

STATE OF FLORIDA



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DIVISION OF
ACCOUNTING AND FINANCE
ANDREW L. MAUREY
DIRECTOR
(850) 413-6900

Public Service Commission

October 16, 2019

Michael Smallridge
Heather Hills Utilities, LLC.
5911 Trouble Creek Rd.
New Port Richey, FL 34652

Re: Docket No. 20190113-WS – Application for staff-assisted rate case in Manatee County by Heather Hills Utilities, LLC.

Dear Mr. Smallridge:

This letter will confirm that Commission staff will hold a customer meeting on Tuesday, November 5, 2019 at 6:00 p.m. We ask that, if at all possible, you or another knowledgeable representative of the Utility attend the meeting in order to answer customer questions. The location of the general meeting will be as follows:

Heather Hills Estates Clubhouse
4925 3rd Street West
Bradenton, FL 34207

As required by Rule 25-22.0407(9)(b), Florida Administrative Code (F.A.C.), the Utility must provide, in writing, a customer meeting notice to all customers within the service area and any other required persons, no less than 14 days and no more than 30 days prior to the date of a customer meeting. A draft customer meeting notice is enclosed. Please note the date has been left blank so that you can fill in the date that the notice is sent to the customers. 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.

In addition, attached is a copy of 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)(a), F.A.C., by all interested persons at the following location:

South Manatee Library
6081 26th Street West
Bradenton, FL 34207

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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 by phone at (850) 413-6822. In addition, you may contact Commission staff attorney Mr. Charles Murphy by phone at (850) 413-6191 with any questions.

Respectfully,



Malissa Bennett
Public Utility Analyst

MB/js

cc: Office of Commission Clerk (Docket No. 20190113-WS)

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, F.S. 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 Office of Commission Clerk, 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 Office of Consumer Assistance and Outreach 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 Office of Commission Clerk.

(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 MEETING
TO THE CUSTOMERS OF HEATHER HILLS UTILITIES, LLC
AND
ALL OTHER INTERESTED PERSONS
DOCKET NO. 20190113-WS
APPLICATION OF HEATHER HILLS UTILITIES, LLC.
FOR A STAFF-ASSISTED RATE CASE IN
MANATEE COUNTY

Issued:

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

6:00 p.m., Tuesday, November 5, 2019
Heather Hills Estates Clubhouse
4925 3rd Street West
Bradenton, FL 34207

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 Heather Hills' 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

Heather Hills Utilities, LLC. (Heather Hills or Utility) is a Class C water and wastewater utility providing service to approximately 354 residential and one general service customer in Manatee County. Effective December 21, 2018, Heather Hills was granted the approval of transfer for Certificate Nos. 577-W and 498-S from Heather Hills Estates Utilities, LLC.¹ According to Heather Hills' 2018 Annual Report, total gross revenues were \$63,397 for water and \$104,312 for wastewater, and total operating expenses were \$69,910 for water and \$114,689 for wastewater, resulting in a net operating loss of \$6,513 and \$10,377 for water and wastewater, respectively.

On May 9, 2019, Heather Hills filed an application for a staff-assisted rate case (SARC). Pursuant to Section 367.0814(2), Florida Statutes (F.S.), the official filing date of the SARC has been determined to be July 10, 2019. The 12-month period ended May 31, 2019 was selected as the test year for the instant docket.

¹ PSC-2018-0561A-PAA-WS, issued December 21, 2018, in Docket No. 20170151-WS, *In re: Application for transfer of Certificate Nos. 577-W and 498-S in Manatee County from Heather Hills Estates Utilities, LLC to Heather Hills Utilities, LLC.*

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:

WATER	CURRENT UTILITY RATES	STAFF RECOMMENDED RATES	4 YEAR RATE REDUCTION
<u>Residential and General Service</u>			
Base Facility Charge by Meter Size			
5/8" x 3/4"	\$28.36	\$39.16	\$0.19
3/4"	\$42.54	\$58.74	\$0.28
1"	\$70.90	\$97.90	\$0.47
1" – 1/2"	\$141.80	\$195.80	\$0.94
2"	\$223.88	\$313.28	\$1.50
3"	\$453.76	\$626.56	\$3.01
4"	\$709.00	\$979.00	\$4.70
6"	\$1,418.00	\$1958.00	\$9.40
Charge per 1,000 gallons	\$3.44	\$3.58	\$0.02
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u>			
5,000 Gallons	\$45.56	\$57.06	
10,000 Gallons	\$62.76	\$74.96	
15,000 Gallons	\$79.96	\$92.86	

WASTEWATER	CURRENT UTILITY RATES	STAFF RECOMMENDED RATES	4 YEAR RATE REDUCTION
<u>Residential</u>			
Base Facility Charge – All Meter Sizes	\$37.17	\$44.94	\$0.14
Charge per 1,000 gallons	\$7.73	\$8.97	\$0.03
<u>General Service</u>			
Base Facility Charge by Meter Size			
5/8" x 3/4"	\$37.17	\$44.94	\$0.14
3/4"	\$55.40	\$67.41	\$0.21
1"	\$92.33	\$112.35	\$0.35
1" – 1/2"	\$184.65	\$224.70	\$0.70
2"	\$295.44	\$359.52	\$1.11
3"	\$590.88	\$719.04	\$2.23
4"	\$923.25	\$1,123.50	\$3.48
6"	\$1,846.50	\$2,247.00	\$6.97
Charge per 1,000 gallons	\$9.04	\$10.77	\$0.03
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u>			
5,000 Gallons	\$75.82	\$89.79	
10,000 Gallons	\$114.47	\$134.64	
15,000 Gallons	\$153.12	\$179.49	

STAFF REPORTS AND UTILITY APPLICATION

The results of staff's preliminary investigation are contained in a staff report dated October 16, 2019. Copies of the report may be examined by interested members of the public from 12 p.m. to 8 p.m. on Tuesdays and Thursdays, and 9 a.m. to 5 p.m. on Wednesdays, Fridays, and Saturdays at the following location:

South Manatee Library
6081 26th Street West
Bradenton, FL 34207

PROCEDURES AFTER CUSTOMER MEETING

After the customer meeting, Commission staff will prepare a recommendation which is scheduled to be submitted to the Commission on December 20, 2019. The Commission will then vote on staff's recommendation at its January 1, 2020 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 from the Commission's website (<http://www.psc.state.fl.us/>).

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:

Commission Clerk, Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

All correspondence should refer to "Docket No. 20190113-WS, Heather Hills Utilities, LLC" If you wish to contact the Commission regarding complaints about service, you may call the Commission's Division of Service, Safety and Consumer Assistance 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.