

COMMISSIONERS:
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NATHAN A. SKOP

STATE OF FLORIDA



MARSHALL WILLIS, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

COMMISSION
CLERK

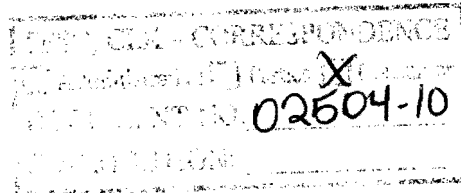
10 JUL -6 PM 3:48

RECEIVED-PSC

Public Service Commission

July 6, 2010

Jessie Hummel
3869 Sabal Drive
Oviedo, FL 32765



Re: Docket No. 090447- Application for staff-assisted rate case in Seminole County by CWS Communities d/b/a Palm Valley Utilities

Dear Mr. Hummel:

We are in receipt of your correspondence to United States Senator Bill Nelson where you expressed concerns with the wastewater increase outlined in staff's recommendation, dated June 17, 2010. To ensure that the Florida Public Service Commission (Commission) staff and the Commissioners have knowledge of your concerns, your correspondence has been placed on the correspondence side of the docket file for all to review. All consumer comments, including those that were received at the customer meeting, will be taken into consideration by the Commissioners in reaching their decision.

It is our understanding you believe that staff's recommended wastewater rates presented in staff's June 17th recommendation, consists of a calculation that is based on 2.1 people per household (pph). However, in this case, staff did not consider calculating the number of pph during the rate-setting process for the water or wastewater systems. The number of pph is considered when a repression adjustment is made to account for the reduction in consumption resulting from a price increase. Staff did not recommend a repression adjustment in this case due to the customer's low average consumption coupled with the fact that there was not a significant amount of discretionary or non-essential usage.

Staff's proposed wastewater rates were set based on two goals typically used by the Commission when designing wastewater rates. One of the goals is to design wastewater rates in which the base facility charge (BFC) cost recovery is set to 50 percent or more for the purpose of recognizing the capital intensive nature of wastewater plants. For this case, staff recommended setting the BFC cost recovery to 50 percent. The second goal is to set the residential monthly wastewater cap at a consumption level of 80 percent of the total residential gallons sold. This is based on the presumption that 80 percent of the gallons sold to customers will be returned to the wastewater system and the remaining 20 percent is used for outdoor purposes. Based on staff's analysis of the utility's billing data, this threshold is reached at appropriately 6,000 gallons (6 kgals) per month. Therefore, staff recommended that the Utility's current residential monthly wastewater cap of 6 kgals remain unchanged.

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PSC Website: <http://www.floridapsc.com>

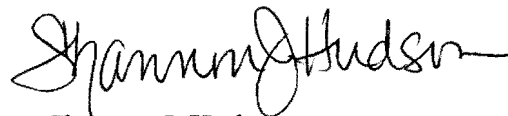
Internet E-mail: contact@psc.state.fl.us

Since the filing of staff's recommendation on June 17, 2010, staff along with representatives from the Palm Valley Homeowners' Association (Palm Valley HOA) including yourself, the Palm Valley HOA consultant, the Office of Public Counsel (OPC), and CWS d/b/a Palm Valley Utilities (Utility) along with its consultant and legal counsel met on June 30, 2010 to discuss issues in this case. Based on that meeting, it was agreed that some additional adjustments would be made to staff's initial recommended revenue requirements for the water and wastewater systems. These adjustments will result in a decrease to staff's previously recommended revenue requirements for water and wastewater. As you are aware, there are still some outstanding issues that the Utility has to address.

On July 1, 2010, OPC sent out the discovery questions pertaining to those issues. The Utility is to let staff know by Tuesday, July 6, 2010, when they will be able to provide the responses to that discovery. Once staff has received the Utility's information pertaining to the outstanding issues, it will be determined whether any additional adjustments should be made. As discussed at the meeting on June 30th, the Utility was instructed to file all information through our Commission Clerk's office. Thus, you will also have access to the information for review through our website. At that time, if you and your party, Palm Valley HOA, would like to have another meeting to discuss the new information or any of the issues, staff is willing to arrange another meeting for all parties. At this time, staff is fairly certain the revised recommendation will have to be rescheduled to a later agenda conference than the August 3rd agenda.

Hopefully, this letter has addressed your concerns. If you have any additional questions, please feel free to contact me at (850) 413-7021 or Lisa Bennett, staff's attorney, at (850) 413-6230.

Sincerely,



Shannon J. Hudson
Regulatory Analyst IV

cc: United States Senator Bill Nelson
Division of Economic Regulation (Bulecza-Banks, Maurey, Fletcher, Daniel, Simpson, Bruce, Stallcup)
Office of General Counsel (Bennett, Pennington, Neal)
Office of Commission Clerk (Docket No. 090447-WS)
Office of Public Counsel
Craig DeMange
Del Burfitt
Donald Hartwig
Frank Scutt
John Pachler
RC & Gale Gove
Ruden Law Firm (Margaret-Ray Kempner, Blair Chan)
T.J. Levey
Veronica Comfort

RECEIVED-FPSC

Application for a staff-assisted rate case in Seminole County by

10 MAY 17 **CWS Communities d/b/a Palm Valley Utilities**

COMMISSION
CLERK


DOCKET NO. 090447 - WS

Name AUDREY C PATTERSON
 Address 4065 SUGAR PALM TER
OVIDO, FL 32765

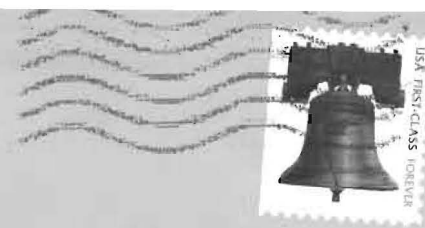
If you want to let the Public Service Commission know how you feel about this case, you may fill out this comment form and return it by mail, or send a fax to 1-800-511-0809. Correspondence will be placed in the file of this docket.

CONSUMER COMMENTS	
Special Report	Public Input
<p>① Could not hear speaker due to large crowd and hearing impaired.</p> <p>② PV request for rate increase Please vote <u>No</u></p> <p>③ PV last rate increase - too often increasing - out of reach for elderly SS recipients.</p> <p>④ average monthly w/w bills, someone reading my meter incorrectly. Bills never been under \$35.00, this without use of water for lawn</p> <p>⑤ w/w bill for March \$131.8</p> <p>Increases for 8/1/10 annually</p> <p>Lot Rent 40%</p> <p>Ad Valorem Tax Increase 94.74 - 71975 inc 2500</p> <p>? NSF 2500 - 10⁰⁰ inc 3500</p> <p>PV never in best interest of residents</p>	

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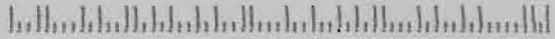
 Audrey Patterson
4065 Sugar Palm Ter.
Oviedo, FL 32765-6940

FLORIDA
FL 327 3 4
12 MAY 2010 PM

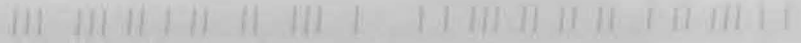


Florida Public Service Commission
Division of the Commission Clerk and Administrative Services
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

32399+0850



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CONSUMER

Application for a staff-assisted rate case in Seminole County by
CWS Communities d/b/a Palm Valley Utilities

FPSC, CLK - CORRESPONDENCE

DOCKET NO. 090447 - WS

Administrative Parties Consumer

DOCUMENT NO. 02504-10

DISTRIBUTION: _____

RECEIVED-PPSC
10 APR 30 PM 4:08
COMMISSION
CLERK

Name ALEX & JULIE Mc FAUL

Address 3884 FISH TAIL LN

PALM VALLEY, OUIDO, FL 32765

If you want to let the Public Service Commission know how you feel about this case, you may fill out this comment form and return it by mail, or send a fax to 1-800-511-0809.

Correspondence will be placed in the file of this docket.

SIRS:	CONSUMER COMMENTS
	MY WIFE & I MOVED HERE IN PALM VALLEY IN 1984. AT THAT
	OUR RENT WAS \$135 A MONTH, INCLUDING WATER. THE PARK HAS
	BEEN RESOLD A COUPLE TIMES AND THE PRESENT OWNERS
	ARE GETTING OVER \$300 MORE PER MONTH AND ADDITIONAL
	AVERAGE CHARGE OF WATER & SEWER \$35 PER MONTH. (AND WE
	USE AN AVERAGE OF 2,500 GALS. EVERY YEAR THIS PARK GETS
	4% INCREASE IN RENT. A NEARBY COMMUNITY "FAIRWAYS"
	OWNED ALSO BY HOMETOWN DOESNT CHARGE FOR THE FIRST
	3000 GALS OF WATER - SAME TYPE OF MANUFACTURED HOMES
	AS PALM VALLEY - THE PALM VALLEY COMMUNITY MANAGEMENT
	HAS LATELY HAVING AN AVERAGE AMOUNTS THAT IS \$119.78 FOR
	2010 IN AUG TO 2011 IN AUG - THEY CALL IT A "FAIR SHARE"
	THANK YOU FOR LISTENING.
	<u>Alexander McFaul</u>
	<u>Julie B. McFaul</u>

Fold and tape - - see back for address



Mr. Alex & Julie McFaul
3884 Fish Tail Ln.
Oviedo, FL 32765-7608

MID FLORIDA PDC
FL 32721
28 APR 2010 PM



Florida Public Service Commission
Division of the Commission Clerk and Administrative Services
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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Application for a staff-assisted rate case in Seminole County by
CWS Communities d/b/a Palm Valley Utilities

DOCKET NO. 090447 - WS

RECEIVED-FPSC
10 MAY -3 AM 10:31
COMMISSION
CLERK

Name EARL + Kathryn MONSON

Address 4054 Sugar Palm Terr.

Oviedo Fl 32765

If you want to let the Public Service Commission know how you feel about this case, you may fill out this comment form and return it by mail, or send a fax to 1-800-511-0809.

Correspondence will be placed in the file of this docket.

CONSUMER COMMENTS

1. Purchased Home 12/31/1987 Deed water, sewer inc.
2. CWS sold prop's (to itself) canceled deed agreement Rent inc. to 4% (instead of cost of living) AS Agreed.
3. Must pay for water And sewer, included with water and lawns etc.
4. At time of recession now want increase in water / sewer plus another annual increase in rent 17.84 monthly = 445.99 to 468.83
5. Increased Ad Valorem to \$119.78 (was 94.74)
6. Original rent was 194.00 pr mo including utilities = cost of living increase
7. At that time interest rates were 12% on investments
8. Today rates are 1.5%
9. We own the Home! 23 yrs in Dec
10. It seems to us some one is taking undue ADVANTAGE

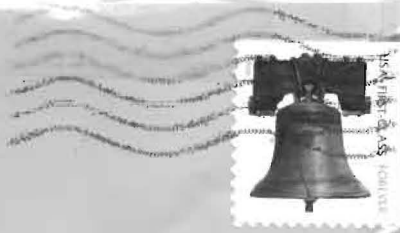
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 EARL R. MONSON
Palm Valley
4054 Sugar Palm Terr.
Oviedo, FL 32765-6938

NO FLORIDA PBC

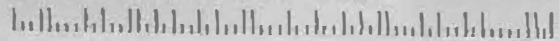
FL 32742

29 APR 2010 PM



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Division of the Commission Clerk and Administrative Services
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

32399+0850



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Application for a staff-assisted rate case in Seminole County by
CWS Communities d/b/a Palm Valley Utilities

DOCKET NO. 090447 - WS

RECEIVED-FPSC
10 MAY - 3 AM 10:31
COMMISSION
CLERK

Name Earl + Kathryn Monson

Address 4054 Sugar Palm Terr
Duiedo Fl 32765

If you want to let the Public Service Commission know how you feel about this case, you may fill out this comment form and return it by mail, or send a fax to 1-800-511-0809.

Correspondence will be placed in the file of this docket.

CONSUMER COMMENTS

We understand water is a valuable resource that MUST be preserved!

A raise in sewer rates - for water never used is unacceptable.

Until the recession is over and a new system installed to separate irrigation + daily use is installed NO raise in rates is acceptable.

Fold and tape - - see back for address



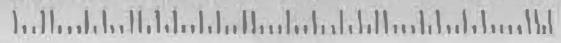
EARL R. MONSON
 Palm Valley
 4054 Sugar Palm Terr.
 Oviedo, FL 32765-6938

FLORIDA
 FL 32742
 29 APR 2010 PM



Florida Public Service Commission
 Division of the Commission Clerk and Administrative Services
 2540 Shumard Oak Boulevard
 Tallahassee, FL 32399-0850

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090447-WS

STATE OF FLORIDA

COMMISSIONERS:
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LISA POLAK EDGAR
NATHAN A. SKOP
DAVID E. KLEMENT
BEN A. "STEVE" STEVENS III



MARSHALL WILLIS, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

April 21, 2010

T.J. Levey
931 E. Palm Valley Drive
Oviedo, FL 32765

FPSC, CLK - CORRESPONDENCE
Administrative Partee Consumer
DOCUMENT NO. 02504-10
DISTRIBUTION: _____

RECEIVED-FPSC
10 APR 23 AM 9:55
COMMISSION
CLERK

Re: Docket No. 090447-WS; Application for staff-assisted rate case in Seminole County by CWS Communities d/b/a Palm Valley Utilities - Case No. 0935240C

Dear Mr. Levey:

Thank you for your letter in which you expressed your concerns about CWS Communities d/b/a Palm Valley Utilities (Utility or Palm Valley) using erroneous figures for past and recent request for rate increases. To ensure that the Commission staff and the Commissioners have knowledge of your concerns, your letter has been placed on the correspondence side of the docket file for all to review.

We have notified the Utility about your concerns and have asked them to respond to the Commission, in writing, to the subject matter contained in your letter. Pursuant to Rule 25-22.032, the Utility has fifteen days after the Commission sends it a letter. The Utility's response is due by May 12, 2010. We will follow up with you once we receive Palm Valley's response.

If you have any questions, please feel free to contact me at 850-413-7021 or shudson@psc.state.fl.us.

Sincerely,

Shannon J. Hudson
Regulatory Analyst IV

/sjh

cc: Division of Economic Regulation (Maurey, Fletcher, Simpson, Bruce, Daniel)
Office of General Counsel (Bennett)
Office of Commission Clerk (Docket No. 090447-WS)

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10 APR -5 AM 11:24

COMMISSION
CLERK

Chairman, Public Service Commission
2450 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

DISTRIBUTION CENTER

10 APR -5 AM 7:55

931 E. Palm Valley Drive
Oviedo, FL 32765
April 2, 2010

CONSUMER

Re: **Erroneous Figures** used by CWS Communities d/b/a Palm Valley Utilities in the past and its most recent request for a rate increase -- Docket No. 090447 WS

To Whom it May Concern:

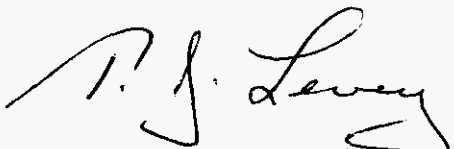
As a long time resident and past president of the HOA, I am requesting the Commission to please review the following attached items:

1. A letter revealing some erroneous figures used in the past by the utility to seek its original rate case in 2003 and subsequent indexed rate increases.
2. A record of all W&S rates granted to the utility and the 2010 proposed rate request.

It is understood the main concern of the Commission is to make sure a utility remains financially healthy so that it can continue to serve its customers.

However, the residents of Palm Valley are confident the Commission will investigate fully all reports supplied by the utility, especially in view of its past erroneous reporting, before granting the requested increase. Thank you.

Sincerely,



T.J. Levey, Past president HOA

TJL

Attachments

CC: Director, Office of Commission Clerk Florida PSC

Tim Devlin, Director, Div. of Economics Regulation

Sandra Adams, State Representative

DOCUMENT NUMBER-DATE

02504 APR -5 e

FPSC-COMMISSION CLERK

931 E. Palm Valley Drive
Oviedo, FL 32765
April 2, 2010

Chairman, Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Erroneous figures used by CWS Communities D/B/A Palm Valley Utilities

To Whom It May Concern:

A resident of Palm Valley Mobile Home Park discovered some erroneous reporting by the Palm Valley Utilities (PVU) in its 2004 Annual Report and its 2005 filing for an index rate increase, which had been approved by the Commission. There were several findings by the resident.

The resident secured monthly statements from Seminole County that were filed by management of Palm Valley to pay its 4% County tax on water revenues. The 2004 statements, when compared with the 2004 Annual Report revealed the following:

<u>Item</u>	<u>2004 CWS Annual Report</u>	<u>2004 County Tax Statement</u>	<u>Difference</u>
Water Rev.	\$153,725	\$187,626	\$33,901 (Understated Rev.)
4% County Tax	\$ 28,348	\$ 7,425	\$20,923 (Overstated 4% Tax)

According to PVU's Annual Report, the Utility pumped 53,715,000 gallons of water from its wells, sold 29,305,000 gallons and treated 36,569,000 gallons of wastewater. If the revenue figure given to the County is accurate it would appear that the utility sold more water than it reported to Florida Public Service Commission on its 2004 Annual Report.

Review of the 2004 Annual Report indicates the Utility is reporting water operation and maintenance expenses that are almost three times higher than the amount approved by the Commission in PVU's most recent rate case, with a **projected test year ending July 31, 2003**. In its 2004 Annual Report PVU also claims wastewater operation and maintenance expenses that are about 80% higher than the amount allowed by the Commission in this same very recent rate case, with a **projected test year ending July 31, 2003**.

	<u>2002 Rate Case</u>	<u>2004 Annual Report</u>
Water expenses:	\$ 31,796	\$ 91,799
Wastewater expenses:	\$152,579	\$ 276,169

The erroneous revenue figures were not only used in the 2004 Annual Report, but were also used in the 2005 Indexed Rate Increase request filing and certainly had to be included in each subsequent increase request. Our questions about PVU's reported revenues and expenses are based upon the known and approved expensed of the Utility in its most recent rate case and the conflicting report the Utility gave to Seminole County. There are other questions regarding reported income and expenses.

These discoveries were made in 2006. One may question why this erroneous data was not referred to the PSC earlier. ANSWER: It was used to the benefit of the Palm Valley HOA to urge the President of the Utility and of SE Division of Hometown America to sign a \$6,000 Settlement Agreement, which had tied the Palm Valley HOA up for two years.

Now, with the residents facing horrendous increases in their rates, it is time to reveal these questionable practices for all to see.

If there are any questions about any of this information, please feel free to call me, T.J. Levey, at 407-359-7658. Thank you.

Respectfully,

A handwritten signature in black ink, appearing to read "T.J. Levey". The signature is fluid and cursive, with a large, sweeping flourish at the end.

T.J. Levey, Resident Palm Valley
Former President HOA

TJL

PALM VALLEY WATER AND SEWER RATES

Once upon a time, W&S was included in the rent. In October 2003, the park owner began to charge for W&S in exchange for \$29.66 per month reduction in rent. On November 1, 2005, the Park Owner imposed an indexed rate increase for W&S and the base facility charges. Then again in 2006, 2007 and 2008 the park owner imposed still more indexed rate increases. In September 2006 just those residents without recycled water were granted an additional \$8.44 reduction in rent for a total of \$38.00/month as a result of the Settlement Agreement signing.

Let's take a look at the impact the 2005, 2006, 2007 and 2008 miniscule rate increases had on each household when compared to the 2003 rates. And, the **astronomical** proposed increases for 2010.

<u>2003 Rates</u>	<u>2005 Rates</u>	<u>2006 Rates</u>	<u>2007 Rates</u>	<u>2008 Rates</u>	<u>Proposed 2010 Rates</u>	
\$ 9.57	\$ 9.68	\$ 9.79	\$ 9.89	\$ 9.98	\$ 11.24	Water Base Facility Charge
<u>+10.74</u>	<u>+11.08</u>	<u>+11.37</u>	<u>+11.68</u>	<u>+11.96</u>	<u>+ 27.80</u>	Sewer Base Facility Charge
\$20.31	\$20.76	\$21.16	\$21.57	\$21.94	\$ 39.04	Total Base Facility Charge (Incr. \$18.73)
\$ 2.30	\$ 2.33	\$ 2.36	\$ 2.38	\$ 2.40	\$ 2.70	Water Rate/1000 Gal. + 4% Tax
<u>+3.81</u>	<u>+3.93</u>	<u>+4.03</u>	<u>+4.14</u>	<u>+4.24</u>	<u>+10.45</u>	Sewer Rate/1000 Gal.
\$ 6.11	\$ 6.26	\$ 6.39	\$ 6.52	\$ 6.65	\$ 13.15	Total W&S Rate/1000 Gal. (Incr. \$7.04)

In less than seven years time, the base facility charge has almost doubled and the W&S rates per/1000 gal. have more than doubled. The base facility charge now exceeds the rent reduction, and every resident will pay \$39.04 to the utility without using one drop of water.