

State of Florida



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# Public Service Commission

09 MAY 28 2009  
CIVIL SERVICE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

COMMISSION  
CLERK

**-M-E-M-O-R-A-N-D-U-M-**

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**DATE:** May 27, 2009  
**TO:** Ann Cole, Commission Clerk - PSC, Office of Commission Clerk  
**FROM:** Anna R. Williams, Attorney, Office of the General Counsel *ARW*  
**RE:** DOCKET NO. 080668-SU - Application for staff-assisted rate case in Highlands County by Fairmount Utilities, The 2nd Inc.

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Please place the attached document in the above-referenced docket file. Thank you.

ARW/th

DOCUMENT NUMBER: DATE  
05281 MAY 28 09  
FPSC-COMMISSION CLERK

**MIKE SMALLRIDGE UTILITY CONSULTANT  
& MANAGEMENT SERVICES**

15827 CEDAR ELM TERRACE  
LAND O LAKES, FLORIDA 34638  
352-302-7406

May 19, 2009

Ann Cole  
2540 Shumard Oak Blvd.  
Tallahassee, FL. 32399

RE: Docket # 08-0668-SU.

Dear Commission Clerk:

Please find attached an original notice of customer meeting mailed to the customers of Fairmount Utilities, The 2<sup>nd</sup>, Inc. on May 4<sup>th</sup> 2009.

Have a Nice Day.

Sincerely,



Mike Smallridge

**DOCUMENT NO.    DATE**  
05281-09    05/28/09  
**FPSC - COMMISSION CLERK**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION  
NOTICE OF CUSTOMER MEETINGS  
TO THE CUSTOMERS OF FAIRMOUNT UTILITIES, THE 2<sup>ND</sup>, INC.  
AND  
ALL OTHER INTERESTED PERSONS  
DOCKET NO. 080668-SU  
APPLICATION OF FAIRMOUNT UTILITIES, THE 2<sup>ND</sup>, INC.  
FOR A STAFF-ASSISTED RATE CASE IN  
HIGHLANDS COUNTY

Issued: May 4, 2009

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 2<sup>nd</sup>, 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.<sup>1</sup> Fairmount has also taken advantage of three annual indexing rate adjustments since then.

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<sup>1</sup> 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 2<sup>nd</sup>, 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:

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| PHASE I RATES  | UTILITY'S<br>EXISTING<br>RATES | STAFF<br>PRELIMINARY<br>RECOMMENDED<br>RATES |
|--|--------------------------------|--|
| <b>Residential and General Service</b>                       |                                |  |
| 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                                     |
| <br>   |                                |  |
| <b>Gallonage Charge</b>                                      |                                |  |
| Per 1,000 Gallons  |                                |  |
| Residential (6,000 gallon cap)                               | \$3.32                         | \$4.51                                       |
| General Service  | \$3.98                         | \$5.41                                       |
| <br>   |                                |  |
| <b>Typical Residential 5/8" x 3/4" Meter Bill Comparison</b> |                                |  |
| 3,000 Gallons  | \$25.18                        | \$29.46                                      |
| 5,000 Gallons  | \$31.64                        | \$38.48                                      |
| 10,000 Gallons   | \$34.87                        | \$42.99                                      |

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**PHASE II RATES**

|  | <b>UTILITY'S<br/>EXISTING<br/>RATES</b> | <b>STAFF<br/>PRELIMINARY<br/>RECOMMENDED<br/>RATES</b> |
|--|---|--|
| <b>Residential and General Service</b>                       |   |  |
| 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   |
| <br>   |   |  |
| <b>Gallonge Charge</b>                                       |   |  |
| Per 1,000 Gallons  |   |  |
| Residential (6,000 gallon cap)                               | \$3.32                                  | \$4.58   |
| General Service  | \$3.98                                  | \$5.50   |
| <br>   |   |  |
| <b>Typical Residential 5/8" x 3/4" Meter Bill Comparison</b> |   |  |
| 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 2<sup>nd</sup>, 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 2<sup>nd</sup>, 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.