



Florida Public Service Commission **SPECIAL REPORT**

DECEMBER 2010

Application for staff-assisted rate case in Duval County by

Commercial Utilities, Division of Grace & Co., Inc.

DOCKET NO. 100326-SU

On August 11, 2010, Commercial Utilities, Division of Grace & Co., Inc. (Commercial) filed an application with the Florida Public Service Commission (PSC or Commission) for a staff-assisted rate case to increase its wastewater rates. Commercial is a Class C utility serving 43 wastewater customers in Duval County.

QUESTIONS & ANSWERS

1 Is there an opportunity for public input on this rate case?

Yes. As part of the evaluation process for Commercial's rate request, the Commission staff will conduct a customer meeting to allow customer feedback about Commercial and the rate-setting process. Customer comments, written and oral, will be taken into consideration when the Commission reaches a decision. One or more Commissioners may attend and participate during the meeting.

2 Why is Commercial requesting a rate increase?

Commercial is requesting a rate increase to cover increasing operating costs and to earn a fair rate of return on its investment.

3 When was Commercial's last approved rate increase?

Commercial's last base rate increase was approved in 1993 as the result of a rate case initiated in 1991.

4 Presently, how much is the average monthly wastewater bill for a general service customer?

Currently, the average monthly wastewater bill for a general service customer is \$317.47.

CUSTOMER MEETING

Wednesday, December 8, 2010

6:00 p.m.

Jacksonville Urban Office Training Center

2198 Edison Avenue

Jacksonville, FL 32204

5 Using staff's proposed rates, how much would the average monthly wastewater bill be for a general service customer?

Using staff's proposal, the average monthly wastewater bill for a general service customer would be \$366.89.

6 What if I can't make the customer meeting or prefer not to speak? Are there other ways to comment on the issue?

Any person who wants to comment or provide information to the Commission regarding this matter may do so orally at the meeting or in writing. Correspondence will be placed in the docket file. Written comments should be mailed to:

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

The PSC will also accept faxes and e-mails.

Fax number: 1-800-511-0809

Internet e-mail address:
contact@psc.state.fl.us

Please be sure to include the docket number, **100326 - SU**.

Customer comments are placed on the consumer side of the docket file and are taken into consideration by the Commissioners in reaching their decision. In accordance with Florida Statutes, the PSC will also consider Commercial's quality of service and other matters. If you have questions, call the Florida Public Service Commission's Division of Service, Safety and Consumer Assistance at 1-800-342-3552.

7 Who can answer technical or legal questions?

For technical questions, contact:

Avy Smith
(850) 413-6425

Shannon Hudson
(850) 413-7021

Bart Fletcher
(850) 413-7017

For legal questions, contact:

Charles Murphy
(850) 413-6191

Martha Brown
(850) 413-6187

8 Where on the Internet can I obtain more detailed information?

Detailed docket information is available on the PSC Web site at www.floridapsc.com. Click on **Dockets and Filings/Dockets** and then type in the docket number, **100326**.

9 When will the PSC make a decision?

The PSC staff is scheduled to file a recommendation with the Commission on January 27, 2011. The Commissioners are expected to vote on this matter at the February 8, 2011 Commission Conference.

PSC Commissioners



COMMISSIONER
Ronald A. Brisé



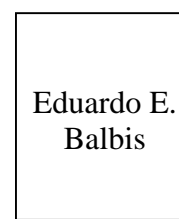
COMMISSIONER
Lisa Polak Edgar



CHAIRMAN
Art Graham



COMMISSIONER
Nathan A. Skop



Eduardo E.
Balbis

COMMISSIONER
Eduardo E. Balbis

Art Graham was appointed to the Florida Public Service Commission by Governor Charlie Christ in July 2010 to fill an unexpired term through January 2014. In October 2010, he was elected Chair of the Commission through January 1, 2012. ♦ Prior to his appointment, Chairman Graham served on the Jacksonville City Council. Among his duties as a Council Member, Chairman Graham helped oversee the budget of JEA, a publicly owned electric, water, and wastewater utility, and chaired the Transportation, Energy and Utilities Committee. He also served on the Jacksonville Beach City Council from 1998 to 2002. ♦ Chairman Graham is a past chair of the North Florida Transportation Planning Organization and vice president of the Northeast Florida Regional Planning Association. He was President of ART Environment Consulting Services from 2005 to 2009 and was a recovery engineer with Georgia Pacific Pulp and Paper from 1995 to 2002. A sales engineer with Betz PaperChem from 1991 to 1995, Chairman Graham was a regional sales manager from 1989 to 1991 for Goodyear Tire and Rubber, where he also held an application engineer position from 1988 to 1989. ♦ Chairman Graham received a bachelor's degree in chemical engineering from the Georgia Institute of Technology in Atlanta. He is also a 2001 graduate of Leadership Jacksonville and a 2008 graduate of Leadership Florida.

Lisa Polak Edgar was appointed to the Florida Public Service Commission (PSC) by Governor Jeb Bush for a four-year term beginning January 2005. From January 2006 to January 2008, she served as Chairman and participated as a member of the Florida Energy Commission and the Governor's Action Team on Energy and Climate Change. Governor Charlie Crist reappointed Commissioner Edgar to a second four-year term, January 2009 through December 2012. ♦ During her first term, Commissioner Edgar worked to develop policies to strengthen the state's electric infrastructure to better prepare for, and withstand, storm events; to establish net metering and interconnection rules that encourage customer participation and renewable energy development; to further the diversification of Florida's fuel supply; to effectively reform the collection and distribution of Universal Service funds; and to broaden stakeholder participation. ♦ Commissioner Edgar served on the Federal Communications Commission Universal Service Joint Board from 2005 through 2009 working for efficient, accountable and fiscally responsible use of Universal Service funds. She is currently a member of the National Association of Regulatory Utility Commissioners Board of Directors, as well as the Committees on Electricity and Consumer Affairs. ♦ Prior to joining the PSC, Commissioner Edgar served as Deputy Secretary for the Florida Department of Environmental Protection (DEP). Her responsibilities at DEP included executive management oversight of the agency's \$2.1 billion budget, fiscal and strategic planning, accountability measures, information technology, administrative services, Florida Geological Survey, and coordination between the state and federal government on environmental issues, including proposed and existing oil and gas drilling on the Outer Continental Shelf. Commissioner Edgar represented the State of Florida on the Minerals Management Service Outer Continental Shelf (OCS) Policy Committee from 1993-2004, and on the Subcommittees on Environmental Studies in OCS Areas under Moratoria and OCS Hard Minerals. ♦ Commissioner Edgar received her Bachelor of Science and Juris Doctorate degrees from Florida State University and is a member of the Florida Bar. She is a member of Leadership Florida and the Capital Tiger Bay Club, and serves on the Board of Directors of Sustainable Florida—Collins Center. ♦ Commissioner Edgar and her husband are members of Killlearn United Methodist Church and are raising their two active children in Tallahassee.

Nathan A. Skop was appointed to the Florida Public Service Commission by Governor Charlie Crist for a four-year term beginning January 2007. ♦ Commissioner Skop currently serves as a faculty instructor for the National Association of Regulatory Utility Commissioners (NARUC) Utility Rate School. Commissioner Skop also serves on the NARUC Committee on Electricity and the Subcommittee on Nuclear Issues - Waste Disposal. Commissioner Skop previously served on the NARUC Committee for Consumer Affairs and the Committee on Energy Resources and the Environment. ♦ Prior to his appointment, Commissioner Skop gained over thirteen years of engineering, manufacturing, operations, program management, and financial management experience working for Fortune 500 corporations. ♦ Commissioner Skop began his professional career as a nuclear project engineer with the Electric Boat Division of General Dynamics Corporation in Groton, Connecticut. As a member of the Advanced Propulsion Plant Technology Program he participated in the design, integration, and qualification testing of nuclear submarine propulsion system turbomachinery for the USS SEAWOLF (SSN 21), and participated in the initial criticality and power range testing of the USS SANTA FE (SSN 763) nuclear submarine reactor plant. ♦ Commissioner Skop continued his professional career as a specialist engineer with the Propulsion Systems and Customer Service divisions of the Boeing Commercial Airplane Group in

PSC Commissioners continued

Seattle, Washington. While serving in these positions he participated in the design, integration, and test of Engine Build-Up installations for Pratt & Whitney engines installed on Boeing 777 aircraft, and supported General Electric aircraft engines installed on Boeing 747, 767, and 777 aircraft. ♦ Prior to attending law school, Commissioner Skop gained substantial renewable energy and energy industry experience as a business manager with FPL Energy (an unregulated subsidiary of FPL Group) through managing nine renewable wind energy projects located in Altamont Pass, California, and a coal fired co-generation plant located in Stockton, California. ♦ Commissioner Skop's extensive power generation experience includes renewable energy (wind and solar), fossil fuel (combined cycle, gas turbine, co-generation, and coal), and nuclear power. ♦ Commissioner Skop graduated from the University of Florida with a BS in Aerospace Engineering in 1991. He later earned an MBA with concentrations in financial management and investment analysis from Rensselaer Polytechnic Institute in 1996, and a JD from the University of Florida Levin College of Law in 2006. Commissioner Skop also holds a graduate level certificate in environmental management from the Hartford Graduate Center and attended an executive education program focusing on mergers and acquisitions at the Wharton School of Business at the University of Pennsylvania. ♦ Commissioner Skop has been quoted in BusinessWeek, The New York Times, and NPR Morning Edition on regulatory policy issues, and had a case comment published in the Journal of Technology Law & Policy for the Levin College of Law at the University of Florida. ♦ Commissioner Skop is admitted to practice law in Florida, a member of the Florida Bar, and serves as a Guardian ad Litem for the Circuit Court of the Second Judicial Circuit in Leon County. ♦ Commissioner Skop was raised in Sanford, Florida. Prior to relocating to Tallahassee to serve in his current position, Commissioner Skop previously lived in Gainesville and Palm Beach Gardens, Florida.

Ronald A. Brisé was appointed to the Florida Public Service Commission by Governor Charlie Crist in July 2010 to fill an unexpired term through January 2014. Commissioner Brisé is a member of the National Association of Regulatory Utility Commissioners (NARUC) and currently serves on the Telecommunications Committee. Before this appointment, Commissioner Brisé served the citizens of North East Miami-Dade (District 108) in the Florida House of Representatives for four years. ♦ As a Representative, Commissioner Brisé was named Democratic Whip from 2006 to 2008 and served as Vice Chairman of the Florida Conference of Black State Legislators. He served on the Education & Economic Development Appropriations, General Government & Health Care Appropriations, and Select Strategic & Economic Planning Councils, was the Ranking Member on the State & Community Colleges and Workforce Appropriation Committee and served on the State Universities & Private Colleges Policy Committee. He also served on the Transportation & Economic Development Appropriations and the Energy & Utilities Policy Committees. Most notably as a legislator, Commissioner Brisé sponsored successful legislation to expand broadband deployment throughout the State of Florida making it possible for underserved areas to have access to broadband technology. Commissioner Brisé was also successful in passing legislation to provide relief from garnishment to heads of families by increasing the amount that heads of families are able to retain in earnings before garnishment. ♦ Recently Commissioner Brisé was the Chief Executive Officer of Strategic Partner Consulting, LLC, which provides leadership and development strategies for corporate clients. Until 2008 Commissioner Brisé was also the Chief Operating Officer for IPIP Corporation, a VoIP telecommunications carrier. Prior to this, he was the Science Department Chairperson at Miami Union Academy from 2000 to 2005 and was also the Academy's Director of Development, Marketing, and Recruitment from 2003 to 2005. ♦ Commissioner Brisé served as a member of the North Miami Planning Commission and is a past president of the Albert C. Pierre Community Center, a member of the NAACP as well as a member of the board of the Haitian-American Scholarship Fund and Miami Union Academy. ♦ Commissioner Brisé received a bachelor's degree in biology education from Oakwood College in Huntsville, Alabama and received MBA degrees in management and marketing from American Intercontinental University in Illinois. He and his wife, JoAn, have one son, Ronald Brisé II and together are faithful members of Tabernacle Seventh-day Adventist Church.

Commissioner Eduardo E. Balbis was appointed by Governor Charlie Crist to the Florida Public Service Commission (PSC) in September 2010 to serve a four-year term beginning January 2, 2011. In November 2010, the Governor appointed him as an Interim Commissioner to fill an unexpired term through January 1, 2011. ♦ Prior to serving on the PSC, Commissioner Balbis was the Assistant City Administrator for the City of West Palm Beach, where he managed the Public Utilities, Public Works, and Engineering Departments, comprising more than 400 employees. He oversaw major upgrades to the City's Water Treatment Plant that significantly improved the City's drinking water quality, and he coordinated the planning efforts for long term improvements to the City's water treatment plant to bring important operational and capital savings. ♦ As Assistant City Administrator, Commissioner Balbis was also responsible for the management of Grassy Waters Preserve. This pristine, 20-square-mile wetland ecosystem serves as a habitat for many protected species, including the Everglades Snail Kite, and is the primary source of drinking water for the City of West Palm Beach and the Towns of Palm Beach and South Palm Beach. ♦ Commissioner Balbis previously served as Chairman of the Board of the East Central Regional Wastewater Reclamation Facility, which benefits more than 239,000 customers in Palm Beach County. As Chairman, he helped bring to fruition one of the largest conservation projects in Florida: a 27 million gallon-per-day water reuse project that provides treated wastewater in lieu of groundwater to cool a 3,750 MW power plant. ♦ Previously appointed by Governor Crist to the Treasure Coast Regional Planning Council, Commissioner Balbis worked with other council members on complex regional development issues and projects affecting Palm Beach, Martin, Indian River and St. Lucie Counties. His prior experience also includes working in the private sector for national engineering firms specializing in the design of large utility infrastructure projects. ♦ Commissioner Balbis graduated from the University of Florida with a degree in Environmental Engineering and is a Licensed Professional Engineer. A lifelong Florida resident, he is married and has three children. As a hobby, he enjoys officiating football and has been an official for both high school and NCAA games for more than 15 years.

Monthly Wastewater Rates

	Utility's Existing Rates	Staff Preliminary Recommended Rates
<u>General Service</u>		
Base Facility Charge by Meter Size		
5/8" x 3/4"	\$ 27.54	\$ 31.83
3/4"	\$ 71.49	\$ 82.62
1"	\$ 107.26	\$ 123.96
1-1/2"	\$ 143.02	\$ 165.28
2"	\$ 228.81	\$ 264.43
3"	\$ 457.61	\$ 528.84
4"	\$ 715.05	\$ 826.36
<u>Gallonge Charge</u>		
Gallonge Charge (all gallons)	\$ 3.71	\$ 4.29

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Name _____

Address _____

If you want to let the Public Service Commission know how you feel about this case,
you may fill out this comment form and return it by mail, or send a fax to 1-800-511-0809.

Correspondence will be placed in the file of this docket.

CONSUMER COMMENTS

STAMP

Florida Public Service Commission
Division of the Commission Clerk and Administrative Services
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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