

# SPECIAL REPORT



JUNE 2002 NO. 12

## Application for a Rate Increase in Broward County by Ferncrest Utilities, Inc.

Ferncrest Utilities, Inc. (Ferncrest or utility) is a water and wastewater utility providing service to approximately 1,407 water and 1,351 wastewater customers in Broward County. On January 11, 2002, Ferncrest filed an application for approval of interim and permanent rate increases with the Florida Public Service Commission (PSC).

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 timely protest to the Commission's proposed agency action is filed.

As part of the discovery process, the Commission staff conducts a customer meeting to allow customers the opportunity to provide input into the rate setting process. Customer comments are an integral part of the process and will assist the Commission in reaching its decision.

The utility's records have been audited by PSC staff for compliance with Commission rules and orders. In addition, a PSC staff engineer has conducted a field investigation of the utility's plant and service area. 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 file its recommendation on July 25, 2002. The Commissioners are expected to vote on this matter at the August 6, 2002, Agenda Conference.

### CUSTOMER MEETING

DOCKET NO. 011073-WS

**Wednesday, June 5, 2002**

6:00 p.m.

Deicke Auditorium

5701 Cypress Road

Plantation, Florida

### PSC Staff & Reference Numbers

#### For legal information, contact:

Larry Harris

(850) 413-6076

#### For technical information, contact:

Bart Fletcher

(850) 413-7017

#### For general information, contact:

Bridget Hoyle

(850) 413-6111

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

(1-800-511-0809 to fax)

E-Mail: [contact@psc.state.fl.us](mailto:contact@psc.state.fl.us)

Internet Home Page: [www.floridapsc.com](http://www.floridapsc.com)

## PSC COMMISSIONERS



*Chairman Jaber*

**Chairman Jaber** was appointed to the Florida Public Service Commission (PSC) 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. Chairman Jaber serves on the National Association of Regulatory Utility Commissioners' Committee on Telecommunications and the Committee on Consumer Affairs. Chairman Jaber chairs the Federal-State Joint Conference on Advanced Services created by the Federal Communications Commission (FCC) to promote the rapid deployment of advanced services to all Americans. In July 2001, she was appointed to the Federal-State Joint Board on Universal Service created to promote the availability and access to quality telecommunications services at just, reasonable and affordable rates throughout the Nation. Chairman Jaber has served as co-chair of the e-Infrastructure Subcommittee for the Information Service Technology Development Task Force (ITFlorida.com) and is a current member of the Florida Research Consortium, the affiliate of ITFlorida.com created as a partnership between Florida's universities and technology sectors to focus on high-tech research and development and collaboration between researchers and Florida's high-tech entrepreneurs. Chairman Jaber is a court-certified mediator and a member of the Florida Bar. Chairman Jaber received a bachelor of arts degree in political science and business from Stetson University in DeLand, Florida, and received a juris doctorate from the Stetson University College of Law in St. Petersburg, Florida.



*Commissioner Deason*

**Commissioner 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 Baez*

**Commissioner Baez** was appointed to the Florida Public Service Commission by Governor Jeb Bush on August 23, 2000, to complete a term ending January, 2002. He was then reappointed by the Governor to a four year term ending January, 2006. Prior to his appointment, Commissioner Baez was an attorney in Miami, Florida, with a statewide practice representing municipal and county governments in telecommunications, cable franchising and other regulatory matters. He was Executive Assistant to 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 degree from Nova University, Shepard Broad Law Center, in 1993. Commissioner Baez serves on the National Association of Regulatory Utility Commissioners' Committees on Electricity and International Relations and is President of the Southeastern Association of Regulatory Utility Commissioners. He was appointed to the North American Electric Reliability Council, and is a member of the Florida Bar and American Bar Association. He is a past Director of the Hispanic Bar Association, 2nd Judicial District.



*Commissioner Palecki*

**Commissioner 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. He serves on the National Association of Regulatory Utility Commissioners' Committee on Water. 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.



*Commissioner Bradley*

**Commissioner Bradley** was appointed to the Florida Public Service Commission by Governor Jeb Bush for a four year term beginning January 8, 2002. Commissioner Bradley serves on the National Association of Regulatory Utility Commissioners' Committees on Consumer Affairs, Gas and International Relations. He is also a member of the Energy Market Access Partnership Board which is a joint project between the Department of Energy and the National Association of Regulatory Utility Commissioners. Prior to his appointment to the Commission, Commissioner Bradley served as a member of the Florida Legislature for seven years representing District 55 which includes Pinellas, Manatee and Hillsborough Counties. As a member of the Legislature, he served as the Vice Chairman of the Utilities and Telecommunications Committee and as the Chairman of the Select Committee on Energy Restructuring. Commissioner Bradley also served as the Chairman of the Business Development and International Trade Committee and Chairman of the Economic Development Council. As a legislator, Commissioner Bradley maintained a special interest in improving Florida's educational system and expanding business opportunities for all citizens. Commissioner Bradley earned his Bachelor of Science Degree from the University of Tampa and his Masters Degree from the University of Michigan. He served as an educator in Pinellas County for several years and he developed several private enterprises involving real estate and livestock.

## Consumer Statements at PSC Meetings

The PSC is interested in what consumers have to say about the application for a rate increase in Broward County by Ferncrest Utilities, 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 meeting, orally or in writing. Written comments also may be sent to the Commission at: Florida Public Service Commission, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850. Your letter will be placed in the correspondence file of this docket (Docket No. 011073-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 the Commission Clerk and Administrative Services, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850.

### Florida Public Service Commission *Bureau of* **Consumer Outreach**

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

The Public Service Commission's Bureau of Consumer Outreach provides a staff of information specialists who are available to answer questions from Florida consumers.

To reach a PSC consumer representative, please call the Bureau of Consumer Outreach during business hours at (850) 413-6100 or send a fax to 1-800-511-0809. See the PSC's Internet home page at [www.floridapsc.com](http://www.floridapsc.com).

## CURRENT AND PROPOSED RATES AND CHARGES

The current and proposed rates and charges follow.

These rates are subject to change based on information gathered at the customer meeting, further staff review, and the final decision by the Commissioners.

**W A T E R***Residential Service*

Base Facility Charge (monthly per meter)

<b>Class/Meter Size</b>	<b>Present Rates (1)</b>	<b>Proposed Interim Rates</b>	<b>Proposed Final Rates</b>
5/8" x 3/4"	\$ 11.00	\$ 12.47	\$ 12.98
3/4"	\$ 16.51	\$ 19.32	\$ 19.42
1"	\$ 27.59	\$ 31.16	\$ 32.31
1 1/2"	\$ 54.98	\$ 62.31	\$ 64.36
2"	\$ 87.99	\$ 99.72	\$ 103.05
3"	\$ 175.96	\$ 199.43	\$ 206.23
4"	\$ 274.92	\$ 321.66	\$ 322.32
6"	\$ 549.80	\$ 623.12	\$ 644.84
<b>Gallonage Charge</b>			
Per 1,000 gallons	\$ 2.58	\$ 2.94	\$ 3.07

*General Service*

Base Facility Charge (monthly per meter)

5/8" x 3/4"	\$ 11.00	\$ 12.47	\$ 12.98
3/4"	\$ 16.51	\$ 19.32	\$ 19.42
1"	\$ 27.59	\$ 31.16	\$ 32.31
1 1/2"	\$ 54.98	\$ 62.31	\$ 64.36
2"	\$ 87.99	\$ 99.72	\$ 103.05
3"	\$ 175.96	\$ 199.43	\$ 206.23
4"	\$ 274.92	\$ 321.66	\$ 322.32
6"	\$ 549.80	\$ 623.12	\$ 644.84
<b>Gallonage Charge</b>			
Per 1,000 gallons	\$ 2.58	\$ 2.94	\$ 3.07

Note 1: Present rates reflect an Index Adjustment, effective November 2001.

**W A S T E W A T E R**

*Residential Service*  
Base Facility Charge (monthly per meter)

<b>Class/Meter Size</b>	<b>Present Rates (1)</b>	<b>Proposed Interim Rates</b>	<b>Proposed Final Rates</b>
5/8" x 3/4"	\$ 13.71	\$ 13.98	\$ 14.28
3/4"	\$ 20.58	\$ 21.59	\$ 22.33
1"	\$ 34.30	\$ 34.96	\$ 34.79
1 1/2"	\$ 68.61	\$ 69.92	\$ 71.51
2"	\$ 109.73	\$ 111.84	\$ 114.52
3"	\$ 219.49	\$ 223.70	\$ 228.84
4"	\$ 342.95	\$ 359.88	\$ 363.27
6"	\$ 685.88	\$ 699.06	\$ 714.74
<b>Gallonage Charge</b>			
Per 1,000 gallons (6,000 gallons maximum)	\$ 4.21	\$ 4.29	\$ 4.41

*General Service*  
Base Facility Charge (monthly per meter)

5/8" x 3/4"	\$ 13.71	\$ 13.98	\$ 14.28
3/4"	\$ 20.58	\$ 21.59	\$ 22.33
1"	\$ 34.30	\$ 34.96	\$ 34.79
1 1/2"	\$ 68.61	\$ 69.92	\$ 71.51
2"	\$ 109.73	\$ 111.84	\$ 114.52
3"	\$ 219.49	\$ 223.70	\$ 228.84
4"	\$ 342.95	\$ 359.88	\$ 363.27
6"	\$ 685.88	\$ 699.06	\$ 714.74
<b>Gallonage Charge</b>			
Per 1,000 gallons	\$ 5.03	\$ 5.13	\$ 5.26

Note 1: Present rates reflect an Index Adjustment, effective November 2001.

**SERVICE AVAILABILITY CHARGES**

The company is not requesting any changes to its service availability charges or its miscellaneous service charges. Even though not requested to do so, the Commission may review and adjust service availability charges.



STAMP

Florida Public Service Commission  
Division of the Commission Clerk and Administrative Services  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

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