

FLORIDA UTILITY SERVICES 1, LLC
3336 GRAND BLVD. SUITE 102
HOLIDAY, FL. 34690
863-904-5574

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2016 SEP 23 AM 8:15
COMMISSION
CLERK

September 20, 2016

Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL. 32399

RE: Docket # 150257-WS. Application for a staff assisted rate case in Marion County, by East Marion Utilities, LLC.

Dear Commission Clerk:

Enclosed please find a copy of the Notice of Customer Meeting that was mailed to the customers of East Marion Utilities on September 20, 2016 by regular U.S. mail.

On behalf of the utility,



Mike Smallridge

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

NOTICE OF CUSTOMER MEETING

TO THE CUSTOMERS OF EAST MARION UTILITIES, LLC

AND

ALL OTHER INTERESTED PERSONS

DOCKET NO. 150257-WS

APPLICATION OF EAST MARION UTILITIES, LCC

FOR A STAFF-ASSISTED RATE CASE IN

MARION COUNTY

Issued: SEP 20 2016

Notice is hereby given that the staff of the Florida Public Service Commission (Commission or PSC) will conduct a customer meeting to discuss the application of East Marion Utilities, LLC (East Marion or utility) for a staff-assisted rate case (SARC) in Marion County. The meeting will be held at the following time and place:

Tuesday, October 4, 2016 at 6:00 p.m.

Forest Public Library
905 S Highway 314A
Ocklawaha, Florida 32179

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 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 East Marion'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

East Marion is a Class C water and wastewater utility that provides water and wastewater service to approximately 103 water and 92 wastewater customers in Marion County. According to the East Marion's 2014 annual report, the utility had the following total gross operating revenues, operating expenses, and net operating income:

Revenues, Expenses and Net Operating Income

	Water	Wastewater
Operating Revenues	\$23,750	\$35,522
Operating Expenses	\$31,504	\$37,071
Net Operating Loss	(\$7,754)	(\$1,550)

East Marion was originally certificated in 1987.¹ In 1990 and 1997, there were transfers of majority organizational control.² Currently the utility is owned by Mr. Michael Smallridge. Mr. Smallridge owns multiple small, Class C utilities in Florida. Florida Utility Services 1, LLC manages all of Mr. Smallridge's utilities.

¹ Order No. 17837, issued July 7, 1987, in Docket No. 870389-WU, *In re: Application of East Marion Water Distribution, Inc. for a certificate to operate a water utility in Marion County, Florida.*

² Order No. 24553, issued May 20, 1991, in Docket No. 900603-WS, *In re: Application for transfer of majority organizational control of East Marion Water Distribution, Inc. and East Marion Sanitary Systems, Inc. in Marion County from Penelope A. Wagner, trustee for the Estate of Eric E. Wagner, to Forest Lake Village – Del American Ltd.*, and Order No. PSC-98-0928-FOF-WS, issued July 7, 1998, in Docket No. 971269-WS, *In re: Application for transfer of majority organizational control of East Marion Sanitary Systems, Inc. and East Marion Water Distribution, Inc. in Marion County from Del-American/First Federal of Osceola to Herbert Hein, and change in name on Certificate No. 490-W from East Marion Water Distribution, Inc. to East Marion Sanitary Systems, 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:

EAST MARION UTILITIES, LLC.		DOCKET NO. 150257-WS		
TEST YEAR ENDED DECEMBER 31, 2015				
MONTHLY WATER RATES				
	RATES AT TIME OF FILING	RECOMMENDED INTERIM RATES	STAFF RECOMMENDED RATES	4 YEAR RATE REDUCTION
<u>Residential, Irrigation, and General Service</u>				
Base Facility Charge by Meter Size				
5/8" x 3/4"	\$10.05	\$11.73	\$9.82	\$0.05
3/4"	\$15.10	\$17.60	\$14.73	\$0.08
1"	\$25.15	\$29.33	\$24.55	\$0.14
1-1/2"	\$50.29	\$58.65	\$49.10	\$0.27
2"	\$80.47	\$93.84	\$78.56	\$0.44
3"	\$160.94	\$187.68	\$157.12	\$0.88
4"	\$251.47	\$293.25	\$245.50	\$1.37
6"	\$502.93	\$586.50	\$491.00	\$2.75
Charge per 1,000 gallons - Residential and Irrigation Service				
0-10,000 gallons	\$2.11	\$2.46		
Over 10,000 gallons	\$3.15	\$3.68		
0-4,000 gallons			\$3.46	\$0.02
4,000- 10,000 gallons			\$4.34	\$0.02
Over 10,000 gallons			\$6.51	\$0.04
Charge per 1,000 gallons - General Service	\$2.46	\$2.87	\$4.01	\$0.02
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u>				
4,000 Gallons	\$18.49	\$21.57	\$23.66	
8,000 Gallons	\$26.93	\$31.41	\$41.02	
10,000 Gallons	\$31.15	\$36.33	\$49.70	

EAST MARION UTILITIES, LLC.		DOCKET NO. 150257-WS	
TEST YEAR ENDED DECEMBER 31, 2015			
MONTHLY WASTEWATER RATES			
	RATES AT TIME OF FILING	STAFF RECOMMENDED RATES	4 YEAR RATE REDUCTION
<u>Residential</u>			
Base Facility Charge - All Meter Sizes	\$15.37	\$18.65	\$0.08
Charge Per 1,000 gallons			
10,000 gallon cap	\$4.69		
8,000 gallon cap		\$5.72	\$0.02
<u>General Service</u>			
Base Facility Charge by Meter Size			
5/8" x 3/4"	\$15.37	\$18.65	\$0.08
3/4"	\$23.05	\$27.98	\$0.11
1"	\$38.42	\$46.63	\$0.19
1-1/2"	\$76.84	\$93.25	\$0.38
2"	\$122.92	\$149.20	\$0.60
3"	\$245.86	\$298.40	\$1.21
4"	\$384.16	\$466.25	\$1.88
6"	\$768.28	\$932.50	\$3.77
Charge per 1,000 gallons	\$5.63	\$6.86	\$0.03
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u>			
4,000 Gallons	\$34.13	\$41.53	
8,000 Gallons	\$52.89	\$64.41	
10,000 Gallons	\$62.27	\$64.41	

STAFF REPORTS AND UTILITY APPLICATION

The results of staff's preliminary investigation are contained in a staff report dated September 6, 2016. Copies of the report may be examined by interested members of the public from 10:00 a.m. to 6:00 p.m., on Monday, Wednesday, Friday, and Saturday and from 10:00 a.m. to 8:00 p.m., on Tuesday and Thursday, at the following location:

Forest Public Library
905 S Highway 314A
Ocklawaha, Florida 32179

PROCEDURES AFTER CUSTOMER MEETING

After the customer meeting, Commission staff will prepare a recommendation which is scheduled to be submitted to the Commission on November 22, 2016. The Commission will then vote on staff's recommendation at its December 6, 2016 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. 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. 150257-WS, East Marion Utilities, LLC**" If you wish to contact the Commission regarding complaints about service, you may call the Commission's Office of Consumer Assistance and Outreach 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.