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Commissioners:  
SUSAN F. CLARK, CHAIRMAN  
J. TERRY DEASON  
JULIA L. JOHNSON  
DIANE K. KIESLING  
JOE GARCIA



DIVISION OF LEGAL SERVICES  
NOREEN S. DAVIS  
DIRECTOR  
(904) 413-6199

# Public Service Commission

September 3, 1996

Mr. Paul LaFond  
J & J Water & Sewer Corp.  
d/b/a Meadows Utilities Co., Inc.  
10374 North Natchez Loop  
Dunnellon, Florida 34434-3741

Re: Docket No. 960523-WS, Application of J & J Water & Sewer Corp., d/b/a Meadows Utilities Co., Inc. for a staff assisted rate case in Citrus County.

Dear Mr. LaFond:

This will confirm that Commission Staff will hold a customer meeting at 6:00 p.m. on Wednesday, September 25, 1996. The location of the meeting will be the Trumpet of Truth International Church (Fellowship Hall) on Grover Cleveland Boulevard, Homasassa Springs, Florida 34447. We ask that, if at all possible, you or another knowledgeable representative of the utility attend the meeting in order to answer customer questions.

The original customer meeting notice is enclosed. Please note that the date has been left blank so that you can fill in the date that the notice is sent to the customers. The customers must have at least fourteen days' notice of the meeting, calculated from the day that they receive the notice. Please furnish me with a copy of the notice, as reproduced at the time it is distributed to your customers, together with a cover letter indicating the exact date(s) on which the notice was mailed or otherwise delivered to the customers.

Two copies of the engineering report dated July 22, 1996, are enclosed along with two copies of the accounting report dated August 26, 1996. Please make the reports available for review by all interested persons. As you can see in the customer notice, we have suggested customers call ahead to make arrangements to review the reports.

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- LIN \_\_\_\_\_
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC 1 \_\_\_\_\_
- WAS \_\_\_\_\_

DOCUMENT NUMBER-DATE

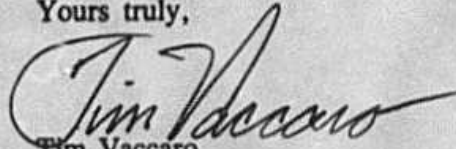
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*Cy to Carol*

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MR. PAUL LaFOND  
SEPTEMBER 3, 1996  
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If you have any questions, please do not hesitate to call.

Yours truly,

A handwritten signature in cursive script that reads "Tim Vaccaro". The signature is written in dark ink and is positioned above the printed name and title.

Tim Vaccaro  
Staff Counsel

TV/rc

Enclosures

cc: Office of Public Counsel  
Division of Consumer Affairs  
Division of Records and Reporting  
Division of Water and Wastewater (Bethea, Casey)  
Hearing Reporter

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

NOTICE OF CUSTOMER MEETING

TO THE CUSTOMERS OF

J & J WATER AND SEWER COMPANY, INC.

(d/b/a MEADOWS UTILITIES COMPANY, INC.)

AND

ALL OTHER INTERESTED PERSONS

RE: DOCKET NO. 960523-WS

APPLICATION OF J & J WATER AND SEWER COMPANY, INC.  
(d/b/a MEADOWS UTILITIES COMPANY, INC.)

FOR A

STAFF-ASSISTED RATE CASE IN CITRUS COUNTY.

DATED: \_ \_ \_ \_ \_

NOTICE is hereby given that the Staff of the Florida Public Service Commission will conduct a customer meeting to discuss the application of J & J Water and Sewer Company, Inc. (J & J) for a staff-assisted rate case in Citrus County. The meeting will be held at the following time and place:

6:00 p.m., Wednesday, September 25, 1996  
Trumpet of Truth International Church  
(in the Fellowship Hall)  
Grover Cleveland Boulevard (2 1/2 miles from Hwy 19)  
Homasassa Springs, Florida 34447

All persons who wish to testify are urged to be present at the beginning of the meeting, since the meeting may be adjourned early if no customers are present.

Any person requiring some accommodation at this hearing, meeting, etc. because of a physical impairment should call the Division of Records and Reporting at (904) 413-6770 at least five calendar days prior to the hearing, meeting, etc. If you are hearing or speech impaired, please contact the Florida Public Service Commission 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 sworn testimony regarding the quality of service the utility provides and to ask

questions and comment on staff's preliminary rates included in this notice as well as other issues. Staff members will answer questions to the extent possible. A representative from the utility has also been invited to respond to questions.

Any person who wishes to comment or provide information to staff may do so at the meeting, orally or in writing. Written comments may also be sent to the Commission at the address given at the end of this notice.

#### BACKGROUND

J & J Water and Sewer Company, Inc. is a Class C water and wastewater utility located in Citrus County. On August 29, 1995, a notice of abandonment was filed by J & J. On December 27, 1995 the abandonment was stayed and on January 24, 1996, an application for transfer of the utility certificate was filed with the Commission when Meadows Utilities Company, Inc. purchased J & J, which provides service to approximately 52 water and wastewater customers.

An application for a staff assisted rate case was filed on April 19, 1996. The test period for setting rates is the historical average twelve month period ending April 30, 1996. According to the staff audit and preliminary analysis, the utility's test year water revenues were \$10,799 resulting in a net loss of (\$3,378). The utility's test year wastewater revenues were \$10,417 resulting in a net loss of (\$12,759).

#### 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 Commissioners. The utility's current and staff's preliminary rates and charges for staff's recommendation are as follows:

#### RESIDENTIAL AND GENERAL SERVICE WATER RATES

<u>Base Facility Charge</u> <u>Meter Size</u>	<u>Tariffed Rate</u>	<u>Temporary Monthly Rate</u>	<u>Recommended Monthly Rate</u>
5/8" x 3/4"	\$ 5.27	\$ 17.31	\$ 14.51
1"	13.18	N/A	36.27
1-1/2"	26.35	N/A	72.54
2"	42.16	N/A	116.07
3"	84.32	N/A	232.14
4"	N/A	N/A	362.72
6"	N/A	N/A	725.45
 Gallonage Charge			
Per 1,000 gallons	\$ .46	\$ N/A	\$ 1.40

### RESIDENTIAL WASTEWATER RATES

Base Facility Charge Meter Size	Tariffed Rate	Temporary Monthly Rate	Recommended Monthly Rate
5/8" x 3/4"	\$ 2.50	\$ 16.69	\$ 21.35
1"	13.18	N/A	53.38
1-1/2"	26.35	N/A	106.76
2"	42.16	N/A	170.82
3"	84.32	N/A	341.63
4"	N/A	N/A	533.80
6"	N/A	N/A	1,067.60

Gallonage Charge			
Per 1,000 gallons	\$ 1.00	\$ N/A	\$ 3.42
(10,000 gallon max. per month)			

### GENERAL SERVICE WASTEWATER RATES

#### Base Facility Charge

Base Facility Charge Meter Size	Tariffed Rate	Temporary Monthly Rate	Recommended Monthly Rate
5/8" x 3/4"	\$ 2.50	\$ 16.69	\$ 21.35
1"	13.18	N/A	53.38
1-1/2"	26.35	N/A	106.76
2"	42.16	N/A	170.82
3"	84.32	N/A	341.63
4"	N/A	N/A	533.80
6"	N/A	N/A	1,067.60

Gallonage Charge			
Per 1,000 gallons	\$ 1.00	\$ N/A	\$ 4.10
(No Maximum)			

Using the 52 test year water customers with an average use of 6,587 gallons/month per customer, an average residential MONTHLY water bill comparison would be as follows:

	Average <u>MONTHLY</u> Bill Using Existing Rates	Average <u>MONTHLY</u> Bill Using Recommended Rates	Percent Increase
Base Facility Charge	\$17.31	\$ 14.51	
Gallonage Charge	<u>N/A</u>	<u>\$ 9.22</u>	
Total	\$17.31	\$ 23.73	37.09%

Using the 52 test year wastewater customers with an average use of 5,599 gallons/month (based on 85% of water usage) per customer, an average residential MONTHLY wastewater bill comparison would be as follows:

	Average <u>MONTHLY</u> Bill Using Existing Rates	Average <u>MONTHLY</u> Bill Using Recommended Rates	Percent Increase
Base Facility Charge	\$16.69	\$ 21.35	
Gallage Charge	<u>N/A</u>	<u>\$ 19.15</u>	
Total	\$16.69	\$ 40.50	142.66%

#### STAFF REPORTS AND UTILITY APPLICATION

The results of staff's preliminary investigation are contained in an accounting report dated August 26, 1996, and an engineering report dated July 22, 1996. Copies of the reports may be examined by interested members of the public by making arrangements with Meadows Utilities Company, Inc. If you would like to review the reports, you may call (352)237-7887 to arrange a convenient time and location for your review.

#### PROCEDURES AFTER CUSTOMER MEETING

After the meeting, staff will prepare and submit a recommendation to the Commission. The Commission will thereafter issue a proposed agency action order containing rates which may be different from those contained in staff's final recommendation. Five to ten customers or persons who attend the meeting and who wish to receive a copy of the recommendation and the order may so indicate at the meeting. Those individuals are expected to distribute the information in the recommendation and the order to other customers and interested persons. Anyone who is unable to attend and who wishes to obtain a copy of the recommendation or the order may do so by writing to the Commission at the address at the end of this notice.

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

All correspondence should refer to "Docket No. 960523-WS - Application of J & J Water and Sewer Company, Inc. (d/b/a Meadows Utilities Company, Inc.) for a staff-assisted rate case in Citrus County."

If you wish to contact the Commission regarding complaints about service, you may call the Commission's Division of Consumer

Affairs at the following toll-free number: 1-800-342-3552.

This notice was prepared by Commission Staff for distribution by the utility to its customers.