ 4.20
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MULTI-RESIDENTIAL SERVICE

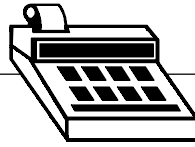
Base Facility Charge

Per Unit	\$ 10.80	\$ 15.18
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Gallonge Charge

per 1,000 gallons	\$ 2.70	\$ 5.04
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MONTHLY RATES - WASTEWATER

GENERAL SERVICE	Existing Rates	Staff's Preliminary Rates
Flat Rate (River Club Wash House)	\$ 96.60	\$ 152.80
Base Facility Charge		
Meter Sizes		
5/8" X 3/4"	\$ 10.80	\$ 15.18
3/4"	\$ 16.22	\$ 22.77
1"	\$ 27.02	\$ 37.95
1 1/2"	\$ 54.03	\$ 75.89
2"	\$ 86.44	\$ 121.43
3"	\$ 172.89	\$ 242.86
4"	\$ 270.14	\$ 379.47
6"	\$ 540.02	\$ 758.95
Gallonge Charge per 1,000 gallons	\$ 2.70	\$ 5.04

PALM CIRCLE PARK (PHASE I)

Flat Rates		
Palm Circle Park (Per Unit)	\$ 17.52	\$ 29.74

PALM CIRCLE PARK (PHASE II)

Base Facility Charge		
Per Unit	N/A	\$ 15.76
Influent Gallonge Charge		
metered wastewater only customers (per 1,000 gallons)	N/A	\$ 5.04

WATER - Residential, Multi-Residential and General Service

Meter Size	Existing Deposit	Staff's Preliminary Deposit
5/8" x 3/4"	N/A	\$ 55.00
All over 5/8" x 3/4"	N/A	2 x average bill

WASTEWATER - Residential, Multi-Residential and General Service

Meter Size	Existing Deposit	Staff's Preliminary Deposit
5/8" x 3/4"	N/A	\$ 55.00
All over 5/8" x 3/4"	N/A	2 x average bill

Consumer Statements at PSC Meetings

The PSC is interested in what consumers have to say about the application for a staff-assisted rate case in Martin County by Laniger Enterprises of America, Inc. The main 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. PSC 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 the PSC staff may do so at the hearings, orally or in writing. Written comments also may be sent to the Commission at: Florida Public Service Commission, 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. 000584-WS). 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 dial **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.

What Is a Staff-Assisted Rate Case?

Many of the water and wastewater utilities located throughout the state are very small and do not have employees with the financial and engineering expertise to develop the minimum filing requirements required for a rate case. Because of their size, it is also not economically feasible for them to hire outside engineers, accountants and attorneys to compile the necessary information without great expense, which may be passed on to customers.

For this reason, the Commission developed a "staff-assisted" rate case program in which small utilities with annual water or wastewater revenues under \$150,000 can request that the PSC staff develop the information for the rate cases. The primary purpose of this type of program is to avoid passing on to the customer, through higher rates, substantial costs of having outside consultants develop rate case data. In a staff-assisted rate case, the PSC staff audits the utility's books and carefully reviews expenditures and operations. PSC engineers and accountants make on-site investigations of the company's operations and service. The PSC staff then prepares an accounting report. After considering the testimony of customers from a customer meeting, a recommendation on rates for each utility is prepared and scheduled for a regular Commission Agenda Conference.

Florida Public Service Commission *Bureau of* Consumer Information

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

The Public Service Commission's Bureau of Consumer Information 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 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>.

STAMP

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

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