

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

FILED 12/20/2018
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FPSC - COMMISSION CLERK

In the Matter of:

DOCKET NO. 20180219-SU

REQUEST FOR APPROVAL OF
AMENDMENT TO TARIFF TO
CHARGE A STANDBY CHARGE TO
CUSTOMERS SIGNIFICANTLY
IMPACTED BY HURRICANE
MICHAEL IN GULF COUNTY, BY
ESAD ENTERPRISES, INC.
D/B/A BEACHES SEWER
SYSTEM.

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PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 16

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

DATE: Tuesday, December 11, 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
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1 P R O C E E D I N G S

2 CHAIRMAN GRAHAM: Okay. Item No. 16.

3 MS. FRIEDRICH: Good afternoon, Marissa
4 Friedrich speaking on behalf of Commission staff.

5 Item No. 16 addresses the request of Beaches
6 Sewer System to implement a standby charge for
7 customers significantly impacted by Hurricane
8 Michael in Gulf County. Staff's recommended
9 standby charge of \$11.79 would be billed monthly
10 instead of the utility's approved flat rate for
11 wastewater service of \$43.03, to customers whose
12 homes sustained substantial storm damage and are
13 not able to receive wastewater service.

14 Staff considered the importance of the
15 utility's ability to maintain a stable revenue
16 stream, as well as the impact Hurricane Michael has
17 had on the customers when composing this
18 recommendation.

19 There has been one customer inquiry regarding
20 the matter with the Division of Consumer Affairs.
21 Representatives from the utility, Gene Adams and
22 utility president, Frank Seifert, are here. And I
23 believe OPC is present to speak on the item as
24 well.

25 Staff is available for any questions you may

1 have.

2 CHAIRMAN GRAHAM: Thank you, staff.

3 Let's hear from the utility.

4 MR. ADAMS: Thank you, Mr. Chairman. As staff
5 has indicated, I'm Gene Adams with the Pennington
6 law firm here in Tallahassee, and I'm representing
7 the Beaches Sewer System.

8 I'd -- I'd like to say thank you to the
9 Commission and to the staff for putting this item
10 forward as quickly as possible. As you know,
11 there's been a lot of devastation there. And
12 there's really no good -- no good answers here.

13 We're seeking to try and preserve the utility
14 for those customers who have been radically damaged
15 and altered in their lives. We -- the system has
16 lost 76 customers. Their homes were -- have been
17 damaged beyond habitable repair. And many of the
18 other remaining customers of the 330 in the system
19 have suffered some damage as well.

20 You know, Mr. -- Mr. Seifert had all good
21 intentions. He's a little bit ahead of the curve
22 when he offered a tariff that had not been approved
23 by the Commission, but his attempt was to try to
24 give the standby system charge as an opportunity
25 that he could retain some revenue, stay in

1 business, while, you know, again, having that
2 service available when people were able to rebuild
3 their homes or repair their homes to a condition
4 that they could utilize it.

5 Again, I want to thank the staff. We were
6 able to sit down with the staff last week and work
7 with them to discuss all of the concerns. We -- we
8 believe the staff recommendation now -- we -- we
9 would agree with the staff recommendation.

10 We will implement the tariff on a temporary
11 basis. And we hope, after re-noticing, we may be
12 able to come back to you sooner than next January
13 with a report on the number of people that have
14 been able to utilize that tariff, who have been
15 able to come back on the system or -- or just
16 whatever the status may be.

17 In the meantime, we've also been happy to work
18 with staff. And we -- we most likely will have to
19 come back with some type of additional rate
20 increase during the current staff recommendation --
21 or staff-assisted rate case, I'm sorry -- is still
22 opened, and as you all approved a little bit of a
23 slight delay earlier on today's agenda.

24 So, we may be able to work with them and --
25 and look at a staff pro- -- rate proceeding through

1 that as well, that mechanism. So, we appreciate
2 all those opportunities.

3 And Mr. Seifert is here, if you have any
4 questions. And we'd be glad to answer any
5 questions.

6 CHAIRMAN GRAHAM: Thank you.

7 Ms. Ponder?

8 MS. PONDER: Thank you, Mr. Chairman.
9 Virginia Ponder with the Office of Public Counsel.
10 And we are here to support the staff recommendation
11 and -- in agreement with that.

12 Thank you.

13 CHAIRMAN GRAHAM: Thank you.

14 Commissioner Clark.

15 COMMISSIONER CLARK: Thank you, Mr. Chairman.

16 I just wanted to make a general comment.
17 Thank you to Beaches for taking this action so
18 quickly. I appreciate you -- especially your
19 reach-out to consumers. I know this is a difficult
20 time for folks in this specific area.

21 But I -- I also wanted to thank you for
22 acknowledging some of the other aspects of -- the
23 customers do have the right -- that can't even
24 afford to pay the continuation service, do have the
25 continued right to disconnect their service and

1 reconnect at a point in time, as long as they were
2 an existing customer, for nothing other than a
3 normal connect charge; is that correct?

4 MR. SEIFERT: Correct.

5 COMMISSIONER CLARK: Great. I -- I just
6 wanted to make sure that was on the record. And
7 thank you for doing that. I know specifically some
8 of the customers that were affected in this area,
9 and that was extremely important to the customers.
10 I appreciate that.

11 CHAIRMAN GRAHAM: Commissioner Brown.

12 COMMISSIONER BROWN: Thank you.

13 And Mr. Seifert, thank you for bringing this
14 forth. I echo Commissioner Clark's sentiment.

15 How is -- how is the system? How are you
16 doing? How are your customers doing?

17 MR. SEIFERT: Well, I mean, it's total
18 destruction. You know, you drive down the road and
19 you see houses gone. You know, every day, it gets
20 a little bit better, but you know, I see it every
21 day when I pull out of my driveway and see all my
22 trees down on the ground, see my roof needing to be
23 replaced, and then I see that -- you know, we've
24 lost a lot at our plant that was destroyed.

25 Besides the customers, you know, our revenue

1 is going to be down 25 percent. So, we're hurting,
2 but as not as bad as people that lost everything.

3 COMMISSIONER BROWN: You --

4 MR. SEIFERT: We don't have a gas station open
5 in our county -- well, I'll back that up, in -- in
6 the southern part of our county, in our town. So,
7 it -- it's been tough.

8 COMMISSIONER BROWN: I'm very sorry to hear
9 that. And I think this is a unique way to keep the
10 viability of the utility ongoing. So, commend you
11 for creating this standby service charge. I hope
12 your customers take advantage of it.

13 MR. SEIFERT: Well, I -- I'll have to say
14 this, the hurricane hit. That night, I was out
15 checking --

16 COMMISSIONER BROWN: I'm sorry.

17 MR. SEIFERT: We were up, running the next
18 day. Our customers are never lost service. We
19 didn't have electricity. We had generators. Cost
20 us a lot of money for gasoline, but we did it; a
21 lot of time, but we did it.

22 And a lot of the roads you couldn't travel
23 down because there were houses on them, boats on
24 them. I mean, it's just hard to believe what a --
25 this hurricane did.

1 COMMISSIONER BROWN: Well, God bless you.

2 And with that, I would move approval of the
3 staff recommendation, Mr. Chairman.

4 CHAIRMAN GRAHAM: It's been moved and second,
5 approval of the staff recommendation. Any further
6 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 the staff
11 rec on Item No. 16.

12 Thank you, guys. Travel safe.

13 (Agenda item concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, ANDREA KOMARIDIS, Court Reporter, do hereby
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IT IS FURTHER CERTIFIED that I
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I FURTHER CERTIFY that I am not a relative,
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financially interested in the action.

DATED THIS 20th day of December, 2018.



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