

100149-WU

State of Florida



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: October 11, 2010, 2010

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

FROM: Mark Long, Chief Advisor to Commissioner Graham *[Signature]*

RE: Communication Received in Docket No. 1000149-WU - Application for Increase in Water Rates in Lee County by Ni Florida, LLC

RECEIVED
10 OCT 14 PM 1:19
COMMUNICATIONS SECTION

This office has received the attached letter from Mr. John C. Schueller regarding the above-noted docket.

The correspondence has not been viewed or considered in any way by Commissioner Graham. Under the terms of the advisory opinion from the Commission on Ethics (issued July 24, 1991 as CEO 91-31-July 19, 1991), the following letter does not constitute an ex parte communication by virtue of the fact that it was not shown to the Commissioner. Because it is not deemed to be an ex parte communication, it does not require dissemination to parties pursuant to the provisions of section 350.042, Florida Statutes.

However, in such cases Commissioner Graham has requested that a copy of the correspondence be placed in the record of the above-referenced docket.

ML/ba

Attachment

DOCUMENT NUMBER-DATE

08616 OCT 14 2

FPSC-COMMISSION CLERK

October 6, 2010

Director, Office of Commission Clerk
Florida Public Service Commission
2540 Shummard Oak Boulevard
Tallahassee, Florida 32399-0850

RE: Docket No. 100149-WU

Page 1 of 3

Dear Sir:

Attached is a copy of my most recent bill reflecting my personal information, including my Account Number 1642.

In addition to being a resident of Tamiami Village, I am a Director and Treasurer of Tamiami Master Association, Inc.

This letter is in reference to your recently published potential rate increases which, to me, seem excessive. My viewpoint is achieved, for the most part, from the following:

- A. Most of our residents are on fixed income and many with our social security check being the prime or only source of income. For 2010, we did not receive a Cost Of Living Adjustment (COLA). In fact, it decreased because our insurance deduction adjustment was increased. I have not seen where we will be getting an increase for 2011 as well.
- B. In terms of our fiscal year park budget, we are basically governed by the CPI increase or decrease. In our last fiscal year, the CPI decreased with a resultant 32 cent decrease in monthly fees. Thus, we had less money to pay expenses, including park water costs. Final numbers are not available for our next budget, but it currently appears there will be a very, very small increase, if any. Needless to say, one wonders how the funds will be generated to pay the increased water and sewer charges.
- C. The local press has had many articles concerning how they are having to cut cost due the current economic times. One wonders why the public utilities do not have the resident interest as a prime concern like the county officials?
- D. When Ni Florida was in the process of acquiring the water company, I spoke with some utility official in Tallahassee. It was my understanding that utilities were allowed to have a return on investment. To me this means that the higher the investment the larger dollar return. Thus, the seller desires a very high selling price and the purchaser does as well to receive a larger dollar return. My question then was— who in the regulatory process says too much is too much? Obviously, the higher the investment return, the more money we resident users must pay in water utility charges. **I WAS TOLD.** Don't worry about that, Ni Florida is not requesting, nor are we allowing, a rate increase. HELLO !!! Now we are being asked to pay an 86% increase.
- E. We were recently told that our sewer utility was going too (and did) increase rates. I did not protest this increase. Now we are being asked to pay an 86% increase. **IT HAS TO STOP.** Also, it appears the game of asking for a really high increase is continuing to be played. Then, when it is lowered to a lesser amount, say 53%, we are to be so thankful, we will be silent. I and I presume others are not thankful. We strongly protest even the 53% increase

DOCUMENT NUMBER-DAT

08616 OCT 14 2

FPSC-COMMISSION CLERK

From a financial point of view, will you please provide me with the following information so that I may make a thorough review of the increase you have proposed.

1. The detailed Income Statement of the prior owner for the most recent twelve month fiscal period of the entity. I would like to compare their cost to the current owner costs.
2. The detailed Income Statement of the current owner for their most recent twelve month fiscal period. For comparison. I presume this will reflect a \$106,536 loss.
Note: I have seen financial numbers given our Park Manager, Barb, that were prepared by a Donald J. Clayton, P.E.. However, they were almost useless for me to make a meaningful financial review.
3. When the prior owner purchased the Water Company, what was the purchase price?
4. What was the purchase price for Ni Florida, LLC to purchase the Water Company?
5. Of the total purchase price, what is the current value of their outstanding mortgage and the applicable interest rate they must pay?
6. I presume you allow a rate of return on the Ni Florida investment. What is the rate you are allowing them and how is the annual amount computed?
7. When the Commission determined their "Approved Rates", what was your reasoning or logic behind the significant increases? At first blush, it appears the former owner was losing money or the current owner desires to make some serious excess profits. If the former owner could make ample profit, how is it that Ni Florida must increase their rates by 85% to make an ample profit? If they are not experienced enough, like the former owner, perhaps the Utility Commission should replace them.
8. How much over their actual water cost are you allowing Ni Florida to bill us? Also, our electric utility said we could not "make a profit" upon rebilling to our residents. How is this water utility different in this regard than any other utility?
9. Our RV Park has about 240 sites. As I read the rate sheet you provided, the base "Facility Charge" is \$1,425.53. There is a significant increase proposed. During the past "off season", we probably had only about 15 sites occupied. What is your logic in allowing our being charged a full amount when only about 6% of the sites are occupied?
Note: It would seem to be to our advantage to install a by-pass pipe with a 4 inch meter for the off season thereby saving a lot of money.
10. We have at least two of our lots (and sometimes more) that are vacant with no houses and no water usage. We were charged the basic fixed fee by the sewer and water utilities. Upon my informing the sewer utility, they immediately ceased such charge and said we should have told them sooner. Not to our amusement, when I related same to the water company, I was told they didn't care and were going too and do continue charging. Now they are requesting to raise this fee from \$13.61 to \$25.39. Pray tell, how do you justify this charge for non-existent services or whatever?

Thank you for your consideration.

Very truly yours,

John C. Schueller
Tamiami Village
3193 Pluto Circle
N. Ft. Myers, FL 33903

	<u>Current Rates</u>	<u>Per Cent Increase</u>	<u>Comm. Approved Interim Rates</u>	<u>Increase Over Comm. Approved</u>	<u>Increase Over Current Rates</u>	<u>Utility Requested Interim Rates</u>	<u>Increase Over Interim Rates</u>	<u>Increase Over Current Rates</u>	<u>Utility Requested Final Rates</u>
<u>Residential Service</u>									
Oil Meter sizes	13.61	53.5636%	20.90	14.4976%	75.8266%	23.93	6.1011%	86.5540%	25.39
Consumpt per 1,000	3.36	53.5714%	5.16	6.5891%	63.6905%	5.50	14.0000%	86.6071%	6.27
<u>General Service</u>									
<u>Base Facility Charge:</u>									
<u>Meter Size</u>									
1/8 x 3/4	11.13	53.5490%	17.09	14.5114%	75.8311%	19.57	6.0807%	86.5229%	20.76
	27.89	53.5676%	42.83	14.4758%	75.7978%	49.03	6.0983%	86.5185%	52.02
1/2	55.76	53.5509%	85.62	14.4826%	75.7891%	98.02	6.1110%	86.5316%	104.01
	89.21	53.5478%	136.98	14.4839%	75.7875%	156.82	6.1089%	86.5262%	166.4
	195.18	53.5557%	299.71	14.4807%	75.7916%	343.11	6.1088%	86.5304%	364.07
	278.82	53.5543%	428.14	14.4812%	75.7908%	490.14	6.1085%	86.5289%	520.08
Charge Per 1,000	3.36	53.5714%	5.16	14.5349%	75.8929%	5.91			
<u>General Service- RV Park</u>									
<u>Base Facility Charge</u>									
Meter Size 3	1,425.53	53.5534%	2,188.95	14.4827%	75.7922%	2,505.97	6.1082%	86.5299%	2659.04
Charge Per 1,000	3.54	53.6723%	5.44	14.3382%	75.7062%	6.22	6.1093%	86.4407%	6.60

	<u>Current Rates</u>	<u>Per Cent Increase</u>	<u>Comm. Approved Interim Rates</u>	<u>Increase Over Comm. Approved</u>	<u>Increase Over Current Rates</u>	<u>Utility Requested Interim Rates</u>	<u>Increase Over Interim Rates</u>	<u>Increase Over Current Rates</u>	<u>Utility Requested Final Rates</u>
<u>Residential Service</u>									
All Meter sizes	13.61	53.5636%	20.90	14.4976%	75.8266%	23.93	6.1011%	86.5540%	25.39
Consumpt per 1,000	3.36	53.5714%	5.16	6.5891%	63.6905%	5.50	14.0000%	86.6071%	6.27

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Meter Size									
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NI FLORIDA, TAMAMI
 13825 US HWY 19, STE 301
 HUDSON, FL 34667
 (877) 233-0101

PRESORTED
 FIRST-CLASS MAIL
 U.S. POSTAGE
 PAID

TAMPA, FL
 PERMIT NO. 1444

NI FLORIDA, TAMAMI

TYPE	METER READING		FEES	CHARGES
USE TO	PRESENT	PREVIOUS		
Water	18760	16850	1,910	6.42
Base Fee				13.61
Credit				(26.86)

CUSTOMER		PAY PERIOD	
ROUTE	ACCOUNT	START DATE	END DATE
1	1642		10/15/10
NET AMOUNT TO BE PAID		GROSS AMOUNT TO BE PAID	
(6.83)(CR)			

MAIL THIS STUB WITH YOUR PAYMENT



3193 PLUTO CIRCLE

Service From 8/11/2010 TO 9/16/2010 ACCOUNT 1642 9/30/2010

DATE	AMOUNT	DESCRIPTION
9 16 1	(6.83)	

SCHUELLER, JOHN
 3193 PLUTO CIR
 N FORT MYERS FL
 33903-1106