

RECEIVED-FPSC

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

99 FEB 24 AM 11:05

In re: Complaint and request for hearing by Linda J. McKenna and 54 petitioners regarding unfair rates and charges by SHANGRI-LA BY-THE-LAKE UTILITIES, INC. in Lake County, FL.

RECORDS AND REPORTING DOCKET NO. 990080-WS

ORIGINAL

RESPONSE TO COMPLAINT

SHANGRI-LA BY THE LAKE UTILITIES, INC. ("Utility"), by and through its undersigned attorneys, hereby responds to the Complaint filed in this docket.

1. The "Applicant" is not William Werner d/b/a Shangri-La By The Lake Utilities, Inc. The Utility is a corporation with a separate identity from Mr. Werner and has not applied for anything in this docket.

2. At the time that the Utility was certificated, the mobile home park where the complainants reside was receiving bulk service from the Utility. The mobile home park did not bill residents for water and wastewater service, which was included in their lot rent. The notice required pursuant to Rule 25-30.030, Florida

Administrative Code, was given to all customers of the Utility. At that time, the individual residents of the mobile home park were not customers of the Utility.

3. The rate base at the time of certification of the Utility was established in accordance with Commission Rules and sound regulatory principles. The bare assertion to the contrary is

- ACK
AFA
APP
CAF
CMU
CTR
EAG
LEG
LIN
OPC
RCH
SEC
WAS
OTH

RECEIVED & FILED
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

02411 FEB 24 99

FPSC-RECORDS/REPORTING

insufficient to raise any legitimate issue regarding the Utility's rate base.

4. In accordance with established Commission policy, the seasonal customers are required to pay the Utility's base facility charges for the time of the year which they reside elsewhere.

5. The issue of what is the appropriate reduction in lot rent when a mobile home park transfers responsibility for providing water and wastewater service to a Commission regulated utility is not within the jurisdiction of the Commission. This issue is governed by Chapter 723, Florida Statutes, which provides remedies for such disputes.

6. The current rates were established in accordance with Chapter 367, Florida Statutes, the Rules of the Commission, and sound regulatory principles. These complainants have not provided sufficient justification for the time and expense of a rate investigation.

7. The current revenue requirement was established in accordance with Chapter 367, Florida Statutes, the Rules of the Commission, and sound regulatory principles. These complainants have not provided sufficient justification for the time and expense of a rate investigation.

8. The complainants raise numerous quality of service issues; however, without more specific factual allegations instead of conclusory statements, it is not possible for the Utility to prepare a detailed response. In addition, the Utility would point out that it utilizes a certified operator to run its systems. The Utility is unaware of any sewage backups caused by the Utility as

opposed to a clogged service line. While the system is old, it is not inadequate and is being updated as the need arises.

9. As water meters are installed, the mobile home park is transferring responsibility of its residents to the Utility. It is true that not all water meters were installed at one time so some residents are receiving water and wastewater service from the mobile home park and some residents are receiving water and wastewater service from the Utility. All residents of the mobile home park are paying for water and wastewater service either directly from the Utility or as part of its lot rent paid to the mobile home park.

Respectfully submitted this 24th day of February, 1999, by:

ROSE, SUNDSTROM & BENTLEY, LLP
2548 Blainstone Pines Drive
Tallahassee, Florida 32301
(850) 877 - 6555



MARTIN S. FRIEDMAN
For the Firm

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Notice of Appearance of Counsel has been forwarded by U.S. Mail to Tim Vacarro, Esquire, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850 and Linda J. McKenna, 134 Shanghai Island Road, Leesburg, Florida 34788 on this 23rd day of February, 1999.



MARTIN S. FRIEDMAN