

State of Florida



Public Service Commission

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

DATE: March 21, 1996

TO: Blanca Bayó, Director of Records and Reporting

FROM: Susan F. Clark, Chairman *SFC*

RE: Docket No. 950495-WS

I have attached a copy of a letter of February 29, 1996, from Florida State Representative Joseph H. Arnall, which references matters at issue in the above-referenced proceedings. I have also attached a copy of my response. Please place this memorandum and attachment on the record of the above-referenced proceedings. Also, please give notice of this communication to all parties to the dockets and inform them that they have 10 days from receipt of the notice in which to file a response.

Attachment

ACK _____
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SEC 1 _____
WAS _____
OTH CP _____

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

State of Florida

Susan F. Clark
Chairman



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Public Service Commission

March 21, 1996

The Honorable Joseph H. Arnall
Representative, District 18
Florida House of Representatives
325 The Capitol
Tallahassee, Florida 32399-1300

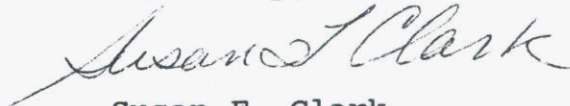
Dear Representative Arnall:

Thank you for your letter dated February 29, 1996, regarding Southern States Utilities, Inc.'s (SSU) request for an increase in water and wastewater rates. In April 1995, the Commission's decision regarding uniform rates was reversed in part by the First District Court of Appeal on the grounds that Chapter 367, Florida Statutes, requires the Commission to find that a "combination of functionally related facilities and land" constitutes one system in order for the Commission to lawfully approve uniform rates. The court concluded that the Commission failed to make such a finding in Docket No. 920199-WS. By order dated October 19, 1995, the Commission, after reviewing the evidence in the docket, voted to replace the uniform rate structure with a modified stand-alone rate structure. Interim rates approved on January 4, 1996, are based on a modified stand-alone rate structure. SSU has requested uniform rates in the current rate proceeding before the Commission.

The Commission has held over 20 customer service hearings in many service areas throughout Florida. The sworn customer testimony received at these service hearings is an integral part of the record. In addition to these customer service hearings, the Commission will hold a technical hearing in Tallahassee for the purpose of hearing sworn testimony and evidence from various expert witnesses sponsored by the parties to this proceeding. The technical hearing is scheduled for April 29, May 1-4, May 6, May 8-11, and May 13-16, 1996. The Commission is scheduled to vote on the issues in this proceeding at a special agenda conference on July 31 and August 15, 1996. The Commission's technical hearing and special agenda conference will be open to the public. However, at the special agenda conference, participation will be limited to the Commissioners and the Commission's staff.

I am prohibited by Florida law from commenting on the merits of this company's proposal while this matter is pending. I hope this letter will assure you that the Commission will consider the concerns of all SSU customers in the on-going rate proceeding. I will place this letter on the correspondence side of the docket file where it will be available for review by the parties to the proceeding. Again, thank you for your letter and interest in this matter.

Sincerely,



Susan F. Clark
Chairman

c: **Division of Records and Reporting**
(Docket No. 950495-WS)
Division of Legal Service (Jaber)
Division of Water and Wastewater (Willis)



96-0084 MAR 11

Florida House of Representatives

JOSEPH H. ARNALL
REPRESENTATIVE, DISTRICT 18

February 29, 1996

Ms. Susan Clark, Chairman
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Dear Chairman Clark:

I have recently heard from several of my constituents regarding utility bills they have received from Southern States Utilities. In particular, residents of Palm Valley have informed me that they are experiencing increases of nearly 600%.

I understand that the amount of the increase is primarily related to a decision by the Florida Public Service Commission to change rate design, moving from a uniform rate to a stand-alone rate structure.

Did the Commission fail to consider the full impact on utility customers when it made its decision in this matter? Did the Commission feel that a 600% increase in water bills was fair and equitable? Surely some consideration could have been given to customers likely to experience this magnitude of increase.

Through my membership on the Public and Investor-Owned Utilities Subcommittees in the House, I am aware of the complexities involved in the past and current Southern States Utilities rate proceedings. I also know that the Commission recognizes the benefits of a uniform rate structure to all Floridians. I urge that a uniform rate structure be reinstated immediately or certainly at the conclusion of the current proceeding to reestablish fairness and affordable water and wastewater rates.

RECEIVED

MAR 11 1996

TO: Florida Public Service Comm.
COMMUNICATIONS DIVISION

COMMITTEES

Commerce • Finance & Taxation
Insurance • Rules & Calendar

Utilities & Telecommunications/Oversight & Investigations, Chair

Chairman Clark, Page 2

Aside from the rate design issue, the magnitude of this rate increase is truly astounding. It is absolutely imperative that the Commission carefully scrutinize the information pertinent to the current Southern States Utilities' rate request so as to minimize the rate impact on all customers in your final decision in this matter.

I appreciate your attention and look forward to hearing from you in the near future. Please don't hesitate to call on me if I may ever be of service to you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joe Arnall". The signature is written in black ink and is positioned above the printed name.

Joseph H. Arnall
State Representative
District 18

cc: Hon. Scott Clemons, Chairman Utilities & Telecommunications
Ronnie Malin, Palm Valley SSU Customer