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STATE OF FLORIDA



MARSHALL WILLIS, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

May 24, 2010

RECEIVED-FPSC
10 MAY 25 AM 9:11
COMMISSION
CLERK

Mr. Christian W. Marcelli
Lake Placid Utilities, Inc.
2180 West State Road 434, Suite 2118
Longwood, FL 32779

Re: Docket No. 090531-WU, Staff Assisted Rate Case for Lake Placid Utilities, Inc. in Highlands County.

Dear Mr. Marcelli:

This will confirm that Commission Staff will hold a customer meeting at the DeeAnn Lakefront Estates Clubhouse on June 10, 2010, starting at 6:00 p.m. We ask that, if at all possible, you or another knowledgeable representative of the Utility attend all scheduled meetings in order to answer customer questions. The location of the general meeting and the customer group meeting, if any, will be as follows:

DeeAnn Lakefront Estates Clubhouse
409 Stephen Drive
Lake Placid, FL 33852

Two copies of the staff report will subsequently be sent under a cover letter. Please note the date has been left blank so that you can fill in the date that the notice is sent to the customers. The customers must have at least 14 calendar days' notice of the meeting, calculated from the day that they receive the notice as required by Rule 25-22.0407(9)(b), Florida Administrative Code (F.A.C.). 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.

Two copies of the Staff Report will subsequently be sent under a cover letter. When you receive 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)(b), F.A.C., by all interested persons at the following location:

Sebring Public Library
319 West Center Avenue
Sebring, FL 33870

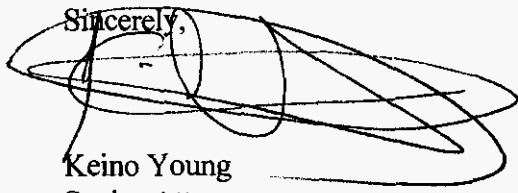
DOCUMENT NUMBER DATE
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Page 2

For your convenience, I have also enclosed a copy of Rule 25-22.0407(9), F.A.C.

Should you have any questions about any of the matters contained herein, please do not hesitate to contact me at (850) 413-6226. In addition, you may contact Lydia Roberts at (850) 413-6877, with any questions.

Sincerely,



Keino Young
Senior Attorney

Enclosure

KY:lr

cc: Division of Economic Regulation (Roberts, Hudson, Maurey, Fletcher, Simpson, Rieger)
Office of General Counsel (Young)
Office of Commission Clerk (Docket No. 090531-WU)

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, Florida Statutes, 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 Director, Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0870, 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 Division of Consumer Affairs 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 Division of the Commission Clerk and Administrative Services.

(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 MEETINGS

TO THE CUSTOMERS OF LAKE PLACID UTILITIES, INC.

AND

ALL OTHER INTERESTED PERSONS

DOCKET NO. 090531-WU

APPLICATION OF LAKE PLACID UTILITIES, INC.

FOR A STAFF-ASSISTED RATE CASE IN
HIGHLANDS COUNTY

Issued: Issued: _____, _____

Notice is hereby given that the Staff of the Florida Public Service Commission will conduct a customer meeting to discuss the application of Lake Placid Utilities, Inc (Lake Placid or Utility) for a staff-assisted rate case in Highlands County. The meeting will be held at the following time and place:

6:00 p.m., Thursday, June 10, 2010
DeeAnn Lakefront Estates Clubhouse
409 Stephen Drive
Lake Placid, FL 33852

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 Florida Public Service 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 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 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 Florida Public Service 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 the Public Service 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 pinecrest'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. The Public Service Commission Staff will have sign-up sheets, and customers will be called to speak in the order that they sign-up. Public Service Commission 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 Public Service Commission's toll-free facsimile line at 1-800-511-0809.

BACKGROUND

Lake Placid Utilities, Inc. (Lake Placid or utility), is a Class B utility providing water and wastewater service to approximately 122 water and 192 wastewater customers in Highlands County. Lake Placid is located in the Southwest Florida Water Management District (SWFWMD), a critical use area. According to its 2008 annual report, Lake Placid reported revenues of \$52,212 and \$82,100 for water and wastewater, respectively. Lake Placid reported a net operating income loss of \$60,639 for water and a net operating loss of \$75,021 for wastewater. The test period for setting rates is the historical twelve-month period ended December 31, 2008.

Lake Placid was granted Certificate Nos. 414-W and 347-S in 1993.¹ The Utility last established rates for Lake Placid in 2006.²

On December 8, 2009 Lake Placid filed an application for a staff-assisted rate case (SARC) and paid the appropriate filing fee on January 19, 2010. Staff will conduct a field investigation of the Utility's plant and service area on June 10, 2010.

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

¹ See Order No. PSC-93-1448-FOF-WS, issued December 27, 1994, in Docket No. 930570-WS, In re: Application for transfer of Certificates Nos. 414-W and 347-S From Lake Placid Utilities to Lake Placid Utilities, Inc.

² See Order No. PSC-07-0287-PAA-WS, issued April 3, 2007, in Docket No. 060260-WS, In re: Application for increase in water and wastewater rates in Highlands County.

gathered at the customer meeting, further staff review, and the final decision by the Commissioners. The Utility's current and staff's preliminary rates and charges are as follows:

Residential, General and Multi Service Water Rates

Base Facility Charge By Meter Size	Existing BFC Monthly Rate	Preliminary Monthly Rate
5/8" x 3/4"	\$12.71	15.76
3/4"	\$19.07	\$23.64
1"	\$31.78	\$39.40
1-1/2"	\$63.54	\$78.80
2"	\$101.67	\$126.08
3"	\$203.33	\$252.16
4"	\$317.21	\$394.00
6"	\$635.42	\$788.00
<u>Gallonge Charge</u>		
RS Gallonge charge (All gallons)	\$3.67	\$6.88
GS Gallonge charge (All gallons)	\$3.67	\$6.88
MS Gallonge charge (All gallons)	\$3.67	\$6.88

Residential, General and Multi Service Wastewater Rates

Base Facility Charge By Meter Size	Existing BFC Monthly Rate	Preliminary Monthly Rate
<u>Residential Service</u>		
All Meter Size"	\$16.66	\$19.72
RS Gallonge charge (Capped at 6,000 gallons)	\$5.20	\$6.52
<u>General and Multi Service</u>		
5/8" x 3/4"	\$16.66	\$19.72
3/4"	\$41.66	\$29.58
1"	\$41.66	\$49.30
1-1/2"	\$83.32	\$98.60
2"	\$133.32	\$157.76
3"	\$266.63	\$315.52
4"	\$416.62	\$493.00
6"	\$833.26	\$986.00
GS Gallonge charge (Per 1,000 gallons)	\$6.24	\$7.82
MS Gallonge charge (All gallons)	\$6.24	\$7.82
<u>DeeAnn Estates</u>		
DeeAnn Bulk Rate	\$567.95	\$672.45
DeeAnn Bulk Gallonge Charge	\$4.99	\$5.22
<u>Flat Rate for unmetered Residential Customers</u>	\$0.00	\$32.11

STAFF REPORTS AND UTILITY APPLICATION

The results of staff's preliminary investigation are contained in a staff report dated May 24, 2010. Copies of the report may be examined by interested members of the public from 8:00 am to 4:00 pm, Monday through Friday at the following location:

Sebring Public Library
319 West Center Avenue
Sebring, FL 33870

PROCEDURES AFTER CUSTOMER MEETINGS

After the meetings, Public Service Commission Staff will prepare a recommendation which is scheduled to be submitted to the Public Service Commission on July 22, 2010. The Public Service Commission will then vote on staff's recommendation at its August 3, 2010 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 the PAA order is issued to protest the Commission's proposed agency action 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. 090531-WU, Lake Placid Utilities, 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.