

STATE OF FLORIDA

Commissioners:
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E. LEON JACOBS, JR.



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

Public Service Commission

April 5, 1999

Mr. John M. Waddell
8444 Grayling Drive S.
Jacksonville, FL 32256

Re: Re: Docket No. 980214-WS - Application for Rate Increase in Duval, St. Johns and Nassau Counties by United Water Florida, Inc.

Dear Mr. Waddell:

Thank you for your letter dated March 23, 1999. I appreciate your continued interest in this matter.

The Office of Public Counsel filed a protest of Proposed Agency Action Order Number PSC-99-0513-FOF-WS on April 2, 1999. A hearing on this protest will be held in United Water Florida's service area, with appropriate advance notice to affected parties. After the testimony presented at this hearing is considered, the Commission will take final action on the case. The rates approved in the Proposed Agency Action order will be in effect, subject to refund, until the Commission takes final action.

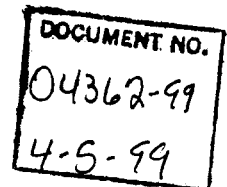
Mr. Waddell, if you have any questions regarding any of the points I have raised in this letter, or if we can be of help in any way, please contact Jan Kyle at (850) 413-6932.

Sincerely,

A handwritten signature in cursive script, appearing to read "Bill Lowe".

bill lowe
Assistant Director

cc: Governor Jeb Bush
Executive Director (Mr. William Talbott)
Division of Water and Wastewater (Willis, Kyle)
Division of Legal Services (Brubaker)
Division of Records and Reporting (Docket No. 980214-WS)



JMW

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JOHN M. WADDELL
8444 GRAYLING DRIVE, SOUTH
JACKSONVILLE, FLORIDA 32256

March 23, 1999

Mr. Bill Lowe
Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RECEIVED

MAR 25 1999
Florida Public Service Commission
Division of Water and Wastewater

Mr. William Talbot, Executive Director
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0865

Re: Docket No. 980214-WS – Application for Rate Increase in Duval, St. Johns and Nassau Counties by United Water Florida, Inc.

Dear Sirs:

It is difficult to describe the frustration that many of us feel regarding the recent rate increase granted to United Water Florida. Many of the neighborhoods (those with homeowners associations) banded together in an effort to stave off the automatic increases granted for every application by the Public(?) Service Commission. In my years of working for the government (US Air Force) I have never seen a group of people act as this group.

- 1) United Water Florida acquired their company from Jacksonville Suburban Utilities and immediately applied for an average 44% overall rate increase in late 1996 and this increase was approved in 1997 at approximately 28% overall.
- 2) In August/September 1998 we received notices that United Water Florida was again soliciting for a rate increase of approximately 28% overall.
- 3) The home owners association of which I am a member took advantage(?) of being able to testify as an association – present three members of our board, President, Secretary, and a Director – the state was represented by Mr. Willis, an engineer, and Ms. Reyes. A study of water rates in the local area quoting current rates, clearly indicating that United Water Florida was already the highest rate in the area was presented along with claims of bad taste, corrosion caused by the waters, and other complaints gathered from neighborhood users. The majority of our complaints were made to seem of no importance. When it came to quality and service, the only service provided was the defense of United Water Florida's position. Mr. Willis defended the position of business. When the three of us left this meeting, we felt that the Public (?) Service Commission had made up its mind regarding the rate increase and was going through the formalities to fulfill the legal requirements.

- 4) The following day, the public hearings were held. I do not know how many people testified at the morning session, but approximately 40 people testified at the evening hearing. There would have been more but from 6:30PM to 10:00PM is a long time and that is when we got our first break. Many people thought we had made our case and went home without testifying. During the testimonies, Mr. Robert Tucker addressed the financial side of information provided by United Water Florida to him. United Water Florida opened its doors to Mr. Tucker and allowed him access to their financial records in their facility in order for Mr. Tucker to prepare a case. The information that the Public (?) Service Commission was supposed to have available at the Public Library in Jacksonville could not be located. (The financial data that was needed). Mr. Tucker presented errors in the financial presentation, including an asset of \$5,000,000 in unspent/committed revenue which United Water Florida had remaining from previous rate increases that had not been utilized for purposes obtained and was allegedly still available in the coffers of United Water Florida. Mr. Willis, who was the Chair of this hearing became upset and tried on several occasions to stop Mr. Tucker from reporting this information.
- 5) Dr. Zaenger presented her thoughts pertaining to quality and safety of consuming the water, her comments were met with –“It meets standards.” You have the testimony.
- 6) Later during that evening, a lady, unknown to us, spoke directly to Mr. Willis as testimony and admonished him for his attitude towards Mr. Tucker. Mr. Willis again tried to brush this aside.
- 7) The hearing ended around 11 – 11:30 PM.
- 8) Many of us followed the ensuing activities and watched as staff recommendations changed. As late as the first part of February it looked as though an approximate 2 to 3% increase would be approved. The “final” dates kept being extended and the latest date I saw for submission was February 22 1999. On February 20, 1999 I received a package in the mail from the Public (?) Service Commission with a new staff proposal, this proposal was an approximately increase of 10.64%, much higher than the past reports and only two days before the cut off date.
- 9) A few of the associations were contacted by Mr. Robert Abelle and we discussed the possibility of contacting the Office of Public Council. Mr. Abelle did and was advised we would need a massive petition to challenge the increases, which we apparently do not have the funds or time to accomplish.
- 10) February 20th, I sent an e-mail to the Governor’s office asking him to intervene and delay the decision of the Public (?) Service Commission until it could be investigated. I received no response even though this e-mail was sent two days before the “final” date. I followed up on March 3 and 4th, again to no avail. I finally called the Governor’s office and spoke to a lady who identified herself as Adrienne. She advised me that the Governor was swamped with e-mail and they were over two weeks behind in reading it.

Conclusions:

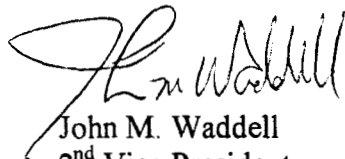
- 1) The process was one that favored the business side all along. This was noted at the individual hearings, and in a few instances commented on in the Public hearing.
- 2) An overall 38% increase in water rates over less than three years is outrageous. If there is a need for new equipment in order to take care of new Customer Groups then let the developer add those costs into his funding and increase sales prices to compensate for the water service.
- 3) United Water Florida had the highest rates for water usage in Duval County before the increase. United Water Florida has one of the worst tasting waters available for consumption; JEA water is much tastier. United Water's product causes corrosion of plumbing fixtures; even lifetime guaranteed products, enough to have to replace them every few years.
- 4) The complaints go on and on about United Water Florida, but the biggest action is the inexcusable way that the Public (?) Service Commission let the people of Florida down again in favor of big business. In case you do not know it, United Water Florida is a part of United Water, operating in 13 states and our area has the highest rates of any of any of their companies. The engineering excuse was they could not build a dam here to retain the water. That may be true but it is probably less expensive to drill and maintain a well system, no construction to create a dam like Altoona, Hoover, etc.

The Public Service Commission even though appointed without public opinion (vote), are responsible to the citizens of this state and as such need to listen to that citizenry and forget models. Inflation has not gone up over 6% in the past three years yet our water rate went up some 38%.

I was told to contact my state legislator regarding this matter. I did, a long time ago; he passed it off on the Governor's Office. The Governor's Office was untimely in its response. The Public Counsel wants groups of petitions in order to raise an issue before the 20 days allowed for appeals. Welcome to red tape.

We were let down again by the Unpublic Service Commission instead of protected by the real purpose of the Public Service Commission.

Sincerely,



John M. Waddell
2nd Vice President
Royal Lakes Subdivision

Additional Copies Sent To:

Mr. Jack Shreve
Office of the Public Counsel
C/o The Florida Legislature
111 West Madison Street
Tallahassee, FL 32399-1400

Governor Jeb Bush
The Capitol
Tallahassee, FL 32399-0001