

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

FILED 11/8/2018  
DOCUMENT NO. 07038-2018  
FPSC - COMMISSION CLERK

In the Matter of:

DOCKET NO. 20180022-WU

APPLICATION FOR  
STAFF-ASSISTED RATE CASE  
IN LAKE COUNTY BY PINE  
HARBOUR WATERWORKS, INC.

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PROCEEDINGS: COMMISSION CONFERENCE AGENDA  
ITEM NO. 10

COMMISSIONERS  
PARTICIPATING: CHAIRMAN ART GRAHAM  
COMMISSIONER JULIE I. BROWN  
COMMISSIONER DONALD J. POLMANN  
COMMISSIONER GARY F. CLARK  
COMMISSIONER ANDREW G. FAY

DATE: Tuesday, October 30, 2018

PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida

REPORTED BY: ANDREA KOMARIDIS  
Court Reporter and  
Notary Public in and for  
the State of Florida at Large

PREMIER REPORTING  
114 W. 5TH AVENUE  
TALLAHASSEE, FLORIDA  
(850) 894-0828

1 P R O C E E D I N G S

2 CHAIRMAN GRAHAM: Okay. Item No. 10.

3 MR. WILSON: Good morning, Commissioners.

4 Kordell Wilson with Commission staff.

5 Pine Harbour Waterworks, Inc., is a Class C  
6 utility serving approximately 62 residential and  
7 two general-service water customers in Lake County.  
8 On January 23rd, 2018, Pine Harbour filed an  
9 application for a staff-assisted rate case. The  
10 utility has been under Commission jurisdiction  
11 since 1985 when it was granted Certificate No.  
12 450-W.

13 The utility's ownership subsequently changed  
14 in 1991, 2008, and 2017. It has never had a rate  
15 case, but received approval to charge miscellaneous  
16 service charges in a 2009 tariff filing and in the  
17 2016 transfer docket. According to the utility's  
18 2017 annual report, total gross revenues were  
19 \$23,286, and total operating expenses were \$26,383,  
20 resulting in a net operating loss of \$3,097.

21 Today, staff is recommending a revenue  
22 requirement of \$34,292, resulting in an annual  
23 increase of 43.56 percent.

24 Mr. Troy Rendell is here on behalf of the  
25 utility. And at this time, staff is prepared to

1 answer any questions.

2 CHAIRMAN GRAHAM: Thank you, staff.

3 Mr. Rendell?

4 MR. RENDELL: Commissioners, Troy Rendell on  
5 behalf of Pine -- Pine Harbour Waterworks.  
6 Overall, I support staff's recommendation.

7 I do want to make one point on one issue.  
8 It's the excess of unaccounted-for water. I have  
9 supplied supporting documentation showing that  
10 after we replaced approximately 43 meters  
11 throughout the system, we went back and we realized  
12 there is a leak at the ground storage tank.

13 When we put those numbers back in, those  
14 numbers actually are -- are -- have been lowered;  
15 although, you know, it's not a major dollar impact  
16 to the case. I just want to let the staff -- the  
17 Commission know that we have went back and looked  
18 at what's transpired after the replacement of those  
19 meters, and it has gone down.

20 CHAIRMAN GRAHAM: Thank you, sir.

21 Commissioner Polmann.

22 COMMISSIONER POLMANN: Thank you,  
23 Mr. Chairman.

24 Mr. Rendell, could you elaborate a little bit  
25 on the -- on the leak? Is that something you found

1 and have repaired? Is that something you plan to  
2 repair? What's the issue there?

3 MR. RENDELL: Actually, the entire aeration  
4 and the ground storage tank is going to have to be  
5 replaced. It's going to have to go to something  
6 similar to Country Walk, but we realize it's going  
7 to be a major financial impact. DEP just did an  
8 inspection and we're looking at -- basically, it  
9 doesn't make sense to repair -- it's a small leak  
10 that comes out -- it's a concrete-block ground --

11 COMMISSIONER POLMANN: Okay.

12 MR. RENDELL: -- storage tank, and the  
13 aeration is just a simple aeration where it blows  
14 out of tubing. The entire thing needs to be  
15 replaced. And we've discussed this with staff and  
16 we're letting DEP know, but that's something that's  
17 probably going to have to be done in the future,  
18 but we realize this is the first rate case and it's  
19 going to be something that we're going to have to  
20 address pretty soon in the future.

21 COMMISSIONER POLMANN: Thank you.

22 Staff, has there been an adjustment in the  
23 material we have here? Or is that -- in terms of  
24 the unaccounted-for water? Can you bring us up to  
25 date?

1 Oh, you again.

2 (Laughter.)

3 COMMISSIONER POLMANN: Did you get the answer?

4 MR. SALVADOR: Luis Salvador for staff.

5 The excessive unaccounted-for water is based  
6 on the meter, the distribution meter --

7 COMMISSIONER POLMANN: Okay.

8 MR. SALVADOR: -- that it was found to be  
9 inaccurate or it was missing 14.7 percent. And  
10 because the meter was not registering the amount of  
11 water, when we did the calculation, we find out  
12 that there was an excess of unaccounted-for water.  
13 It is not related to the crack on the water tank.

14 COMMISSIONER POLMANN: Okay. All right.  
15 Thank you for that answer.

16 MR. SALVADOR: You're welcome.

17 COMMISSIONER POLMANN: Did you get my other  
18 answer yet?

19 MR. SALVADOR: No -- not yet, but I will get  
20 it for you.

21 COMMISSIONER POLMANN: Okay. Thank you.

22 MR. SALVADOR: Thank you, Commissioner  
23 Polmann.

24 CHAIRMAN GRAHAM: Commissioners, any other  
25 questions on this item, Item No. 10? I'll

1 entertain a motion.

2 COMMISSIONER POLMANN: Mr. Chairman, I would  
3 move approval on all issues.

4 CHAIRMAN GRAHAM: It's been moved and  
5 seconded, staff recommendation on all issues on  
6 Item No. 10. Any further discussion?

7 Seeing none, all in favor, say aye.

8 (Chorus of ayes.)

9 CHAIRMAN GRAHAM: Any opposed?

10 By your action, you have approved staff  
11 recommendation on all issues on Item No. 10.

12 (Agenda item concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA )  
COUNTY OF LEON )

I, ANDREA KOMARIDIS, Court Reporter, do hereby  
certify that the foregoing proceeding was heard at the  
time and place herein stated.

IT IS FURTHER CERTIFIED that I  
stenographically reported the said proceedings; that the  
same has been transcribed under my direct supervision;  
and that this transcript constitutes a true  
transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative,  
employee, attorney or counsel of any of the parties, nor  
am I a relative or employee of any of the parties'  
attorney or counsel connected with the action, nor am I  
financially interested in the action.

DATED THIS 8th day of November, 2018.



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ANDREA KOMARIDIS  
NOTARY PUBLIC  
COMMISSION #GG060963  
EXPIRES February 9, 2021