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STATE OF FLORIDA



TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

April 20, 2009

RECEIVED-FPSC
09 APR 21 AM 10:45
COMMISSION
CLERK

Mike Smallridge, Utility Consultant
1645 W. Main Street
Inverness, FL 34450

Re: Docket No. 080668-SU - Staff Assisted Rate Case for Fairmount Utilities, the 2nd, Inc. in Highlands County

Dear Mr. Smallridge:

This will confirm that Commission Staff will hold a customer meeting at the Sebring Civic Center on Wednesday, May 20, 2009, starting at 6:00 p.m. 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 location of the meeting will be the:

Sebring Civic Center
335 W. Center Street
Sebring, FL 33870

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. 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. 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.

Two copies of the staff report will subsequently be sent under a cover letter. When you receive the staff report, 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)(b), F.A.C., by all interested persons at the following location:

DOCUMENT NUMBER
03676 APR 21 09
FPSC-COMMISSION CLERK

Mr. Smallridge
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Fairmount Utilities, the 2nd, Inc.
3625 Valerie Blvd.
Sebring, FL 33870-7814

For your convenience, I have also enclosed a copy of Rule 25-22.0407(9), F.A.C.

Should you have any questions about any of the matters contained herein, please do not hesitate to contact me at (850) 413-6076. In addition, you may contact Shannon Hudson at (850) 413-7021, with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'AW', written over a horizontal line.

Anna Williams
Attorney

Enclosure

AW:sh

cc: Division of Economic Regulation (Bulecza-Banks, Fletcher, Hudson, Daniel, Simpson)
Office of Commission Clerk (Docket No. 080668-SU)
Office of Public Counsel

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 MEETINGS
TO THE CUSTOMERS OF FAIRMOUNT UTILITIES, THE 2ND, INC.
AND
ALL OTHER INTERESTED PERSONS
DOCKET NO. 080668-SU
APPLICATION OF FAIRMOUNT UTILITIES, THE 2ND, INC.
FOR A STAFF-ASSISTED RATE CASE IN
HIGHLANDS COUNTY

Issued:

Notice is hereby given that the staff of the Florida Public Service Commission (Commission) will conduct a customer meeting to discuss the application of Fairmount Utilities, The 2nd, Inc. (Fairmount or Utility) for a staff-assisted rate case (SARC) in Highlands County. The meeting will be held at the following time and place:

6:00 p.m., Wednesday, May 20, 2009
Sebring Civic Center
335 W. Center Street
Sebring, FL 33870

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.psc.state.fl.us/>) 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(s) 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(s). 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 and 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 Fairmount's 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.

BACKGROUND

Fairmount was organized in June of 1970, to provide wastewater service to Fairmount Mobile Estates and came under the jurisdiction of the Commission February 23, 1984. On June 3, 1987, the Commission granted a transfer of Certificate No. 357-S from Fairmount Utilities to Parmer Utilities through Docket No. 870056-SU, Order No. 17654. Then, on November 5, 1991, by Order No. 25217-A, the Commission approved the transfer of Certificate from Parmer Utilities to Fairmount Utilities, the 2nd Inc. The service area for the Utility is known as Fairmount Mobile Estates. Fairmount has 427 residential (mobile home) customers and 15 general service customers.

The Utility applied for a staff-assisted rate increase on November 12, 2008. The test year for setting rates is the historical average twelve month period ending September 30, 2008. Fairmount's 2007 annual report indicates gross revenues of \$113,961 with a net loss of \$4,663. The Utility's last staff-assisted rate case was in 1996.¹ Fairmount has also taken advantage of three annual indexing rate adjustments since then.

¹ See Order No. PSC-96-0860-FOF-SU, issued July 2, 1996, in Docket No. 950967-SU, In re: Application for a Staff-Assisted Rate Case in Highlands County by Fairmount Utilities, the 2nd, Inc.

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:

PHASE I RATES		
	UTILITY'S EXISTING RATES	STAFF PRELIMINARY RECOMMENDED RATES
Residential and General Service		
Base Facility Charge by Meter Size:		
5/8"X3/4"	\$15.91	\$15.93
3/4"	\$23.86	\$23.89
1"	\$39.78	\$39.82
1-1/2"	\$79.54	\$79.64
2"	\$127.28	\$127.42
3"	\$254.56	\$254.83
4"	\$397.76	\$398.18
6"	\$795.50	\$796.35
Gallonage Charge		
Per 1,000 Gallons		
Residential (6,000 gallon cap)	\$3.32	\$4.51
General Service	\$3.98	\$5.41
Typical Residential 5/8" x 3/4" Meter Bill Comparison		
3,000 Gallons	\$25.18	\$29.46
5,000 Gallons	\$31.64	\$38.48
10,000 Gallons	\$34.87	\$42.99

PHASE II RATES

	UTILITY'S EXISTING RATES	STAFF PRELIMINARY RECOMMENDED RATES
Residential and General Service		
Base Facility Charge by Meter Size:		
5/8"X3/4"	\$15.91	\$16.68
3/4"	\$23.86	\$25.01
1"	\$39.78	\$41.69
1-1/2"	\$79.54	\$88.38
2"	\$127.28	\$133.41
3"	\$254.56	\$266.82
4"	\$397.76	\$416.91
6"	\$795.50	\$833.82
Gallonage Charge		
Per 1,000 Gallons		
Residential (6,000 gallon cap)	\$3.32	\$4.58
General Service	\$3.98	\$5.50
Typical Residential 5/8" x 3/4" Meter Bill Comparison		
3,000 Gallons	\$25.18	\$30.42
5,000 Gallons	\$31.64	\$39.58
10,000 Gallons	\$34.87	\$44.16

STAFF REPORTS AND UTILITY APPLICATION

The results of staff's preliminary investigation are contained in a staff report dated April 20, 2009. Copies of the report may be examined by interested members of the public from 8:00 a.m. to 4:00 p.m., Monday through Friday at the following location:

Fairmount Utilities, The 2nd, Inc.
3625 Valerie Blvd.
Sebring, FL 33870-7814

PROCEDURES AFTER CUSTOMER MEETINGS

After the meeting, Commission staff will prepare a recommendation which is scheduled to be submitted to the Commission on June 18, 2009. The Commission will then vote on staff's recommendation at its June 30, 2009, Agenda Conference. The Commission will thereafter issue a proposed agency action (PAA) order containing rates which may be different from those contained in staff's final recommendation. Substantially affected persons have 21 days from the date that the PAA order is issued to protest the Commission's PAA order. Five to ten customers or persons who attend the meeting, and who wish to receive a copy of the recommendation and the order, should so indicate at the meeting. Those individuals are expected to distribute the information in the recommendation and the order to other customers. Anyone who is unable to attend and who wishes to obtain a copy of the recommendation or the order may do so in 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, Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

All correspondence should refer to "Docket No. 080668, Fairmount Utilities, The 2nd, Inc." 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.