

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

ORIGINAL  
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In re: Complaint of Consumer John Falk regarding resale of electricity and gas by H. Geller Management Company.

DOCKET NO. 910056-PU

CONSUMER JOHN FALK'S NOTICE OF FILING

COMES NOW the complainant consumer, JOHN FALK, by and through his undersigned legal counsel, pursuant to the Order On Prehearing Procedure entered in the above-styled matter, and hereby gives notice of his filing of the direct testimony of John Falk and Roy Brummer.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original of the written direct testimony of John Falk and Roy Brummer, together with fifteen true and correct copies thereof, have been furnished by U.S. Mail to the Director of Records and Reporting, Public Service Commission, 101 East Gaines Street, Tallahassee, Florida 32399-0870, and that a true and correct copy of said written testimony has also been furnished by U.S. Mail to C. Everett Boyd, Jr., Esquire, Counsel for H. Geller Management Company, 305 South Gadsden Street, Tallahassee, Florida 32301 this 13th day of March, 1991.

Bacon, Bacon, Harrington, Johnson & Goddard, P.A.



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- ACK
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
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*Brummer*  
DOCUMENT NUMBER-DATE

02849 MAR 21 1991

FPSC-RECORDS/REPORTING

*Falk*  
DOCUMENT NUMBER-DATE

02848 MAR 21 1991

FPSC-RECORDS/REPORTING

1 Q: Please state your name for the record.  
2 A: John Falk.  
3 Q: Do you own a condominium in the Jefferson Building  
4 of the Terrace Park Of Five Towns condominium  
5 community at 7975 - 58th Avenue North, St.  
6 Petersburg, Florida?  
7 A: Yes.  
8 Q: How long have you lived there?  
9 A: I bought unit 310 in December, 1980, so I have  
lived there over 10 years.  
10 Q: Would you describe the nature of your relationship  
11 with H. Geller Management Company?  
12 A: H. Geller Management Company is the management  
13 company employed to manage all of the buildings in  
14 Terrace Park of Five Towns, including the  
15 Jefferson Building.  
16 Q: Have you filed a complaint with the Public Service  
17 Commission against H. Geller Management Company?  
18 A: Yes.  
19 Q: And your complaint against H. Geller  
20 Management Company regards the electricity and gas  
21 charges for the common elements of the Jefferson  
22 Building of Terrace Park of Five Towns passed on  
23 to the residents by H. Geller Management Company,  
24 and not your individual unit utilities, is that  
25 correct?

1 Q: You mentioned two problems. What is the second?  
2 A: The second problem is that H. Geller Management  
3 Company has consistently miscalculated the number  
4 of 5% incremental charges which should be imposed.  
5 Q: Please explain what you mean.  
6 A: In 1982, H. Geller Management Company announced by  
7 written letter to all residents of Terrace Park of  
8 Five Towns that the per kilowatt hour rate by  
9 Florida Power had increased from .4685 to .5577, a  
10 percentage increase of 19%. Their method of  
11 calculating this increase is erroneous. According  
12 to Florida Power, the proper method to be utilized  
13 in calculating the per kilowatt hour rate is to  
14 divide the total dollar amount of a monthly bill  
15 by the number of kilowatt hours used. Then, you  
16 do the same calculation for the same month one  
17 year later, and compare the difference. This  
18 comparison will disclose what the true increase is  
19 in the per kilowatt hour rate.  
20 Q: Is it your position that H. Geller Management  
21 Company has not properly done these calculations?  
22 A: Yes.  
23 Q: Why?  
24 A: Because they subtracted the fuel adjustment costs  
25 from the total dollar amount of the monthly bills

1           increase in the per kilowatt hour rate between  
2           1981 and 1982?

3       A:    They raised the monthly maintenance fee for the  
4           Jefferson Building by \$45.00, and I was assessed  
5           my proportionate share of this \$45.00.  Since H.  
6           Geller Management Company found an increase of 19%  
7           in the per kilowatt hour rate, they concluded that  
8           there were three full increments of 5% in the  
9           increase.  Under the terms of the management  
10          contract they imposed an additional \$15.00 charge  
11          per month for each of the 5% increments; thus, the  
12          increase in the aggregate monthly maintenance fee  
13          of \$45.00.

14       Q:    What happens when you do the calculations  
15           correctly?

16       A:    You find that the increase from 1981 to 1982 was  
17           only 8.99%.

18       Q:    Can you arithmetically support your position?

19       A:    Absolutely.  In January, 1981 the monthly bill  
20           from Florida Power was \$132.12 for 2152 kilowatt  
21           hours used.  If you leave the fuel adjustment  
22           charge in the bill and divide the full \$132.12 by  
23           2152, you get a per kilowatt hour rate of .06139,  
24           not .04685 calculated by H. Geller Management  
25           Company.  Similarly, a monthly bill in January,

1 with the Public Service Commission.

2 Q: Is 1982 the only time H. Geller Management Company  
3 increased your monthly maintenance fee in response  
4 to an increase in the per kilowatt hour rate by  
5 Florida Power?

6 A: No, they also calculated an increase in 1983.

7 Q: Is it fair to say that you believe this increase  
8 to have been incorrectly calculated as well?

9 A: Yes.

10 Q: How were H. Geller Management Company's 1983  
11 increase calculations wrong?

12 A: They made the same mistake as they had the year  
13 before, but the consequences of the mistake were  
14 even more severe.

15 Q: Please explain.

16 A: H. Geller Management Company took the February,  
17 1983 bill and compared it to the February, 1982  
18 bill, and concluded that there had been a 35.768%  
19 increase in the per kilowatt hour rate between  
20 February, 1982 and February, 1981. Their  
21 calculations resulted in a finding of an increase  
22 of seven increments of 5%, which resulted in their  
23 imposition of an aggregate increase of \$105.00 in  
24 our monthly bill. When I did the calculations  
25 correctly, the increase was only 15.93%, which

1 bills from Florida Power are rather substantially  
2 less. I prepared a chart showing the amount of  
3 overcharge, which I included as an exhibit to the  
4 complaint I filed with the Public Service  
5 Commission against H. Geller Management Company.  
6 This chart details the actual bills from Florida  
7 Power for the years 1980 through 1984, and  
8 compares them against the sums collected by H.  
9 Geller Management Company for the same time  
10 period. It clearly shows that we have paid more  
11 for electricity than H. Geller Management Company  
12 paid Florida Power.

13 Q: Specifically, what were you overcharged?

14 A: The Jefferson Building was overcharged \$1,071.90  
15 for electricity in 1980; in 1981 we were  
16 overcharged \$515.61; in 1982 we were overcharged  
17 \$1,163.29; in 1983 we were overcharged \$2,282.24;  
18 and in 1984, we were overcharged \$2,360.19. In  
19 total, the overcharges for electricity between  
20 1980 and 1984 were \$7,393.23.

21 Q: What about charges for gas?

22 A: Again, H. Geller Management Company is charging  
23 more for gas than it is paying People's Gas.  
24 According to our initial budget, we were paying an  
25 aggregate of \$444.00 per month for gas at the

1 percentage of the gas use, what did you do next?  
2 A: We looked at the bills paid by H. Geller  
3 Management Company to People's Gas for each month  
4 of that five year period, and determined the  
5 amount of each monthly bill which was attributable  
6 to the Jefferson Building. Then, we compared that  
7 amount to the amount being collected under the  
8 budget. This comparison clearly showed us we were  
9 being overcharged for gas as well.

10 Q: Specifically, what were you overcharged?

11 A: In 1980, we were overcharged \$3,343.31; in 1981,  
12 we were overcharged \$1,626.41; in 1982 we were  
13 overcharged \$1,786.16; in 1983 we were overcharged  
14 \$520.56; and in 1984 we were undercharged \$112.66.  
15 The total amount overcharged by H. Geller  
16 Management Company to the Jefferson Building for  
17 the years 1980 through 1984, for gas, was  
18 \$7,163.78.

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