

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: June 17, 2015
TO: Carlotta Stauffer, Commission Clerk, Office of Commission Clerk
FROM: Kelly J. Thompson, Public Utility Analyst II, Division of Economics *KJ*
RE: Docket No. 140239-WS Application for staff-assisted rate case in Polk County by Orchid Springs Development Corporation.

Please place the attached consumer complaint letters on the correspondence side of the docket file referenced above.

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15 JUN 19 AM 10:11
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CLERK

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET No. 140239-WS

JUNE 11, 2015

From: Ellen C. Howard

P.4
June 11, 2015

To: The Florida Public Service Commission

Re: Docket No. 140239 - WS: Application for staff-assisted rate case in Polk County by Orchid Springs Development Co.

From: Ellen Child Howard

282 Mariposa

Winter Haven, FL 33884

I purchased my patio home in Orchid Springs in 1977. Thank you for the opportunity to give my input regarding this case. Please place me on the mailing list.

Prior to addressing my concerns, I wish to emphasize, in no way, are my comments intended to be construed as a personal or adversarial position toward the Cassidy organization. In the past, I have been treated fairly by Peter Cassidy, and currently, my interactions with Mike Cassidy, who is in charge of the water, have been nothing but positive. Mike is extremely pleasant, shows a desire to please, and, to say he is a hard worker is definitely an understatement.

I do have an issue with the flooding/stormwater drainage problem, at the end of Mariposa. I have included a few pictures taken last night (June 10th) for illustration. Although the authorities have been

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contacted by different residents, on several occasions, the problem has still not been rectified. Other than possibly contributing to the amount of wastewater needing to be processed, this may not be relevant to this case.

Thus said, I will proceed to my concerns, suggestions and questions for your consideration.

#1 My personal quality of life will be negatively affected as a single senior on a limited, fixed income, as will my confidence that, as a consumer, I am being treated fairly by those providing basic services to me.

• Prior to the interim rate increase effective Mar. 16, 2015

Monthly residential wastewater BFC = \$14.13

The staff proposed rate for same = \$32.53

dollar increase = \$18.30

percent of increase = 130.2%

in addition, the charge per 1,000 gals is being increased from \$3.08 to 5.90 = 91.6%

It is my opinion that the staff preliminary recommended rates are exorbitant and unethical.

#2 The current practice of charges for wastewater based on 100% of water usage volume is questionable.

There are various credible reasons, considerable water used, is never processed as wastewater. In your "Memorandum" I believe you used 80%. Would you please advise on solutions you may have for this overstatement of wastewater volume?

#3 Implementation of a rate structure promoting water conservation thru financial incentive.

- Reduce the wastewater BFC
- Eliminate residential ww caps
- Increase ww per gal. charge for high volume

As O.S.N. Co. pays the city of W.H. based on volume, the elimination of caps could increase their ROI, while encouraging conservation and maintaining individual choice. Meters for irrigation could be installed. I believe the electric company uses this type of structure.

#4 Water rate increase

Please justify when, according to your letter, this part of the business was profitable.

#5 Status of EUW (excessive unaccounted for water)

- 26,682,000 gals used
- 2,668,200 allowed EUW maximum
- 21,573,000 sold to customers
- 5,109,000 difference

over in EUW by 2,440,800 gals?

How is investigation by staff progressing?

Determination of appropriate amount attributable to flushing?

Effect of old leaky pipes?

Could EUW impact bottom profit line negatively? — increasing amount of wastewater to be treated?

Has the U and L been checked since 1998 when it was 100%?

#6 O.S.W.W. System was connected to W.H. City system
May 2009, based on a DEP consent order 5/23/2007 (pg 15)
or 2008 (pg. 5) memorandum. This was 6 yrs. ago. What
precipitated the huge increase now?

#7 Please clarify the amortization of the wastewater
treatment plant removal costs and environmental
compliance costs to be recovered over 5 years.

- why are there charges in 2010 when conversion was made in 2009? (pg. 15)
- when does the amortization period end?
- have these costs been factored into our rates or not?
- also, page 23/memorandum — : rate case expense for regulatory assessment fee — to be amortized over 4 years. How does this work? Who follows up?

In conclusion, I am in total opposition to approval of the proposed rate changes, and respectfully request, after further consideration and analysis, you revise your rate recommendations to reflect an equitable solution.

Thank you for your time and attention.

Ellen Child Howard

282 MARIPOSA



253 MARIPOSA



END OF MARIPOSA; OVERLOOK DR. IN BACKGROUND



FLOODING

JUNE 10, 2015 EVENING

Staff assisted rate case- Orchid Springs Development Corporation Docket No. 140239-WS

On behalf of the Orchid Springs Patio Homeowners Association, I would like to thank you for this opportunity to present our thoughts and opinions regarding the proposed water and sewer rates for our community.

We have reviewed the information sent to us by the Commission and have found that the proposed monthly water rates to be nominal and within reason. Since there was an excess in water revenue during 2014.

During the 2014 calendar year, sewer revenues of \$120,826 vs. claimed expenses of \$170,343 created a departmental deficit of \$29,462. This incurred loss, we understand, was satisfied by another department within the Cassidy Organization.

We collectively understand that losses of this nature cannot be withstood on an on-going basis nor is it our intent to recommend that they do.

We do however, feel that the proposed sewer rates are somewhat excessive and suggest that the

following formula be used to adjust the rates for the future.

Given the \$30,000 deficit for 2014, add a 5% inflation rate and an average customer usage of 4,000 gallons per month equals \$36,829.

Divide this number by 310 customers and again divide by 12 months equals a \$9.90 per month increase and would provide a more equitable answer.

Surely this would offset any sewer shortfall and satisfy the budgeting issues of the residents. It is further suggested that, in the future, rate increases on water and sewer be amortized over a period of years rather than waiting 17 years to impose any dramatic increases.

Although much of the deficit incurred for sewer and wastewater treatment last year was primarily attributed to the charges from Winter Haven; we are indeed curious as to how many delinquent customers made contributions to this number and what is being done to counter non paying residents.

Robert M. Palmer
President Patio Homes HOA