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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 150236-WU

APPLICATION FOR STAFF-ASSISTED
RATE CASE IN LAKE COUNTY BY
LAKE IDLEWILD UTILITY COMPANY.

_____ /

PROCEEDINGS: CUSTOMER MEETING

COMMISSION STAFF
PARTICIPATING: PHILLIP ELLIS
DICK DURBIN

DATE: Thursday, May 12, 2016

TIME: Commenced at 6:00 p.m.
Concluded at 6:22 p.m.

PLACE: Town of Lady Lake
Town of Commission Chambers
409 Fennell Boulevard
Lady Lake, Florida 32159

TRANSCRIBED BY: LINDA BOLES, CRR, RPR
Official FPSC Reporter
(850) 413-6734

P R O C E E D I N G S

1
2 **MR. ELLIS:** Good evening. Can everyone
3 hear me all right? My name is Phillip Ellis with
4 the Florida Public Service Commission. We are here
5 for the customer meeting in Docket No. 150236-WS,
6 Lake Idlewild Utility Company.

7 For those interested in speaking, we do have a
8 sign-up sheet here at the front. If anyone would like
9 to speak, please come and sign up. Mr. Durbin can
10 assist you with that.

11 Today's meeting is being recorded. There's a
12 small recording device here as well as a video recorder,
13 so. The entities involved in this rate case are you,
14 the customers, as well as the utility.

15 The Florida Public Service Commission is the
16 regulatory entity over the utility and establishes rates
17 and charges. The Commission itself is divided into two.
18 You have the Florida Public Service Commissioners, who
19 are the decision-making body, as well as the staff, of
20 which I am a member, who act in an advisory role making
21 recommendations to the Commissioners. The Commissioners
22 are, however, the ones making the final decisions at the
23 Commission.

24 Again, my name is Phillip Ellis. I'm with the
25 Division of Engineering with Florida Public Service

1 Commission staff. Also here today is Mr. Dick Durbin
2 with the Office of Consumer Assistance and Outreach.
3 Our contact information as well as contact information
4 for other people on this particular docket is on
5 page 2 of your Special Report.

6 So tonight's meeting is going to be an
7 overview of the staff-assisted rate case process as well
8 as a review of preliminary rates as well as your role,
9 what you can do as customers with regards to this
10 docket.

11 A little background. Lake Idlewild's current
12 rates were established by the Commission in 1993. So
13 it's been approximately 23 years since the rates have
14 been adjusted. Lake Idlewild applied for the current
15 rate increase on November 3rd, 2015, and staff selected
16 the 12-month period ending September 30th, 2015, for the
17 test year in this case. So that's the 12 months of
18 historical actions looked at in the technical analysis.

19 So what is a staff-assisted rate case? We
20 unfortunately like acronyms, so I may refer to it as a
21 SARC, but that is the process that is going through in
22 this docket is a staff-assisted rate case. Commission
23 staff assists small water and wastewater utilities with
24 rate relief requests like this. And the concept behind
25 it is by using fewer outside accountants and engineers,

1 it'll reduce rate case expense.

2 Now the proposed agency action process, or
3 PAA -- I'll kind of go through the steps for this.
4 There are three primary steps in a PAA docket or a
5 proposed agency action docket, which the staff-assisted
6 rate case is one.

7 The first is the staff investigation. Now the
8 Commission has a wide variety of staff: We have audit
9 staff who will audit the utility's books and records and
10 in this case have done so; engineering staff, of which I
11 am one, review the quality of service, prudence of
12 utility operations, and calculate used and useful;
13 accounting staff will verify accounting measures;
14 economics will investigate billing practices and design
15 the actual rate structures themselves. And staff, based
16 on this initial preliminary analysis, produces a staff
17 report that is based on the information we have
18 available at that time.

19 And the next step is tonight. It's the
20 customer meeting. Now the purpose of the meeting is to
21 provide -- is for you as customers to provide comments
22 to us with regards to quality of service, which is
23 two-fold. It's the quality of the product, so the
24 quality of the actual water you receive, as well as
25 quality of, say, customer service, your interactions

1 with the utility. Also comments with regards to the
2 proposed rate increase in general and other concerns or
3 questions you may have with regards to the utility in
4 general.

5 Now this is the customers' meeting. Now the
6 utility is present, but they will not be speaking at
7 this meeting. It will only be customers speaking. And
8 if you would like to ask them any questions, you can
9 most likely bring them up afterwards. They'll be
10 available for those.

11 Now the last step in a proposed agency action
12 process is the staff recommendation and the Commission
13 Conference. Now as I said, the Commission is broken
14 into two portions: Staff, who makes recommendations,
15 and the Commissioners, who make the final decisions.

16 The recommendation in this docket is due to be
17 filed on June 23rd, and it will try and incorporate
18 information we receive from this process as well.

19 Now the recommendation is reviewed by the
20 Commission at a Commission Conference where it will be
21 voted upon. And at that vote or at that conference, if
22 Commissioners (sic) would like to speak, it is a PAA
23 process, so it is open to participation both by
24 customers as well as utility representatives. If you
25 would like to attend, it is in Tallahassee, Florida.

1 Please let us know that you are present so we can make
2 sure you have an opportunity to speak on the item, so
3 just trying to inform staff. And, again, our contact
4 information would be on page 2 of the Special Report.

5 Now after that vote, so -- which, again, would
6 be on July 7th. I apologize if I didn't mention the
7 date. After the July 7th vote, the Commission will
8 write an order. Now this order is usually issued within
9 20 days of the vote. As of the date that order is
10 filed, there will be a 21-day protest period. If no
11 party protests, there will be a consummating order
12 issued and the order will become final.

13 If a party other than the utility protests,
14 the utility can put the rates into effect, but they will
15 be subject to refund based upon the final order with
16 interest to customers.

17 If a timely protest is filed, so within the
18 21-day period, a hearing will be held in the service
19 territory or as close to the service territory as
20 possible, and the utility and protesting parties will
21 litigate the issues. So this may involve additional
22 outside accountants, engineers, lawyers, things of that
23 nature. And customers will have the opportunity to
24 testify before Commissioners, if they so choose, but
25 they may also be subject to cross-examination and things

1 of that nature.

2 The next portion of the presentation is with
3 regards to the preliminary rates. Now on page 3 of the
4 Special Report we have some example rates here. 16,000
5 gallons is the average usage, monthly usage for this
6 utility, and that bill currently would be approximately
7 37.36. That bill would increase to approximately
8 55.62 if the rates as recommended with no modifications
9 go into effect.

10 So the last part. How -- your role in this
11 process. How do you participate? Tonight you can
12 provide comments either oral or written. You can also
13 monitor the case on our website, so.

14 In terms of written comments, on your staff
15 report, one of the last pages, should be a small written
16 section, which you can provide written comments here.
17 You can also provide more thorough written comments
18 through our website, if it is your desire. If you know
19 anyone who was unable to attend tonight and you'd like
20 some extra copies of the staff report to provide to
21 them, we can also provide those to you as well.

22 On our website here, you can track our
23 information under the docket, which is, again, 150236.
24 It'll be under the "Clerk's Office." One of the tabs
25 will be "Dockets." And it'll have all of the filings,

1 all of the information associated with this docket. The
2 utility's initial filing, staff's data requests,
3 responses to those requests, the meeting notice for this
4 meeting, all of that information is included online on
5 our docket, so.

6 In addition, if you would like to watch the
7 Commission Conference, we include audio/video coverage
8 of that on our website as well. If you are unable to
9 watch it live, we also do include archive versions on
10 our website.

11 Lastly, as you may notice with this graphic,
12 there's a space missing. That is for the Office of
13 Public Counsel. And we just wanted to make you aware of
14 them. They're an advocate for consumers before the
15 Florida Public Service Commission, and this will be
16 their phone number, 1-800-342-0222 -- I'll also include
17 that in the last slide so you don't have to write it
18 down right now -- as well as their website,
19 Floridaopc.gov.

20 So if you would like to file a complaint or if
21 you need additional information, we have the Florida
22 Public Service Commission Consumer Assistance Hotline.
23 It's available here. It's also, I believe, included in
24 your booklet on page 2.

25 And just as an overview to the customer

1 meeting, remember, this is being recorded. Please, when
2 I call your name, come forward to the microphone. And
3 when you do so, state your name, your address, and
4 please spell your last name for the record.

5 As I mentioned before, this is the phone
6 number again if you were trying to copy that down
7 earlier.

8 So I will now open it up for comments. Hold
9 on one moment.

10 **SPEAKER:** What was the actual website if
11 you go -- you said on the website.

12 **MR. ELLIS:** Oh, my apologies. My
13 apologies. I did not -- the website is
14 Floridapsc.com. So -- and this is what the home
15 page looks like. If you're looking specifically for
16 where you can get the information, it's going to be
17 under the "Clerk's Office" tab up at the top. If
18 you'd like additional copies of the Special Report,
19 that will be under the "Publications" tab under
20 Special Reports. Excuse me.

21 And I'll -- and at this time we have three
22 customers who would like to speak.

23 **MR. DURBIN:** There's four.

24 **MR. ELLIS:** Four. So -- and as a
25 reminder, please --

1 **MR. DURBIN:** Excuse me. Five.

2 **MR. ELLIS:** Five, so. This meeting is
3 being recorded, and please state your name, address,
4 and spell your last name once I have called you.

5 And the first customer -- I apologize if I
6 get anyone's name incorrect -- would be Beverly
7 Stanton. This is the microphone right here, the
8 recording microphone.

9 **MS. STANTON:** That's Beverly Stanton,
10 S-t-a-n-t-o-n, and it's 4132 Bergen Hall Road,
11 Fruitland Park. I don't think you needed the phone
12 number, did you?

13 **MR. ELLIS:** No, ma'am.

14 **MS. STANTON:** Okay. My first comment is
15 that when we went to monthly billing as opposed to
16 the quarterly billing that we had been getting, the
17 first thing my husband said was, "Well, that'll mean
18 a rate increase." It's taken a little while, but it
19 got here.

20 Also, monthly billings means additional
21 manpower, additional vehicle expenses, and
22 additional postage, which could be offset by some of
23 the stuff if we're still on the quarterly, on the
24 quarterly thing.

25 And also I'm curious, and I know you're

1 not doing questions, but I'm curious as to what we
2 property owners would -- what benefit we would
3 receive from this rate, or does it just go to the
4 U.S. Water Company? Thank you.

5 **MR. ELLIS:** Ms. Linda Bartholomew.

6 **MS. BARTHOLOMEW:** Linda Bartholomew,
7 B-a-r-t-h-o-l-o-m-e-w, 4037 Bergen Hall Road. My
8 problem with the increase is our service for water
9 is not good. We live on Bergen Hall Road, which is
10 the furthest road from the pump. Our water pressure
11 is terrible. You've got a little line coming in
12 from the street with two houses hooked onto it. So
13 when my neighbor is running his irrigation, we have
14 no pressure. It might be as big as my finger around
15 coming out of my faucet.

16 Now last night I was trying to use my hose
17 and he had his sprinklers on. I couldn't even get
18 any water to come out of my hose. So you want me to
19 pay double of what I'm paying now and getting no
20 water. And sometimes my washing machine won't even
21 run because it says, "LF," low fill, no water. So
22 that's my problem with the utility company.

23 So we kind of live up on a little knoll,
24 which maybe my house is the highest one on the
25 street. Maybe that's why my pressure is terrible.

1 I don't know. But I'm not going to pay double for
2 water that I'm not getting. And I don't know --
3 other people are feeling the same way.

4 And what is this Lake Idlewild Utility
5 Company? I thought it was U.S. Water now.

6 **MR. ELLIS:** That's the utility company's
7 name.

8 **MS. BARTHOLOMEW:** That's U.S. Water. I do
9 admit since U.S. Water took over, we haven't had the
10 pump break down 5 million times. That is one
11 benefit of U.S. Water taking it. When the other
12 people had it, Howard Bair or whoever you say who
13 had it, I had to call them all the time because
14 sometimes -- there's two pumps and he would -- Stan
15 would say, "Oh, the big pump went out" or "the
16 little pump went out." Therefore, we had no water
17 at all, zero. So that's my problem with the rate
18 increase. I want better service for what I'm paying
19 for. Thank you.

20 **MR. ELLIS:** Mr. Ty Justison.

21 **MR. JUSTISON:** You got it. Hi. My name
22 is Ty Justison, 4140 Bair Avenue, Fruitland Park.
23 That's J-u-s-t-i-s-o-n.

24 First of all, I'm not a -- everybody's got
25 to make a living. I understand you have a product,

1 you have to sell it for more than you paid for it.
2 But most of these things, when you read about it in
3 the paper of other places, somebody comes in to a
4 place like us, which we have no choice but to buy --
5 we have one option of buying our water, and they
6 will come in and buy these places and they all do
7 the same thing, within a year or two, this one is
8 just about as quick as they could have, apply for a
9 rate increase and max it out. They know going in
10 what they're going to try and do.

11 And they also say they want to make a fair
12 profit. Well, they know the price of this water
13 system going in. And according to Stanley
14 (phonetic) and stuff, most of the time when they buy
15 these things, it's not a full value because in this
16 case the family wanted to get out of the business,
17 they didn't want to read the meters and do the
18 stuff, and they sold it at less than they had in it
19 and I'm sure probably below market value. So,
20 again, I don't mind anybody making a profit. But as
21 y'all's numbers show, a 48.9 percent average
22 increase on a bill -- I would love to buy a business
23 and two years later be able to make 49, 50 percent
24 more. I think that's asking too much and it's just
25 getting greedy.

1 I mean, again, I have no problem with
2 somebody making a living. We all want to sleep
3 inside and eat regular. But an increase is an
4 increase. But when you know -- they know the price
5 they paid going in. And if they bought it thinking,
6 well, we've got to raise the rates 49 percent as
7 soon as we possibly can, then maybe you should have
8 thought twice about buying it. You shouldn't have
9 us, who have no choice, no options to go anywhere
10 else, you know, have to put more money in your
11 pocket. I don't mind a profit, but don't gouge us
12 because we have no choice.

13 **MR. ELLIS:** Ms. Gail Rager.

14 **MS. RAGER:** Close.

15 **MR. ELLIS:** My apologies.

16 **MS. RAGER:** That's okay. My name is Gail
17 Rager, R-a-g-e-r. I live at 4143 Bergen Hall Road.

18 My comments are -- is that U.S. Water knew
19 how much each one of us individually were paying for
20 our water when they bought it, just like
21 Mr. Justison said, and so they should have known
22 what they were getting into.

23 I bought our -- we bought our property one
24 month before that company bought the water system,
25 and one of the reasons -- well, not one of the

1 reasons, but we did think about the price of the
2 water before we bought the property.

3 I would say that at 49 -- I know it
4 hasn't, the rate hasn't been increased for a long
5 time, but it seems to me that a 49 percent increase
6 the first one out of the gate is excessive. Thank
7 you.

8 **MR. ELLIS:** Mr. Jason Letsinger.

9 **MR. LETSINGER:** My name is Jason
10 Letsinger. I live at 36839 Woods Drive, Fruitland
11 Park. Last name is L-e-t-s-i-n-g-e-r.

12 In getting this letter and looking at it, I'm,
13 you know, just kind of questioning a lot of the things
14 going on there. Some of those are a little hard to
15 decipher and other things were not. But, you know, you
16 talked about the quality of what we're getting, and
17 that, to me, is a big thing. Because as Linda said, I
18 mean, a lot of us have problems with pressure. I live
19 on the cul-de-sac from where she is, so I'm right down
20 the road from her, and luckily it wasn't my sprinklers
21 that were causing her pressure to go down.

22 But, anyhow, we are constantly having issues.
23 There have been cases where people have actually had to
24 buy, I think, booster pumps or something like that to
25 put on to increase pressure. And not only the pressure,

1 a lot of times -- I don't know if anybody else has this
2 problem -- my water smells like rotten eggs.

3 **SPEAKER:** Yes, rotten eggs.

4 **MR. LETSINGER:** There you go. And I don't
5 know what could cause that or why that is. But, of
6 course, like you said, I mean, the main thing was --
7 you talked about that really spoke to me was the
8 quality, and it seems to me like we're not getting
9 the quality, so I don't understand why we should be
10 paying more for quality. If anything, our rate
11 might should drop. And I thought Barbara made some
12 good points at the beginning too as well with the --
13 talking about changing from quarterly to monthly,
14 how, of course, that's going to increase cost.

15 And there's a -- that's the majority
16 actually of what I have. I just -- yeah, it doesn't
17 make any sense to me why there would be such a big
18 jump and why we should have to do that. And as
19 Mr. Justison said too, we're being monopolized, that
20 we can't go anywhere else. So somebody technically
21 has a monopoly on our system and that's not fair,
22 and the system isn't really supposed to be like that
23 anyways, I didn't think. But, yeah, that's pretty
24 much all I have to say.

25 **MR. ELLIS:** Thank you.

1 Is there anyone else who would like to
2 speak? With that, the last of the customer
3 comments, we will close the recording at this time.
4 Thank you.

5 (Customer meeting adjourned at approximately
6 6:22 p.m.)

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STATE OF FLORIDA)
 :
COUNTY OF LEON)

CERTIFICATE OF REPORTER

I, LINDA BOLES, CRR, RPR, Official Commission Hearings Reporter, Hearing Reporter Services Section, Office of Commission Clerk, do hereby certify that the foregoing proceedings were transcribed from digital recording to the best of my ability.

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' attorneys or counsel connected with the action, nor am I financially interested in the action.

DATED this 19th day of May, 2016.

Linda Boles

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