

State of Florida



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COMMISSION
CLERK

Public Service Commission

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

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

DATE: November 3, 2009

TO: Ann Cole, Commission Clerk - PSC, Office of Commission Clerk
Dorothy Menasco, Commission Clerk - PSC, Office of Commission Clerk

FROM: Lydia Roberts, Regulatory Analyst II, Division of Economic Regulation
Lisa Bennett, Senior Attorney, Office of the General Counsel

RE: Docket No. 090213-WS - Application for staff-assisted rate case in Polk County by
Four Points Utility Corp.

Docket No. 090424-WS - Application for Original Certificate in Polk County by
Bimini Bay Utility Corp.

Please incorporate the attached document, a response letter to Ralph Jaeger from Four Points Utility, into the above-mentioned docket files. Thank you.

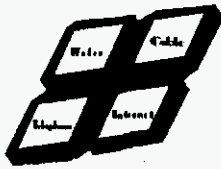
Attachment

cc: Division of Economic Regulation (Roberts, Bulecza-Banks, Daniel, Fletcher, Hudson)
Office of the General Counsel (Jaeger, Bennett, Brubaker)

DOCUMENT NUMBER-DATE

11060 NOV-28

FPSC-COMMISSION CLERK



FourPoints Utility Corp.

Four Points Utility Corp.

DEDICATED TO UNDER PROMISE AND OVER PERFORM

October 7, 2009

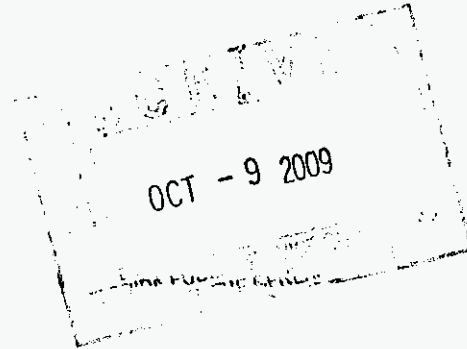
Public Service Commission
Capital Service Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32339-850

Re: Apparent violations et al

Attention: Ralph R. Jaeger

Dear Sir

We are writing in response to you letter dated September 25, 2009.



Four Points

A. Annual Reports

- a. No the Annual Report was not submitted on a timely basis. The report however is in your hands.
- b. The late charge is noted and will be paid in the amount of \$426.00

B. Regulatory Assessment Fees

- a. The Required Report was provided and we paid the rate at that time
- b. It is our offices that contacted the PSC to question whether or not the return had been prepared correctly
- c. We had deducted the portion related to water supplied to Four Points by Polk County Utilities.
- d. We were advised that Polk County was not a regulated utility and as such the deduction was not valid.
- e. The PSC has invoiced us for this variance.

C. Unauthorized Charges.

- a. This whole matter is a direct relation to our request for a SARC so as to correct the original application for certification that did not have reasonable fees in respect to the activities of the utility
- b. You cite some 16 complaints of unspecified dates. I am sure that you will find that these complaints are in the past, have been dealt with to the satisfaction of the PSC and in recent history complaints have been nominal. In the past several months, only one comes to mind for \$5.00 late charge which I am told by the customer was withdrawn.

101 Golden Malay Palm Way, Davenport, FL 33897

PWS Id No. 6535704 "Island Club West"

(863)424-0130 Ext 1260

DOCUMENT NUMBER-DATE

NOV-28
FPSC-COMMISSION CLERK

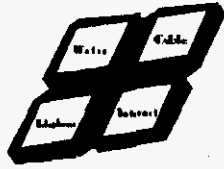


Four Points Utility Corp.

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Four Points Utility Corp.

- c. You site a \$195.00 set up fee. The PSC is going back quite far in the manner and your recent audit will confirm that we are not and have not for some time charged such a fee.
- d. Regrettably the writer was not doing the accounting for Four Points Utility Corp at that time, over two years ago. Again, we trust the deficiency letters were handled to the satisfaction of the PSC or we would not now some two years later be dealing with it again.
- e. You indicate that recently you have received complaints about poor billing practices, unauthorized charges, meter reading problems and poor service. From the complaints that we have been made aware of, this again is a past history problem. Is the commission getting complaints that they are not making us aware of? Please provide specifics as to when, who, where and what so that we may have the opportunity to provide our response. It is unjust to be condemned for something we have not had the opportunity to respond to. Again, we have responded to each and every customer complaint received from the PSC and we are not aware of any that remain unresolved.
- f. You indicate that Progress Energy has taken over the electric and Four Points Utility Corp has cancelled their telecommunications certificate. As to the former, the implecation is a hostile take over or an imposed take over which I understand is not the case. You even state later "is was agreed" which implies more than one party coming to an agreement. In the case of the latter, Four Points Utility Corp does not supply any telecommunications services to anyone so why pay for a certificate to do so.
- g. The matter of the \$5.00 for customers not providing statements when making payments on their account has been discussed in the past. This charge was NEVER applied to anyone and your recent audit should have confirmed this.
- h. The matter of the meter cleaning fee has also been discussed in the past with the PSC and again, this charge was NEVER applied to anyone and your recent audit should have confirmed this. This fee is included in the SARC application and is misnamed in your letter. We have no intention of charging a client for "cleaning" the meter; we are looking to meters that have access obstructed by the client. Specifically burying them in mulch, planting hedges on top of them, removing the meter boxes and burying them with dirt and other such obstructions. Even when approved, we have not intention of applying such a fee with out prior warning to the client.



Four Points Utility Corp.

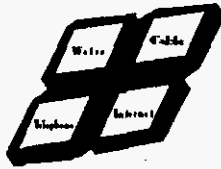
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FourPoints Utility Corp.

- i. "Customer assert that the Utility is still charging the \$200.00 utility activation fee" That is incorrect. Again as we stated above. "Please provide specifics as to when, who, where and what so that we may have the opportunity to provide our response. It is unjust to be condemned for something we have not had the opportunity to respond to."
- j. We are accused of trying to collect on past due bills. We look to the non water related billing as to be years in the past. No customer is denied water service in respect to any amounts that may be owing from the past no water utility bills. We are scrupulous in keeping the matters separate and your audit, again, should have supported this.
- k. You comment "that the Utility is taking water and wastewater charges and applying it to old debt". We are NOT doing so and again, your audit should have supported this. Again we ask "Please provide specifics as to when, who, where and what so that we may have the opportunity to provide our response. It is unjust to be condemned for something we have not had the opportunity to respond to."
- l. You state that "No utility may modify.....". We are not doing so and that is why the PSC has in its hands a SARC to properly address deficiencies in the Original Application For Service and to get permission to levy such fees listed there in.

D. Inappropriate Electric Bills and Liens

- a. Again, the writer was not here at the time of the electric issues.
- b. We have not undertaken any serious collection efforts nor liened any property in well over a year in respect to any past issues with electricity.
- c. Again you bring up the false accusation of applying water payments to electric bills and again we ask for details.
- d. AT NO TIME has Four Points Utility Corp, since I have done the accounting for some 2 years, ever denied water service to clients due to non payment of any non water amount due. If a client has an outstanding water bill and wants service restored we try to work out a payment arrangement to get the service on. As we understand the rules, if John Doe at 1234 Address has an unpaid WATER bill, we can require payment in full prior to restoring service. We try to work with clients despite the fact that they did not pay the WATER bill in the first place. AGAIN, we are NOT taking payments on water bills and applying it to anything but water bills.
- e. You state that "Resolution of any dispute ... may be sought in a court of competent jurisdiction". We agree.



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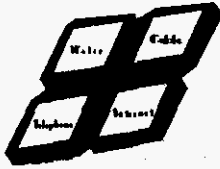
- f. You reference at the bottom of page 4 of your letter, in the foot notes, that Four Points Utility Corp was in violation for charging more than the cost of the electricity. This does not appear to deny Four Points Utility Corp the right to collect on past due non water accounts, just not any more than the cost. We have no intention of doing anything different.

Bimini Bay

Bimini Bay has been providing water service to the resort; that is correct. Per your note on the electric at point D (f) above, Bimini Bay Utilities charges only the cost of the water from the County to the users. We are addressing the PSC's concerns in this case by gathering information on the flow through costs. The PSC is well aware that we have been doing this and has been assured that no "markup" is attached to the billing. Hence the Original Application For Service and the huge operating losses recorded there in. At best we are not violating any rules that we are aware of and at worst we were stupid in waiting so long to get the application out and suffering the unrecoverable operating losses.

Narcossee Utility

The "Narcossee" project is at this time, an undeveloped piece of land and the only structure there on is a sign advertising that the commercial development is coming soon. We are well aware, in view of the losses being suffered at Bimini Bay Utilities, that we can go ahead, before the providing of service, in getting the certification. We intend to do so. Our mistake on Bimini Bay Utilities was assuming some months of track record was required.



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Conclusion

You imply that there is something to correct. We, with the exception of the Annual Report fine and the RAF issues, deny there is anything to be fixed that has not already been fixed.

Again we ask "Please provide specifics as to when, who, where and what so that we may have the opportunity to provide our response. It is unjust to be condemned for something we have not had the opportunity to respond to."

If there are such reports, please provide specifics as to when, who, where and what so that we may have the opportunity to provide our response.

Sincerely

Terry Blackmon
Operations Manager