

ORIGINAL

State of Florida



Public Service Commission

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

DATE: January 5, 1998
TO: Division of Records and Reporting
Division of Legal Services (Gervasi)
FROM: Edith Xanders, Division of Water and Wastewater *EX*
RE: Docket No. ~~970409~~-SU: Investigation into appropriate rate structure for the Tropical Isles Service Area of Florida Water Services in St. Lucie County

Please include the attached in the above referenced docket file. If you have any questions, please feel free to contact me.

DOCUMENT NUMBER - DATE

00056 JAN-5 88

FPSC - RECORDS/REPORTING

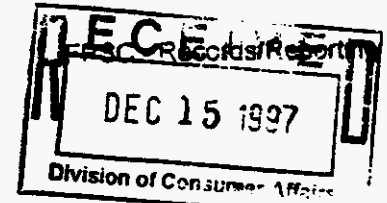
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TROPICAL ISLES MANUFACTURED HOME PARK

Sewergate Litigation Committee
c/o Robert J. Simpson,
345 Seahorse Ter., Fort Pierce FL. 34982
(phone/fax: 561/461-0414)

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Florida Public Service Commission
Bureau of Consumer Information & Conservation Education
2540 Shumard Oak Blvd.,
Tallahassee, FL 32399-0850

Dear Commissioners:

Docket Number 970409-SU

Following your Staff Hearing at Tropical Isles (TI) on November 19, 1997, the TI Homeowners Association held its annual meeting on December 1, 1997. I have been asked to convey the sense of the deliberations and comments from that meeting regarding this docket.

1. This issue has been "most contentious" (Kiesling, AP) because PSC Staff has not only allowed but aided Florida Water Services (FWS; known as Southern States Utilities, SSU, before Jan. 1, 1997) in a "callous disregard" (OPC letter to FMO) for TI residents' views completely contrary to the promise of openness in data-gathering and deliberations (Chr. Johnson to Rep. Pruitt & others).

2. In early 1996, Counsel Twomey charged PSC Staff and FWS with improperly slipping from (a) the basic question of what is a fair rate for SSU to (b) whether a pre-ordained income level should be grabbed from customers by a stand-alone or uniform rate.

3. Now, TI hears PSC Staff & FWS saying the Docket is only to consider whether a fixed amount of revenue shall be levied equally among residents or adjusted for actual usage.

4. THIS IS UNFAIR; VIOLATES THE PSC ORDER TO SSU OF COMING UP WITH A FAIR RATE BASED UPON METER INFORMATION, AND IS SET UPON A CAPBAND RATE WHICH IS A FORM OF A "UNIFORM" LEVY THAT THE COURT HAS DECLARED ILLEGAL.

5. FURTHER, IT IGNORES SSU'S OWN COMMENTS THAT ONLY A \$5.00 MONTHLY INCREASE PER HOME IS NEEDED. (SSU: Roberts, 1/26/96 & Smith, 2/1/96 Ft. Pierce Tribune).

6. PSC ALLOWED SSU TO IGNORE ITS 120-DAY TIME LIMIT (ending Feb. 19, 1997) IN SUBMITTING A RATE PLAN BASED UPON METERED DATA; IN FACT, COVERING FOR SSU'S LATENESS.

7. Now, TI residents feel themselves squeezed (Rep. Pruitt called it "blackmailed") into accepting some vacation rate as the solution to their concerns.

8. No real allowance is made for the fact that wastewater usage is at least 20 per cent lower than tapwater consumption. PSC Staff & FWS say this is covered by not counting or charging for any tapwater used in excess of 6,000 gallons per month per TI residence! HELLO! FWS data, PSC Staff Reports to the Commission, and Fort Pierce Utilities Authority (FPUA) water meter data for TI shows figures less than an annual average tapwater usage of less than 3,000 gallons per residence.

We may not be CPAs, but we are not SAPs either!

TROPICAL ISLES RESIDENTS vs. FLORIDA WATER SERVICES

December 5, 1997, re Docket Number 970409-SU

9. SSU was given a minor penalty -- a delayed increase in the exorbitant "interim" rates that were increased -- because of (a) its interference with PSC procedures through holding misinformation meetings prior to PSC regional hearings in early 1996 and (b) for urging Governor Chiles, Lt. Governor Mackay and Commerce Secretary Crawford to influence the Commission. This penalty undoubtedly will be approved as a business expense in subsequent rate-increase requests from FWS!

10. SSU continues to play the same games. Data vary according to the intended audience. Stockholders reports show SSU is healthy. FWS reports to the Department of Environmental Regulation shows low usage at TI with a sudden unexplained jump when this "contentious" situation opened in early 1996. At this time TI Park representatives noted a loaded flowmeter at the Plant which would increase flow data -- amounting to fraudulent data if such were used.

11. It is one thing to gripe; another to have solutions.

a. The TI Park Owner "sold" the Plant to SSU in 1988 for \$10.00 with the understanding that SSU would provide clean, economical, efficient service.

b. PSC, in its support of utilities, has allowed -- without explanation to TI -- full-value depreciation of the Plant, netting SSU about \$20,000 in real income in 1996. **WHY? If PSC must, remember, this is a \$6.00 monthly income per TI residence!!**

c. If PSC wants to accept FWS' stand that it is suffering a loss at TI, then have FWS sell the Plant back to TI for \$10.00! The Owner said he would even give \$30.00 -- in line with SSU/FWS attempts to triple the RWO rates here!!

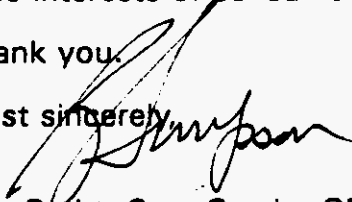
d. If FWS doesn't want to sell the Plant back at a reasonable rate, (a) let TI lease it for the "fair price" of \$10.00 a year; (b) FWS can still get a clear skim of \$6.00 per month through depreciation of the plant, and (c) TI will let a local company operate the plant under \$12.00 per home per month. (Bids are on file!)

12. If the Commission wants to live up to its mission of seeking equity for consumers and utilities, then appoint a special, ndependent committee to set a fair plan for TI.

TI residents are adamant. They will pursue this matter administratively, legislatively and judicially to stop this flagrant (flagrant?!), exorbitant and callous action which seems to place the Commission as more interested in the profits of utilities than the interests of consumers.

Thank you.

Most sincerely,



cc. Rep. Pruitt, Sen. Cowin, OPC, FMO & TI Board.