

Commissioners:
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DIVISION OF LEGAL
SERVICES
NOREEN S. DAVIS
DIRECTOR
(904) 413-6199

Public Service Commission

August 19, 1996

Ms. Coleen Short
HEARTLAND UTILITIES, INC.
10405 U.S. 27 South, Sebring, FL 33871

Re: Docket No. 960517-WU, Application of HEARTLAND UTILITIES, INC.
for a staff assisted rate case in Highlands county.

Dear Ms. Coleen Short:

This will confirm that Commission Staff will hold a customer meeting at 7:00 p.m. on Tuesday, September 10, 1996. The location of the meeting will be the Sebring Country Estates Clubhouse, Sebring, Florida, 33871. Please give John Mann a call (904-413-6976) to verify that the arrangements for the meeting place have been confirmed by the utility. We ask that, if at all possible, you or another knowledgeable representative of the utility attend the meeting in order to answer customer questions.

ACK _____
AFA _____
APP _____
CAF _____
CMU _____
CTR _____
ERG _____
LEC _____
LIV _____
OIR _____
ROR _____
SEC _____
WAS _____
OTH _____

The original customer meeting notice is enclosed. Please note that the date of transmittal has been left blank so that you can fill in the date that the notice is sent to the customers. The customers must have at least fourteen days' notice of the meeting, calculated from the day that they receive the notice. 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.

Two copies of the PSC engineering report are enclosed, along with two copies of the PSC accounting report. Please make the reports available for review by all interested persons at the utility office. Interested parties will contact you to arrange a convenient time to examine these reports.

DOCUMENT NUMBER-DATE

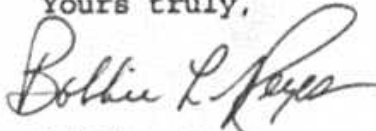
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PSC-RECORDS/REPORTING

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If you have any questions, please do not hesitate to call.

Yours truly,



Bobbie Reyes
Staff Counsel

JM/jm C:\123\SARC\TYMBER\CUSMTGN.OTE

Enclosures

cc: Office of Public Counsel
Division of Consumer Affairs
Division of Records and Reporting
Division of Water and Wastewater (Bethea, Mann)
Hearing Reporter
Public Information

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
NOTICE OF CUSTOMER MEETING
TO THE CUSTOMERS OF
HEARTLAND UTILITIES, INC. AND
ALL OTHER INTERESTED PERSONS
RE: DOCKET NO. 960517-WU**

**APPLICATION OF HEARTLAND UTILITIES, INC. FOR A
STAFF-ASSISTED RATE CASE IN HIGHLANDS COUNTY.
DATED: -----**

NOTICE is hereby given that the Staff of the Florida Public Service Commission will conduct a customer meeting to discuss the application of HEARTLAND UTILITIES, INC. for a staff-assisted rate case in Highlands County. The meeting will be held at the following time and place:

7:00 p.m., Tuesday, September 10, 1996
Sebring Country Estates Clubhouse, Sebring, Florida, 33872.

All persons who wish to testify are urged to be present at the beginning of the meeting, since the meeting may be adjourned early if no customers are present.

Any person requiring some accommodation at this hearing, meeting, etc. because of a physical impairment should call the Division of Records and Reporting at (904) 413-6770 at least five calendar days prior to the hearing, meeting, etc. If you are hearing or speech impaired, please contact the Florida Public Service Commission 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 sworn testimony regarding the quality of service provided by HEARTLAND UTILITIES, INC. and to ask questions and comment on Staff's preliminary rates included in this notice as well as other issues. Staff members will answer questions to the extent possible. A representative from the utility has also been invited to respond to questions.

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.

BACKGROUND

HEARTLAND UTILITIES, INC. is a Class C water utility located in Highlands County. It provides service to approximately 643 customers.

The test period for setting rates is the historical average twelve month period ending December 31, 1995. During the fiscal year, the utility's water books reflected unaudited operating revenues of \$191,513. The utility recorded unaudited net operating income of \$42,062.

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 Commissioners. The utility's current and staff's preliminary rates and charges for staff's

recommendations are as follows:

HEARTLAND UTILITIES, INC.
WATER RATES
GENERAL SERVICE AND RESIDENTIAL SERVICE

Meter Size	Base Facility Charge	
	Existing Rate	Recommended Rate
5/8" x 3/4"	\$ 6.86	\$ 7.40
3/4"	10.31	11.10
1"	17.17	18.51
1-1/2"	34.32	37.01
2"	54.90	59.22
3"	109.80	118.43
4"	171.54	185.05
6"	343.13	370.11
Gallage Charge Per 1,000 gallons	\$ 1.63	\$ 1.83

Using the 605 test year 5/8" x 3/4" metered residential water customers with an average water use of 5,180 gallons per month, an average residential water bill comparison would be as follows:

	Average Bill Using Existing Rates	Average Bill Using Recommended Rates	Percent Increase
Base Facility Charge	\$ 6.86	\$ 7.40	
Gallage Charge	8.44	9.50	
Total	\$15.30	\$16.90	10.47%

STAFF REPORTS AND UTILITY APPLICATION

The results of Staff's preliminary investigation are contained in the accounting and engineering report. Copies of the reports may be examined by interested members of the public at the HEARTLAND UTILITIES, INC. office located at 10405 U.S. 27 South, Sebring, FL 33871. If you would like to examine these reports, please contact the utility at (941) 655-4300 to arrange a convenient time.

PROCEDURES AFTER CUSTOMER MEETING

After the meeting, Staff will prepare and submit a recommendation to the Commission. The Commission will thereafter issue a proposed agency action order containing rates which may be different from those contained in Staff's final recommendation. Five to ten customers or persons who attend the meeting and who wish to receive a copy of the recommendation and the order may so indicate at the meeting. Those individuals are expected to distribute the information in the recommendation and the order to other customers and interested persons. Anyone who is unable to attend and who wishes to obtain a copy of the recommendation or the order may do so by 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, Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

All correspondence should refer to "Docket No. 960517-WU- Application of HEARTLAND UTILITIES, INC. for a staff-assisted rate case in Highlands County."

If you wish to contact the Commission regarding complaints about service, you may call the Commission's Division of Consumer Affairs at the following toll-free number: 1-800-342-3552.