

STATE OF FLORIDA



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DIVISION OF ENGINEERING
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(850) 413-6910

Public Service Commission

April 9, 2019

Mr. Robert Hillman, Director
North Peninsula Utilities Corporation
115 E. Granada Blvd., Suite 12
Ormond Beach, FL 32176
developershw@gmail.com

VIA EMAIL & US MAIL

Re: Docket No. 20180138-SU - Application for staff-assisted rate case in Volusia County by North Peninsula Utilities Corporation.

Dear Mr. Hillman:

This letter will confirm that Commission staff will hold a customer meeting on Wednesday, May 8, 2019, 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 general meeting will be as follows:

South Ormond Neighborhood Center
South Ormond Activity Room
176 Division Avenue
Ormond Beach, FL 32174

As required by Rule 25-22.0407(9)(b), Florida Administrative Code (F.A.C.), the Utility must 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. A draft customer meeting notice is enclosed. Please note the date has been left blank so that you can fill in the date that the notice is sent to the customers. 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.

In addition, attached is a copy of 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)(a), F.A.C., by all interested persons at the following location:

North Peninsula Utilities Corporation
115 E. Granada Blvd, Suite 12
Ormond Beach, FL 32176

Mr. Robert Hillman

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For your convenience, I have also enclosed a copy of Rule 25-22.0407(9), F.A.C. If you have any questions about any of the matters contained herein, please do not hesitate to contact me by phone at (850) 413-6592. In addition, you may contact Mr. Charles Murphy by phone at (850) 413-6191 with any questions.

Respectfully,



Takira Thompson
Engineering Specialist
Division of Engineering

TT:pz

Enclosures

cc: Office of Commission Clerk (Docket No. 20180138-SU)

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, F.S., 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 Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, 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 Office of Consumer Assistance and Outreach 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 Office of Commission Clerk.

(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 MEETING

TO THE CUSTOMERS OF NORTH PENINSULA UTILITIES CORPORATION

AND

ALL OTHER INTERESTED PERSONS

DOCKET NO. 20180138-SU

APPLICATION FOR STAFF-ASSISTED RATE CASE IN VOLUSIA COUNTY

BY NORTH PENINSULA UTILITIES CORPORATION

Issued: _____

Notice is hereby given that the staff of the Florida Public Service Commission (Commission) will conduct a customer meeting to discuss the application for staff-assisted rate case in Volusia County by North Peninsula Utilities Corporation (NPUC or Utility). The meeting will be held at the following time and place:

6:00 p.m., Wednesday, May 8, 2019
South Ormond Neighborhood Center
South Ormond Activity Room
176 Division Avenue
Ormond Beach, FL 32174

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.floridapsc.com/>) 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 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. 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, 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 the Utility's application, 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 meeting, 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 or online at <https://secure.floridapsc.com/ClerkOffice/EfilingPublic>.

BACKGROUND

North Peninsula Utilities Corporation (NPUC or Utility) is a Class B wastewater only utility serving approximately 428 residential and 5 general service customers in Volusia County. The Florida Public Service Commission (Commission) granted the transfer of Certificate No. 249-S from Shore Utility Corporation to NPUC, effective the date of the Commission vote on December 5, 1989.¹ The Utility's rates were last established in 2000 during an investigation of possible overearnings conducted by the Commission.² However, this is NPUC's first staff-assisted rate case (SARC). On November 21, 2016, the Commission issued an order approving in part and denying in part a proposed territory expansion by the Utility.³ On July 6, 2018, the DEP issued a Consent Order to NPUC, following the DEP's March 20, 2018, inspection for failing to properly maintain its wastewater treatment facility. The Consent Order requires NPUC to immediately implement preventative measures to ensure system failure does not occur due to deteriorating facility components while reconstruction is underway. This includes but is not limited to: (1) repairing the holes and corrosion in the tanks; (2) repairing the travelling bridge at plant number 3; (3) repairing or replacing the damaged splitter box; and (4) repairing the clarifier skimmer at plant number 3. The Consent Order led to the Utility's application for a SARC. On July 20, 2018, NPUC filed an application for a SARC. Pursuant to Section 367.0814(2), Florida Statutes (F.S.), the official filing date of the SARC has been determined to be September 14, 2018. The 12-month period ending June 30, 2018, was selected as the test year for the instant case. NPUC is requesting recovery of costs associated with the improvements mandated by the Consent Order, as well as other improvements necessary for the upkeep of its wastewater treatment facility. According to NPUC's 2017 Annual Report, its total operating revenue was \$267,863 and its net operating income was (\$30,531). The Commission has jurisdiction in this case pursuant to Sections 367.011, 367.081, 367.0812, 367.0814 and 367.091, F.S.

¹Order No. 22345, issued December 27, 1989, in Docket No. 19891016-SU, *In re: Application of North Peninsula Utilities Corporation for transfer of Certificate No. 249-S from Shore Utility Corporation in Volusia County*.

²Order No. PSC-00-1676-PAA-SU, issued September 19, 2000, in Docket No. 20000715-SU, *In re: Investigation of possible overearnings by North Peninsula Utilities Corporation in Volusia County*.

³Order No. PSC-16-0522-PAA-SU, issued November 21, 2016, in Docket No. 20130209-SU, *In re: Application for expansion of certificate (CIAC) (new wastewater line extension charge) by North Peninsula Utilities Corp.*

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:

NORTH PENINSULA UTILITIES CORPORATION		SCHEDULE NO. 4-A	
TEST YEAR ENDED 6/30/2018		DOCKET NO. 20180138-SU	
MONTHLY WASTEWATER RATES			
	RATES AT TIME OF FILING	STAFF RECOMMENDED RATES	4 YEAR RATE REDUCTION
<u>Residential Flat Rate</u>			
Single Family Residential Homes	\$33.11	\$40.79	\$0.17
<u>General Service Flat Rate</u>			
Las Olas Townhomes	\$198.66	\$244.74	\$0.99
Ocean Air	\$562.87	\$693.43	\$2.82
Seabridge North	\$2,152.15	\$2,651.35	\$10.77
Seabridge South	\$2,317.70	\$2,855.30	\$11.60
Restaurant	\$449.76	\$571.06	\$2.32

STAFF REPORTS AND UTILITY APPLICATION

The results of staff's preliminary investigation are contained in a Staff Report dated April 9, 2019. Copies of the report may be examined by interested members of the public from 8:30 a.m. to 1:30 p.m., Monday through Friday at the following location:

North Peninsula Utilities Corporation
115 E. Granada Blvd, Suite 12
Ormond Beach, FL 32176

PROCEDURES AFTER CUSTOMER MEETING

After the customer meeting, Commission staff will prepare a recommendation which is tentatively scheduled to be submitted to the Commission on June 26, 2019. The Commission will then vote on staff's recommendation at the July 9, 2019 Commission 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. Customers are able to obtain a copy of staff's recommendation and all documents filed in this docket under the Clerk's Office tab at the Commission's website (<http://www.floridapsc.com/>).

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. 20180138-SU – North Peninsula Utilities Corporation.” Your letter will be placed in the correspondence file of this docket. You may also submit comments through the Florida Public Service Commission’s email at clerk@psc.state.fl.us, or the Commission’s website available at <https://secure.floridapsc.com/ClerkOffice/EfilingPublic>.

If you wish to contact the Florida Public Service Commission regarding complaints about service, you may call the Commission’s Office of Consumer Assistance and Outreach through its toll-free number at 1-800-342-3552 or submit a complaint form online at: <http://www.floridapsc.com/ConsumerAssistance/ComplaintForm>.