



Public Service Commission ORIGINAL

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

DATE: February 21, 2000
TO: Division of Records and Reporting
FROM: Division of Water and Wastewater (Lingo)
RE: Docket No. 970409-SU, Initiation of limited proceeding to restructure wastewater rates for Florida Water Service Corporation's Tropical Isles service area in St. Lucie County

Please file the attached documents in the above-referenced docket file. Thank you.

\FJL

Atch: 01/16/2000 letter from TIHA/Concannon w/attachment to WAW/Lingo

cc w/ Atch: Division of Water and Wastewater (Rieger)
Division of Legal Services (Gervasi, Fudge)

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FPSC-RECORDS/REPORTING

Dear Jennie —

Inclosed is a letter from the T.I
Homeowners Association.

As you can see in Paragraph 5 we
are looking for a total reduction of \$13.63,
and we honestly believe that this is
due us for a long period of time —

I'll be in touch and get the date
of the hearing —

Sincerely

William L. Conner

TROPICAL ISLES HOMEOWNERS ASSOCIATION

William Concannon, President
528 Thames Bluff Ridge
Fort Pierce, FL 34982

January 16, 2000

Ms. Jennie Lingo,
Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, FL 32399-0850

Dear Ms. Lingo:

It has been helpful to keep in touch with you by phone since you and your colleagues' met with Tropical Isles Residents on December 6, 1999. We were pleased that the Staff's "Preliminary Report" recommended a reduction of \$4.88 per residence per month in the wastewater service rate charged by Florida Water Services (FWS). This was based, as your Report noted, upon recomputation of actual flow data plus using corrected information on potential number of customers and those currently unbilled.

We agree that the lack of such correct data from FWS at the time it requested and received the exorbitant rate increase should not end up as having a negative impact upon the residents of Tropical Isles. Further, you told us at the December meeting, that had PSC been aware of FWS' \$10.00 actual purchase price of the plant and factored it into the rate structure rather than approximately \$450,000 of appraised value in 1988, the rate could have been reduced another \$8.75 per month.

We agree with your Preliminary Report's findings that incomplete & incorrect data were given by FWS. While we won't try to pinpoint FWS' motive other than the profit one, we do feel that we should not be penalized for FWS' deceit or sloppiness.

While Florida law allows major utilities to get a tax break on depreciation when it takes over inefficient, decrepit and/or unprofitable plants, the TI Plant had none of those faults. It was in effect transferred by the Park Owner to SSU/FWS for management convenience. The Park Owner states that he was assured there would be no significant rate increases.

In light of the above, we request that the monthly residential rate for TI customers of FWS be reduced \$4.88 per Staff's Preliminary Report plus the \$8.75 for incomplete information provided on capital investments. This would be a total reduction of \$13.63. Please don't let plant-purchase rumors further delay setting a fair rate.

Further, because FWS has not been forthright in providing information to PSC, we ask that the monthly residential rate reduction be made retroactive to the date of the unfair major increase.

We believe Staff's Preliminary Report shows that an incomplete & incorrect data base has been consistently used by FWS in its rate requests. We request that Staff continue to the obvious end of the road it has begun by including all the incorrect & incomplete data provided by FWS; namely, the original purchase price, and have FWS repay its ill-gotten gains to the retirees of Tropical Isles.

cc. Gov. Jeb Bush
Rep. Pruitt
Sen. Anna Cowin

Office of Public Counsel

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JAN 18 2000

Florida Public Service Commission
Division of Water and Wastewater