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DIVISION OF WATER & WASTEWATER
DANIEL M. HOPPE, DIRECTOR
(850) 413-6900

Public Service Commission

October 8, 1999

Ms. Lisa Loomis
Office of Representative J. D. Alexander
391 Avenue A S.W.
Winter Haven, Florida 33880

Re: Docket No. 990356-WS, Application for a Staff Assisted Rate Case for Breeze Hill Utilities, Inc. in Polk County

Dear Ms. Loomis:

To follow-up your request, I am enclosing a copy of the Breeze Hill Staff Report prepared by Commission staff for the customer meetings which were held October 6, 1999 at Breeze Hill's Clubhouse. Staff met at 2:00pm with Mr. Phillip Bradford and other members of the "19 club" homeowners. We also met at 4:00pm with Mr. J. R. Brown, Vice President of the Breeze Hill Homeowner's Association, and three other Directors. The afternoon meetings with these two groups proved to be very beneficial. Many facts regarding the utility and mobile home park history were relayed to staff for consideration in the final recommendation.

The general customer meeting was held at 6:00pm. Sixty-eight residents, the utility owner, the utility operator, a representative of the South Florida Water Management District, along with seven Florida Public Service Commission (PSC) staff members attended the evening session. Eight residents chose to give comments regarding the utility quality of service and rate case being processed. I am enclosing copies of the audio tapes of the 2:00pm, 4:00pm, and 6:00pm meetings with the customers as you requested.

The staff assisted rate case process was developed by the Florida Legislature to assist customers of small water and wastewater customers such as Breeze Hill. Instead of the utility having to retain outside accountants and engineers to process a rate case, PSC staff does the work and normally saves customers thousands of dollars in costs which would have been passed on to customers of the utility through rates. As I explained to you on the phone, the rates and percentage increases contained in the staff report dated August 30, 1999, were preliminary pending the outcome of the customer meetings, updated costs, and further staff investigation. The purpose of the staff report is to inform the utility and the utility customers of what the PSC staff has completed to that point in the rate case, and usually represents the "worst case scenario".

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A recommendation to the Commission is scheduled to be filed November 4, 1999 for consideration by Commissioners at the November 16, 1999 Agenda Conference. Once the Commissioners vote on staff's recommendation at Agenda, a Proposed Agency Action (PAA) Order will be prepared and issued within 20 days. An agency such as the PSC cannot make decisions affecting companies' or customers' substantial interests without affording them due process protection. The PSC satisfies this requirement by acting on a conditional basis through the PAA process. Any person whose substantial interests are affected by a PAA order may file a protest with the PSC Division of Records and Reporting within the 21 day protest period which follows the issuance of the Order. If no protest is timely filed, the Notice of Proposed Agency Action becomes final and effective upon issuance of a consummating Order usually within 3 days of the end of the protest period.

Once the recommendation is filed November 4th, a copy of the recommendation will be sent to you to allow you to review what Commissioners will be considering at the November 16, 1999 Agenda Conference. The agenda conference is open to the public, and Commissioners always welcome comments from any interested parties to the rate case. An audio version of the conference is available on the PSC HomePage, and can be accessed live on the day of the Conference or through archive storage up to six months afterward. The Florida Channel also broadcasts a live or tape-delayed video transmission on The Florida Channel via your local cable station and on satellite Telestar 4, Channel 13 (T4, 13). Mr. Brown of the "19 Club" Homeowners, and Mr. Bradford of the Breeze Hill Homeowner's Association, have already advised us they will be attending the conference.

I am also enclosing a hard copy of the special report hand-out which I faxed you prior to the customer meetings. It was distributed to all customers attending the afternoon and evening meetings. If you have any further questions, or if I can be of any further service to you or Representative Alexander, please don't hesitate to contact me at (850) 413-6974.

Sincerely,



Robert J. Casey
Professional Accountant Specialist

RC
Enclosures (5)

cc: Dr. Mary A. Bane, Deputy Executive Director/ Technical
Division of Water and Wastewater (Hoppe, Willis, Rendell, Butts, Golden, Davis)
Division of Legal Services (Crossman)
Division of Records and Reporting (Docket No. 990356-WS)