

Commissioners:
JOE GARCIA, CHAIRMAN
J. TERRY DEASON
SUSAN F. CLARK
JULIA L. JOHNSON
E. LEON JACOBS, JR.



DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(850) 413-6900

Public Service Commission

June 8, 1999

Mr. Tony Cimino
President, Tropical Isles Board of Directors
252 Travis Cay Place
Fort Pierce, FL 34982

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

Dear Mr. Cimino:

I received a copy of your correspondence to Ms. Lingo in the above-referenced matter. I am surprised both at the content and the tone of the letter. Allow me to respond to each point raised in your letter.

First, you state that the elapsed time between the November 1997 customer meeting and the filing date of Staff's recommendation will be 19 months, during which time Staff has failed to keep its promise to keep the Tropical Isles residents involved and informed as to the course of the proceedings. Based upon a review of Staff's travel vouchers, correspondence and notes from telephone calls during that period, we have reconstructed the following sequence of events representing Staff's efforts to honor its promise:

	<u>Dates</u>	<u>Purpose</u>
AFA		
APP		
GAF		
CMU	11/19/97	Staff conducted a customer meeting in the Tropical Isles service area; promised to keep customers involved and informed during the pendency of the case.
CTR		
EAG		
LEG		
MAS		
OPC	01/20/98 - 01/23/98	Staff traveled to the Tropical Isles service area to meet with members of the TIPAC and staff of Florida Water Services Corporation (FWSC). Staff also reviewed relevant documents and initiated document requests of FWSC.
RRR		
SEC		
WAW		
OTH		

DOCUMENT NUMBER - DATE

07091 JUN-99

FWSC-RECORDS/REPORTING

01/28/98 Staff correspondence to Robert Simpson of the Tropical Isles Public Affairs Committee (TIPAC) regarding the outcome of Staff's January 1998 trip to Tropical Isles and Staff's planned investigation into the rate level of the Tropical Isles system.

02/02/98 Staff letter to Robert Simpson regarding progress of Staff's investigation.

02/03/98 Staff letter to Robert Simpson with attached information obtained from FWSC.

02/98 Staff telephone conference with Robert Simpson, who notifies Staff of FWSC's offer to sell the Tropical Isles system to the customers.

02/25/98 Staff telephone conference with Caren Jerome Smith (retained to represent Tropical Isles residents in a potential purchase of the utility system).

02/27/98 Staff letter to Robert Simpson with additional attached information obtained from FWSC.

03/04/98 - 03/05/98 Staff traveled to the Tropical Isles service area to answer questions at a residents meeting regarding the customers' potential purchase of the system. A vote was taken whether to purchase the system from FWSC, but the customers failed to reach 100% consensus to purchase the system.

03/10/98 Staff telephone conference with Robert Simpson of the TIPAC regarding circumstances necessary for the system to qualify as a nonprofit association exempt from Commission regulation.

03/16/98 - 03/18/98 Staff traveled to the Tropical Isles service area to: 1) answer questions at another residents meeting regarding the purchase of the system; 2) meet with several customer groups to discuss alternative purchase scenarios; and 3) meet with the park owners. Another vote was taken whether to purchase the system from FWSC, but again the customers failed to reach 100% consensus.

Mr. Tony Cimino
Page 3
June 8, 1999

- 03/24/98 Facsimile letter from Robert Simpson to the Office of Public Counsel with a copy to Staff requesting that: 1) OPC hold any further actions against FWSC until further notice; and 2) Staff discontinue its rate investigation while a purchase agreement is negotiated.
- 05/01/98 Letter from Robert Simpson to, among others, OPC and Staff, thanking all for their efforts resulting in FWSC's offer to sell the Tropical Isles system to the customers.
- 05/04/98 Staff telephone conference with Tony Cimino of the TIPAC regarding the status of the sale of the system to the park owners.
- 12/08/98 Staff telephone conference (via message) with Tony Cimino regarding upcoming recommendation, and the recommended rate restructuring and rates.
- 01/12/99 Staff telephone conference with Tony Cimino regarding upcoming recommendation, the recommended rate restructuring and rates, and possible rescheduling of the case.
- 01/26/99 Staff telephone conference (via message) with Tony Cimino regarding Staff's upcoming recommendation, and the recommended rate restructuring and rates.
- 03/02/99 Staff letter to FWSC with a copy to Tony Cimino regarding additional requested information in the rate investigation.
- 04/26/99 Staff telephone conference with Tony Cimino regarding: 1) revising the case schedule and the customers' desire to reduce rates; 2) FWSC discontinuance of service to the Kia car dealership; and 3) the relationship between American Water and FWSC.

Therefore, based on the events above, I believe Staff has made a good-faith effort to fulfill in every respect its promise to keep the customers informed and involved, and find no basis for your allegations in this regard.

Mr. Tony Cimino

Page 4

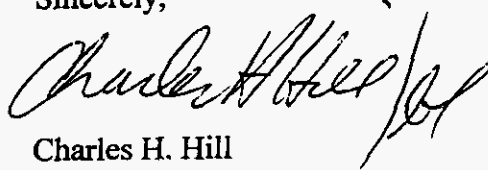
June 8, 1999

Second, as prescribed in Section 2.11B.2.b.(1) of the Administrative Procedures Manual, Staff is required to file recommendations no later than 12 days prior to the Agenda Conference. Accordingly, we lack the discretion to change this time frame.

Third, you state that based on the seven-day delivery time of Staff's May 14, 1999 letter, customers will have less than a week remaining to review Staff's recommendation and return comments before the July 6, 1999 Agenda Conference. We will make every effort to mail copies of the recommendation to you on the June 24, 1999 filing date; regardless, the copies will be in the mail by June 25, 1999. To obtain a copy of our recommendation in the quickest manner, please provide us with a number by which we may transmit the recommendation via facsimile. Also, once the recommendation is filed, you may request a deferral until a subsequent Agenda Conference. All requests for deferral require the approval of the Commission Chairman.

Fourth, you state that the period available for residents to review Staff's recommendation and make comments overlaps with a period in which many residents are either residing elsewhere during the summer or will be traveling over the 4th of July holiday weekend. If you would like the filing of Staff's recommendation postponed until residents return to the park from their northern homes, send us a written request at which time we will consider the postponement.

Sincerely,



Charles H. Hill
Director

CHH\FJL

cc: Governor Jeb Bush
Representative Ken Pruitt
Senator Anna Cowin
FPSC Chairman Joe Garcia
Division of Water and Wastewater (Williams, Shafer, Chase, Lingo, Rieger)
Division of Legal Services (Gervasi)
Division of Records and Reporting (docket file)
Office of Public Counsel (McLean)

Mr. Roger Shackett
Tropical Isles Park
5550 South U. S. 1
Ft. Pierce, FL 34982

Matthew Feil, Esq.
Florida Water Services Corporation
P. O. Box 609520
Orlando, FL 32860-9520