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To: Martha Brown, Esq.
Florida Public Service Commission
101 East Gaines St.
Tallahassee, FL, 32301

10/16/92

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OCT 19 1992
LEGAL DIVISION

Copies to: Director of Public Records (15)

Re: Docket No. 920949-EU - Sebring Utilities/Florida Power Corporation

Dear Ms Brown

The following pre-hearing statement was prepared by, and is being submitted by a group of ratepayers in the affected area. We are a lay group known as the "ACTION GROUP", formed to protest the proposed addition of a large surcharge or 'transition fee' to be foisted on the ratepayers in the old S.U.C. power district. We have no argument with FPC as the operator/owner, but do not believe the debt to be ours, we do believe that rates in the order of 25% higher than other FPC customers in the area tends to be discriminatory, devisive, and detrimental to the community. The following statements follow the format shown in the ORDER ON PREHEARING PROCEDURE:

- (a) The primary spokesperson for our group will be Harold E. Seaman since we have only the one issue to address. The subject matter will be the so-called transition fee and its impact on individuals and the community. Supporting speakers, as yet unnamed, may provide some of the supporting rationale.
- (b) Exhibits:
 - 1) Ratepayer petitions
 - 2) Referendum Bill 165-106-2-5 that became a law in 1991- which refers to the sale of SUCOM and real estate sales in the area.
 - 3) Letter from 'Chip' Boring, Past Highlands County Commissioner and real estate executive on the continuing impact this difference in power cost is having on business and real estate values in the area affected.
- (c) We, the customers of SUCOM/FPC want the surcharge identified in the FPC filing as a "transition fee" deleted. We do not want to pay the S.U.C. debt. (See the top part of the attached petition).
- (d) The statement of fact at issue is the SUC debt. The ratepayers should not be obligated to pay this debt.

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- (e) The statement of law at issue, in our lay opinion, is whether the law was violated by not having the ratepayers vote on the sale of SUC to FPC before a sales agreement was made and filed with the PSC. We also believe that forcing the ratepayers to pay the debt could result in being discriminatory.
- (f) The policy question at issue is whether the PSC should permit FPC to selectively incorporate an increase in rate for a segment of its customers under the guise of a 'transition fee'.
- (g) We have raised only one issue, identifying factual, legal and policy facets. Our position on these is that we do not want to pay for the SUC debt.
- (H) Our issues are so stated. We just want to show why we should not pay the SUCom debt. We have no objection to Florida Power Corp. furnishing our electric current as long as it is at the same rate as their present customers and carries no surcharge/transition fee with it. We want the bottom line to be the same as our neighbors per kwh. We have no objection to any other utility company of known stature providing power as long as the rates are governed by the PSC.
- (i) We are not aware of pending motions or other matters pertinent to this docket number.
- (j) We believe that we have complied with the requirements of the 'Order' that are pertinent to this submittal.

Respectfully Submitted,

Harold E. Seaman
Harold E. Seaman, Chairman

ACTION GROUP

We are Sebring Utilities Commission ratepayers and members of the steering committee of a "not-for-profit" group called the "Action Group". This group is made up of mobile homeowners and area residential persons and is not incorporated.

We hereby authorize Harold E. Seaman to act as Chairman of the "Action Group" and we will support him in all efforts.

LeRoy Atkins 10/10/92
Date

Claude D. Boring 10/12/92
Date

Lester W. Chilcote 10/10/92
Date

Will R. Handley 10/13/92
Date

Rosalie Huston 10-10-92
Date

Harold E. Seaman 10/10/92 ✓
Date

Richard Shannon 10-10-92
Date

Wayne W. Thomson 10/12/92
Date

Mary E. Trout 10-10-92
Date

Exhibit (a)

DOCKET # 920949 - EU

ACTION GROUP STEERING COMMITTEE

10/16/92

Harold E. Seaman, Chairman 2145 Fiesta Way, Sebring, FL, 33872	(813)-382-7520
LeRoy Atkins 2141 Burning Tree Circle Sebring, FL, 33872	(813)-471-2794
Claude D. Boring 3817 Normandy Dr 2959 U.S. 27 So. Sebring, FL, 33872	(813)-385-0077
Lester Chilcote 220 10th Ave., Sebring, FL, 33872	(813)-382-9210
Ronald Handley 2636 Mellow Lane Sebring, FL, 33871	(813)-385-1796
Rosalie M. Huston 4443 Schumacher Rd. Sebring, FL, 33872	(813)-382-0566
Richard G. Shannon 4343 Schumacher Rd. Sebring, FL, 33872	(813)-471-0680
Wayne W. Thomann 3740 Sparta Rd. Sebring, FL, 33872	(813)-382-8003
Mary Trout 2211 Cedar Lane Sebring, FL, 33872	(813)-385-5528



Exhibit #2

165-106-2-1

1	A bill to be entitled	1:01c
2	An act relating to the City of Sebring,	1.4
3	Highlands County; amending chapter 23535, Laws	1.5
4	of Florida, 1945, as amended; authorizing the	1.6
5	purchaser or lessee of all or a substantial	1.7
6	portion of the electric utility system of the	1.8
7	Sebring Utilities Commission to charge to and	1.9
8	collect from certain electric customers a debt	1.10
9	repayment surcharge; requiring that the	1.11
10	purchaser or lessee pay the debt repayment	1.12
11	surcharge collected from such electric	1.13
12	customers to the Sebring Utilities Commission	1.14
13	in monthly installments; providing that such	1.15
14	debt repayment surcharge shall be held,	1.16
15	invested, and the net amount thereof applied by	1.17
16	or for the Sebring Utilities Commission to the	
17	payment of principal, interest and premium, if	1.13
18	any, on revenue bonds of the Sebring Utilities	1.14
19	Commission that are then outstanding; providing	1.15
20	that the aforementioned debt repayment	1.16
21	surcharge shall not be deemed to be a rate or	1.17
22	charge under chapter 366, Florida Statutes, or	
23	a part of the rate structure of the Sebring	1.14
24	Utilities Commission under such chapter;	1.15
25	describing the electric customers who are to be	1.16
26	charged the debt repayment surcharge; providing	1.17
27	that in connection with the outstanding revenue	
28	bonds of the Sebring Utilities Commission, the	1.16
29	rent payments from the lease of any of the	1.17
30	assets of the Sebring Utilities Commission and	
31	the debt repayment surcharge shall be deemed to	

CODING: Words stricken are deletions; words underlined are additions.

1	be revenues of the Sebring Utilities	1.13
2	Commission; providing for a referendum.	
3		
4	WHEREAS, it is determined by the Legislature of the	1.19
5	State of Florida to be in the best interest of the City of	1.20
6	Sebring, the Sebring Utilities Commission, the bondholders of	
7	the Sebring Utilities Commission and the customers of the	1.21
8	Sebring Utilities Commission, and of paramount public purpose,	1.22
9	that the purchaser or lessee of all or a substantial portion	1.23
10	of the electric utility system of the Sebring Utilities	1.24
11	Commission charge to and collect from the customers of the	
12	electric utility system a debt repayment surcharge for the	1.25
13	benefit of the Sebring Utilities Commission which debt	
14	repayment surcharge is to be held, invested, and the net	1.27
15	amount thereof applied by or for the Sebring Utilities	1.28
16	Commission to the payment of its outstanding revenue bonds,	
17	NOW, THEREFORE,	
18		
19	Be It Enacted by the Legislature of the State of Florida:	1:enc
20		
21	Section 1. Section 1.08.02. of chapter 23535, Laws of	1.30
22	Florida, 1945, as amended, is created to read:	1.32
23	<u>Section 1.08.02. Imposition of debt repayment</u>	1:1us
24	<u>surcharge, upon lease or other disposition of assets.--</u>	1.33
25	<u>(1) Commencing on the first day of the month following</u>	1.34
26	<u>the closing of a sale, lease, or other disposition of all or a</u>	
27	<u>substantial portion of the electric utility distribution</u>	1.35
28	<u>system of the Sebring Utilities Commission and continuing</u>	1.36
29	<u>until such time as all then outstanding revenue bonds of the</u>	
30	<u>Sebring Utilities Commission have been paid, the Sebring</u>	1.37
31	<u>Utilities Commission shall, not less frequently than annually,</u>	1.38

1 fix a debt repayment surcharge for the following year in an 1.39
 2 amount which, taking into account all other revenues of the 1.40
 3 Sebring Utilities Commission, will permit the Sebring
 4 Utilities Commission to pay the principal of and interest and 1.41
 5 premium, if any, on the revenue bonds of the Sebring Utilities
 6 Commission and its fair and reasonable expenses incurred in 1.42
 7 connection with the receipt and application of the revenues of 1.43
 8 the Sebring Utilities Commission to pay such principal of and
 9 interest and premium, if any, on such revenue bonds. Such 1.45
 10 debt repayment surcharge, and the effective date thereof, will
 11 be communicated promptly to the purchaser or lessee of all or 1.47
 12 a substantial portion of the electric distribution system.
 13 Such purchaser or lessee, as agent for the Sebring Utilities 1.48
 14 Commission, shall charge to and collect from electric service 1.49
 15 customers described below, such debt repayment surcharge
 16 monthly for the benefit of the Sebring Utilities Commission 1.50
 17 and enforce the collection thereof. The purchaser or lessee 1.51
 18 shall pay such debt repayment surcharge to the Sebring
 19 Utilities Commission as and when collected from the electric 1.52
 20 service customers described below.
 21 (2) The debt repayment surcharge shall be held, 1:lus
 22 invested and the amount thereof, after deducting only the fair 1.54
 23 and reasonable expenses of the Sebring Utilities Commission as
 24 described above, shall be applied by or for the Sebring 1.55
 25 Utilities Commission to the payment of principal, interest and 1.56
 26 premium, if any, on revenue bonds of the Sebring Utilities
 27 Commission that are outstanding on the date of such sale or 1.57
 28 lease. The debt repayment surcharge shall be payable by the 1.58
 29 purchaser or lessee to the Sebring Utilities Commission only 1.59
 30 to the extent that the purchaser or lessee collects such
 31

1	<u>surcharge from its customers under the authority of this act.</u>	1.60
2	<u>(3) The debt repayment surcharge shall not be deemed</u>	1.61
3	<u>to be a rate or charge for purposes of chapter 366, Florida</u>	
4	<u>Statutes, 1989, or a part of the rate structure of the Sebring</u>	1.62
5	<u>Utilities Commission under such chapter.</u>	
6	<u>(4) The debt repayment surcharge shall be paid by all</u>	1:1us
7	<u>Sebring Utilities Commission electric customers in the Sebring</u>	1.64
8	<u>Utilities Commission electric service territory, as described</u>	
9	<u>in the Territorial Agreement between Florida Power Corporation</u>	1.65
10	<u>and the Sebring Utilities Commission dated December 11, 1986,</u>	1.67
11	<u>approved by the Florida Public Service Commission in its Order</u>	
12	<u>No. 17215 dated February 23, 1987, and, in addition, all</u>	1.68
13	<u>Sebring Utilities Commission electric customers at addresses</u>	1.69
14	<u>outside that electric service territory as of the 45th day</u>	
15	<u>prior to the date of the referendum described in section 2, as</u>	1.70
16	<u>established by the books and records of the Sebring Utilities</u>	
17	<u>Commission. However, no electric customer of Florida Power</u>	1.72
18	<u>Corporation or Glades Electric Cooperative, Inc., as of the</u>	1.73
19	<u>45th day prior to the date of the referendum described in</u>	
20	<u>section 2, as established by the books and records of Florida</u>	1.74
21	<u>Power Corporation and Glades Electric Cooperative, Inc., shall</u>	
22	<u>pay such surcharge.</u>	1.75
23	<u>(5) In connection with such revenue bonds of the</u>	1:1us
24	<u>Sebring Utilities Commission, the rent payments on the lease</u>	1.77
25	<u>of any of the assets of the Sebring Utilities Commission and</u>	
26	<u>the aforementioned debt repayment surcharge shall be deemed to</u>	1.78
27	<u>be revenues of the Sebring Utilities Commission.</u>	1.79
28	<u>(6) The area affected by this act is the electric</u>	1:1us
29	<u>service territory of the Sebring Utilities Commission</u>	1.81
30	<u>described in the Territorial Agreement between Florida Power</u>	
31	<u>Corporation and the Sebring Utilities Commission dated</u>	1.82

1	<u>December 11, 1986, approved by the Florida Public Service</u>	
2	<u>Commission in its Order No. 17215 dated February 23, 1987,</u>	1.83
3	<u>and, in addition, all those addresses of Sebring Utilities</u>	1.84
4	<u>Commission residential electric customers outside that</u>	
5	<u>electric service territory on the 45th day prior to the date</u>	2.1
6	<u>of the referendum described in section 2, as established by</u>	2.2
7	<u>the books and records of the Sebring Utilities Commission.</u>	
8	<u>However, the area affected by this act shall not include any</u>	2.4
9	<u>address of any Florida Power Corporation or Glades Electric</u>	
10	<u>Cooperative, Inc., residential electric customers on the 45th</u>	2.5
11	<u>day prior to the date of the referendum.</u>	
12	<u>(7) For purposes of identifying the area affected by</u>	1:1us
13	<u>this act, Florida Power Corporation and Glades Electric</u>	2.7
14	<u>Cooperative, Inc., shall each provide a certified list of all</u>	
15	<u>addresses of their electric customers within Sebring Utilities</u>	2.8
16	<u>Commission electric service territory, as defined above, and</u>	2.9
17	<u>Sebring Utilities Commission shall provide a certified list of</u>	
18	<u>all addresses of residential electric customers outside of</u>	2.10
19	<u>such territory as of the 45th day prior to the date of the</u>	2.11
20	<u>referendum described in section 2.</u>	
21	<u>Section 2. This act shall take effect only upon its</u>	2.12
22	<u>approval by a majority vote of those qualified electors</u>	2.13
23	<u>residing within the area affected by this act, as described in</u>	
24	<u>section 1 of this act, voting in a referendum to be called by</u>	2.15
25	<u>the City of Sebring and to be held in accordance with the</u>	2.16
26	<u>provisions of law relating thereto, except that this section</u>	
27	<u>shall take effect upon becoming a law.</u>	2.17
28		
29		
30		
31		



C.D. "Chip" Boring, GRI, CRS

Exhibit B-3

October 16, 1992

Ms. Martha Brown
Public Service Commission

Dear Ms. Brown

By way of introduction, my name is Claude D. Boring. I am a licensed real estate broker in the state of Florida residing in Sebring, FL.

I am the Broker/Owner of my own real estate company and also am a customer of Sebring Utilities. I am presently serving as a member of the Board of County Commissioners in Highlands County of which a large number of residents in my district are also serviced by Sebring Utilities.

I would like to take this opportunity to express what negative impact has resulted in direct relation to the Sebring Utilities rate structure for electrical service.

My profession involves the sale of real estate which includes residential, commercial, industrial, and vacant land. We also specialize in property management of apartments, commercial plazas, shopping centers, and multi-family complexes.

It is a fact that Sebring Utility customers pay the highest electric rate in the state of Florida. The direct result of the infrastructure improvements of past years and refinancing of this debt has increased even more dramatically the user rate.

These circumstances which coincide with the economics of our area, has resulted in affecting negatively the sales of residential and commercial properties in our area, not to mention the lessening in demand for rental properties that are serviced by Sebring Utilities.

Constant increases in charges passed on to the consumer as a result of debt services and normal increases has done nothing but compound the problem. It is my sincere desire that serious consideration be given to alternatives that would discourage if not eliminate the continuing hardship endured by residents of this county as a result of poor fiscal decisions which they have no opportunity to defend against.

Sincerely,

C.D. Boring

C. D. Boring YKW



RE/MAX Realty Plus
2359 U.S. 27 South
Sebring, Florida 33870
Phone: (813) 385-0077
Fax: (813) 385-5897

An Independent Member Broker

ACTIVITY REPORT

TO: Mr + Mrs. Shemara

THIS FORM LETTER ALLOWS US TO
COMMUNICATE WITH YOU QUICKLY,
AND WE FEEL THAT'S IMPORTANT!

We are pleased to report that on Aug. 12, we presented your property at Sparta Road to Mr. Santiago. Please note the circled comments below as stated by prospect.

1. Your property is under serious consideration and I should know something within _____ I will get back in touch with you when I know something definite.
2. Prospect is seriously considering your property, but still wants to look further before making a decision.
3. Prospect liked your property, but felt price was too high, and did not make an offer.
4. Prospect has purchased another house which better met his needs.
5. Prospect prefers another location.

(6) Prospect felt your house did not meet his needs, because:

- (a) House too large (b) House too small (c) Lot too large
(d) Lot too small (e) Requires too much outside maintenance
(f) Closet space not adequate (g) Rooms appeared too small
(h) Rooms appeared cluttered (i) Age of home (j) Quality of construction (k) General condition of home (l) Surrounding homes not kept in good condition and detracted from your house
(m) did not like general layout of rooms (n) Too much landscaping around house (o) House seems dark (p) House seems damp inside
(q) Other LIKED THE PROPERTY. FEARS SEEBING UTILITY BILLS.

7. Suggestions for future showings: _____

UNLESS THESE PROSPECTS HAVE PURCHASED, WE WILL ENDEAVOR TO INTEREST THEM FURTHER, IF THEY RETURN TO EXAMINE YOUR PROPERTY, OR CALL, PLEASE NOTIFY US AT ONCE. YOUR COOPERATION WILL GREATLY ASSIST IN THE SALE OF YOUR PROPERTY.

Please feel free to call if you have any questions. Thank you.

Ray Pollard
REALTOR-ASSOCIATE

DATE

cc: See above

An Independently Owned and Operated Member of Coldwell Banker Residential Affiliates, Inc.



ACTIVITY REPORT

Exhibit B #13

TO: Mr & Mrs. Wayne Shomann

THIS FORM LETTER ALLOWS US TO
COMMUNICATE WITH YOU QUICKLY,
AND WE FEEL THAT'S IMPORTANT!

We are pleased to report that on 10-10, we presented your property at Sparta Road to _____ . Please note the circled comments below as stated by prospect.

1. Your property is under serious consideration and I should know something within _____. I will get back in touch with you when I know something definite.
2. Prospect is seriously considering your property, but still wants to look further before making a decision.
3. Prospect liked your property, but felt price was too high, and did not make an offer.
4. Prospect has purchased another house which better met his needs.
5. Prospect prefers another location.

- ⑥ Prospect felt your house did not meet his needs, because:
- (a) House too large (b) House too small (c) Lot too large
 (d) Lot too small (e) Requires too much outside maintenance
 (f) Closet space not adequate (g) Rooms appeared too small
 (h) Rooms appeared cluttered (i) Age of home (j) Quality of construction
 (k) General condition of home (l) Surrounding homes not kept in good condition and detracted from your house
 (m) did not like general layout of rooms (n) Too much landscaping around house
 (o) House seems dark (p) House seems damp inside
 (q) Other SEBRING UTILITIES ELECTRIC BILLS ARE TOO

OUTRAGEDOUS TO ACCEPT. THEY DID LIKE THE
7. Suggestions for future showings: HOUSE, BUT FEEL THEY
COULD NOT PURCHASE THE PROPERTY.

UNLESS THESE PROSPECTS HAVE PURCHASED, WE WILL ENDEAVOR TO INTEREST THEM FURTHER, IF THEY RETURN TO EXAMINE YOUR PROPERTY, OR CALL, PLEASE NOTIFY US AT ONCE. YOUR COOPERATION WILL GREATLY ASSIST IN THE SALE OF YOUR PROPERTY.

Please feel free to call if you have any questions. Thank you.

Judy Miller
REALTOR-ASSOCIATE

DATE

cc: Ruth Hawthorne

