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DIVISION OF ECONOMICS
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Public Service Commission

May 2, 2017

Ms. Desirae Wagner, LCAM
Gulf Island Beach and Tennis Club Condominium Association II
6040 Sea Ranch Dr.
Hudson, FL 34667

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2017 MAY -2 PM 4: 24
COMMISSION
CLERK

Re: Docket No. 160030-WS – Application for increase in water rates in Lee County and wastewater rate in Pasco County by Ni Florida, LLC.

Dear Ms. Wagner:

Thank you for your recent email in which you expressed concerns regarding Ni Florida, LLC's (Ni Florida or utility) Commission approved rate for the Gulf Island Beach and Tennis Club Resort. In addition, you also expressed concerns with the noticing of the customer meeting.

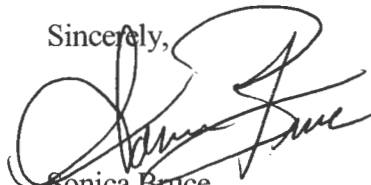
In Ni Florida's application for an increase, the utility proposed a base facility charge (BFC) of \$1,306.70 for the six-inch meter. The resort has a six-inch size master meter serving approximately 333 units. A six-inch meter size is typically based on 50 equivalent residential connections (ERCs). In recent rate increase requests, the Commission has been evaluating properties served by utilities with master meters in order to determine whether the meter size adequately reflects the water demand, which is ultimately returned to the wastewater system. To be consistent in this case, staff evaluated whether a BFC for the resort should have been based on a six-inch meter size. The water demand for the resort was 6,796,000 gallons. This resulted in an average water demand of 1,701 (6,796,000/ (333 units x 12 months) gallons per month for the resort. Compared with the average residential water demand of 2,812 gallons per month, staff determined that the resort represents 201 ERCs (6,796,000/2,812/12) resulting in the Commission approving a BFC of \$5,207.91 for the resort.

Regarding your concern about the noticing of the customer meeting, a notice was prepared for all customers dated June 30, 2016, which contained the utility's current, interim, and proposed rates. On July 6, 2017, the utility provided an affidavit indicating notices were mailed to all customers of Ni Florida. The customer meeting was held on July 27, 2016. During this time, we were still gathering information and investigating the case.

Ms. Wagner
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Therefore, the customer notice did not reflect staff's recommended rate for the resort, which was approved by the Commission. A copy of the affidavit can be obtained from the Commission's website located at www.flpsc.com. I hope this letter addresses your concerns. If you have any additional questions, or require further assistance, please call Sonica Bruce at (850) 413-6994 or e-mail her at sbruce@psc.state.fl.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Sonica Bruce", written over the printed name.

Sonica Bruce
Economic Analyst
Division of Economics

cc: Office of Commission Clerk (Docket No. 160030-WS)
Ellen Plendl
Katherine Pennington