

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of FLORIDA)
CITIES WATER COMPANY, seeking)
recovery of environmental)
litigation costs in a Limited)
Proceeding for its NORTH and)
SOUTH FT. MYERS DIVISIONS in)
Lee County and BAREFOOT BAY)
DIVISION in Brevard County,)
Florida)

Docket No. 971663-WS

FLORIDA CITIES WATER COMPANY
BAREFOOT BAY DIVISION
CUSTOMER SERVICE HEARING

1:00 p.m., Tuesday, July 14, 1998

Barefoot Bay Community Center

Building A

625 Barefoot Bay Boulevard

Barefoot Bay, Florida

Testimony of Clinton W. Dyer

1833 Thesy Drive

Viera, Florida 32940

Telephone Number 407-242-8805

Note: Property Owner, and Customer of Florida Cities Water Company, Barefoot Bay Division:

531 South Dolphin Circle, Barefoot Bay, Florida 32976

07859-98

Thank you for this opportunity to present for your consideration, the best reason customers should not pay Florida Cities Water Company's (FCWC) litigation expense, is because, customers were not found guilty of anything, and Florida Cities Water Company was.

We are here today because Florida Cities Water Company approaches this issue like it is a legal certainty, and states; **"The purpose of this request is to seek approval to recover a portion of FCWC's legal expenses incurred by FCWC in its successful defense of a legal action brought by the United States. The legal action alleged violations of the Clean Water Act (CWA). From 1992 through 1997, FCWC was the subject of an enforcement action initiated by the United States Environmental Protection Agency (EPA) and prosecuted by the United States Department of Justice (DOJ)."**

While the statement sounds good, it is not good and sound. FCWC would like you to believe that the outcome can be separated from the cause. But, it is the cause that created the litigation, and the outcome, only reflects the degree of severity, deemed appropriate by the courts. The events, are linked, and do nothing to exonerate FCWC's management's culpability.

Northeastern University has focused on values, teaching college graduates to "think like lawyers," and instruct students on what it means to "act like lawyers, too." But not everyone is optimistic about being able to teach ethics to law students. Students "are already cynical about the law before they ever get here," notes Charles Nesson, a professor at Harvard University. **To them, "Law is what you can get away with."**¹

Hopefully, this is not the case. But, I have difficulty with issues like this, because it seems to be **based on the possibilities of success, and not on what's right.**

What FCWC failed to mention is, their mismanagement created the conditions, that provided sufficient evidence, for the United States Environmental Protection Agency (EPA) to seek remedies, and the United States Justice Department to prosecute the case. FCWC's defense was created upon finding,

¹ U. S. News & World Report, March 2, 1998 "Redefining the American lawyer - Ethics, values, and personal fulfillment, by Linda Kulman (Exhibit 1)

developing, and providing the correct information, which had confounded them for five years. **This is what ultimately lessened the penalties, for which they now seek to recover expenses.**

Accounting principles apply to all businesses, and provide that anticipated judgments against a company is recorded by a debit to a nominal account reporting such a charge or to Retained Earnings, and a credit to the liability account.

A private company can determine, whether or not, to recover these costs, by increasing their prices, or absorb the loss, because the "Market," won't support the increase. **Therefore, even private companies may not recover litigation costs, and may not guarantee profits to the owners.**

²Public utilities differ from other businesses. Their services are necessary to the welfare of the entire community. Because public utilities are generally monopolies, they must be closely regulated to ensure that good services, and fair rates are maintained.

Statute 25-30.433, p.386-21 Rate Case Proceedings: In a rate case proceeding, the following provisions apply, unless the applicant or any intervenor demonstrates that these rules result in an unreasonable burden. In these instances, fully supported alternatives will be considered by the Commission.

We suggest the alternative to be considered is, "What Florida Cities Water Company doesn't explain." Why were FCWC's controls, and records so inadequate, their response to government inquiries so incompetent over the subject five years (1992-1997), as to cause the United States Government to seek to punish FCWC because of their failure to adequately address the issues? Good and prudent management would have prevented the litigation.

None of this would have happened had Florida Cities Water Company did their job right, and if they did their job right, they would not have had this expense.

² Excerpted from Compton's Interactive Encyclopedia (Exhibit 2)

May I remind you, Senator Patsy Ann Kurth's letter of June 20, 1996, in reference to Docket Number 951258-WS, stated, "The PSC has a unique opportunity to decide in favor of the consumers **and send a powerful message to private utilities that they must be held accountable for the business decisions they make.**"³ Her statement, is as true today, as when she made it, and I ask the Commissioners, to heed her counsel.

I would like to express my concern that the Commission, even with the best of intentions, contributes to the increase costs to the customers. With your permission, I will begin with an appropriate quote, by Arthur M. Schlesinger, Jr.⁴

Mr. Schlesinger, commenting on Philip K. Howard's book, "The Death Of Common Sense," remarks, "Americans are bursting with frustration at government. Thick rule books dictate results that almost never makes sense."

Mr. Howard in his book, commenting on an issue, "That is part of the legal ethos."⁵ The words of law will tell us exactly what to do. Judgment is foreclosed not simply by the language of the words. It is also foreclosed by the belief that judgment has no place in the application of law."⁶

Historically, utility customers lose, at Public Service Commission Hearings, because the customers bring common sense to the issue, while lawyers, and lawyer's aids, scrutinize every word for its legalistic relevance, to shut out use of judgment.

This issue, should have been returned by the Public Service Commission as a frivolous abuse of the legal process. Companies, or individuals harassed, or illegally abused by government agency action, should seek restitution in the Appeals Court. Seeking restitution from customers, implies its easier to abuse the innocent, than it is to punish the guilty.

³ (Exhibit 3)

⁴ Excerpted from Compton's Interactive Encyclopedia (Exhibit 4)

⁵ the characteristic attitudes, habits, beliefs, etc. of an individual or group (Webster's NewWorld Dictionary)

⁶ Page 18, "The Death Of Common Sense," Philip K. Howard, Random House, Inc. Printed January 1995

We are here because the Public Service Commission is bogged down in ritual, when common sense could have, and should have ended this issue immediately, saving us all a lot of money.

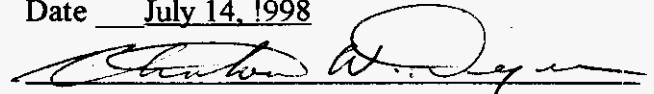
I leave you with this final thought;

Guaranteed Profit Is Not Justified

The Florida Public Service Commission was not established to guarantee profits to monopolies.

They, could have done that, without the PSC.

Date July 14, 1998



Clinton W. Dyer,

1833 Thesy Drive

Viera, Florida 32940

Customer of Florida Cities Water Company, and

Property Owner: 531 S. Dolphin Cir. Barefoot Bay

Redefining the American lawyer

Ethics, values, and personal fulfillment

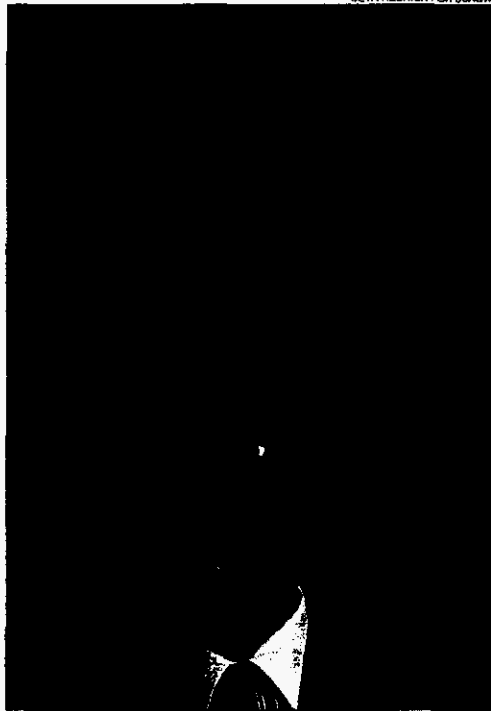
BY LINDA KULMAN

When a group made up of Northeastern University professors and law students and of partners from the Boston law firm of Hale & Dorr gathered for a weekend retreat last fall, most were wary. Participants used to encountering each other in a lecture hall or in a job interview were now being put through team-building drills like the "high ropes" exercise: Each person crossed a log suspended three stories above the ground while connected by a rope to two colleagues below who held the rope taut in case the participant lost her footing. The purpose was to encourage trust among those involved in a pilot class at Northeastern, underwritten and co-taught by Hale & Dorr, called "The Legal Profession: Challenges of the 21st Century."

Law students usually study doctrine, ideas at the heart of disciplines like contracts or constitutional law. But in the Northeastern class, they were being asked to do something once considered unlawyerly: to explore their own values. Their assignments included writing a personal mission statement and reading articles like "Rethinking Your Way to a Healthier Life: Your Law Practice Should Not Control Your Life."

A second mission. Northeastern's focus on values, including personal fulfillment, is one example of an increased emphasis on ethics and professionalism at many of the nation's 179 accredited civilian law schools and, just as important, on a reinterpretation of what it means to be a professional in the law. The schools' primary mission is to teach college graduates to "think like lawyers," but a growing number of schools recognize the importance of instructing students on what it means to *act* like lawyers, too.

The roles that lawyers fill are increasingly diverse, so deciding what behavior is appropriate for a "good" lawyer isn't simple. The academy's goal is to prepare students for the often conflicting situa-



INNOVATOR. Northeastern law school Dean David Hall has helped develop a course on challenges.

tions that lawyers face in simultaneously serving clients, the legal system, and their own sense of integrity.

Since Watergate, when prominent government lawyers were disbarred for their involvement, the American Bar Association has required accredited law schools to offer instruction in professional responsibility. But until about a decade ago, most classes focused on the professional code that governs the minimum standards of behavior below which no lawyer may fall without being subject to discipline. Professionalism, by contrast, connotes the heights to which lawyers should aspire.

The emphasis on the new professionalism—the idea that there should be more to lawyering than maximizing profit—is driven by sharp disdain for lawyers in American culture and by personal dissatisfaction within the bar's ranks. The collective impression is that lawyers have

turned a profession distinguished by a mandate to serve the public good into one marked by crass commercialism and by the mores of a nasty market. Applications for law schools have dropped by nearly one third since 1990.

The role that law schools now fill once belonged largely to practicing lawyers. Increased competition among large and middle-sized firms and pressure for lawyers at them to bill as many hours as possible have reduced the amount of time that experienced practitioners have available to mentor new lawyers. Also, legal scholars say, the professional code doesn't always speak to the situations that confront young lawyers. For example, what does a junior associate say to a client when she's preparing him for a deposition and suspects he's lying?

Recognizing that real life can still be the best teacher, American University in Washington, D.C., has put considerable resources into an externship program in which students work as entry-level associates in real law settings and then discuss the problems they encounter in the classroom.

Methods for teaching professionalism range broadly. Deborah Rhode, a professor at Stanford University in California and president of the Association of American Law Schools, is the best-known proponent of "pervasive teaching"—integrating instruction on legal ethics throughout the law-school curriculum. Students at Fordham University in New York take separate ethics courses relating to their areas of interest, such as corporate law.

But not everyone is optimistic about being able to teach ethics to law students. Students "are already cynical about the law before they ever get here," notes Charles Nesson, a professor at Harvard University. To them, "Law is what you get away with."

For students in the Hale & Dorr class, the high-ropes exercise was meant to train them "to be comfortable with being uncomfortable," says the instructor who led the weekend retreat. "Some of the questions they were dealing with don't necessarily have clean answers." That's the challenge lawyers face. While they arguably have never had more influence in shaping society, as their involvement in everything from Wall Street deals to welfare reform suggests, they've never been less confident about how to define the values of their profession. Within the safety of a classroom, courses like Northeastern's help students clarify who they want to be as lawyers. ■

PUBLIC UTILITY. To supply power, heat, electricity, and telephone and telegraph services, there is usually a single company of each kind in a community. Such companies, called public utilities, are required to serve each person within the community as long as the customer complies with the rules and pays the charges of the utilities.

Other classes of services are usually provided by public utilities as well, including common carrier transportation—such as buses, airlines, railroads, motor freight carriers, and pipelines—and community facilities for water, sanitation, and similar services. In nearly all countries such enterprises are state-owned and operated, but in the United States they are mainly privately owned and are operated under close governmental regulation.

Natural Monopolies

Public utilities differ from other businesses. Their services are necessary to the welfare of the entire community. They must have special franchises to operate. These franchises might include the right to use streets or to lay gas mains. Public utilities are sometimes viewed as natural monopolies because the very nature of their business and the level of technology and expense required to produce, transmit, and distribute their services almost inevitably lead to partial or complete monopoly. (See also Franchise; Monopoly and Cartel.)

Often the community is best served if a public utility is a monopoly. The cost of equipment is frequently so great that two or more competing companies could not keep their rates low. In many cases two public utilities of the same kind in one community would be wasteful and inconvenient. A monopoly can take advantage of the economy of scale. That is, a single company may be able to produce a particular product for a larger number of customers at a lower average cost than can two or more competing companies, each producing for a smaller number of customers. Also, a single company is more likely to have the excess capacity necessary to meet peaks in consumer demand.

Regulation

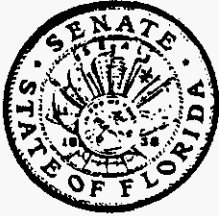
Because public utilities are generally monopolies, they must be closely regulated to ensure that good service and fair rates are maintained. In the United States local utilities, such as those providing water, light, and streetcar services, were at first regulated by the communities they served. This regulation was achieved by charters, or grants of franchises. Services covering a larger area were regulated by state legislatures through provisions in the company charters.

As these businesses grew, this sort of regulation proved inadequate. The earliest objects of public regulation were railroads and grain elevators, whose discriminatory price policies came under attack in several Middle Western states in the 1860s. In the case of *Munn vs. Illinois* in 1877, the United States Supreme Court defined a separate class of businesses that were “affected with a public interest” and upheld state laws regulating them. The legal definition of “public utility” has undergone much refinement since then, but the principle of public regulation has been legally upheld.

In practice, regulation aims to ensure that the utility serves all who apply for and are willing and able to pay for its services, that it operates in a safe and adequate manner, that it serves all customers on equal terms, and that its rates are just and reasonable. All states have regulatory commissions, and the federal government has several, including the Interstate Commerce Commission, the Civil Aeronautics Board, the Federal Power Commission, the Federal Communications Commission, and the Securities and Exchange Commission. Federal agencies regulate utilities that provide service to more than one state.

Despite decades of experience with public regulation, some critics feel that regulation lacks any guiding philosophy or theory. Others maintain that the regulatory commissions are so smothered in red tape that they are years behind in their work. Still others feel that there is too much regulation and that the forces of competition should be relied upon to maintain service quality and fair pricing.

In other countries many public utilities are nationalized, while some are administered by mixed companies financed with both public and private capital. Regardless of ownership, public utilities are, as a rule, accountable to the public to some extent, and their standards and prices are under statutory control.



THE FLORIDA SENATE

Tallahassee, Florida 32399-1100

SENATOR PATSY ANN KURTH
15th District

COMMITTEES:
Community Affairs,
Vice Chairman
Health and Rehabilitative Services
Health Care
Ways and Means,
Sub. C (Human Services)

June 20, 1996

Susan F. Clark, Chairman
Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399

Dear Commissioner Clark:

I was amazed to learn of the recent recommendation by the Public Service Commission (PSC) staff to grant a water rate increase of 16.9% and sewer increase of 120.21% to the customers of Florida Cities Water Company (docket number 951258-WS).

The above referenced rate application has been the first opportunity I have had to observe first hand how applications for rate increases are handled. Frankly, it seems the process works better for the utility than for the customers.

Attached is a copy of a letter I sent to the commission prior to the interim rate hearing in January 1996. I have continuing concerns regarding those issues addressed. Additionally, I would question what incentives a utility has to operate in a more efficient manner when costs plus profit are passed on to the customer in the form of rate increases?

It also seems to me there is a vast difference between a private utility that is owned (or a subsidiary of a company) whose main business is to market real estate in the area served by the utility and a private utility whose only business is the efficient delivery of services. It is inherently wrong for utility rates to be kept artificially low or subsidized until such time a real estate project is completed, then request exorbitant increases. I wonder if Florida Cities Water Company would have requested those same increases if 1,000 lots remained to be sold?

I am also concerned that the cost of capital improvements, which increase capacity to serve future customers, are being passed to the present customers. The residents of Barefoot Bay are paying for capacity which may never be used.

It is also my understanding that utilities can choose the base year on which to justify the request for increases. It seems to me any request should be based on the average

REPLY TO:

- 2174 Harris Avenue, N.E., Suite 1-B, Palm Bay, Florida 32905 (407) 984-4951
- 258 Senate Office Building, Tallahassee, Florida 32399-1100 (904) 487-5053

Another area of concern is the utility's habit of filing a rate increase as soon as the prior filing is completed. There should be limitations on the frequency of filing.

I also fail to understand the justification for the PSC to receive an automatic increase to their budget, based upon rate increases being granted.

I respectfully request that the commission deny the recommended increase. The PSC has a unique opportunity to decide in favor of the consumers and send a powerful message to private utilities that they must be held accountable for the business decisions they make.

Sincerely,



Patsy Kurth,
Senator, District 15

cc: PSC Commissioners
Jack Shreve
Bill Dyer

Schlesinger, Arthur Meier, Jr. (born 1917), U.S. historian and author, born in Columbus, Ohio; presidential special assistant and speech writer 1961–64; professor of humanities City University of New York after 1966 ('The Age of Jackson', 1946 Pulitzer prize for history; 'The Age of Roosevelt', 3 vols.; 'A Thousand Days', 1965 National Book Award and 1966 Pulitzer prize for biography; 'The Imperial Presidency'; 'Robert F. Kennedy and His Times').

Excerpted from *Compton's Interactive Encyclopedia*

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possibly 180-200
in attendance

HEARING ATTENDANCE RECORD

RECEIVED-PPSC

UTILITY NAME & DOCKET NO: Florida Cities Water Company ~~10-100000~~ DATE: July 14, 1998
 HEARING LOCATION: Barefoot Bay Community Center ATTENDING CAF STAFF: Thelma Crump
 RECORDS AND REPORTING

NAME	BUSINESS NAME	ADDRESS	CITY, STATE, ZIP	PHONE
Capula J. Higgins		1169 W Barefoot Cr.	Barefoot Bay, FL ³²⁹⁷⁶	561-664-5502
L. Dufginski		513 CITRUS BFBAY	—	664-3250
B. Dufginski		5113 Citrus Dr	Barefoot Bay, FL ³²⁹⁷⁶	664-3258
Phyllis Gull		713 E. WREN CIR	" "	4 8029
Ted Crum		1231 S. Waterway Dr.	Barefoot Bay ³²⁹⁷⁶	664-1110
Howard Gidd				722-5353
Paty Kurt		2174 HARI Ave	Pah Bay	984-4951
Milton Talaum		911 Dogwood Dr.		
Ben Soule		9160 N WATERWAY	BAREFOOT BAY FL ³²⁹⁷⁶	561-664-7639
Chris Riesenbeck			Barefoot Bay	
Tom Miles		636 Barefoot Blvd		
Annita Miles		636 Barefoot Blvd	Barefoot Bay	664-8740
Brian Ewert		409 N Martin Cir	BFB	664-9645
LOUIS J. FLEANTE		617 ANAERYLLIS DR	BFB	664-8368
ROSS RANDOLPH		104 CREEK CT	BFB	664-9856

HEARING ATTENDANCE RECORD

UTILITY NAME & DOCKET NO: Florida Cities Water Company DN-971663-WS

DATE: July 14, 1998

HEARING LOCATION: Barefoot Bay Community Center

ATTENDING CAF STAFF: Thelma Crump

NAME	BUSINESS NAME	ADDRESS	CITY, STATE, ZIP	PHONE
EUGENIA Z. Kosky		1108 NAVA Jo DR	BAREFOOT BAY 32976	664-2836
MARIANNE HARNER		1039 ROYAL PALM	B.B., 32976	664-1317
Doris Charron		721 S. Waterway Dr.	BB 32976	664-3021
HENRIETTA BAUMANN		705 N. BOY RAINVILLEA	B.B. 32976	664-2779
WILLIAM BAUMANN		" "	" "	" "
EDNA M. FOX		908 FRANGI PANI DR.	B. Bay 32976	664-8944
CLEM RIESENBECK		808 SAPODILLA DR	B. BAY 32976	664-5945
* Dorothy M. Sea		401 N. Seagull Circle	Barefoot Bay FL	664-3703 32976
(Marie Engelhardt		1810 E. Sabal Palm Lane	Barefoot Bay FL	664-561535
Flo Canham		825 S. Waterway Dr	Barefoot Bay	664-1714
JACOB HRINS		807 So. SEAGULL	BAREFOOT BAY FL-32976	664-1361
Tom FETP		500 S. Egnel Cir	Barefoot Bay FL	664 9518

HEARING ATTENDANCE RECORD

1:30 pm

UTILITY NAME & DOCKET NO.: Florida Cities Water Co. DN-971663-WS

DATE: July 15, 1998

HEARING LOCATION: Sheraton Harbor Place - Ft. Myers, FL

ATTENDING CAF STAFF: Thelma Crump

NAME	BUSINESS NAME	ADDRESS	CITY, STATE, ZIP	PHONE
LUCILLE EBIE		5965 SONNET CT N FT MYERS	N. FT MYERS	997-7674
BETTY NELSON		5948 SONNET N FT MYERS	N. FT MYERS	997-1250
R. YITZERBERG		7115 LAKE RIDGE CT.	FT. MYERS	481-1727
A Colyer		9431 Palm Is. Circle	N. FT. Myer	997-2386
A. KOSHIKO		4220 GLASGOW CT	N. FT MYERS	252 5280
R. Kempton		4160 Yarmouth Ct	NFM	997-1492
AB WEDDLE		4220 PERTH CT	N. F. M	997-8958
Bill Long		4195 YARMOUTH CT	N. F. M	995-8250
Mark Sittig		14985 River Edge Ct. #135	Ft. Myers 33908	482-2817
Gerald Kuhn		12461 Popash Ct	N FT MYERS 33903	656 4081
Pom Reune		Nova Press	FM	335-0225
Gene Pettinella		4300 CLASGOW CT	NORTH FT. MYERS	997-9116
Mike Curran		6641 Butler Avenue	SFM	936 0247
Howard Wajiu	Lee County Util	1500 Monroe St	Ft Myers FL	479-8160
Mike Benetatos	EL RIO COND	4840 GOLF CLUB CT	N. FT MYERS	997 0922

HEARING ATTENDANCE RECORD

6:30 p.m.

UTILITY NAME & DOCKET NO.: Florida Cities Water Co - DN 971663

DATE: 7/15/98

HEARING LOCATION: Sheraton Harbor - Ft. Myers, FL

ATTENDING CAF STAFF: Thelma Crump

NAME	BUSINESS NAME	ADDRESS	CITY, STATE, ZIP	PHONE
JERILYN VICTOR		1740 Dockway	NFM	997-1969
Cheryl Walla		1750 Dockway	NFM	
Sara Clyburn		1752 Inlet Dr.	N. F. M	656-2952
Don S. Deane		440 4 N. ATLANTIC CIR	N. F. M	995-8095
J B Noah		4200 Glasgow Ct	N F MYERS	995-1357
Rochelle Noah		4200 Glasgow Ct	N. Ft. Myers	995-1357
Jean Newman		5917 Littleton Ct # 105	N Ft Myers	995-2542
Jane Newman		5917 Littleton Ct # 105	N. Ft Myers	995-2542
Susie Bucke				368-6949
Bonnie Laver				
Charles Lindke	Law Co., Examiner	72 Poudell Rd	NFM in 33103	656-5369
John L.		4020 SW 6TH PL	CAPE 33914	
Meriam Dumont		13691 Willow Bridge Dr NFM Myers	33903	997-8511
Phyllis Brodsky		13801 Willow Br Dr.	N. Ft Myers 33903	997-7214
Al E. Rutledge		PO Box 2903	Ft Myers 33902	997-0753

From: EXAMINER @ SMTP {examiner@cyberstreet.com}
To: CAF Internet E-mail
Subject: Docket request

====NOTE===== 3/25/98 12:26pm=====

Return-Path: <examiner@cyberstreet.com>
Received: from mail.cyberstreet.com (204.117.207.7)
by mail.psc.state.fl.us (Connect2-SMTP 4.30A.1000128)
for <CONTACT@PSC.STATE.FL.US>; Wed, 25 Mar 1998 12:32:42 -0500
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(post.office MTA v2.0 0813 ID# 114-12414) with SMTP id AAA138
for <CONTACT@PSC.STATE.FL.US>; Wed, 25 Mar 1998 12:30:17 -0500
Message-ID: <35193E4C.4743@cyberstreet.com>
Date: Wed, 25 Mar 1998 12:26:36 -0500
From: examiner@cyberstreet.com (Examiner)
Reply-To: examiner@cyberstreet.com
Organization: Lee County Examiner
X-Mailer: Mozilla 3.03Gold (Win95; I)
MIME-Version: 1.0
To: CONTACT@PSC.STATE.FL.US
Subject: Docket request
Content-Type: text/plain; charset=us-ascii
Content-Transfer-Encoding: 7bit

RECEIVED
MAR 30 1998
FPSC - Records/Reporting

The Lee County Examiner would like to be added to the "Parties of Record" for the following two cases: #950387 and #971663. I hope this fulfills any legal requirement that the PSC needs for us to be added to the list.
Lee County Examiner
72 Pondella Road
Suite 108
N. Ft. Myers, FL 33903
email:examiner@cyberstreet.com
941-656-5569 voice
941-656-5595 fax

Thank you,
Charles H. Liedtke
Publisher

RECEIVED

MAR 04 1998

FPSC - Records/Reporting

March 2, 1998

Blanca Bayo
Division of Records and Reporting
Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Dear Ms. Bayo,

I respectfully request to be put on the mailing list of docket no. 971663-WS as an interested party. I would also like at this time to request the Public Service Commissions rules, policy and procedure on used and useful calculations for a water and wastewater utility.

The staff recommendation for docket #950387-SU is due either at the March or April agenda conference. I am already on this mailing list but would like to go on record at this time to state that the customers of this utility would like another hearing on this docket and that it be held in our service area.

Thank you in advance for your attention to these matters. I hope to hear from the Division of Records and Reporting as soon as possible.

Respectfully,



Cheryl Walla
1750 Dockway Drive
N. Ft. Myers, Florida 33903

941-656-5198

25-30 \$7.30

added
3/4/98
sm

1 July 17, 1998

2
3 Mr. Clinton W. Dyer
4 1833 Theys Drive
5 Viera, FL 32940
6 Property Owner, and customer of Florida Cities Water Company
7 531 S. Dolphin Cir. Barefoot Bay, FL 32976

98-0655 JUL 28

8
9 Tel. (407) 242-8805

10
11 RE: Docket Number 971663-WS

12
13 Susan F. Clark, Commissioner
14 Florida Public Service Commission
15 2540 Shumard Oak Boulevard
16 Tallahassee, FL 32399-0852

17
18 Dear Commissioner Clark:

19
20 At the Barefoot Bay Division Customer Service Hearing, July 14, 1998, I offered to furnish you with
21 documented evidence of the PSC Staff's propensity to arbitrarily apply rates, that neither ensure good
22 service, or fair rates.

23
24 **I asked STAFF, is there a rule that establishes the base rate?** Marshall Willis replied , No!

25 *But, his explanation, to me, is the problem.*

26 *Staff does not understand, that when sales decline, profits decline. Gas Station Owners*
27 *who fail to sell sufficient gas to make a profit, would be entitled to a profit, like monopolies,*
28 *using Staff's philosophy, by getting some money from customers who don't always stop there for*
29 *gas. Why not, Staff reasons, after all they did make an investment.*

30
31 **I then asked the Commissioners if they would accept arbitrary figures?**

32 *I perceived, that you would not. However, confusion arose between Base Rate, and Rate Base,*
33 *and the issue became obscure. I offer the following to clarify the issue, as promised..*

34
35 STAFF's response; ORDER NO. PSC-96-1147-FOF-WS, DOCKET NO. 951258-WS

36 **PAGE 47** Revenue Allocation We find that there are benefits of
37 reuse to the water customers of Barefoot Bay and these benefits must be recognized in the water
38 rates. Witness Chase testified that the level of the water rates, the magnitude of the wastewater
39 revenue increase, the average usage of the customer and the need to send a stronger price signal
40 to achieve water conservation should be considered when determining whether and how much of
41 the reuse costs to allocate to its customers. We agree. We note that the utility has suggested that
42 an investigation into the appropriate criteria for an allocation be initiated. Although we do not
43 believe that a docket for such an investigation needs to be established, we do find that an
44 informal investigation as to the method of allocation may be warranted. **Until we are able to**
45 **establish firm criteria, we find that it more appropriate for this issue to be handled on a**
46 **case by case basis.**

47

48 My observation is, Staff has no basis in law to defv established principles and practices of
49 accounting.

50 For example: ¹ Intermediate Accounting; The Matching Process

51 *One of the most important duties of the accountant is to act as historian. It is his*
52 *function to record, classify, and summarize business activities so that the data can be used in*
53 *evaluating the past as well as planning the future.*

54 Both costs and revenues are expressed in the matching process in terms of the
55 homogeneous qualitative element common to both - a money price. The price for the business
56 effort, or cost, is found in the amount paid for the goods and services at the time these were
57 originally acquired. The price that is assigned to the business accomplishment, or revenue, is the
58 bargained amount arrived at between buyer and seller. These costs may be marshaled into
59 different combinations where the business unit unites different acquisitions in the development of
60 its services or products. Ultimately such costs, individually or as regrouped, are assigned to the
61 revenue that they have produced.

62 The use of historical cost in the matching process is commonly referred to as application of
63 the *cost principle*.

64
65 Kindly note, accounting principles do not mention, "the need to send a stronger price signal to achieve
66 water conservation." What legal principle does the PSC Staff apply to impose its will upon the
67 people? And, accounting principles do not state, "we find that it more appropriate for this issue to be
68 handled on a case by case basis." And, what legal principle permits the PSC Staff to experiment at
69 the customers expense?

70
71 STAFF is the problem.

72
73 Kindly refer to - ORDER NO. PSC-96-1147-FOF-WS - DOCKET NO. 951258-WS
74 PAGE 48, and 49 RATES AND RATE STRUCTURE

75
76 Revenue Allocation Between Base Facility and Gallonage Charges

77 (Second Paragraph)

78 We have traditionally allocated fixed costs to the base facility charge and variable costs to the
79 gallonage charge. We find this method most appropriate in determining the proper rate structure.
80 Furthermore, when establishing the rate structure, we must also consider the effects on conservation and
81 the previous allocation from prior rate cases to assure continuity in rates.

82 Further, *Melinda G. Pace's letter 1/18/96 to Mr. & Mrs. John Bickel, stated that, "There is no*
83 *profit built into the base facility charge. All profit is built into the gallonage charge."*

84
85 *Now, there are two sets of rules, one on fixed and gallonage charges, and one with exceptions to*
86 *those charges. We also have a contradiction to those statements.*

87 Kindly refer to: FCWC Rate Filing - Docket No. 951258-WS

88 Common Equity is included in the 'Adjusted Capital Structure' (Page 126, Col.7) which is shown on Page
89 10, and 12 - \$1,148,521 (Water,) and \$7,519,843 (Sewer,) which \$2,654,417 is Common Equity. 8.75%
90 Return on equity is \$232,261, and is in the rate base for water and sewer, Pages 51, and 75. The METER
91 CHARGES VS USAGE CHARGES line chart,² and the FLXED (BASE) RATE VS GALLONAGE
92 (VOLUME) bar chart,³ enclosed, substantiate that both Melinda Pace's letter, and the statement made by
93 STAFF is untrue. One wonders if they know how serious this problem is? How difficult it is for an
94 ordinary citizen to uncover the fact that the information given by STAFF, is not true.

¹ Intermediate Accounting, KARRENBROCK AND SIMON, THIRD EDITION - SOUTH-WESTERN PUBLISHING COMPANY.....Chapter 1, Pages 6 & 7.

² Attached: METER CHARGES VS USAGE CHARGES - LINE CHART

³ Attached: FIXED (BASE) RATE VS GALLONAGE (VOLUME) - BAR CHART

95 **STAFF is the problem.**

96 **(Third paragraph)**

97 When the shift in revenue allocation goes more towards the base facility charge, which promotes revenue
98 stability for the utility, we become concerned that it will promote usage.....Based on this
99 adjustment and the effects it could have on conservation, we find it appropriate to allocate 58
100 percent of the revenue to the base facility charge and 42 percent to the gallonage charge for
101 water. This will essentially maintain the current revenue allocation for water. For wastewater,
102 we find that allocation of 62 percent of the revenue to the base facility charge and 38 percent to
103 the gallonage charge is appropriate.

104 Staff said, " Although the Commission has no rules on allocating revenue requirement to the base facility
105 charge or gallonage charge...."⁴

106
107 **Staff would have you believe, that there are no guiding accounting practices and principles,**
108 **so they have developed one. With the multitude of Public Service Commissions throughout the**
109 **Country, what have they learned about fixed rates?**

110 **We hope the Commissioners will exact a definitive rule that addresses only the application**
111 **of matching costs.**

112
113 **STAFF is the problem.**

114
115 The PSC Staff, ought to make certain, that the facts and figures presented to the PSC by the Utility
116 Company, is a factual representation of the costs incurred, and that they are reported in accordance with
117 generally accepted practices and principles of accounting, and that the service meets the need of the
118 customers, and analysis of the figures, and activities reflect good service at a fair rate.

119
120 **But, STAFF marches to a different drummer.** Conservation can be found in Utility Company programs,
121 that reduce water losses, and water intrusion. Customer conservation programs are either voluntary, or
122 forced. Some customer conservation programs are directed at equipment, that limit water consumption,
123 i.e. water restricting devices, and low water consumption toilets (recently discovered to create more
124 problems than they solve.) However, PSC STAFF's philosophy is to force conservation by raising the
125 price. The market price controls access, and that's legal. But, regulated monopolies apply only the real
126 costs, to establish a fair return. Everything else, is a figment of STAFF's imagination.

127 **First and foremost forced conservation, is rationing, and must be applied equally to all.**
128 **Higher costs, punish the poor, and doesn't restrain the wealthy. That violates Amendment XIV, of**
129 **the Constitution, "nor deny to any person within its jurisdiction the equal protection of the laws."**

130 **Second, if water conservation is a serious threat to the welfare of the people, appropriate**
131 **legislative action must address the issue on purely scientific revelations, and the means to make life's**
132 **necessities accessible to the people, even if some costs, must come from the general funds.**

133 **Third, STAFF must relegate conservation to what the company can do to reduce losses, and**
134 **inflow. Staff, could provide helpful conservation information to customers, on a periodic basis,**
135 **including statistical data on availability, purity, problems, projects, and funding of water supplies.**

136
137 We suggest that the Florida Public Service Commissioners request STAFF to concentrate on accounting
138 practices and principles, and good service at a fair price. I respect all the people involved, and the
139 conflicting ideas, should facilitate better solutions. We cannot progress, without Staff's change in
140 philosophy.

141
142

⁴ Staff's June 13, 1996 Memorandum, Page 87

143 Government agency action can be abusive, and arrogant. The testimony (Docket No. 951258-WS,
144 FCWC Barefoot Bay Division - Hearing 4-1 & 2, 1996,) of Witness Blizzard, " DEP said, "We
145 don't, those are your problems, deal with it. **We expect to see construction under the schedule**
146 **in the Amended Consent Order regardless of the risks and the potential huge downside**
147 **financially.**⁵
148

149 We cannot emphasize too strongly such responses are intolerable, and reflect the attitude of the
150 agency. Florida Cities Water Company too, can be perplexed by the arrogance of government
151 agencies, and the agencies agenda. Staff, did nothing to reprimand the person, and the Agency
152 for their disdain of Florida Cities Water Company's management, and the customers who
153 ultimately pay the costs.
154

155 I hope the Commissioners take a more solemn evaluation of all testimony, recognizing Staff, has no
156 greater wisdom, and provides no better enlightenment, than other interested parties. Please work with our
157 legislators, as Senator Patsy Kurth requested, so as to promote, more economical rules, and regulations.
158 Hopefully, that may include giving private utility customers, the same tax relief enjoyed by public utility
159 customers, or some financial help in providing communities an economical way of taking over private
160 water and wastewater services.
161

162 God Bless those in government service who directly affect peoples lives, and God Bless those on the
163 receiving end. I do not know who needs it more.
164

165 Very truly yours,

166 
167 Clinton W. Dyer
168

169 ✓ CC: Julia L. Johnson, Commissioner, Florida Public Service Commission, 2540 Shumard Oak Blvd
170 Talahassee, FL 32399-0852
171

172 J. Terry Deason, Commissioner, Florida Public Service Commission, 2540 Shumard Oak Blvd
173 Talahassee, FL 32399-0852
174

175 Joe Garcia, Commissioner, Florida Public Service Commission, 2540 Shumard Oak Blvd Talahassee,
176 FL 32399-0852
177

178 E. Leon Jacobs, Jr. Commissioner, Florida Public Service Commission, 2540 Shumard Oak Blvd
179 Talahassee, FL 32399-0852
180

181 Marshall Willis, Division Water and Wastewater, Florida Public Service Commission, 2540 Shumard
182 Oak Blvd Talahassee, FL 32399-0850
183

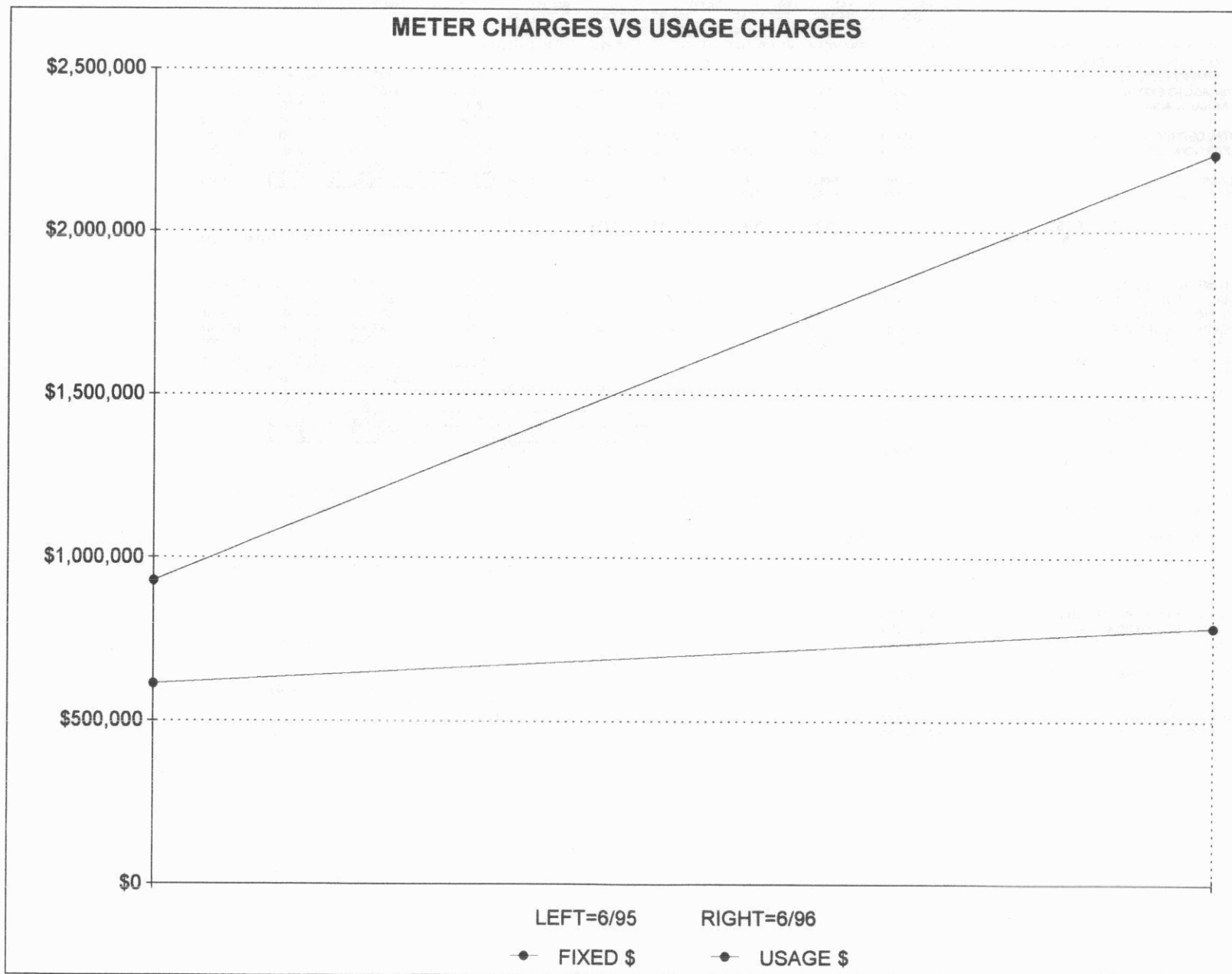
184 Tim Vaccaro, Esq. - Division of Legal Services, Public Service Commission, 2540 Shumard Oak
185 Blvd. Tallahassee, FL 32399-0850
186

187 Harold Mclean, Assistant Public Counsel, C/O The Florida Legislature, 111 West Madison Street,
188 Room812, Tallahassee, FL 32399-1400
189

190 Kenneth Gatlin, Esq. Gatlin, Woods and Carlson, 1709-D Mahan Drive, Tallahassee, FL 32308
191

⁵ Attached: Docket No. 951258-WS Barefoot Bay Div. Hearing, April 1 & 2, 1996, Page 356, 357

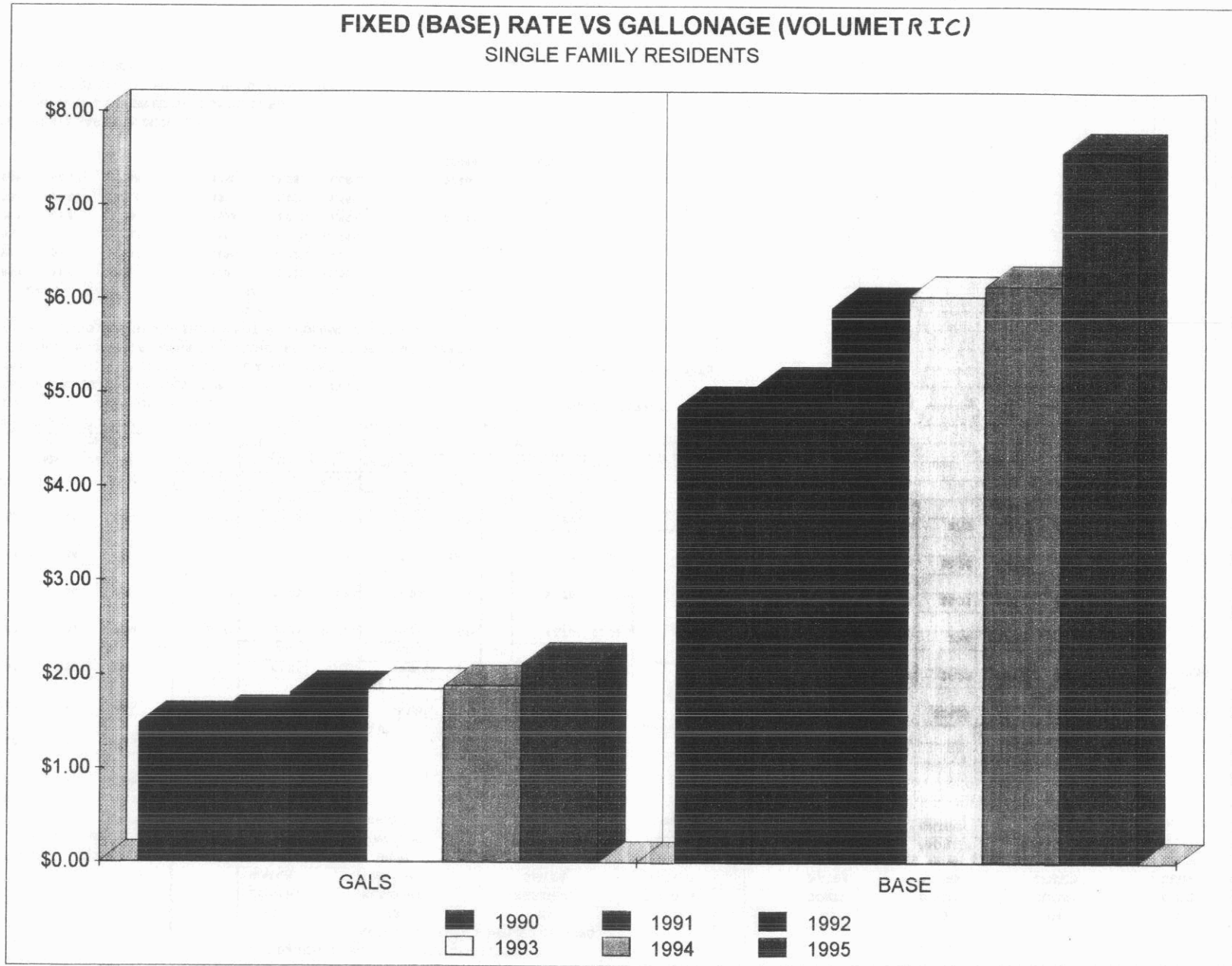
192 Chris Riesenbeck, President, Barefoot Bay Homeowners Association, 808 Sapodilla, Barefoot Bay, FL
193 32976
194
195 Benjamin Krom, President, Barefoot Bay Recreation District, 1324 N. Oleander, Barefoot Bay, FL
196 32976
197
198 Rany O'Brien, Commissioner District 2, Brevard County Board of Commissioners
199 , Merritt Island Service Complex, 2575 N. Courtenay Pkwy, Merritt Island, FL 32953
200
201 Nancy Higgs, Commissioner District 3, Brevard County Board of Commissioners, 1311 E. New
202 Haven Ave. Melbourne, FL 32901
203
204 Mark Cook, Commissioner District 4, Brevard County Board of Commissioners, 2725 St. John's St.,
205 Bldg. C, Melbourne, FL 32940
206
207 Helen Volz, Commissioner District 5, Brevard County Board of Commissioners, 1515 Sarno Road,
208 Building B, Melbourne, FL 32935
209
210 Truman Scarborough, Jr. Commissioner District 1, Brevard County Board of Commissioners, 400
211 South Street, Titusville, FL 32780
212
213 Blanca S. Bayo, Director, FPSC, Division of Records and Reporting, Florida Public Service
214 Commission, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850
215
216 Senator Patsy Ann Kurth, Florida State Senator, District 15, 2174 Harris Ave. NE - Suite 1-B,
217 Palm Bay, FL 32905



FIXED \$/METER---USAGE \$/CONSUMPTION

LINE	COMPUTATION OF UTILITY RATES													
	WATER		WATER		SEWER		SEWER		SEWER		COMBINED			
	6/30/95	INCREASE	TEST YEAR	6/30/95	INCREASE	TEST YEAR	6/30/95	INCREASE	TEST YEAR	6/30/95	INCREASE	TEST YEAR		
Z	CAPCONS.WKS													
	PAGE 51	REQUESTED	REQUESTED	PAGE 75	REQUESTED	REQUESTED								
	WATER	TEST YEAR	ADJUSTMEN	SEWER	TEST YEAR	ADJUSTMENTS								
1	CAPACITY RELATED COSTS													
2	TREATMENT EXPENSE		0			0	FIXED	6/30/95	6/30/96	INCRS				
3	CUST ACCTG EXPENSE	79331	9121		77974	8996	ACCTG	\$157,305	\$175,422	\$18,117				
4	GENERAL & ADMIN EXP	252240	10523		225249	64069	G & A	\$477,489	\$552,081	\$74,592				
5														
6	TOTAL DEPRECIATION (FROM 3.81%PAGE64)	56413	3851		122489	174831	DEPRE	\$178,902	\$357,584	\$178,682				
7	TAXES NON-INCOME	52734	2880	5168	59493	27748	TX	\$112,227	\$190,988	\$78,761				
8														
9	INCOME TAXES	11587	-54829	55032	-1057	-262891	INC TX	\$10,530	\$205,324	\$194,794				
10	RETURN ON RATE BASE	-48261	57544	91213	41340	-141610	42965	RETURN	(\$6,921)	\$758,482	\$765,403			
11														
12	TOTAL CAPACITY RELATED COSTS	404044	29090	151413	525488	-128857	758256	FIXED \$	\$929,532	\$2,239,881	\$1,310,349			
13	% OF TOTAL COSTS													
14														
15														
16	VOLUME RELATED COSTS													
17	SOURCE OF SUPPLY/SEWAGE COLLECT	9488	314		58427	-21832	USE	6/30/95	6/30/96	INCREASE				
18	PUMPING EXPENSE	0	0		29023	958	SOURCE	\$87,915	\$46,397	(\$21,518)				
19	TREATMENT EXPENSE	277063	6030		190953	154214	PUMPG	\$29,023	\$29,981	\$958				
20	TRANS & DIST EXP.	12083	6938		0	0	TREAT	\$488,016	\$628,280	\$180,244				
21	CUSTOMER ACCOUNTING EXP	0	0		0	0	T & D	\$12,083	\$19,021	\$8,938				
22	GENERAL & ADMIN EXPNS	0	0		0	0	TX	\$37,409	\$83,683	\$26,254				
23	TAXES NON-INCOME	17578	960	1723	19831	9249	14322	USAGE \$	\$614,446	\$787,322	\$172,876			
24	TOTAL INCOME TAXES	0	0		0	0						6/30/95	6/30/96	
25	RETURN ON RATE BASE	0	0		0	0	METER	>>>>>>>>>	FIXED \$	\$929,532	\$2,239,881	\$1,310,349		
26														
27	TOTAL VOLUME COSTS	316212	14242	1723	298234	142589	14322	USAGE	>>>>>>>>>	USAGE \$	\$614,446	\$787,322	\$172,876	
28	% OF TOTAL COSTS													
29														
30	TOTAL COSTS	720256	43332	153136	823722	13732	1273025	\$1,543,978	\$1,483,225	\$3,027,203 TOTAL COSTS				
31	TOTAL REVENUE REQUIREMENT	WATER	WATER	WATER	SEWER	SEWER	SEWER	COMBINED	COMBINED	COMBINED				
32														
TOTAL REVENUE REQUIREMENT	CAPACITY COSTS			VOLUMETRIC COSTS										
WEIGHTED BILLS	LESS: TOTAL MISC REVENUES			CAPACITY CHARGE (CAPACITY COSTS - MISC.REV)/WEIGHTED BILLS										
TOTAL VOLUME (GAL BILLED IN (000))	NET CAPACITY COSTS			CONSUMPTION CHARGE (VOLUMETRIC COSTS/TOTAL VOLUME)										
Return on Common Stock EQUITY	21539989													
INDUSTRY STANDARD 8.98%	\$1,934,291													
LESS 50%	\$967,146													
TOTAL (000) GALLONS 12MO'S. YTD	162222													
ADD PER (000)	\$0.17													
(000) GALLONS 1995	165867													
REVENUE FROM SALES	\$27,821.33													
							4500	(\$214.92)						
							DEDUCT FROM METER CHARGE							
							METER CHARGES 1995							

FIXED (BASE) RATE VS GALLONAGE (VOLUMETRIC)
SINGLE FAMILY RESIDENTS



ANNUAL BASE & GALLONAGE RATES

A	B	C	D	E	F	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
1	FCWC BAREFOOT BAY CUSTOMER STATISTICS																						
2	RATE STRUCTURE SUPPLIED BY FCWC																						
3	QUESRATE.WKS		R2		R3		R4		R5		C2		C3		C4		C6						
4	Ref. Page 203.206		RESIDENT		RESIDENT		RESIDENT		RESIDENT		COMM'		COMM'		COMM'		COMM'						
5	c wd-1/26/96		WATER		WATER		SEWER		SEWER		WATER		WATER		SEWER		SEWER						
6			(000)		BASE		(000)		BASE		(000)		BASE		(000)		BASE						
7	YEAR	END OF YEAR	TOTAL		GALLONAGE		FACILITY		GALLONAGE		FACILITY		GALLONAGE		FACILITY		GALLONAGE		FACILITY				
8		SFR*	COMM**	METERS	CHARGE		CHARGE		CHARGE		CHARGE		CHARGE		CHARGE		CHARGE		CHARGE				
9		No.	No.	No.																			
10		1987	3764	30	3784																		
11		1988	3978	31	4009																		
12	PG																						
13		1989	4130	32	4162																		
14		1990	4246	33	4279	\$1.48	\$4.86	\$1.62	\$4.13	\$12.13	\$24.22	\$38.77	\$77.53										
15		1991	4297	34	4331	4.73%	\$1.56	4.32%	\$5.07	4.61%	\$1.69	4.84%	\$4.33	4.37%	12.66	4.42%	25.29	4.41%	40.48	4.41%	80.96		
16	34	8/31/91			34	\$>>>	\$397	\$322	68	\$444	\$407												
17		1992	4369	34	4403	16.77%	\$1.81	16.77%	\$5.92	69.81%	\$2.70	69.98%	\$7.36	16.90%	14.8	17.04%	29.6	17.00%	47.36	17.01%	94.72		
18		1993	4424	36	4460	2.21%	\$1.86	2.03%	\$6.04	1.86%	\$2.76	1.77%	\$7.49	2.09%	16.11	2.06%	30.21	2.07%	48.34	2.07%	96.68		
19		1994	4414	44	4458	1.62%	\$1.88	1.82%	\$6.16	1.46%	\$2.79	1.34%	\$7.69	1.88%	16.39	1.89%	30.78	1.88%	49.26	1.88%	98.5		
20		1995	4406	46	4460	12.77%	\$2.12	23.26%	\$7.68	1.08%	\$2.92	1.19%	\$7.68	21.83%	18.76	23.13%	37.9	23.11%	60.63	23.12%	121.27		
21	61	6/30/95			61	\$>>>	\$322	\$586	76	\$466	\$1,656	54.68%	56.48%	56.38%	56.42%								
22		TOTAL	38017	319	38336	-18.89%	36.77%	81.68%	49.61%	2.48%	77.36%	306.63%	77.37%										
23		SFR*	COMM**	METERS	\$ DOWN	RATE UP	\$ UP	RATE UP	\$ UP	RATE UP	\$ UP	RATE UP											
24						VOL	CAP	VOL	CAP														
25	1 TREATMENT EXPENSE SHOULD BE CHARGED TO VOLUMETRIC COSTS: THEY ARE FOR WATER.																						
26	60% IS ALLOCATED FOR SEWER AND 100% SHOULD. PERCENTAGES ????????																						
27	2 GENERAL \$ ADMINISTRATIVE HAS 86% OF COSTS CHARGED TO CAPACITY RELATED COSTS																						
28	THE PROBLEM WITH THAT IS MOST OF THESE COSTS ARE ALLOCATED AND VERY LITTLE O & M COSTS ARE APPLICABLE TO FIXED COSTS.																						
29	3 DEPRECIATION IS A COSTS INCURRED BY WEAR & TEAR, AND SHOULD NOT BE A FIXED CHARGE.																						
30	4 PROPERTY TAXES ARE A FIXED CHARGE AND SHOULD NOT BE A VOLUMETRIC COSTS																						
31		SFR	SFR		MAINT																		
32		GALS	BASE	GALS	BASE	PG - 62																	
33		1990	\$1.48	\$4.86	1990	0.00%	0.00%																
34		1991	\$1.56	\$5.07	1991	4.32%	4.61%																
35		1992	\$1.81	\$5.92	1992	16.77%	69.81%	64649															
36		1993	\$1.86	\$6.04	1993	2.03%	1.86%	33241															
37		1994	\$1.88	\$6.16	1994	1.82%	1.46%	560866															
38		1995	\$2.12	\$7.68	1995	23.26%	1.08%	27408															
39								29446	663132														
40	1. MAINTAINANCE EXPENSE HAS BEEN DECLINING																						
41	2. THE MAJOR WORK REPAIRING SEWER MAINS IS CAPITALIZED.																						
42	3. DEPRECIATION, CIAC AMORTIZATION SHOW NO SIGNIFICANT INCREASE.																						
43	4. AMORTIZATION SHOW NO SIGNIFICANT INCREASE																						

1 Q Now referring generally to that as the
2 advanced wastewater treatment scenario, if you will
3 permit that generalization, what was its status in
4 late August/early September of 1992?

5 A Well, the DEP had tolled the construction
6 schedules in the Amended Consent Order during the
7 administrative hearing proceedings --

8 Q Now I'm referring to --

9 A -- and I'm answering your question. And as
10 a result of that specific tolling, we inquired or
11 Florida Cities inquired with DEP that the intention
12 was that the tolling would continue for the appeal
13 period. And DEP indicated that it was DEP's intention
14 to go forward -- that Florida Cities go forward
15 regardless of the appeal and construct the spray
16 field. And that the tolling was stopped.

17 Q So it is your testimony that there was a
18 pending appeal of the spray field permit and DEP says,
19 "There's no stay, you must go forward."

20 A That's correct. DEP said regardless of the
21 fact that during the -- that the permits are subject
22 to invalidation if the appeal is lost; and regardless
23 of the fact it was questionable whether eminent domain
24 proceedings would be successful, considering the fact
25 that there were no certain permits in hand to support

1 a public purpose for eminent domain, DEP said, "We
2 don't, those are your problems, deal with it. We
3 expect to see construction under the schedule in the
4 Amended Consent Order regardless of the risks and the
5 potential huge downside financially."

6 Q Did any party seriously assert that a public
7 wastewater utility effluent disposal facility was not
8 a public purpose?

9 A One without a permit might be.

10 Q Okay. How about one with a permit?

11 A One with a permit under appeal might not be.

12 Q How about one with a permit in hand?

13 A A permit under appeal in hand.

14 Q Yes.

15 A Yes. Well, now I'm lost. What's the
16 question?

17 Q Your point that you attempted there for a
18 moment was to suggest that the condemnation was less
19 likely because public purpose was at issue. I'm
20 asking you, was public purpose seriously at issue at
21 any time?

22 A That's an opinion that should be rendered by
23 an attorney with an expertise in eminent domain and I
24 provided my opinion based on the opinion by eminent
25 domain counsel who did provide such an opinion.

April 1, 1994

Barefoot Bay - July 14, 1998

Rep. Howard E. Fitch	P.O. Box 33198, Fort LC 32903	722-5353
✓ Chris Rzesutkech	808 Aspodilla	664-5945
✓ Bob Preusschitt ^{8 yrs}	604 Amayles	664 5746
✓ Clinton W. Dyer	531 S Dolphin	(407) 242-8805
✓ Ben Graham - Graham -	406 N. Dolphin Cir	664-5412
✓ Walter F. Clyne	605 NO SEA GOLL	664-0452
✓ Bob from Krow	1324 N. Oleander Ln	664-1353
✓ Dick Lee	410 Xunigat Dr	664-6271
John Cahill	910 SW Hawthorne	664-2051
DON LEWANDOWSKI	506 N. MARINE CIR	664 8157
✓ Edna M. Loy	908 Frangi Pani Dr.	664-8944
✓ Norma Beeson	1133 W. Barefoot	664 0261
✓ Richard Higgins	1169 W. Barefoot Ct	664 5502
✓ John C. Goldring	1219 S. Waterway	664-0223
Ernst Leming	909 Red Bod	664 5737
AARON HUGOENARD	608 W. DOLPHIN CIR	664-2523
✓ ROBERT J. SMITH	806 S.E. LAUREL CR	664 8583

File
in locked
file

Florida Cities Water Company

DOCKET NO. 971663-WS

Name Robert A. Jackson

Address 1035 E Barefoot Cir

Barefoot Bay, FL 32970

If you want to let the Public Service Commission know how you feel about this case, please fill out this comment form and return it by mail. It will be placed in the correspondence file of this docket.

CUSTOMER COMMENTS

1. We just had a 120% water increase & we don't need another!
 2. Why do we have to pay for the water company's lawyers? Let the stock holder's pay it!
 3. If there is a law we have to pay their lawyers it should be repealed! This is discrimination against us customers!
 4. Everyone in Barefoot Bay is NOT wealthy & can not afford another increase. This is very unfair!
- I Protest!

Raj

Fold and tape -- see back for address

P.O. Box 422
Otis, Ma 01253

July 10, 1998

To Whom it may Concern -

We all summer at the same park in Otis thus are unable to attend this meeting. We ask that you register our opposition to the increase.

Sarah Di Giacomo

P.O. Box 422
Otis, Ma 01253

July 10, 1998

To Whom it may Concern -

We all summer at the same park in Otis thus are unable to attend this meeting. We ask that you register our opposition to the increase.

Sarah Di Giacomo

RE: Docket No. 971663-WS

Petition of Florida Cities Water Company, seeking recovery of environmental litigation costs in Barefoot Bay Division in Brevard County, Florida.

We the undersigned protest any granting of a rate increase in this matter. We feel the stockholders of Florida Cities Water Company should bear the expense of any legal actions. We feel the Water Company has been granted excessive rates in that every home in Barefoot Bay pays \$30.50 per month even when they do not use one drop of water or send one drop to the sewer facility.

NAME

BAREFOOT BAY STREET ADDRESS

^{D. G. Giacomo} Antonio D. Giacomo	1205 CROTON DR.
Arthur B. Beauvais	1324 N. Periwinkle Cir.
Daniel + Barbara Matijek	812 Lychee Dr
Bertha + Buckley H. Blyth	827 LYCHEE DR B.F.B.
M. Peace	1351 N. PERIWINKLE CIR.
Louise Horvath	505 S. DOLPHIN CIR
Violet Juhoto	502 S. Dolphin Cir.
Benny Krauss	502 S. Dolphin Road
Anthony T. Lando	732 S. Waterway Drive

*Please Sign
Will give this to the Commissioner*

FCWC Hearing 7/14/98

Barefoot Bay Homeowners Proposed Testimony

1. FCWC was found guilty of violating over 2300 Clean Water Act requirements and was fined over \$300,000.00 in 1996. The costs and fees for Attorneys of FCWC exceeded \$3,000,000.00. Recovery of any expenses incurred in the legal Defense should not be forced on the customers but should be borne by the stockholders. These expenses were not associated in any way with supplying water and wastewater services to the customers of FCWC, but were incurred by defending the interest of the stockholders of FCWC.

FCWC of their own doing chose not to challenge the denial of the NPDES (National-Pollutant Discharge System) permit and continued illegally discharging effluent wastewater. The management of FCWC should be held entirely accountable for their actions. They got caught.

Customers should not be made to pay penalties that incurred from FCWC lack of compliance.

2. This is clearly a case of recovering expenses or losses from prior periods (1991-1997). As the commission has consistently ruled against retroactive ratemaking in the past, we ask that you again deny this request.

3. Fines and penalties should not be recovered from the customers, nor should expenses associated with fines or penalties be allowed. The customers have no control of management of the FCWC facilities, nor should they be responsible for management's failure to comply and the results of such failure. This should clearly fall on the shoulders of the stockholders.

4. If FCWC and Avatar had taken the County up on their offer to purchase their facility we would all be better off.

5. A well-run company would have heeded the warnings of violations and addressed them, thereby avoiding bringing the wrath of the Federal Government down upon them for their violations. They chose to ignore all warnings and the EPA caught them. Now let their stockholders take the loss for poor management -- not the customers.

6. FCWC has a history of being untruthful in hearings before the PSC and to the customers in Barefoot Bay. If you will check past testimony from the last hearing held in this same building, they swore under oath that they could not reduce the rate of increase they were asking for then because there was no room for expansion. We had asked them to consider hooking up to a new development to our north. Since that time, they have expanded service to all businesses eastward to US 1 with the exception of the Cumberland Farms store, which include several medical facilities, our Fire Department, Library, Churches, Winn Dixie, etc. They now have graciously agreed to accommodate the developer to the North when their final permits are granted, but have said these expansions will not in any benefit their present customers with a reduction of any kind, even though these concerns have paid or will pay for the infrastructure involved with the hook-ups. How many untruths can the PSC and the customers be asked to overlook.

7. If the PSC allows this type of increase for fines and or penalties and expenses associated with them to be approved, you will be setting a precedent for all future utilities to ignore the law and let the good old customer pay for everything if they get caught.

NOTE: EACH OF US SHOULD THANK THE COMMISSION FOR LISTENING TO US AND TO PLEASE DENY THIS RATE INCREASE.

Theresa C Aldrich Milton Drum
Elizabeth G Schambault Thomas Pepe
Doris Charron Marianne Starker
Richard A Schambault Betty Dowling
William W Aldrich Jr Edith J Olsen
Julia C. Wasieki Maureen Spicce
Anna Marie Levin Mary E. Noonan
Jan P. O'Reilly Ewo J Ryher
Paul A. Costa Warren P. Auer
Elizabeth Woodmansee Gloria M. Auer
Grace Lovette Charley Cleveland
Sylvia / Pat 15h

Maryone E McJarrige
Dana P. Kaine
A.P. Hendrick
Vito Cosulich
John Cahill
Merly E O'Keefe
Edith Bissell
Fred Bissell
Sharon D. Elvey
Greta M. Zawadowski
Flo Canham
Robert J. Smith
Mary Sheehan
Julianne Hare
Darlene Wong Kam
Ray Zubowski
Jacqueline Deane
James Deane
Kathie Edwards
Susan Antozzi
Margaret Mol
Helen Darcy

RE: Docket No. 971663-WS

Petition of Florida Cities Water Company, seeking recovery of environmental litigation costs in Barefoot Bay Division in Brevard County, Florida.

We the undersigned protest any granting of a rate increase in this matter. We feel the stockholders of Florida Cities Water Company should bear the expense of any legal actions. We feel the Water Company has been granted excessive rates in that every home in Barefoot Bay pays \$30.50 per month even when they do not use one drop of water or send one drop to the sewer facility.

NAME

BAREFOOT BAY STREET ADDRESS

^{P. G. Giacomo} Anthony Di Giacomo	1205 CROTON DR.
Arthur B. Beaumont	1324 N. Periwinkle Cir.
Denil & Barbara Matyick	812 Lychee Dr
Bertha & Beulah H. Blyth	827 LYCHEE DR B.F.B.
M. Peace	1351 N. PERIWINKLE CIR.
Louise Howatt	505 S. DOLPHIN CIR
Violet Jukota	502 S. Dolphin Cir.
Denny Krauss	502 S. Dolphin Cir
Anthony T. Leach	732 S. Waterway Drive

6. FCWC has a history of being untruthful in hearings before the PSC and to the customers in Barefoot Bay. If you will check past testimony from the last hearing held in this same building, they swore under oath that they could not reduce the rate of increase they were asking for then because there was no room for expansion. We had asked them to consider hooking up to a new development to our north. Since that time, they have expanded service to all businesses eastward to US 1 with the exception of the Cumberland Farms store, which include several medical facilities, our Fire Department, Library, Churches, Winn Dixie, etc. They now have graciously agreed to accommodate the developer to the North when their final permits are granted, but have said these expansions will not in any benefit their present customers with a reduction of any kind, even though these concerns have paid or will pay for the infrastructure involved with the hook-ups. How many untruths can the PSC and the customers be asked to overlook.

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Dick Gee
 Eugenia Zubsky
 Maynard Burch
 Al Hazard
 Ray Kates
 Walter Clupe
 Richard B. Higgins
 Paula C. Higgins
 Nora Weaver
 Robert Humham
 Thomas
 J. O'Reilly
 Tony DiNozio

Merna Penhaus
 Elsie Colwell
 Margaret Williams
 Thelma J. Craigie
 R.J. Craigie
 Arthur A. Beeson
 Norma A. Beeson
 Dick DeGraff
 Angel Cuff
 John Gannon
 John Jones
 Pat Ruggiano
 Rita Ruggiano
 Dan Pattram
 Donna Ambowick

Barker Eeiss
 Raymond Aubrey
 Dorothy A. Nitajo
 Robert
 Elaine Pololough
 Phil Fortman
 Ethel Goldring
 John Goldring
 Helen Baerman
 Jennette Baumann
 Madeline G. Jones
 Robert Jones
 Leo Sandolph
 Edith E. Jackson
 Robert A. Jackson
 Harold A. Brooks
 Bernard B. Gamee
 Benjamin F. Meyer

Robert W. Ward

Constance Pearson

Worothy B. Johnson

Betty Rudzinski

Leonard Rudzinski

Mildred Henshall

Eleana Resenbeck

Bob Seibert

Gen Krom

John Olepaj

William F. Ward

Alice Cottam

John D. King

Ted Ansink

Ernest Lower

Eleanor Dardeshman

John Olepaj

REMARKS BY RICHARD G. HIGGINS
AT
FLORIDA PUBLIC SERVICE COMMISSION HEARING AT
BAREFOOT BAY FLORIDA JULY 14, 1998

Thank you, ladies and gentlemen, for coming ^{here} all the way from Tallahassee.

I AM ^{not} under no illusion that anything I say today will dissuade you from granting the water company's request.

The company has the gall to ask you to force us rate payers to pay their legal expenses. These lawyer costs were brought on by mistakes made by company management. They should be a business expense to the company.

They violated the Clean Water Act of this country. They got caught. They copped a plea. **THEY SHOULD PAY. The money should come from what would have been profits passed on to the investors. The money should not come from the rate payers who are entirely innocent of any wrong doing.**

According to the company's current calculation, the amount to be recovered will be apportioned to \$.84 per month for ten years. That sounds affordable, although it is a back breaker to some of our residents. ~~To be precise, it is \$100.00 per year for some residents.~~ ~~It is just as affordable if taken from the company investor's share of the profits at \$.84 per month for 10 years.~~ ~~share~~

Two years and four months ago I stood in this same place on April Fool's day (I was the fool) when the matter was not \$.84 per month for 10 years but it was forever to double the rates in order to pay for a \$5.9M Advanced Waste Water Treatment Plant that was not necessary. Even after that plant is paid for, the rate advance is scheduled to continue. Why? We don't know!

On that day, ^{April Fool's Day,} your peers granted a horrendous increase and I have been paying \$60 a month for water and sewer ever since. When I bought my property, the typical rate for water and sewer together was \$8 as advertised by the developer. That developer is the parent of Florida Cities Water Company.

A company vice president swore that the plant was 100% ~~used~~ and 100% useful at that time. In short, it was operating at capacity and physically could not take on more customers to share the load. He lied.

Now the company is servicing commercial businesses down by U.S. #1 and has an agreement to service 500 units to be built to the north of Barefoot Bay.

What were we citizens to do? Certainly the PSC Commissioners were of no help, staff was of no help, apparently the law is of no help, at least as interpreted by the commission staff.

A group of us decided lawyers were a waste of time; we had to ask the legislature for help. We asked our state senator, Patsy Ann Kurth, to introduce our legislation list of six items. Due to opposition, she was unable to accomplish any of our objectives.

WE WILL TRY AGAIN. YOU CAN BE SURE OF THAT. PERHAPS THIS TIME WE WILL TRY ON THE OTHER SIDE OF THE POLITICAL FENCE IN THE LEGISLATURE.

~~I can't restate~~ ^{restate} those six objectives because I want them in the record of this hearing. *They are,*

1. Reversion of Florida Public Service Commission to Election rather than Appointment as a requirement for becoming Commissioners.
 2. Investigation of Florida Public Service Commission Staff operations.
 3. Revise relevant laws that now allow Land Developers to own and operate utilities serving their residential developments.
 4. Private Bill to relieve FCWC-BB rate payers of financial liability for repayment to FCWC \$5.9M cost of AWWTP and legal costs as contained in this hearing.
 5. New legislation that will (1) encourage and guide rate payers and their county governments to become owners of utilities that threaten exorbitant rate increases and (2) make such transfer automatic when the utility is a subsidiary of the Developer and
-

that developer removes itself from an active role in the community development.

6. Revise relevant laws that now force rate payers to pay the utility's income taxes.

These are the legislative actions we will
again pursue. I attach detailed justifications,

Ladies and Gentlemen, thank you for patiently listening to what this citizen has to say. Come again.



Richard G. Higgins

1169 West Barefoot Circle
Barefoot Bay Florida 32976
(561) 664 5502
r_phiggins1@juno.com

FCWC Hearing 7/14/98
Barefoot Bay Homeowners Proposed Testimony

1. FCWC was found guilty of violating over 2300 Clean Water Act requirements and was fined over \$300,000.00 in 1996. The costs and fees for Attorneys of FCWC exceeded \$3,000,000.00. Recovery of any expenses incurred in the legal Defense should not be forced on the customers but should be borne by the stockholders. These expenses were not associated in any way with supplying water and wastewater services to the customers of FCWC, but were incurred by defending the interest of the stockholders of FCWC.

FCWC of their own doing chose not to challenge the denial of the NPDES (National-Pollutant Discharge System) permit and continued illegally discharging effluent wastewater. The management of FCWC should be held entirely accountable for their actions. They got caught.

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7. If the PSC allows this type of increase for fines and or penalties and expenses associated with them to be approved, you will be setting a precedent for all future utilities to ignore the law and let the good old customer pay for everything if they get caught. (Chris Riesenbeck)

NOTE: EACH OF US SHOULD THANK THE COMMISSION FOR LISTENING TO US AND TO PLEASE DENY THIS RATE INCREASE.

Eleanor M. Moody
190 E. Gladiolus Dr.
Barefoot Bay, Fl. 32976
Gordon B. Moody
1690 E. GLADIOLUS



RECEIVED
FEB 20 1998
MAIL ROOM
FEB 20 AM 10:16
FPSC - Records/Reporting

February 18, 1998

Ms. Blanca Bayo
Florida Public Service Commission
Director of Records & Reporting
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Dear Ms. Bayo:

By this letter, I request that Matthew Feil, Esq. be put on the mailing list for the following list of docket:

Docket No. 980057-WU
Docket No. 971663-WS
Docket No. 980006-WS

Gulf Utility Company
Florida Cities Water Company
Water and Wastewater Utilities

Mr. Feil's address is as follows:

Matthew Feil, Esq.
Florida Water Services Corporation
1000 Color Place
Apopka, FL 32703

If you have any questions, please contact me at (407) 880-0058, ext. 456. Thank you for your assistance with this matter.

Sincerely,

A handwritten signature in cursive script that reads "Donna L. Henry".

Donna L. Henry
Executive Legal Assistant



Public Service Commission

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

DATE: August 6, 1998
 TO: Division of Records and Reporting
 FROM: Stephen Bart Fletcher, Division of Water and Wastewater *SBF*
 RE: Customer Objection to FCWC request in Docket No. 971663-WS

RECEIVED - FPSC
 98 AUG - 6 PM 12: 2
 RECORDS AND REPORTING

Please place this memo on the correspondence side of the docket file. The following is an account of Ms. Doris Christensen's concerns, regarding FCWC's request to recover environmental litigation costs in Docket No. 971663-WS.

I returned Ms. Christensen's call on July 28, 1998. I stated two options for which she could address her concerns: 1) she could write a letter to the Commission or 2) I could take down her concerns and draft a memo. In either case, I assured her these concerns would be placed on the correspondence side of the docket file which would be available for review by all parties in this docket. She decline to write a letter.

The basis of her objection was the following: 1) she is on a fixed income; 2) she has a lot of medical bills; and 3) with the rising cost of her monthly telephone, gas, and food expenses, the approval of FCWC's proposed surcharge would affect her ability to pay all of the aforesaid expenses.

I asked if she had any quality of service problems. She stated "the water is fine", but indicated that she did install some type of a filter to her kitchen faucet. She stated her reason for installing the filter was because she did not trust FCWC, but she did not state her basis for this distrust. Lastly, I asked if the reason for the installation of the filter was due to taste, odor, smell or coloration of her water and she stated "no".

From: VLTP @ SMTP {VLTP@aol.com}
To: CAF Internet E-mail
Subject: fwd: FCSC, Inc

====NOTE=====8/02/98=11:41am=====

Return-Path: <VLTP@aol.com>
Received: from imol6.mx.aol.com (198.81.17.6)
by mail.psc.state.fl.us (Connect2-SMTP 4.30A.1000128)
for <contact@psc.state.fl.us>; Sun, 2 Aug 1998 11:40:23 -0400
Received: from VLTP@aol.com
by imol6.mx.aol.com (IMOV14_b1.1) id NWGwa27698
for <contact@psc.state.fl.us>; Sun, 2 Aug 1998 11:41:09 -0400 (EDT)
From: <VLTP@aol.com>
Message-ID: <779228f4.35c48896@aol.com>
Date: Sun, 2 Aug 1998 11:41:09 EDT
To: contact@psc.state.fl.us
Mime-Version: 1.0
Subject: FCSC, Inc
Content-type: text/plain; charset=US-ASCII
Content-transfer-encoding: 7bit
X-Mailer: AOL 4.0 for Windows 95 sub 120

RECORDS AND
REPORTING

98 JUL 31 AM 9:23

RECEIVED-PPSC

Please add our names to the docket # 971663-ws to be heard Aug 12-14 in Tallahassee as being in full accord with the brief presented by Cheryl Walla of North Fort Myers on the matter.

Velma L. Parmerton
1038 Kindly Road
N. Ft. Myers, Fl 33903

Mr & Mrs. Donald Anderson
1988 Longfellow Drive
N. Ft. Myers, Fl 33903

Fwd=by:=CAF=Internet==8/03/98==7:54am=====

Fwd to: Jennifer Erdman-Bridges, Pamela Johnson

Fwd=by:=Jennifer=Erdm=8/03/98==8:40am=====

Fwd to: Bill Lowe
CC: Leroy Rasberry, Pamela Johnson, Randy Roland

The above is being forwarded to your division for further handling and review. Thank you.

Fwd=by:=Leroy=Rasberr=8/03/98==9:18am=====

Fwd to: Eyvonne Estelle
CC: Kay Flynn

Eyvonne, please record as sent to Water & Wastewater, Thanks.

Kay, should we copy you on something like this?

From: Kay Flynn CONFIRMED
To: Brad Martin
Subject: 971663 notices

===NOTE=====8/01/98=10:22am==
CC:
Blanca Bayo, Carol Purvis, Ruth
Nettles
.....

Please mail and/or fax the hearing notice in this docket on Monday to all usual recipients of hearing notices (including names on docket mailing list EXCEPT Gatlin law firm and OPC--they received copies on 7/30).

As for the addendum notice, Gatlin law firm and OPC received copies of it on 7/31. I am taking copies to be mailed to remaining names on the docket mailing list to the Post Office on 8/1.* Kay

*Carol - by copy of this e-mail, I request reimbursement of \$1.28 from petty cash. I used my personal stamps to mail copies of the agenda notice to Cheryl Walla, the Lee County Examiner, Florida Water Services, and Florida Cities Water Company.

July 14, 1998

Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

Re: Florida Cities Water Company Proposed Increase

Gentlemen:

Thank you for promptly responding to my letter of June 25 advising that I had not received an April notice from Florida Cities Water Company of their request for a rate increase. Bonnie Lynn Raad of FCWC responded by letter stating that they had enclosed the notice as an insert with their April billing. She mentions the word notice four times in her letter, yet the April "Notice" makes no mention of the fact that it was a notice.

The reality is that the so-called FCWC notice has the appearance of a newsletter and the title refers only to an FCWC request to recover environmental litigation costs. One needs to read the small print to understand that it is a proposed rate increase to be collected over a ten-year period.

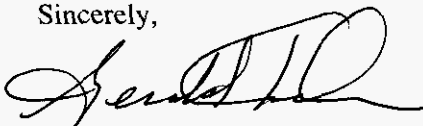
Consumers are overwhelmed with advertising and newsletter enclosures. The Commission cannot expect consumers to read billing enclosures unless they are clearly titled "Notice of Pending Rate Increase." In that regard, all hearings related to Petitioners request before the Commission should be postponed until FCWC properly notices its customers of the proposed rate increase.

The Petitioner, in its December 29, 1997 filing, states that it successfully defended a legal action brought by the United States relating to alleged violations of the Clean Water Act, when, in fact, nothing could be farther from the truth. The court assessed civil penalties directly related to that action. The victory FCWC refers to is the reduction of fines and not a finding that it operated with clean hands.

It is inconsistent and unconscionable for the Commission to find that fines associated with violations of DEP and EPA should be borne by the shareholders of the utility while allowing the utility to recover legal costs directly related to the defense of said fines. FCWC would like the Commission to find that FCWC customers should bear the cost of defending its shareholder because it acted in good faith. Is this the same good faith that disguised the April notice to look like a newsletter?

Nothing in the Petition indicates that the charges against FCWC were unfounded or with malice. Common sense dictates that FCWC shareholders are ultimately responsible for the legal operation of their facilities. Therefore, they should bear all costs associated with the defense of Clean Water Act violations brought against the facilities that they operate.

Sincerely,



Gerald Kuhn

Enclosure

THE SOURCE

Your Source for News and Accurate Information about Florida Cities Water Company

April, 1998

Florida Cities Water Company Files a Request to Recover Environmental Litigation Costs for its Barefoot Bay and North and South Fort Myers Divisions

PSC Docket No. 971663-WS

Florida Cities Water Company (FCWC) has applied to the Florida Public Service Commission (PSC) for approval of a rate increase applicable to customers in Lee and Brevard Counties.

The purpose of this request is to seek approval to recover a portion of FCWC's legal expenses incurred by FCWC in its successful defense of a legal action brought by the United States. The legal action alleged violations of the Clean Water Act (CWA). From 1992 through 1997, FCWC was the subject of an enforcement action initiated by the United States Environmental Protection Agency (EPA) and prosecuted by the United States Department of Justice (DOJ). This enforcement action addressed a number of alleged violations of the CWA at three FCWC wastewater treatment facilities, Waterway Estates in Lee County, Barefoot Bay in Brevard County and Carrollwood in Hillsborough County.

At the height of the litigation, the DOJ claimed civil penalties in the amount of \$104,325,000. As a result of FCWC's defense, the final penalty assessed by the United States District Court was \$309,710. In addition to this reduced penalty, the Court found that FCWC had acted in good faith in its dealings with state and federal regulators, and that none of FCWC's actions caused environmental harm to the waters of the State of Florida.

FCWC does not seek to recover the amount of the civil penalties assessed by the court. However, FCWC incurred \$3,826,210.00 in legal defense. The Company is seeking to recover, through a monthly customer rate increase, a portion of the legal expenses totaling \$2,265,833, plus rate case expense, from FCWC water and wastewater customers regulated by the PSC in Lee and Brevard Counties. FCWC proposes that it be allowed to collect the rate increase for a period of ten years or until the expenses have been fully recovered, whichever occurs first.

The proposed rate increase, to be collected from each water and each wastewater customer, is based on meter size as follows:

Meter Size (In Inches)	Monthly Rate Increase for each Service (Water and Wastewater)
	By Meter Size
5/8"	\$0.42
1"	1.05
1.5"	2.10
2"	3.36
3"	6.72
4"	10.50
6"	21.00
8"	42.00

For example, a typical residential customer who receives both water and wastewater service would pay \$.42 for water and \$.42 for wastewater or a total of \$.84 monthly.

This Petition has been filed as a Petition for Limited Proceeding pursuant to Section 367.0822, Florida Statutes. Copies of the Petition and Synopsis are available for review at FCWC's offices between the hours of 8:00 AM and 5:00 PM, Monday through Friday at the following locations.

Florida Cities Water Company
Barefoot Bay Division
931 Barefoot Bay Boulevard, Suite 2
Barefoot Bay, Florida 32976

Florida Cities Water Company
Fort Myers Division
7401 College Parkway
Fort Myers, Florida 33907

Case Schedule

The following dates have been established to govern the key activities of this case:
(Please note that these dates are tentative and subject to revision.)

- | | |
|--|--------------------|
| 1. Intervenors' direct testimony and exhibits | May 22, 1998 |
| 2. Staff's direct testimony and exhibits, if any | June 12, 1998 |
| 3. Prehearing Statements | June 30, 1998 |
| 4. Rebuttal testimony and exhibits | July 3, 1998 |
| 5. Service Hearing - Barefoot Bay | July 7, 1998 |
| 6. Service Hearing - Fort Myers | July 8, 1998 |
| 7. Prehearing Conference | July 13, 1998 |
| 8. Hearing | August 12-14, 1998 |
| 9. Briefs | September 14, 1998 |
| 10. Agenda | November 3, 1998 |

Written comments concerning the utility's service or the proposed surcharge should be addressed to the Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, and should reference Docket No. 971663-WS. A copy of the written comments should be mailed to FCWC's attorney, B. Kenneth Gatlin at 3301 Thomasville Road, Suite 30, Tallahassee, Florida 32312. Complaints regarding service may be made to the Commission's Division of Consumer Affairs at the following toll-free number: 1-800-342-3552.

**DIRECTIONS TO
AMTEL MARINA HOTEL & SUITE
AQUA DOME**

2500 Edward Drive
Ft. Myers, Florida

From Ft. Myers Airport - Exit the airport and follow signs to I-75 north. Take Exit 22 and proceed west on Colonial Blvd. Turn north onto Fowler Street and west onto Dr. Martin Luther King Blvd., north onto Lee Street and right onto Edward Drive.

OR

Follow signs from Ft. Myers airport to I-75 North. Take Exit 25 and proceed west onto Palm Beach Blvd. (SR 80). Go approximately 5-6 miles and you will arrive at the rear of the hotel.

ITINERARY

NAME: RUTHE POTAMI

DESTINATION: ORLANDO/BARFOOT BAY/FT. MYERS

DEPARTURE INFORMATION: Monday, July 13, 1998

	TIME:	AIRLINE:	FLIGHT #
LEAVE: <u>TALLAHASSEE (\$408 00) 7/13</u>	<u>1:30 p</u>	<u>USAIR</u>	<u>3197</u>
ARRIVE: <u>ORLANDO</u>	<u>2:35 p</u>	<u> </u>	<u> </u>
LEAVE: <u>ORLANDO 7/14</u>	<u>8:25 p</u>	<u>DELTA</u>	<u>2587</u>
ARRIVE: <u>FT. MYERS</u>	<u>9:10 p</u>	<u> </u>	<u> </u>

RETURN INFORMATION: Thursday, July 16, 1998

LEAVE: <u>FT. MYERS</u>	<u>8:35 a</u>	<u>USAIR</u>	<u>5398</u>
ARRIVE: <u>ORLANDO</u>	<u>9:20 a</u>	<u>USAIR</u>	<u> </u>
LEAVE: <u>ORLANDO</u>	<u>10:25 a</u>	<u>USAIR</u>	<u>3462</u>
ARRIVE: <u>TALLAHASSEE</u>	<u>11:35 a</u>	<u>USAIR</u>	<u> </u>

HOTEL ACCOMMODATIONS:

07/13 - The Captains Quarters - \$79.00 - Conf. Bonnie - Ph - 561-589-4345
07/14 & 15 - Amtel Marina Hotel & Suite (formerly Sheraton Harbor) -
Ph - 941-337-0300 - Sandy Conf. 7991880 and Ruthe Conf. 4599878

CONFIRMATION NO. _____/CANCELLATION NO. _____

RENTAL CAR INFORMATION: Full-size (Express) (Sandy's name)

CONFIRMATION NO. 15697954US6 (Orlando)

CONFIRMATION NO. 16306488US2 (Ft. Myers)

ALTERNATE FLIGHT ARRANGEMENTS:

LEAVE: _____
ARRIVE: _____

TICKET DELIVERY: 07/09/98

TRAVEL AGENT: **ASTRO TRAVEL & TOURS, INC.** - Amy at 222-2023
1-800-622-8962

MEMORANDUM

June 11, 1998

TO: Legal Services (Gervasi)

FROM: Blanca S. Bayó, Director
Division of Records and Reporting

RE: Docket No. 971663-WS - Petition of Florida Cities Water Company for limited proceeding to recover environmental litigation costs for North and South Ft. Myers Division in Lee County and Barefoot Bay Divisions in Brevard County.

*** PLEASE NOTE THE CHANGE IN NAME OF THE HOTEL.**

Please be advised that the following location has been reserved for a Commission service hearing to be held on Wednesday, July 15, 1998 in Ft. Myers at 1:30 p.m.

and 6:30 p.m.

*** Amtel Marina Hotel & Suite**

Aqua Dome

2500 Edward Drive

Ft. Myers, Florida

The contact person is Ms. Maureen Killeen at 941-479-4125.

This is for your information, please review the Notice of Commission Hearing for more details.

BSB/cp

cc: Chairman Johnson
Commissioner Deason
Commissioner Clark
Commissioner Garcia
Commissioner Jacobs
Court Reporters
Water and Wastewater (Willis)
Consumer Affairs (DeMello)
Office of Public Information (Cunningham)

MEMORANDUM

May 21, 1998

TO: Legal Services (Gervasi)

FROM: Blanca S. Bayó, Director
Division of Records and Reporting

RE: Docket No. 971663-WS - Petition of Florida Cities Water Company for limited proceeding to recover environmental litigation costs for North and South Ft. Myers Division in Lee County and Barefoot Bay Divisions in Brevard County.

Please be advised that the following location has been reserved for a Commission service hearing to be held on Wednesday, July 15, 1998 in Ft. Myers at 1:30 p.m.
and 6:30 p.m.

Sheraton Harbor Place

Aqua Dome

2500 Edward Drive

Ft. Myers, Florida

The contact person is Ms. Bethany Loescher at 941-479-4125.

This is for your information, please review the Notice of Commission Hearing for more details.

BSB/cp

cc: Chairman Johnson
Commissioner Deason
Commissioner Clark
Commissioner Garcia
Commissioner Jacobs
Court Reporters
Water and Wastewater (Willis)
Consumer Affairs (DeMello)
Office of Public Information (Cunningham)

7-15-98

**DIRECTIONS TO
SHERATON HARBOR PLACE
AQUA DOME**
2500 Edward Drive
Ft. Myers, Florida

From Ft. Myers Airport - Exit the airport and follow signs to I-75 north. Take Exit 22 and proceed west on Colonial Blvd. Turn north onto Fowler Street and west onto Dr. Martin Luther King Blvd., north onto Lee Street and right onto Edward Drive.

OR

Follow signs from Ft. Myers airport to I-75 North. Take Exit 25 and proceed west onto Palm Beach Blvd. (SR 80). Go approximately 5-6 miles and you will arrive at the rear of the hotel.

SPECIAL REPORT



JULY 1998 No. 9

Florida Cities Water Company

On December 29, 1997, Florida Cities Water Company (FCWC) filed with the Florida Public Service Commission (PSC or Commission), an application seeking recovery of environmental litigation costs from its water and wastewater customers in North and South Ft. Myers (Lee County) and Barefoot Bay (Brevard County). FCWC is a water and wastewater utility operating under the Commission's jurisdiction in Lee and Brevard counties serving approximately 36,742 customers. FCWC also has water and wastewater divisions in Collier, Sarasota and Hillsborough Counties, which are not subject to this Commission's jurisdiction.

In its petition, FCWC is seeking approval from the PSC to recover a portion of expenses incurred in its defense of legal action brought against the company by the United States Environmental Protection Agency and prosecuted by the United States Department of Justice. It must be noted that it is the utility's burden to prove that the legal expenses incurred were prudent and sufficiently-documented. This legal action addressed a number of alleged violations of the Clean Water Act at three FCWC wastewater treatment facilities.

FCWC incurred legal expenses in the amount of \$3,826,210 and is seeking to recover \$3,589,368 from all of its customers in Florida. Of the \$3,589,368, FCWC is seeking to recover \$2,265,833, plus rate case expense, from its customers in Lee and Brevard counties. FCWC proposes that it should be allowed to collect its proposed rate increase for a period of ten years, or until the expenses have been fully recovered, whichever comes first.

The PSC is conducting two customer service hearings. The hearings will allow customers to provide testimony to the Commission, which will become part of the official record for this case and will assist Commissioners in reaching their decisions.

The Commission will also conduct a technical hearing in Tallahassee to hear testimony and evidence from various expert witnesses sponsored by the parties to this proceeding, including the Office of Public Counsel, which has intervened on behalf of the citizens. The technical hearing is scheduled for August 12-14, 1998. The Commission's technical hearing will also be open to the public.

PSC staff is scheduled to make a recommendation to the Commission on October 22, 1998 and the Commission vote on this matter is scheduled for November 3, 1998.

Customer Hearing

DOCKET NO. 971663-WS
Petition of Florida Cities Water Company
for limited proceeding.

Tuesday, July 14, 1998 - 1:00 p.m.
Barefoot Bay Community Center - Bldg. A
625 Barefoot Boulevard
Barefoot Bay, Florida

Wednesday, July 15, 1998
1:30 p.m. and 6:30 p.m.
Sheraton Harbor Place - Aqua Dome
2500 Edwards Drive
Ft. Myers, Florida

PSC Staff and Reference Numbers

For technical questions, contact:
Division of Water and Wastewater
Marshall Willis (850) 413-6914
Bart Fletcher (850) 413-7071

For legal questions, contact:
Division of Legal Services
Rosanne Gervasi (850) 413-6224
Tim Vaccaro (850) 413-6181

For general information, contact:
Robby Cunningham (850) 413-6129
Thelma V. Crump (850) 413-7087
or call toll-free 1-800-342-3552
1-800-511-0809 to FAX
Internet: contact@psc.state.fl.us
Home Page: <http://www.scri.net/psc>

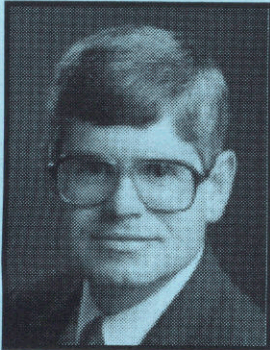
**AUDIO
ACCESS
TO PSC EVENTS
on the
INTERNET
SEE PAGE 3**

FPSC Commissioners



Julia L. Johnson

Chairman Johnson was appointed by Governor Lawton Chiles in January 1993, and was reappointed to another four-year term ending in 2001. She is currently serving a two-year term as PSC Chairman. Prior to her appointment, she served as Legislative Affairs Director for the Department of Community Affairs (DCA), where she represented the agency before the legislature on issues relating to economic development, land-use growth management, energy efficiency, housing and emergency management. From 1990-91, she served as a Senior Attorney for DCA, where she participated in state judicial and administrative proceedings on growth management issues. From 1988-90, she was an associate with the Orlando law firm of Maguire, Voorhis and Wells. Chairman Johnson has a Bachelor of Science degree in Business Administration, as well as a law degree from the University of Florida, and is a member of the National Bar Association. She serves as Vice Chair of the National Association of Regulatory Utility Commissioners' (NARUC) Communications Committee, and is a member of the Communications Subcommittee on Federal Legislation and Regulation. She also serves as State Chair of the Federal/State Joint Board on Universal Service.



J. Terry Deason

Commissioner Deason was appointed in February 1991, and served as Commission Chairman from 1993-1994. He was reappointed by Governor Lawton Chiles to another four-year term ending in 1999. Prior to his appointment, he served as Chief Regulatory Analyst in the Office of Public Counsel, where he was responsible for the coordination of accounting and financial analysis used in cases before the PSC. From 1981 to 1987, Commissioner Deason

served as executive assistant to PSC Commissioner Gerald L. Gunter. He also previously served as Legislative Analyst for the Public Counsel's office. He graduated *summa cum laude* with a Bachelor of Science degree in Accounting from Florida State University, and also has a Master of Accounting degree from FSU.



Susan F. Clark

Commissioner Clark was appointed by Governor Lawton Chiles in August 1991, to serve the remainder of a term ending in January 1995, and was reappointed to a full four-year term ending in 1999. She served as Commission Chairman from 1994 to 1996. Before her appointment, Commissioner Clark served as the Commission's General Counsel. She joined the PSC in the Appeals Division in 1980 and was Division Director from 1983 to 1988. A 1974

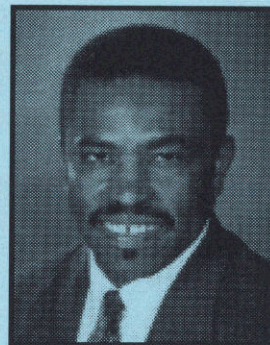
graduate of the University of Florida Law School, she previously worked in the Florida Senate's legal services office and served as Staff Attorney for three years for the House and Senate Joint Administrative Procedures Committee.



Joe Garcia

Commissioner Joe Garcia was appointed by Governor Lawton Chiles in August 1994, to complete a term ending in January 1998, and was reappointed by Governor Chiles to a new term ending January 2002. Prior to his service on the Commission, he served as Executive Director of the Cuban Exodus Relief Fund, the Cuban American National Foundation's private-sector resettlement program. Before joining the Cuban American National Founda-

tion, Commissioner Garcia was Assistant Director of the Salvadoran American Foundation, where he coordinated fundraising efforts for humanitarian relief campaigns. He has served on the National Association of Regulatory Utility Commissioners' (NARUC) Committee on Gas and Committee on Energy Conservation, and is presently a member of the NARUC Committee on International Relations. Commissioner Garcia also serves on the board of the Florida Department of Energy's National Electromagnetic Fields Advisory Committee. He received a Bachelor of Arts degree in Politics and Public Affairs, as well as a law degree from the University of Miami.



E. Leon Jacobs, Jr.

Commissioner Jacobs was appointed by Governor Lawton Chiles to a four-year term beginning January 1998. Prior to his appointment, he was a Staff Attorney for the Committees on Tourism and Economic Development, Insurance and Financial Services in the Florida House of Representatives, where he authored reforms to the state's minority business enterprise programs and managed health insurance and workers' compensation issues. He was

staff counsel to the Florida Senate Committee on Reapportionment addressing redistricting issues, which involved support of court appeals of the political districts up through the U.S. Supreme Court, and was an attorney with the PSC, where he served as counsel to Commission staff and litigator of administrative proceedings. He is a member of the National Association of Regulatory Utility Commissioners' (NARUC) Committee on Water, a Board member of Child Advocates II of Tallahassee and a volunteer guardian in the Guardian Ad Litem Program in the Second Judicial Circuit. Commissioner Jacobs formerly served as President of the Board of Directors of the Tallahassee affiliate of Habitat for Humanity. He received a Bachelor of Technology degree with honors, in Data Processing from Florida A&M University and a law degree from Florida State University, and is a member of the Florida Bar.

Customer Statements at PSC Hearings

PSC Commissioners are interested in what consumers have to say about the petition of Florida Cities Water Company for limited proceeding to recover environmental litigation costs for North and South Ft. Myers Divisions in Lee County and Barefoot Bay Division in Brevard County. One purpose of these hearings is for the Commission to receive comments from the public.

Anyone may make a statement, and speaking is an effective way to let the Commission know how you feel about the case under review. Those customers who wish to speak should arrive 30 minutes before the scheduled time.

At the beginning of the hearing, procedures will be set up to establish an order for public testimony. The Public Service Commission staff will have sign-up sheets, and customers will be called in the order of those sheets. PSC staff will be available to coordinate customer testimony and assist those members of the public who wish to testify.

Any person who wishes to comment or provide information to PSC staff may do so at the hearings, orally, or in writing. Written comments may be sent to the Commission at: 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850. Your letter will be placed in the correspondence file of this docket (Docket No. 971663-WS). For your convenience, a comment form is attached to this Special Report. You may also call the Commission's toll-free number, 1-800-342-3552, or 1-800-511-0809 to FAX.

Any person who wishes to obtain a copy of the recommendation or the order may do so by writing to: Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850.

Florida Public Service Commission

BUREAU OF

Consumer Information and Conservation Education

2540 Shumard Oak Boulevard
Betty Easley Conference Center-Room 184
Tallahassee, Florida 32399-0850

The Public Service Commission's Bureau of Consumer Information and Conservation Education provides a staff of information specialists who are available to answer questions from the media and from Florida consumers.

To reach a PSC media representative, please call the Bureau of Consumer Information and Conservation Education during business hours: (850) 413-6100 or send a fax to 1-800-511-0809. See the PSC's Internet Home Page at <http://www.scri.net/psc>.

Audio Access to PSC Events on the Internet

Public Service Commission hearings are accessible as live audio broadcasts on the PSC's Internet Home Page. To access a hearing, you must have a computer equipped with a soundboard and speakers. The necessary helper application software, Progressive Networks' Real Player, may be downloaded at the PSC Web site.

The PSC's Home Page address is <http://www.scri.net/psc>. After logging onto the Home Page, the listener must choose the option, "Audio Access to PSC Events," and follow the prompts.





Proposed Monthly Flat Charge Increase

FCWC's proposed flat monthly charge would be collected as an additional charge from each water and each wastewater customer based on meter size as follows:

Meter Size (In Inches)	Proposed Monthly Flat Charge for Each Service (Water & Wastewater) By Meter Size
5/8"	\$ 0.42
1"	1.05
1.5"	2.10
2"	3.36
3"	6.72
4"	10.50
6"	21.00
8"	42.00

For example, a typical residential customer who receives both water and wastewater service would pay an increase of \$0.42 for water and \$0.42 for wastewater for a total increase of \$0.84 monthly.

State of Florida



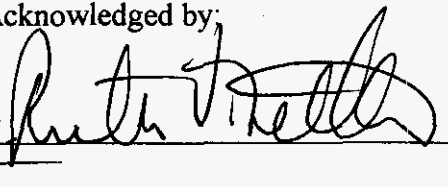
Public Service Commission

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

DATE: August 24, 1998
TO: Blanca Bayo, Director, Records and Reporting
FROM: Joy Kelly, Chief, Bureau of Reporting
RE: DOCKET NO. ~~980281-TP~~, HEARING HELD 8-5-98
971663-125

Attached for filing in the docket file of the captioned case are Exhibits 1 through 22, representing all exhibits marked and received into evidence during the hearing..

Acknowledged by:

8/24/98 

JK:pc



Public Service Commission

State of Florida

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

DATE: August 18, 1998
TO: Blanca Bayó, Director, Records and Reporting
FROM: Joy Kelly, Chief, Bureau of Reporting
RE: DOCKET NO. 971663-WS, HEARING HELD 8-12-98

RE: PETITION OF FLORIDA CITIES WATER COMPANY FOR LIMITED PROCEEDING TO RECOVER ENVIRONMENTAL LITIGATION COSTS FOR NORTH AND SOUTH FT. MYERS DIVISIONS IN LEE COUNTY AND BAREFOOT BAY DIVISION IN BREVARD COUNTY

DOCUMENT NO. VOLUME 1, 08700, 8-17-98; VOLUME 2, 08701, 8-1798;
VOLUME 3, 08495, 8-11-98; VOLUME 4, 08496, 8-11-98

The transcript for the above transcribed hearing has been completed and is forwarded for placement in the docket file, including attachments.

Please note that Staff distribution of this transcript was made to:

LEGAL, AFAD, WAW

Acknowledged by:

mar

JK/pc

PSC/RAR 28 (Rev7/94)

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.



DIVISION OF RECORDS & REPORTING
BLANCA S. BAYÓ
DIRECTOR
(850) 413-6770

Public Service Commission

August 3, 1998

TO: PARTIES OF RECORD

Re: DOCKET NO. 971663-WS, PETITION OF FLORIDA CITIES
WATER COMPANY, FORT MYERS SERVICE HEARING
HELD 7-15-98

Because of computer problems involving the FPSC system, an unproofed version of the transcript was furnished you on July 29, 1998. We have corrected the transcript and are furnishing you with a corrected copy. Please discard the transcript you now have and substitute this transcript.

Please accept our apology for any inconvenience this may have caused you or members of your staff.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joy Kelly".

Joy Kelly, CSR, RPR
Chief, Bureau of Reporting

JK:pc
Attachment



Public Service Commission

State of Florida

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

DATE: July 30, 1998
TO: Blanca Bayó, Director, Records and Reporting
FROM: Joy Kelly, Chief, Bureau of Reporting
RE: DOCKET NO. 971663-WS, FORT MYERS SERVICES HEARING HELD 7-15-98

RE: PETITION OF FLORIDA CITIES WATER COMPANY FOR LIMITED PROCEEDING TO RECOVER ENVIRONMENTAL LITIGATION COSTS FOR NORTH AND SOUTH FT. MYERS DIVISIONS IN LEE COUNTY AND BAREFOOT BAY DIVISION IN BREVARD COUNTY

DOCUMENT NO. 07965, 7-28-98

The transcript for the above transcribed hearing has been completed and is forwarded for placement in the docket file, including attachments.

Please note that Staff distribution of this transcript was made to:

LEGAL, AFAD, WAW, SOLD

Acknowledged by:

mas

JK/pc

PSC/RAR 28 (Rev7/94)



Public Service Commission

State of Florida

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

DATE: July 28, 1998

TO: Blanca Bayó, Director, Records and Reporting

FROM: Joy Kelly, Chief, Bureau of Reporting

RE: DOCKET NO. 971663-WS, SERVICE HEARING HELD 7-14-98 IN
BAREFOOT BAY, FLORIDA

RE: PETITION OF FLORIDA CITIES WATER COMPANY FOR LIMITED
PROCEEDING TO RECOVER ENVIRONMENTAL LITIGATION COSTS FOR
NORTH AND SOUTH FT. MYERS DIVISIONS IN LEE COUNTY AND
BAREFOOT BAY DIVISION IN BREVARD COUNTY

DOCUMENT NO. 07859, 7-27-98

The transcript for the above transcribed hearing has been completed and is forwarded for placement in the docket file, including attachments.

Please note that Staff distribution of this transcript was made to:

LEGAL, AFAD, WAW, SOLD

Acknowledged by:



JK/pc

PSC/RAR 28 (Rev7/94)

State of Florida



Public Service Commission

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

DATE: July 28, 1998
TO: Blanca Bayo, Director, Records and Reporting
FROM: Joy Kelly, Chief, Bureau of Reporting
RE: DOCKET NO. 971663-WS, PREHEARING HELD 7-20-98

Attached for filing in the docket file of the captioned case are Exhibits 1 through 2, representing the exhibits marked and received into evidence during the prehearing conference held 7-20-98.

Acknowledged by:

A handwritten signature in cursive script, appearing to be "B. Kelly", written over a horizontal line.

JK:pc



Public Service Commission

State of Florida

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

DATE: July 22, 1998
TO: Blanca Bayó, Director, Records and Reporting
FROM: Joy Kelly, Chief, Bureau of Reporting
RE: DOCKET NO. 971663-WS, PREHEARING HELD 7-20-98

RE: PETITION OF FLORIDA CITIES WATER COMPANY FOR LIMITED PROCEEDING TO RECOVER ENVIRONMENTAL LITIGATION COSTS FOR NORTH AND SOUTH FORT MYERS DIVISIONS IN LEE COUNTY AND BAREFOOT BAY DIVISION IN BREVARD COUNTY

DOCUMENT NO. 07681, 7-22-98

The transcript for the above transcribed hearing has been completed and is forwarded for placement in the docket file, including attachments.

Please note that Staff distribution of this transcript was made to:

LEGAL, AFAD, WAW, SOLD

Acknowledged by:

mac

JK/pc

PSC/RAR 28 (Rev7/94)

7/22/98

971663-WS

Florida Public Service Commissioner
2540 SHUMARD OAK Boulevard
Room 148 - Betty Lasky Conference Center
TALLAHASSEE, Florida 32399-0850

Dear Sir -

I don't understand why
Barefoot Bay - Florida Cities Water CO
is ASKING for another increase in
water -

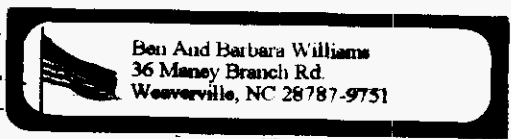
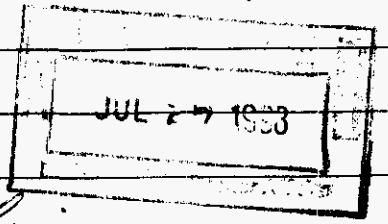
I don't understand why they
call such a meeting at this time
of year because over half of residents
are gone -

I feel water rates are TOO high
now & I have asked several times
about being charged for water when
water is out of it - you pay regardless
of off/on

I'm thinking of setting out
& going some where else - There are many
things I don't agree with -

Sincerely

Ben Williams



- ACK _____
- AEA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- EG _____
- N _____
- OC _____
- H _____

JEN L. OR BARBARA G. WILLIAMS
 36 MANEY BRANCH RD.
 WEAVERVILLE, NC 28787

66-85/531
 0943064608

3635

DATE 6/29/98

PAY TO THE ORDER OF

Florida Cities Water Co

\$ 30.50

Thirty & 50/100

DOLLARS



Centura Bank
 West Jefferson, NC 28694

PREMIER CHECKING

Jen Williams

MEMO 2-2-09-0401-2-6

3635

98

AMOUNT NOW DUE
 30.50

98
 -2-6

AMOUNT ENCLOSED

through the mail. Make check payable S. funds to FCWC / PUI.

FCWC WATER COMPANY

10101 BLVD
 WY FL 32976-7619

002209040126 000003050

PLEASE TEAR HERE AND RETURN TOP PORTION OF BILL WITH YOUR PAYMENT.

ACCOUNT NUMBER	SERVICE ADDRESS	STATEMENT DATE	DUE DATE
2-2-09-0401-2-6	600 WEDELIA DRIVE	06/17/1998	07/08/1998

SUMMARY OF PREVIOUS CHARGES

DATE LAST PAYMENT RECEIVED	AMOUNT RECEIVED THANK YOU FOR YOUR PAYMENT	Service may be discontinued to accounts with Past Due Balances. See explanation of charges on back of bill.	PAST DUE BALANCE
06/04/1998	51.69		

METER NUMBER	CLASS	SERVICE USED		# OF DAYS	METER READING IN 1000 GALLONS		USAGE IN 1000 GALLONS
		FROM	TO		CURRENT	PREVIOUS	
RG01 39590086	R	05/13/1998	06/11/1998	29	84	84	0

USAGE HISTORY IN 1000 GALLONS
ONE YEAR AGO
LAST MONTH
3
LAST YEAR AVERAGE
1

WATER BASE FACILITY CHARGE 9.78
 SEWER BASE FACILITY CHARGE 20.72

I don't understand why water rates are on rise - They are too High Now - This is getting to be an every day thing - Is it because you have a Captive Clientel - I. NO water used & you have to pay?

PAY THIS AMOUNT > 30.50

FOR CUSTOMER SERVICE, CALL 561-664-5916

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.



DIVISION OF RECORDS & REPORTING
BLANCA S. BAYÓ
DIRECTOR
(850) 413-6770

Public Service Commission

April 20, 1998

Mr. Dave Funderbunk
Sound Vision, Inc.
6669 Rivo Alto Street
Orlando, FL 32809

RE: Docket No. 971663-WS - Petition of Florida Cities Water Company for limited proceeding to recover environmental litigation costs for North and South Ft. Myers Division in Lee County and Barefoot Bay Divisions in Brevard County.

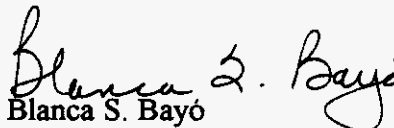
Dear Mr. Funderbunk:

This will confirm the rental of audio equipment for a Commission hearing to be held on Tuesday, July 14, 1998, beginning at 1:00 p.m. The location for this hearing is the Barefoot Bay Community Center, Building A, 625 Barefoot Boulevard, Barefoot Bay, Florida. As discussed, the fee for providing this equipment will be \$325.00. Payment will be made after services are rendered and upon receipt of an invoice.

The enclosed diagram demonstrates the number of microphones and the location for each. Our court reporters' cassette recorder should be plugged into the audio system and the microphones arranged in accordance with the diagram by 12:00 noon.

I look forward to working with you and your staff. Please call me if you have questions regarding this matter.

Sincerely,


Blanca S. Bayó

BSB/ss

Enclosure

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

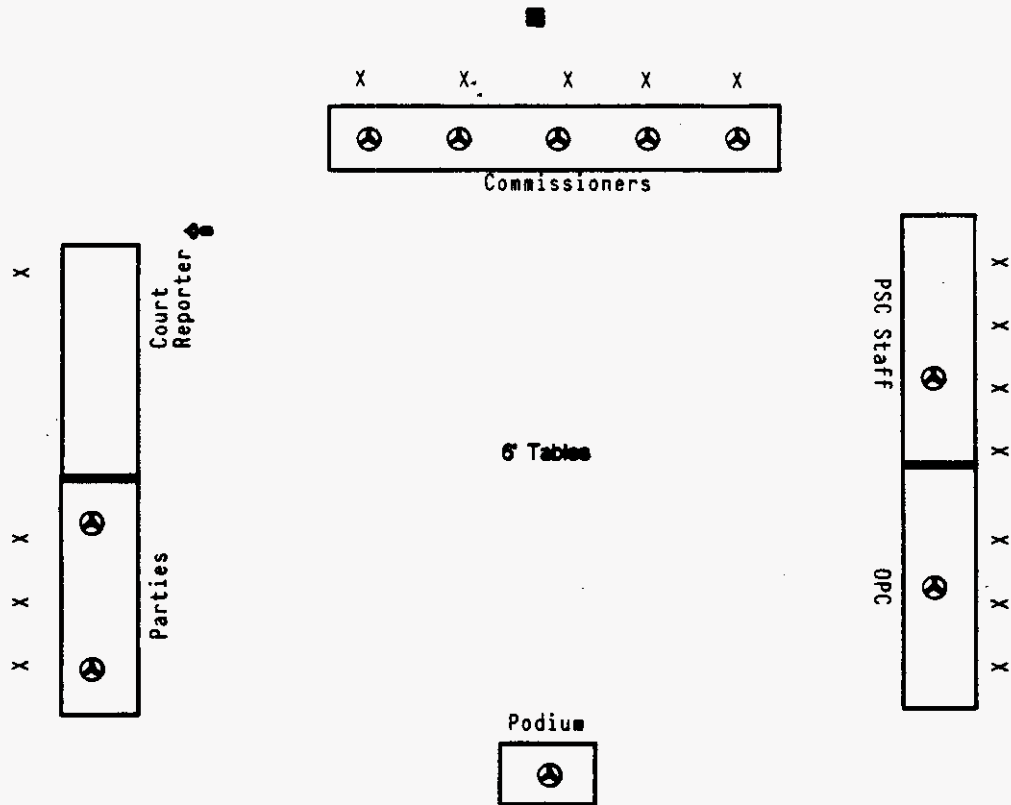
An Affirmative Action/Equal Opportunity Employer

PSC Website: www2.scri.net/psc

Internet E-mail: contact@psc.state.fl.us

**Florida Public Service Commission
Hearing Room Configuration for
Docket No. 971663-WS - Florida Cities Water Company**

**Tuesday, July 14, 1998 1:00 p.m.
Barefoot Bay**



Theater-style Seating for Audience of 400



6' Table at Entrance of Room



LEGEND:

- X Chairs
- ⊕ Microphones
- Wastebaskets
- ↔ Location where court reporter's cassette recorder will be plugged into audio system.

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.



DIVISION OF RECORDS & REPORTING
BLANCA S. BAYO
DIRECTOR
(850) 413-6770

Public Service Commission

April 20, 1998

Mr. Bill Sansbury
Suite No. 2
931 Barefoot Boulevard
Barefoot Bay, FL 32976

Dear Mr. Sansbury:

RE: Docket No. 971663-WS - Petition of Florida Cities Water Company for limited proceeding to recover environmental litigation costs for North and South Ft. Myers Division in Lee County and Barefoot Bay Divisions in Brevard County.

Dear Mr. Sansbury:

This will confirm our reservation of the Barefoot Bay Community Center, July 14, 1998, for the purpose of holding a Commission hearing in the above-referenced docket. The hearing is scheduled to begin at 1:00 p.m., however, staff will need access to the community center by 12:00 noon. Please arrange the room in accordance with the enclosed diagram by 11:00 a.m. There will be approximately 400 people in attendance.

As previously discussed, there will be no charge for the use of this room. A copy of an insurance certificate and hearing room diagram are enclosed.

I appreciate the opportunity to use this facility for our hearing. Please call me if you have questions regarding this matter.

Sincerely,


Blanca S. Bayo

BSB/sps

Enclosures

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

An Affirmative Action/Equal Opportunity Employer

PSC Website: www2.scri.net/psc

Internet E-mail: contact@psc.state.fl.us



**FLORIDA CASUALTY INSURANCE
RISK MANAGEMENT TRUST FUND**

Policy Number:

GL-97-2700

General Liability

Certificate of Coverage

Name Insured:

PUBLIC SERVICE COMMISSION

**General Liability Coverage provided pursuant to Chapter 284, Part II, Section 768.28,
Florida Statutes, and any rules promulgated thereunder.**

Coverage Limits:

**General Liability: \$100,000.00 each person
 \$200,000.00 each occurrence**

Inception Date: 07/01/97

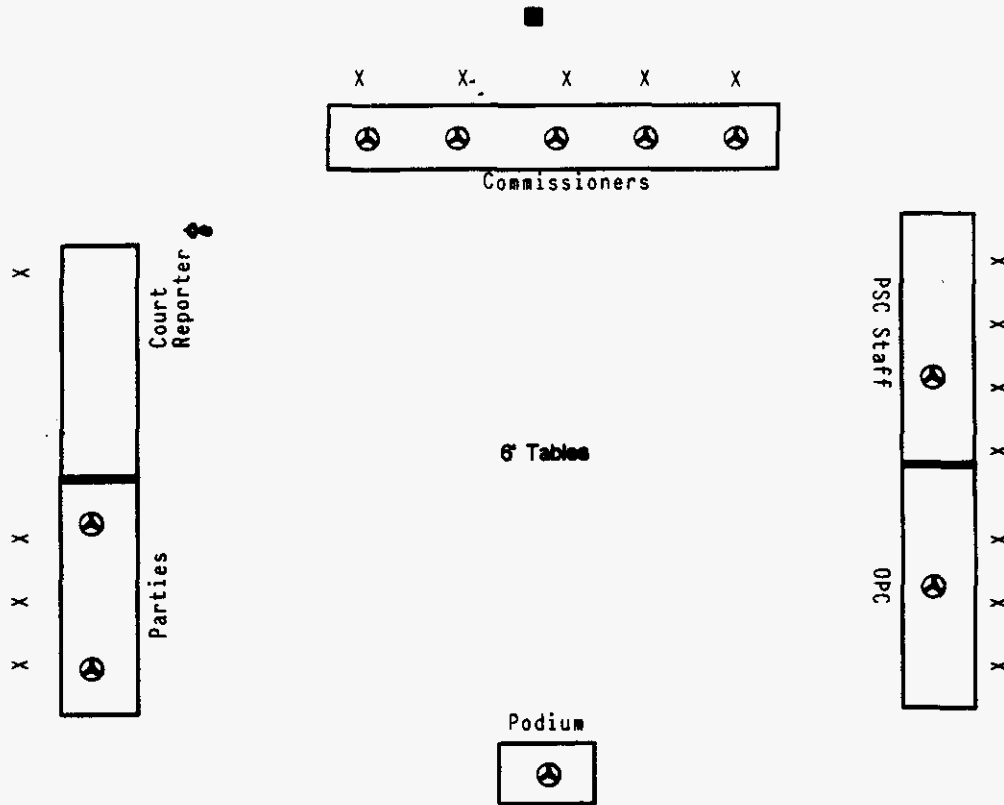
Expiration Date: 07/01/98

Bill Nelson

**TREASURER AND
INSURANCE COMMISSIONER**

**Florida Public Service Commission
Hearing Room Configuration for
Docket No. 971663-WS - Florida Cities Water Company**

**Tuesday, July 14, 1998 1:00 p.m.
Barefoot Bay**



Theater-style Seating for Audience of 400



6' Table at Entrance of Room



LEGEND:

- X Chairs
- ⊕ Microphones
- Wastebaskets
- ↔ Location where court reporter's cassette recorder will be plugged into audio system.

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.



DIVISION OF RECORDS & REPORTING
BLANCA S. BAYÓ
DIRECTOR
(850) 413-6770

Public Service Commission

June 22, 1998

Lt. Jimmy Fielding
Brevard County Sheriff's Office
South Precinct
2725 Judge Fran Jamieson Way
Melbourne, Florida 32940

RE: Docket No. 971663-WS - Petition of Florida Cities Water Company for limited proceeding to recover environmental litigation costs for North and South Ft. Myers Divisions in Lee County and Barefoot Bay Division in Brevard County.

Dear Lt. Fielding:

This will confirm our request for an off-duty uniformed police officer scheduled to attend the Commission's July 14, 1998 service hearing in Barefoot Bay at the Barefoot Bay Community Center, Building A, 625 Barefoot Boulevard. The officer should be on duty by 12:30 p.m. Payment will follow once the hearings are held and an invoice received. A copy of our invoice is provided for your convenience.

Thank you for your assistance. Please call me if you have questions regarding this matter.

Sincerely,

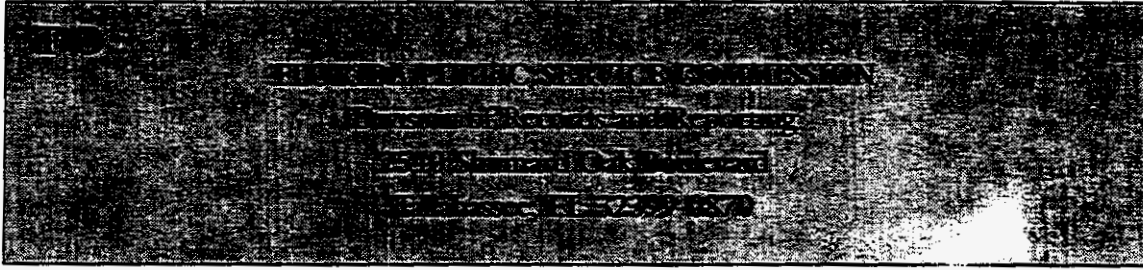
A handwritten signature in cursive script, appearing to read "Kay [unclear] for".

Blanca S. Bayó

BSB/cp

Enclosure

INVOICE



July 14, 1998

DATE:

NAME: _____

SOCIAL SECURITY NO.: _____

MAILING ADDRESS: _____
_____TYPE SERVICE: Security for service hearing in Barefoot BayLOCATION: Barefoot Bay Community CenterDATE OF SERVICE: July 14, 1998BEGINNING/ENDING TIMES: 12:30 a.m. -
(4 hour minimum)

NUMBER HOURS WORKED: _____

HOURLY RATE: \$20.00

AMOUNT DUE: \$

_____
Signature:

From: Carol Purvis
To: Sandy Simmons
Subject: fwd: security

===NOTE=====6/15/98==5:03pm==
Have you gotten security for the Barefoot Bay hearing?

\$18.00 per hour minute for Ft. Myers is that for each hearing or for both?

Fwd=by:=Sandy=Simmons=6/16/98==7:49am==
Fwd to: Carol Purvis

.....
I keep trying to get in touch with the ONE person at the Brevard County S.O. who schedules detail, but so far have not had any luck. I'll try again this morning.

Ft. Myers rate is \$18.00 per hour with a three hour minimum -- each session. The Police Department will invoice us after the event and they will pay the officer.

Fwd=by:=Carol=Purvis==6/16/98==8:53am==
Fwd to: Sandy Simmons

.....
thanks
Fwd=by:=Sandy=Simmons=6/16/98==4:07pm==
Fwd to: Carol Purvis

.....
Security for Barefoot Bay:
Brevard County Sheriff's Office
South Precinct
2725 Judge Fran Jamieson Way
Melbourne, FL 32940
\$20.00/hour --- four hr. minimum
Requested officer to arrive by 12:30 p.m. and the hearing CANNOT last past 5:00 p.m. Payment will be made to officer.
Lt. Fielding will call me back with the officer's name and social security number asap.

Jimmy

RECEIVED-FPSC
98 AUG 27 9 13 AM '98

MAIL ROOM RECORDS AND REPORTING
RECEIVED
AUG 27 1998
Division of Consumer Affairs

Florida Public Service Commission
Bureau of Consumer Information
and Conservation Education
Attn: Bianca Bayo
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

FCWC 971663-WS
**RE: Avatar's Petition to Recover Litigation Costs
with an Increase in Water Rates**

This letter is in response to an article recently published that a hearing will be held **IN TALLAHASSEE** in July regarding the above referenced agenda if there is not enough response from locals.

I/We hereby request that the hearing be held **IN LEE COUNTY** so that we can have a voice in this matter.

Ken E. Schroeder
Printed Name

Ken E. Schroeder
Signed Name

Cindy K Schroeder
Printed Name

Cynthia K Schroeder
Signed Name

Aug. 9, '98
Date

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG J
- LIN _____
- OPC _____
- RCH _____
- SEC _____
- WAS J
- OTH _____



Florida Department of Agriculture & Consumer Services
BOB CRAWFORD, Commissioner
The Capitol • Tallahassee, Florida

RECEIVED-

99 SEP -1 P

August 27, 1998

RECORDS

Division of Consumer Services
Second Floor, Mayo Building
Tallahassee, Florida 32399-0800
1-800-HELP-FLA

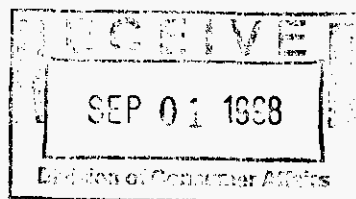
In Reply Refer To:

PUBLIC SERVICE COMMISSION
2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FL 32399-0850

98-08-21524 / RJC

Consumer: MR. DONALD NUTE

Business: FLORIDA CITIES WATER COMPANY



The Division of Consumer Services has received a complaint on a subject which appears to fall within your jurisdiction. A copy is enclosed to assist you in working with the parties involved. The complainant is being advised that future correspondence should be addressed to you.

As you may be aware, Section 570.544(6), Florida Statutes, requires you to acknowledge receipt of this complaint and report to this office on the disposition of the matter within 30 days. If this complaint is not resolved within 30 days, the statute requires you to keep me informed of the progress of this matter at least every 30 days until final disposition.

I would appreciate your cooperation in this matter. If you have any questions regarding this file, please contact me.

Sincerely,

BOB CRAWFORD
COMMISSIONER OF AGRICULTURE

RUTHANNE J. CHRISTIE
Senior Consumer Complaint Analyst
850-922-2760/1-800-435-7352 (Florida Only)

Enclosure

cc: MR. DONALD NUTE
604 SOUTH SEAGULL CIRCLE
BAREFOOT BAY, FL 32976-7365

08-08-9824

ASC
550

COMMISSIONER, PUBLIC SERVICE

DIVISION OF
CONSUMER SERVICES

MAYO BUILDING

98 AUG -3 PM 12:27

TALLAHASSEE FL. 32399-0800

JULY 29, 1998

DEAR COMMISSIONER,

NOT KNOWING, WHO EXACTLY TO ADDRESS THIS LETTER, I ASK FOR YOUR ASSISTANCE.

PLEASE FIND THE ENCLOSED HEARING NOTICE FROM "FLORIDA CITIES WATER COMPANY". I HAVE TWO QUESTIONS THAT SHOULD BE ASKED AT THIS HEARING:

1. WHY DOES THIS COMPANY ALWAYS SCHEDULE PUBLIC HEARINGS IN THE SUMMER WHEN ABOUT 50% OF THEIR CUSTOMERS ARE NOT IN TOWN?
2. WHY ARE THE CUSTOMERS GOING TO BE PENALIZED FOR THEIR ^(THE COMPANY) LITIGATION COSTS (WIN OR LOSE). I DON'T BELIEVE THE CUSTOMERS WERE A PARTY IN THIS CASE. THE SHARE HOLDERS OR OWNERS AND/OR THE STATE SHOULD PAY THE COSTS, THEY (THE COMPANY) ARE SOCKING US BAD ENOUGH NOW.

(OVER)

PLEASE CONSIDER THE CUSTOMERS IN THIS
CASE WHO ARE TRAPPED NO MATTER WHAT
HAPPENS.

THANK YOU + BEST REGARDS,
~~Donald M. Nute~~
DONALD M. NUTE
604 SO. SEA GULL CR.
BAREFOOT BAY FL. 32976-7365

July 16, 1998

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Petition of FLORIDA)
CITIES WATER COMPANY, seeking)
recovery of environmental)
litigation costs in a Limited)
Proceeding for its NORTH and)
SOUTH FT. MYERS DIVISIONS in)
Lee County and BAREFOOT BAY)
DIVISION in Brevard County,)
Florida)

Docket No. 971663-WS

NOTICE OF HEARING

NOTICE IS HEREBY GIVEN that the Florida Public Service Commission will hold a hearing regarding the petition of Florida Cities Water Company, (Petitioner) seeking approval of recovery of environmental litigation costs in rates for its North and South Ft. Myers Divisions in Lee County and Barefoot Bay Division in Brevard County, Florida, at the following time and place:

9:30 a.m., Tuesday, August 12, 1998
Florida Public Service Commission
2540 Shumard Oak Boulevard
Room 148, Betty Easley Conference Center
Tallahassee, Florida 32399-0850

Thursday and Friday, August 13 and 14, 1998, have also been reserved for continuation of the hearing. The starting time of the next day's session will be announced at the conclusion of the prior day. The hearing may be adjourned early if all testimony is concluded.

PURPOSE AND PROCEDURE

The purpose of this hearing is to consider the Petition of Florida Cities Water Company for increased water and wastewater rates, and any motions or other matters that may be pending at the time of the hearing. The Commission may rule on any such motions from the bench or may take the matters under advisement.

At hearing, all parties shall be given the opportunity to present testimony and other evidence on the issues identified by the parties in the

prehearing order. All witnesses shall be subject to cross-examination at the conclusion of their testimony.

Any person requiring some accommodation at this hearing, because of a physical impairment should call the Division of Records and Reporting at (850) 413-6770 at least five calendar days prior to the hearing. Any person who is 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).

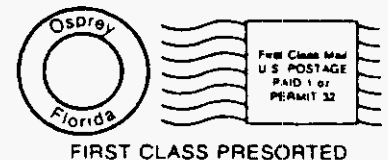
JURISDICTION

The Florida Public Commission is vested with jurisdiction over the subject matter by the provisions of Chapter 367, Florida Statutes. This hearing will be governed by said Chapter as well as Chapter 120, Florida Statutes and Chapters 25-9, 25-22 and 25-30, Florida Administrative Code.

APPLICABLE STATUTES AND RULES

Sections 367.081, 367.0816, 367.101, Florida Statutes, and any other relevant sections of Chapter 367, Florida Statutes, are applicable to this proceeding, as well as Chapter 120, Florida Statutes, and Rules 25-9, 25-22 and 25-30, Florida Administrative Code.

FLORIDA CITIES WATER COMPANY
North & South Ft. Myers Divisions Barefoot Bay Division
7401 College Parkway 931 Barefoot Blvd., Suite 2
Fort Myers, Florida 33907 Barefoot Bay, Florida 32976
Tel: 941/936-0247 Tel: 561/664-5916



DONALD NUTE
604 S SEAGULL CIR
BAREFOOT BAY FL

32976-7365

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.



DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(850) 413-6900

Public Service Commission

August 13, 1998

RECEIVED-FPSC
90 AUG 18 AM 9:19
RECORDING AND REPORTING

Mr. and Mrs. Richard Rossley
1055 Sebastian Road
Barefoot Bay, FL 32976

Re: Docket No. 971663-WS - Petition of Florida Cities Water Company (FCWC) for a limited proceeding to recover environmental litigation costs for its North and South Ft. Myers Division in Lee County and Barefoot Bay Divisions in Brevard County.

Dear Mr. and Mrs. Rossley:

Thank you for your letter concerning FCWC's request to recover litigation costs. The Commission held customer service hearings on July 14 and 15, 1998 in Barefoot Bay and Ft. Myers, respectfully. Customers from both areas provided testimony to the Commission, which became part of the official record for this case. The Commission will benefit from the testimony and evidence offered by the customers at these service hearings.

The Commission will hold a technical hearing in Tallahassee for the purpose of hearing testimony and evidence from various expert witnesses sponsored by the parties to this proceeding, including the Office of Public Counsel which has intervened on behalf of the citizens. This hearing is scheduled for August 12 through 14, 1998. The technical hearing will also be open to the public. After the hearing, the Commission is scheduled to render its decision at the November 3, 1998 agenda conference in Tallahassee.

Another one of your concerns was the assessment of sewer charges to FCWC customers that do not reside in their Florida home during the summer. In response to your concern, FCWC's rates for its water and wastewater service are two fold, in that, it has a base facility charge and a gallonage charge. The base facility charge recognizes that a portion of the total expenses required to provide water and wastewater service are incurred whether or not the customer actually uses the service and regardless of how much is consumed. The gallonage charge is established to recover the variable costs associated with providing water and wastewater service which is applied to water consumption.

Mr. and Mrs. Rossley
Page 2
August 13, 1998

In addition, the Commission has approved a residential wastewater gallonage cap for FCWC. The implementation of a residential wastewater gallonage cap serves two purposes. One is to recognize that all water used by residential customers is not returned to the wastewater collection system. This is why a cap is not imposed on general service customers, since most of their water is returned to the wastewater facility. But more importantly, the residential wastewater gallonage cap affects rate design because it creates the maximum amount a customer will pay on his bill. In other words, the wastewater cap prevents a residential wastewater customer from being charged above 6,000 gallons of water used and recognizes excess wastewater not returned to the wastewater facility.

In determining the appropriate wastewater gallonage charge, the Commission has approved a common procedure that recognizes that 80% of the residential water and 96% of general service water is collected and treated by the wastewater plant. The purpose of the 20% differential in the gallonage charge between general service and residential customers recognizes that approximately 20% of the water used by residential customers is used for purposes such as irrigation and not collected by the wastewater system.

Lastly, your letter has been placed on the correspondence side of the docket file, where it will be available for review. Thank you again for communicating your concerns with us.

Sincerely,



bill lowe
Assistant Director

BL:sbf

cc: Division of Water and Wastewater (Fletcher)
Division of Records and Reporting

MURSHAW

RECEIVED AUG. 7, 1998

AUG 1 - 1998

Florida Public Service Commission
Division of Water and Wastewater

FLORIDA PUBLIC SERVICE Comm.

TALLAHASSEE, FL. 82399-0850

DOCKET No. 971663-WS

DEAR SIR OR MADAM,

I AM WRITING THIS LETTER IN REGARDS TO FLORIDA CITIES WATER CO. OF BAREFOOT BAY FL. REQUESTING YET ANOTHER INCREASE IN OUR WATER AND WASTEWATER RATES.

AS YOU KNOW YOU HAVE ALLOWED THEM TO INCREASE SIGNIFICANTLY THERE RATES OVER THE LAST 5 YEARS SO WE ARE PAYING AMONG THE HIGHEST RATES IN FL.

MOST OF THE PEOPLE LIVING IN BAREFOOT BAY ARE RETIRED AND LIVING ON FIXED INCOMES AND THESE OUTRAGEOUS WATER & SEWAGE RATES ARE A REAL HARDSHIP ON THEM.

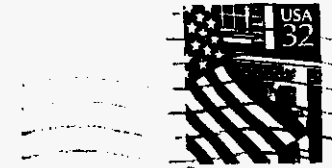
I CANNOT UNDERSTAND HOW YOU, IN GOOD CONSCIOUS CAN ALLOW FLORIDA CITIES WATER CO. TO BLATANTLY RAPE OUR COMMUNITY WITH INCREASE AFTER INCREASE AND WE HAVE NO WHERE TO TURN FOR HELP OTHER THAN YOU.

I ASK YOU TO TAKE A HARD LOOK AT THE FAIRNESS AND JUSTIFICATION OF OUR RATES, TO HOLD THE LINE AND CONSIDER A ROLL BACK TO RATES WHICH ARE FAIR AND REASONABLE.

ALSO IT IS UNREASONABLE FOR PEOPLE WHO ARE NOT HOME ALL SUMMER TO BE PAYING WASTE-WATER CHARGES WHEN NOTHING IS GOING DOWN THE DRAIN FOR THEM TO PROCESS.

THANK YOU,
RICHARD & SANDRA ROSSLEY
1055 SEBASTIAN RD.
BAREFOOT BAY, FL. 32976

R. A. ROSSLEY
P.O. BOX 972
MILTON, N.H. 03851



FLORIDA PUBLIC SERVICE Comm.
2540 SHUMARD OAK BOULEVARD
Room 148, BETTY EASLEY CONF. CTR.
TALLAHASSEE, FLORIDA 32399-0850

32399-0850



STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.



DIVISION OF LEGAL SERVICES
NOREEN S. DAVIS
DIRECTOR
(850) 413-6199

Public Service Commission

August 10, 1998

RECEIVED-FPSC
AUG 10 PM 4:46
RECORDS AND REPORTING

B. Kenneth Gatlin, Esquire
Gatlin, Schiefelbein & Cowdery, P.A.
3301 Thomasville Rd., Suite 300
Tallahassee, Florida 32312

Re: Docket No. 971663-WS - Petition of Florida Cities Water Company for limited proceeding to recover environmental litigation costs for North and South Ft. Myers Divisions in Lee County and Barefoot Bay Division in Brevard County.

Dear Mr. Gatlin:

Thank you for timely providing the July 28, 1998 report to the Commission related to the Barefoot Bay Golf Course. Staff has reviewed your response and requests that you also provide, as soon as possible, a copy of the Barefoot Bay DEP Monthly Operating report for the period of April 1998, through July 1998. It is staff's understanding that this report will indicate the total amount of effluent discharged to the various disposal sites available at Barefoot Bay. Thank you for your cooperation.

Sincerely,

Tim Vaccaro
Senior Attorney

TV/dr

cc: Division of Legal Services (Gervasi)
Division of Water and Wastewater (Willis, Bethea, Crouch, Fletcher,
Gilchrist, Golden, Merchant, Moniz, Rieger, Starling, Williams)
Office of Public Counsel (McLean)

18GATLIN1.LTR

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.



DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(850) 413-6900

Public Service Commission

August 10, 1998

RECEIVED-FPSC
98 AUG 12 AM 11:32
RECORDS AND REPORTING

Mr. Douglas Spathelf
16900 S. Tamiami Trail
Fort Myers, FL 33908

Re: Docket No. 971663-WS - Petition of Florida Cities Water Company (FCWC) for a limited proceeding to recover environmental litigation costs for its North and South Ft. Myers Division in Lee County and Barefoot Bay Divisions in Brevard County.

Dear Mr. Spathelf:

Thank you for your letter concerning FCWC's request to recover litigation costs. The Commission held customer service hearings on July 14 and 15, 1998 in Barefoot Bay and Ft. Myers, respectfully. Customers from both areas provided testimony to the Commission, which became part of the official record for this case. The Commission will benefit from the testimony and evidence offered by the customers at these service hearings.

The Commission will hold a technical hearing in Tallahassee for the purpose of hearing testimony and evidence from various expert witnesses sponsored by the parties to this proceeding, including the Office of Public Counsel which has intervened on behalf of the citizens. This hearing is scheduled for August 12 through 14, 1998. The technical hearing will also be open to the public. After the hearing, the Commission is scheduled to render its decision at the November 3, 1998 agenda conference in Tallahassee.

Lastly, your letter has been placed on the correspondence side of the docket file, where it will be available for review. Thank you again for communicating your concerns with us.

Sincerely,

Bill Lowe
Assistant Director

BL:sbf

cc: Division of Water and Wastewater (Fletcher)
Division of Records and Reporting

11-20-1998

16900 S. TAMiami TRAIL
FT. MYERS, FL. 33908
941-267-3030
FAX 941-267-3530



CONDOMINIUM ASSOCIATION, INC.

RECEIVED

AUG - 6 1998

Florida Public Service Commission
Division of Water and Wastewater

August 5, 1998

Florida Public Service Commission
2540 Shumard Oak Boulevard
Room 148, Betty Easley Conference Center
Tallahassee, Florida 32399-0850

Dear Commissioners:

RE: Florida Cities Water Company request for rate increase

This correspondence is to discourage the Public Service Commission from approving a rate increase in water/wastewater in Lee County to Florida Cities Water Company.

We at America Outdoors have spent substantial funds of our association in recent years for improving our own water and sewer system totaling nearly 1/3 of a million dollars in special assessments to unit owners; Florida Cities Water did not contribute in that cost.

We are already receiving a rate increase from Gulf Environmental Services of Lee County that recently purchased Gulf Utility Company for wastewater.

Our association is an over 55 condominium park, with most of the 281 unit owner residents being on fixed incomes. We feel it would be an additional burden upon the association and unit owners to pay for expanding new developments and so-called recovery costs by Florida Cities Water Company from other areas of Lee County.

Sincerely,

Douglas Spathelf
Community Association Manager

c: Board of Directors

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.



DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(850) 413-6900

Public Service Commission

August 10, 1998

RECEIVED AND
REPORTING

98 AUG 12 AM 11:32

RECEIVED-FPSC

Ms. Velma L. Parmerton
1038 Kindly Road
North Fort Myers, FL 33903

Re: Docket No. 971663-WS - Petition of Florida Cities Water Company (FCWC) for a limited proceeding to recover environmental litigation costs for its North and South Ft. Myers Division in Lee County and Barefoot Bay Divisions in Brevard County.

Dear Ms. Parmerton:

Thank you for your e-mail concerning FCWC's request to recover litigation costs. The Commission held customer service hearings on July 14 and 15, 1998 in Barefoot Bay and Ft. Myers, respectfully. Customers from both areas provided testimony to the Commission, which became part of the official record for this case. The Commission will benefit from the testimony and evidence offered by the customers at these service hearings.

The Commission will hold a technical hearing in Tallahassee for the purpose of hearing testimony and evidence from various expert witnesses sponsored by the parties to this proceeding, including the Office of Public Counsel which has intervened on behalf of the citizens. This hearing is scheduled for August 12 through 14, 1998. The technical hearing will also be open to the public. After the hearing, the Commission is scheduled to render its decision at the November 3, 1998 agenda conference in Tallahassee.

Lastly, your e-mail has been placed on the correspondence side of the docket file, where it will be available for review. Thank you again for communicating your concerns with us.

Sincerely,

A handwritten signature in cursive script that reads "Bill Lowe".

Bill Lowe
Assistant Director

BL:sbf

cc: Division of Water and Wastewater (Fletcher)
Division of Records and Reporting

From: VLTP @ SMTP {VLTP@aol.com}
To: CAF Internet E-mail
Subject: fwd: FCSC,Inc

====NOTE=====8/02/98=11:41am=====

Return-Path: <VLTP@aol.com>
Received: from imo16.mx.aol.com (198.81.17.6)
by mail.psc.state.fl.us (Connect2-SMTP 4.30A.1000128)
for <contact@psc.state.fl.us>; Sun, 2 Aug 1998 11:40:23 -0400
Received: from VLTP@aol.com
by imo16.mx.aol.com (IMOV14_b1.1) id NWGwa27698
for <contact@psc.state.fl.us>; Sun, 2 Aug 1998 11:41:09 -0400 (EDT)

From: <VLTP@aol.com>
Message-ID: <779228f4.35c48896@aol.com>
Date: Sun, 2 Aug 1998 11:41:09 EDT
To: contact@psc.state.fl.us
Mime-Version: 1.0
Subject: FCSC,Inc
Content-type: text/plain; charset=US-ASCII
Content-transfer-encoding: 7bit
X-Mailer: AOL 4.0 for Windows 95 sub 120

Please add our names to the docket # 971663-ws to be heard Aug 12-14 in Tallahassee as being in full accord with the brief presented by Cheryl Walla of North Fort Myers on the matter.

Velma L. Parmerton
1038 Kindly Road
N. Ft. Myers, Fl 33903

Mr & Mrs. Donald Anderson
1988 Longfellow Drive
N. Ft. Myers, Fl 33903

Fwd=by:=CAF=Internet==8/03/98==7:54am=====

Fwd to: Jennifer Erdman-Bridges, Pamela Johnson

Fwd=by:=Jennifer=Erdm=8/03/98==8:40am=====

Fwd to: Bill Lowe
CC: Leroy Raspberry, Pamela Johnson, Randy Roland

The above is being forwarded to your division for further handling and review. Thank you.

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.



DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(850) 413-6900

Public Service Commission

August 10, 1998

RECEIVED-FPSC
98 AUG 12 AM 11:32
RECORDS AND
REPORTING

Mr. George B. McClellan, Jr.
9379 Palm Island Circle
Fort Myers, FL 33903

Re: Docket No. 971663-WS - Petition of Florida Cities Water Company (FCWC) for a limited proceeding to recover environmental litigation costs for its North and South Ft. Myers Division in Lee County and Barefoot Bay Divisions in Brevard County.

Dear Mr. McClellan:

Thank you for your letter concerning FCWC's request to recover litigation costs. The Commission held customer service hearings on July 14 and 15, 1998 in Barefoot Bay and Ft. Myers, respectfully. Customers from both areas provided testimony to the Commission, which became part of the official record for this case. The Commission will benefit from the testimony and evidence offered by the customers at these service hearings.

The Commission will hold a technical hearing in Tallahassee for the purpose of hearing testimony and evidence from various expert witnesses sponsored by the parties to this proceeding, including the Office of Public Counsel which has intervened on behalf of the citizens. This hearing is scheduled for August 12 through 14, 1998. The technical hearing will also be open to the public. After the hearing, the Commission is scheduled to render its decision at the November 3, 1998 agenda conference in Tallahassee.

Lastly, your letter has been placed on the correspondence side of the docket file, where it will be available for review. Thank you again for communicating your concerns with us.

Sincerely,

A handwritten signature in cursive script that reads "Bill Lowe".

Bill Lowe
Assistant Director

BL:sbf

cc: Division of Water and Wastewater (Fletcher)
Division of Records and Reporting

RECEIVED

AUG 3 - 1998

Florida Public Service Commission
Division of Water and Wastewater

9379 Palm Island Circle
N. Fort Myers, Fl. 33903-
5251

July 31, 1998

Gentlemen:

Re: Docket # 971663-WS

I wish to express my unqualified objection to the possibility of Florida Citrus Water Co. gaining approval for the recovery of any part of environmental litigation costs in rates for its N. Fort Myers Division.

When the company becomes involved in litigation problems dealing with the environment, those expenses should be borne by the owners or stockholders, not the consumers, who have no say in the actions of either the company or from whom we must purchase the services.

Yours very truly,
George B. McCollan Jr.

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.



DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(850) 413-6900

Public Service Commission

August 10, 1998

RECEIVED-FPSC
98 AUG 12 AM 11:32
RECORDS AND REPORTING

Mr. and Mrs. Donald Anderson
1988 Longfellow Drive
North Fort Myers, FL 33903

Re: Docket No. 971663-WS - Petition of Florida Cities Water Company (FCWC) for a limited proceeding to recover environmental litigation costs for its North and South Ft. Myers Division in Lee County and Barefoot Bay Divisions in Brevard County.

Dear Mr. and Mrs. Anderson:

Thank you for your e-mail concerning FCWC's request to recover litigation costs. The Commission held customer service hearings on July 14 and 15, 1998 in Barefoot Bay and Ft. Myers, respectfully. Customers from both areas provided testimony to the Commission, which became part of the official record for this case. The Commission will benefit from the testimony and evidence offered by the customers at these service hearings.

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Sincerely,

A handwritten signature in cursive script that reads "Bill Lowe".

Bill Lowe
Assistant Director

BL:sbf

cc: Division of Water and Wastewater (Fletcher)
Division of Records and Reporting

From: VLTP @ SMTP {VLTP@aol.com}
To: CAF Internet E-mail
Subject: fwd: FCSC, Inc

-----NOTE-----8/02/98=11:41am-----

Return-Path: <VLTP@aol.com>
Received: from im016.mx.aol.com (198.81.17.6)
by mail.psc.state.fl.us (Connect2-SMTP 4.30A.1000128)
for <contact@psc.state.fl.us>; Sun, 2 Aug 1998 11:40:23 -0400
Received: from VLTP@aol.com
by im016.mx.aol.com (IM0v14_b1.1) id NWGwa27698
for <contact@psc.state.fl.us>; Sun, 2 Aug 1998 11:41:09 -0400 (EDT)

From: <VLTP@aol.com>
Message-ID: <779228f4.35c48896@aol.com>
Date: Sun, 2 Aug 1998 11:41:09 EDT
To: contact@psc.state.fl.us
Mime-Version: 1.0
Subject: FCSC, Inc
Content-type: text/plain; charset=US-ASCII
Content-transfer-encoding: 7bit
X-Mailer: AOL 4.0 for Windows 95 sub 120

Please add our names to the docket # 971663-ws to be heard Aug 12-14 in Tallahassee as being in full accord with the brief presented by Cheryl Walla of North Fort Myers on the matter.

Velma L. Parmerton
1038 Kindly Road
N. Ft. Myers, FL 33903

Mr & Mrs. Donald Anderson
1988 Longfellow Drive
N. Ft. Myers, FL 33903

Fwd=by:=CAF=Internet==8/03/98==7:54am-----
Fwd to: Jennifer Erdman-Bridges, Pamela Johnson

Fwd=by:=Jennifer=Erdm=8/03/98==8:40am-----
Fwd to: Bill Lowe
CC: Leroy Raspberry, Pamela Johnson, Randy Roland

.....
The above is being forwarded to your division for further handling and review.
Thank you.

STATE OF FLORIDA

Commissioners:
JULIA L. JOHNSON, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JOE GARCIA
E. LEON JACOBS, JR.



DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(850) 413-6900

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Public Service Commission

August 10, 1998

Mr. George W. McElfish
13610 Pintail Drive
Fort Myers, FL 33908-5807

Re: Docket No. 971663-WS - Petition of Florida Cities Water Company (FCWC) for a limited proceeding to recover environmental litigation costs for its North and South Ft. Myers Division in Lee County and Barefoot Bay Divisions in Brevard County.

Dear Mr. McElfish:

Thank you for your letter concerning FCWC's request to recover litigation costs. The Commission held customer service hearings on July 14 and 15, 1998 in Barefoot Bay and Ft. Myers, respectfully. Customers from both areas provided testimony to the Commission, which became part of the official record for this case. The Commission will benefit from the testimony and evidence offered by the customers at these service hearings.

The Commission will hold a technical hearing in Tallahassee for the purpose of hearing testimony and evidence from various expert witnesses sponsored by the parties to this proceeding, including the Office of Public Counsel which has intervened on behalf of the citizens. This hearing is scheduled for August 12 through 14, 1998. The technical hearing will also be open to the public. After the hearing, the Commission is scheduled to render its decision at the November 3, 1998 agenda conference in Tallahassee.

Lastly, your letter has been placed on the correspondence side of the docket file, where it will be available for review. Thank you again for communicating your concerns with us.

Sincerely,


Bill Lowe
Assistant Director

BL:sbf

cc: Division of Water and Wastewater (Fletcher)
Division of Records and Reporting