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April 7, 2011

Honorable Carmen L. McLemore, Chairman  
Gulf County Commission  
1000 Cecil G. Costin, Sr. Blvd.  
Port St. Joe, FL 32456

Re: Docket No. 100128-WU, *Application of Lighthouse Utilities Company, Inc. for an Increase in Water Rates in Gulf County*

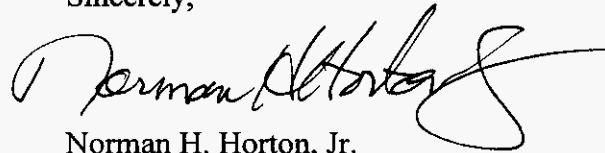
Dear Chairman McLemore:

By letter dated September 1, 2010, we forwarded a copy of the petition in the referenced application as required by the rules of the Florida Public Service Commission.

Those rules require that the utility prepare and provide a rate case synopsis and a copy of that is enclosed.

If you have any questions, please do not hesitate to contact me or you may contact the utility at 850-227-7427.

Sincerely,



Norman H. Horton, Jr.

NHH/amb

Enclosure

cc: Florida Public Service Commission ✓

DOCUMENT NUMBER-DATE

02345 APR-8 =

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FPSC-COMMISSION CLERK

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17 APR -8 AM 6:37  
RECEIVED  
COMMISSION CLERK  
17 APR -8 AM 9:45

**LIGHTHOUSE UTILITIES COMPANY, INC.  
DOCKET NO. 100128-WU**

**IN RE: APPLICATION FOR INCREASE IN WATER RATES IN GULF COUNTY BY  
LIGHTHOUSE UTILITIES COMPANY, INC.**

**SYNOPSIS OF CASE**

On September 1, 2010, Lighthouse Utilities Company, Inc. ("LUCI" or "Company") filed an application with the Florida Public Service Commission ("FPSC") for an increase in its water rates and charges. LUCI provides water service to customers in Gulf County, Florida, primarily in the Cape San Blas area.

Lighthouse was incorporated on July 1984, and became subject to the jurisdiction of the FPSC in 1987, when Gulf County adopted a resolution transferring jurisdiction to the FPSC. In 1988, the FPSC concluded a review of the rates and charges of LUCI, which was the last general rate increase for LUCI.

Although the Company has not had a general rate increase since 1988, the Company has continued to maintain its plant and operations sufficient to provide a quality level of service to its customers. The Company now finds itself in a position that it requires additional revenues in order to continue to meet the day-to-day costs of operating a water system. Without rate relief the Company will not be able to continue to provide adequate and reliable water service to its customers. If the application is approved, rates for all services will be increased but even with the increases they will be comparable to those charged by other water utilities in the general area.

For this application, the Company has used the historical test year ending December 31, 2009, as the appropriate period for establishing rates. For this period the Company had revenues of approximately \$472,000 and expenses of \$497,000, a loss of \$25,000. There has been a trend of continuing increases in expenses without a corresponding increase in revenues and this is expected to continue. In order to provide the necessary funds to continue to provide service and to fund the investment needed to maintain the system, LUCI has filed this application seeking additional revenues of \$172,300.

To support its application, the Company has filed minimum filing requirement ("MFR") schedules with the Commission detailing the operations of the Company. These address all areas of operations of the utility. Additionally, the Company has provided responses to Staff Data Requests seeking additional information and has been audited by the FPSC Staff.

The application was filed pursuant to the Proposed Agency Action ("PAA") provision of Chapter 367, Florida Statutes. Under this process the application, including all the MFRs, data responses, audit reports, and other public data, are reviewed by the FPSC Staff and a recommendation is prepared by the Staff for consideration by the Commissioners assigned to hear this case. The Staff will prepare a recommendation based on their review and analysis of all the information collected during the course of the case. This recommendation will be considered

and voted on by the Commission at a regularly scheduled and noticed public meeting. After their review, the Commissioners will accept, reject or modify the Staff Recommendation.

Part of the review of this application includes a customer meeting in the Company's service area at which time customers have an opportunity to appear and present comments on the service provided by the Company. The Commission has scheduled a customer meeting at the following time and location:

6:00 p.m., May 4<sup>th</sup>, 2011  
The Centennial Building  
300 Allen Memorial Way  
Port St. Joe, FL 32456

A separate notice of the Customer Meeting will be mailed to all customers not less than fourteen (14) days prior to the meeting. These notices will be reviewed and approved by the FPSC before mailing.

At the Customer Meeting, the Commission Staff will summarize the application and process and customers will have an opportunity to present comments. Commissioners on the case may also be present.

With the PAA process, the FPSC is required to render a decision within five (5) months of the commencement date for final agency action which is based on the official filing date. In this docket the Commission has determined the filing date to be February 21, 2011, thus the date for a final decision would be July 21, 2011. Once the Commission makes a decision, it will be reflected in a PAA order and affected parties have 21 days from the entry of this order to protest the order. If a protest is filed, the application is then scheduled for hearing and the utility then files testimony and the case goes to hearing. The Company is allowed to collect any increases authorized by the FPSC in the PAA Order while the protest is pending subject to refund.

The current schedule which the Commission has established for this application is:

Customer Meeting:	May 4, 2011
Staff Recommendation:	June 29, 2011
Agenda:	July 12, 2011
PAA Order:	August 1, 2011
Protest Period Expires:	August 22, 2011

The current and proposed rates and charges are reflected on Attachment "A" hereto. These are subject to revision based upon the final decision of the FPSC.

Customers of the company may submit comments to the FPSC at:

Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Copies of the Minimum Filing Requirements as filed with the Florida Public Service Commission may be viewed at the business office of the Company during regular business hours located at:

Lighthouse Utilities Company, Inc.  
252 Marina Drive  
Port St. Joe, FL 32456  
Business hours: 9:00 a.m. – 4:30 p.m. Monday through Friday

This synopsis has been reviewed and approved by the Florida Public Service Commission.

**ATTACHMENT "A"  
CURRENT AND PROPOSED CHARGES**

**MONTHLY RATES – ALL SERVICES**

<u>METER SIZE</u>	<u>BASE FACILITIES CHARGE</u>	
	<u>Current</u>	<u>Proposed</u>
5/8 X 3/4"	\$14.60	\$19.90
1"	\$36.51	\$49.75
1 1/2"	\$73.04	\$99.53
2"	\$116.86	\$159.25
3"	\$233.74	\$318.52
4"	\$365.20	\$497.66
6"	\$730.41	\$995.33
8"	\$1,168.66	\$1,592.53
10"	\$1,679.95	\$2,289.27
Gallage Charge per 1,000 gallons	\$3.07	\$4.18

**MISCELLANEOUS SERVICE CHARGES – ALL SERVICES**

	<u>Normal Business Hours</u>		<u>After Normal Business Hours</u>	
	<u>Current</u>	<u>Proposed</u>	<u>Current</u>	<u>Proposed</u>
Initial Connection Fee	\$15.00	\$21.00	\$15.00	\$42.00
Normal Reconnection Fee	\$15.00	\$21.00	\$15.00	\$42.00
Violation Reconnection Fee	Actual Cost		Actual Cost	
Premises Visit	\$10.00	\$21.00	\$10.00	\$42.00
Late Payment Charge	---	\$5.25	---	\$5.25

The utility is not requesting any changes to its service availability charges but the FPSC may review and adjust these charges as part of this application

The Company is requesting a late payment fee of \$5.25 when a bill is not paid within twenty (20) days. The company is also requesting approval of a non-sufficient funds ("NSF") charge for dishonored checks as permitted by Sections 68.065 and 832.08(5), Florida Statutes. Under these sections the following NSF fees may be assessed:

1. \$25 if the face value does not exceed \$50.
2. \$30 if the face value exceeds \$50 but not \$300.
3. \$40 if the face value exceeds \$300 or five percent (5%), whichever is greater.

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