

State of Florida




Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: April 25, 2019

TO: Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

FROM: Takira T. Thompson, Engineering Specialist, Division of Engineering 

RE: DN 20180138-WU - Application for staff-assisted rate case in Volusia County by North Peninsula Utilities Corporation.

Please file the attached Notice for Customer Meeting in the above mentioned docket file.

Thank you.

TTT/jp

Attachment

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
NOTICE OF CUSTOMER MEETING
TO THE CUSTOMERS OF NORTH PENINSULA UTILITIES CORPORATION
AND
ALL OTHER INTERESTED PERSONS
DOCKET NO. 20180138-SU
APPLICATION FOR STAFF-ASSISTED RATE CASE IN VOLUSIA COUNTY
BY NORTH PENINSULA UTILITIES CORPORATION

Issued: April 22, 2019

Notice is hereby given that the staff of the Florida Public Service Commission (Commission) will conduct a customer meeting to discuss the application for staff-assisted rate case in Volusia County by North Peninsula Utilities Corporation (NPUC or Utility). The meeting will be held at the following time and place:

6:00 p.m., Wednesday, May 8, 2019
South Ormond Neighborhood Center
South Ormond Activity Room
176 Division Avenue
Ormond Beach, FL 32174

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.floridapsc.com/>) 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 the Utility's application, 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 meeting, 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 or online at <https://secure.floridapsc.com/ClerkOffice/EfilingPublic>.

BACKGROUND

North Peninsula Utilities Corporation (NPUC or Utility) is a Class B wastewater only utility serving approximately 428 residential and 5 general service customers in Volusia County. The Florida Public Service Commission (Commission) granted the transfer of Certificate No. 249-S from Shore Utility Corporation to NPUC, effective the date of the Commission vote on December 5, 1989.¹ The Utility's rates were last established in 2000 during an investigation of possible overearnings conducted by the Commission.² However, this is NPUC's first staff-assisted rate case (SARC). On November 21, 2016, the Commission issued an order approving in part and denying in part a proposed territory expansion by the Utility.³ On July 6, 2018, the DEP issued a Consent Order to NPUC, following the DEP's March 20, 2018, inspection for failing to properly maintain its wastewater treatment facility. The Consent Order requires NPUC to immediately implement preventative measures to ensure system failure does not occur due to deteriorating facility components while reconstruction is underway. This includes but is not limited to: (1) repairing the holes and corrosion in the tanks; (2) repairing the travelling bridge at plant number 3; (3) repairing or replacing the damaged splitter box; and (4) repairing the clarifier skimmer at plant number 3. The Consent Order led to the Utility's application for a SARC. On July 20, 2018, NPUC filed an application for a SARC. Pursuant to Section 367.0814(2), Florida Statutes (F.S.), the official filing date of the SARC has been determined to be September 14, 2018. The 12-month period ending June 30, 2018, was selected as the test year for the instant case. NPUC is requesting recovery of costs associated with the improvements mandated by the Consent Order, as well as other improvements necessary for the upkeep of its wastewater treatment facility. According to NPUC's 2017 Annual Report, its total operating revenue was \$267,863 and its net operating income was (\$30,531). The Commission has jurisdiction in this case pursuant to Sections 367.011, 367.081, 367.0812, 367.0814 and 367.091, F.S.

¹Order No. 22345, issued December 27, 1989, in Docket No. 19891016-SU, *In re: Application of North Peninsula Utilities Corporation for transfer of Certificate No. 249-S from Shore Utility Corporation in Volusia County*.

²Order No. PSC-00-1676-PAA-SU, issued September 19, 2000, in Docket No. 20000715-SU, *In re: Investigation of possible overearnings by North Peninsula Utilities Corporation in Volusia County*.

³Order No. PSC-16-0522-PAA-SU, issued November 21, 2016, in Docket No. 20130209-SU, *In re: Application for expansion of certificate (CIAC) (new wastewater line extension charge) by North Peninsula Utilities Corp.*

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:

NORTH PENINSULA UTILITIES CORPORATION		SCHEDULE NO. 4-A	
TEST YEAR ENDED 6/30/2018		DOCKET NO. 20180138-SU	
MONTHLY WASTEWATER RATES			
	RATES AT TIME OF FILING	STAFF RECOMMENDED RATES	4 YEAR RATE REDUCTION
<u>Residential Flat Rate</u>			
Single Family Residential Homes	\$33.11	\$40.79	\$0.17
<u>General Service Flat Rate</u>			
Las Olas Townhomes	\$198.66	\$244.74	\$0.99
Ocean Air	\$562.87	\$693.43	\$2.82
Seabridge North	\$2,152.15	\$2,651.35	\$10.77
Seabridge South	\$2,317.70	\$2,855.30	\$11.60
Restaurant	\$449.76	\$571.06	\$2.32

STAFF REPORTS AND UTILITY APPLICATION

The results of staff's preliminary investigation are contained in a Staff Report dated April 9, 2019. Copies of the report may be examined by interested members of the public from 8:30 a.m. to 1:30 p.m., Monday through Friday at the following location:

North Peninsula Utilities Corporation
115 E. Granada Blvd, Suite 12
Ormond Beach, FL 32176

PROCEDURES AFTER CUSTOMER MEETING

After the customer meeting, Commission staff will prepare a recommendation which is tentatively scheduled to be submitted to the Commission on June 26, 2019. The Commission will then vote on staff's recommendation at the July 9, 2019 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. Customers are able to obtain a copy of staff's recommendation and all documents filed in this docket under the Clerk's Office tab at the Commission's website (<http://www.floridapsc.com/>).

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. 20180138-SU – North Peninsula Utilities Corporation.” Your letter will be placed in the correspondence file of this docket. You may also submit comments through the Florida Public Service Commission’s email at clerk@psc.state.fl.us, or the Commission’s website available at <https://secure.floridapsc.com/ClerkOffice/EfilingPublic>.

If you wish to contact the Florida Public Service Commission regarding complaints about service, you may call the Commission’s Office of Consumer Assistance and Outreach through its toll-free number at 1-800-342-3552 or submit a complaint form online at:
<http://www.floridapsc.com/ConsumerAssistance/ComplaintForm>.