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May 9, 2008

E-FILE

Ann Cole, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RE: Docket No.: 070548-WS; Century-Fairfield Village, Ltd.'s Application for Certificates
in Polk County, Florida
Our File No.: 43037.01

Dear Ms. Cole:

This law firm has been asked to assist the law firm of Clark, Campbell & Mawhinney, P.A., in representing Century-Fairfield Village, Ltd., in its Certification proceeding. In doing so, we have reviewed the Staff Recommendation which was deferred from the Commission's May 6, 2008, Agenda.

While the Staff Recommendation was generally acceptable to the Utility, there are several points which we request be re-evaluated. In Issue 2, the Staff has recommended that the \$7,186.20 in revenue collected without authorization be refunded. I would suggest a refund is not appropriate in this instance. The charges were only imposed on those customers that utilized excessive quantities of water. It is because of the excessive use of water that the Utility was compelled to enter into a Consent Order with the Southwest Florida Water Management District and pay \$8,861.02 in penalties and enforcement costs. The imposition of those charges for excessive users was not for the purpose of increasing the revenues of the Utility, but solely to attempt to reduce consumption by those customers who were using excessive quantities of water. Thus, we believe that those revenues should be retained by the Utility without necessity for refund. If the Commission is compelled to take some action with regard to those charges, we would recommend that those funds be spent on a conservation program. Our recommendation would be the installation of rain sensors on customers' irrigation systems. The Utility has obtained an estimate of \$220.00 to install each rain sensor. Thus, in lieu of a refund, the Utility could install 33 rain sensors which would be offered to residents on a first-come first-serve basis. The Commission has

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previously approved such a program in similar circumstances in Order No. PSC-01-1488-PAA-WS issued July 18, 2001.

The Staff Recommendation imputes as CIAC the value of the collection and distribution systems. However, in this case the collection and distribution systems were not written off, but have been capitalized. Enclosed is the statement from the Utility's CPA to that effect. Since this is a rental mobile home community, the developer would not have had any lots sales against which to write off the cost of the collection and distribution systems. In an identical situation, this Commission in Order No.: PSC-96-0062-FOF-WS issued January 12, 1996, stated as follows:

The mobile home park is strictly a rental community and the owner still owns all of the lots within the park. Therefore, CIAC shall not be imputed for the mobile home park.

This Commission in Order No. PSC-04-1120-PAA-WU issued November 9, 2004, reaffirmed that when the developer does not sell the mobile home lots but leases them to homeowners, the imputation of CIAC is inappropriate. Last month that principle was followed in Order No. PSC-08-0262-PAA-WS, issued April 28, 2008.

Should you have any questions regarding this matter, please do not hesitate to give me a call.

Very truly yours,



MARTIN S. FRIEDMAN
For the Firm

MSF/mp
Enclosure

cc: Mr. Ron Baxley (w/enclosure) (via e-mail)
Mr. Len Tabor (w/enclosure) (via e-mail)
Ms. Patti Daniel, Division of Economic Regulation (w/enclosure) (via e-mail)

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Jim D. Lee, Certified Public Accountant



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May 9, 2008

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

Re: Docket No.: 070548-WS, Application for Application to provide water and wastewater service in Marion County by Century-Fairfield Village, Ltd.

Dear Sir or Madam:

I understand that in connection with the above proceeding the Commission Staff has recommended the imputation of CIAC in the amount equal to the cost of the collection and distribution systems within the mobile home community.

The tax returns do not disclose that the collection and distribution systems were written off. Since the partnership owns the land, these costs have been capitalized as part of basis.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jim D. Lee".

Jim D. Lee
Jim Lee, CPA