

ORIGINAL

MEMORANDUM

February 7, 2006

TEL: 813-575-7800

06 FEB -7 AM 8:48

COMMISSION
CLERK

TO: DIVISION OF THE COMMISSION CLERK AND ADMINISTRATIVE SERVICES

FROM: OFFICE OF THE GENERAL COUNSEL (GERVASI) *RG*

RE: DOCKET NO. 050281-WS - Application for increase in water and wastewater rates in Volusia County by Plantation Bay Utility Company.

Attached is a letter dated February 3, 2006 to Commissioners from Anthony Reitano, President, Plantation Bay Comm. Association, with attachment, to be filed in the above-referenced docket.

DATE DOCUMENT SENT TO CCA 2/7/06

RG
Attachment

- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- RCA _____
- SCR _____
- SGA _____
- SEC 1
- OTH _____

DOCUMENT NUMBER-DATE

01048 FEB-7 8

FPSC-COMMISSION CLERK

ORIGINAL

February 3, 2006

Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Blvd.
Tallahassee, Fl. 32399

Attention: Commissioners

Lisa Polak Edgar, Chairman
J. Terry Deason
Isilio Arriaga
Matthew M. Carter II
Katrina J. Tew

Subject: Plantation Bay Utility
Water/Waste Water Rate Increase Application
Docket # 050281-WS

Dear Commissioners:

As the Board of Directors of the Plantation Bay Homeowners Association we represent the interests of our community. We are concerned at the requested increase of rates applied for by Plantation Bay Utility for 31% for water and 180% for wastewater. We find this difficult to understand, especially since Plantation Bay Utility (PBU) was required by the Public Service Commission (PSC) to roll back rates in 2002 due to overcharging.

We have read the Public Service Commission Staff recommendation for rate increases and understand the recommended change to be a modest 3.62% reduction to the current water rate; however, the wastewater rate will be increased significantly by 88.15%. This may appear to be a bargain in comparison to Plantation Bay Utility's original request. However, if the Commissioners approve these recommended rates, residents of Plantation Bay will pay much higher rates than any of our neighboring communities pay for water/waste water. (See attached comparison)

Plantation Bay continues to grow at a very fast rate. The PSC staff pointed out in their report that our community has doubled in size from 2002 to 2004 and it is expected our community will double again within the next two years. There are several hundred home sites under development. There is some question whether PBU projected high enough impact fees within the past three years to offset the costs of the expansion of the water and wastewater treatment plant. It is our understanding the current impact fees on a per unit basis are, water \$635.88 and wastewater \$530.72. This amount appears to be low. Some residents believe they are paying twice for the same water service -- by paying an impact fee at construction and increased rates because of the PBU expansion.

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FPSC-COMMISSION CLERK

It is also unclear how an accurate the “used and useful” calculation can be made with water lines on developed lots that are not secured and construction equipment having an unmetered water supply available. PBU also installed (6) “flush valves” to correct a TTHM problem with our potable water. The PSC staff report states that PBU could only “estimate” 330,000 gallons per month, in addition to other estimates of several thousands of gallons of water for a variety of reasons included in Issue 16.

At the customer meeting on November 2, 2005, one of our residents suggested that rates should be established to encourage water conservation. It appeared that several of the PSC staff were in agreement, however we see nothing in the recommendation that supports conservation.

We were recently advised that PBU has applied for an “Extension of Service” to provide water/wastewater service to two nearby planned communities. We have no other details and are concerned as to how this extension will impact the plant capacity and future rates.

Because of the travel distance from Ormond Beach to Tallahassee, it is difficult for our mostly senior community to attend your conference on Feb 7, 2006. We do want you to know that our lack of presence is no indication of our lack of concern and interest. The Florida Office of Public Counsel will be in attendance to speak for our interest. We appreciate the State of Florida providing this legal assistance. The PSC staff have been very helpful in arranging for residents to listen in on your conference by telephone.

Thank you for your interest.

Sincerely,

Anthony Reitano
President, Plantation Bay Community Association

Attachment (1)

cc Plantation Bay Community Board of Directors
Patricia W. Merchant, Florida Office of Public Counsel
Steve C. Reilly, Florida Office of Public Counsel
Bart Fletcher, Public Service Commission

**Plantation Bay Utility - Water/Waste Water
Cost Comparison to Neighboring Communities**

Gallons Per month	Palm Coast	Flagler Beach	Bunnell	Ormond Beach *	Plant. Bay Util. (PSC Final)
1000	\$28.19	\$19.50	\$10.95	\$19.04	\$ 44.35
3000	32.06	33.50	36.70	24.03	56.51
5000	52.67	47.50	51.50	34.01	68.67
7000	64.91	61.50	66.30	43.99	80.83

Annualized Comparison (12 mo.)

Gallons Per Month	Palm Coast	Flagler Beach	Bunnell	Ormond Beach	Plant. Bay Util. (PSC Final)
1000	\$338.28	\$234.00	\$131.40	\$228.48	\$ 532.20
3000	384.72	402.00	440.40	288.36	678.12
5000	632.04	570.00	618.00	408.12	824.04
7000	778.92	738.00	795.60	527.88	969.26