BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Complaint by Peggy S. Dorr against HOLIDAY MOBILE RETIREMENT PARK regarding alleged resale of electricity for profit in Palm Beach County.	DOCKET NO. 940396-EM ORDER NO. PSC-94-0998-FOF-EM ISSUED: August 18, 1994

The following Commissioners participated in the disposition of this matter:

J. TERRY DEASON, Chairman
SUSAN F. CLARK
JULIA L. JOHNSON
DIANE K. KIESLING

PROPOSED AGENCY ACTION ORDER
DENYING CONSUMER COMPLAINT

BY THE COMMISSION:

NOTICE IS HEREBY GIVEN by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code.

In December 1993, the complainant, Ms. Peggy Dorr, filed a an informal complaint with the Commission alleging that Holiday Mobile Home Retirement Park (Park) was charging more for electricity than it is allowed to charge. The Park receives power at a master meter from the City of Lake Worth (City) through the Lake Worth Utilities (utility), and then allocates cost to tenants based on submeter readings performed by Park personnel. The main basis for the complaint was that the unit cost per kwh charged to tenants of the Park was over 13 cents per kwh, which is higher than the City utility's residential rate of .079 per kwh.

Commission staff instituted an informal investigation. The Park provided staff with its utility bills and copies of tenant charges for a period of 3 months. An analysis of these bills and charges showed that the park was apparently not charging the

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tenants more in total than was actually billed by the utility for electricity. The Park appeared to be in compliance with Rule 25-6.049 (5)(b)(6)(a and b), Florida Administrative Code which reads:

> 6 (a) Where individual metering is not required under Subsection (5)(a) and master metering is used in lieu thereof, reasonable apportionment methods, including sub-metering, may be used by the customer of record or the owner of such facility solely for the purpose of allocating the cost of electricity billed by the utility.
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> (b) Any fees or charges collected by a customer of record for electricity billed to the customer's account by the utility, whether based on the use of sub-metering or any other allocation method, shall be determined in a manner which reimburses the customer of record for no more than the customer's actual cost of electricity.

The complainant was informed of our staff's findings. She was, however, not satisfied with the result of the staff investigation. The Park manager, in an effort to accommodate her, then requested a review of its records by Lake Worth Utilities. Subsequently, the Assistant Utility Director, Anatole Bezugly, of Lake Worth Utilities visited the Park to look at the facilities and to review the records of the Park regarding charges to tenants. He concluded that the allocation method used by the Park was reasonable and that there was no intent to overcharge the residents.

It is important to recognize that the Park is not classified by Lake Worth Utilities as a residential customer, but as a commercial customer. Due to the commercial classification the Park has a higher rate and pays taxes not paid by residential customers. This results in a higher unit cost per kwh than that charged to residential customers of the utility. The resulting unit cost to the Park for the period in question is 11.5 cents per kwh according to the City. It is important also to note that the residential unit rate of .079 kwh originally quoted by the complainant did not encompass all charges that impact Park residents, such as customer charges, taxes, fuel adjustment charges, or deposits.

A combination of line losses and electricity for security lights are contributing factors to the higher unit cost charged by the Park. The primary difference between the Park charge to tenants of over 13 cents per kwh and the 11.5 cents per kwh that the power cost at the master meter appears to be line losses on the distribution lines behind the master meter. The Park's

distribution lines are all secondary level lines which have relatively high line losses. In addition, the security lights, which include 5 sodium vapor lights and several small wattage fluorescent lights, are unmetered. The charges for electricity to operate these lights, however, are included in the master meter bill total that is allocated to tenants. Similar methodology in allocating cost to tenants is used by other mobile home parks.

To determine the unit cost to tenants, the Park uses the method suggested by Lake Worth Utilities which is to divide the total utility bill by the sum of all electricity metered at tenants submeters. When this cost is then allocated to tenants based onkwh use, the total charges to the tenants is equal to the total utility billed cost discounting any differences in meter reading times between the Park and the City. This method of allocation is in compliance with the appropriate rule cited earlier because it results in total charges to tenants which recover the Park's cost and are no greater in total than the utility billed cost to the Park.

In a letter dated April 4, 1994, the complainant was advised of our staff's findings. Still not satisfied, the complainant requested that a formal complaint docket be opened. After this docket was opened, a staff auditor reviewed the records and calculations supplied by the Park manager, as well as the calculations performed by Mr. Bezugly. It was the opinion of the staff auditor that while the City's review could not be classified as an audit, it was a satisfactory review for purposes of evaluating the complaint. Further, the auditor concurred with the City's finding that although there were a few minor errors in the calculations of the Park, the overall calculation was reasonable. Based on the foregoing, we find that the Park is in compliance with Rule 25-6.049 (5)(b)(6)(a and b), Florida Administrative Code.

It is our understanding that the Park, through its manager, has requested that Lake Worth Utilities serve the park residents directly. The City has outlined specific provisions and terms which must be accepted by all Park tenants before it will provide such service. To date, Park residents have not agreed to these conditions, and electric service is still provided by the Park behind the master meter. Although the facilities may be turned over to the City in the future, presently the Park, as a reseller of electricity, is billing its tenants in conformity with Rule 25-6.049, Florida Administrative Code. Therefore, we deny the complaint filed by Peggy S. Dorr.

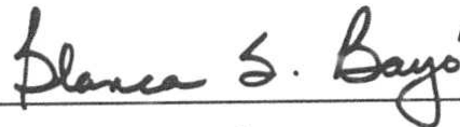
Based on the foregoing, it is, therefore,

ORDERED by the Florida Public Service Commission that the complaint filed by Peggy S. Dorr be denied. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective unless an appropriate petition, in the form provided by Rule 25-22.036, Florida Administrative Code, is received by the Director, Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on the date set forth in the "Notice of Further Proceedings or Judicial Review" attached hereto. It is further

ORDERED that in the event this Order becomes final, this Docket should be closed.

By ORDER of the Florida Public Service Commission, this 18th day of August, 1994.



BLANCA S. BAYÓ, Director
Division of Records and Reporting

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.59(4), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

The action proposed herein is preliminary in nature and will not become effective or final, except as provided by Rule 25-22.029, Florida Administrative Code. Any person whose substantial interests are affected by the action proposed by this

order may file a petition for a formal proceeding, as provided by Rule 25-22.029(4), Florida Administrative Code, in the form provided by Rule 25-22.036(7)(a) and (f), Florida Administrative Code. This petition must be received by the Director, Division of Records and Reporting, 101 East Gaines Street, Tallahassee, Florida 32399-0870, by the close of business on September 8, 1994.

In the absence of such a petition, this order shall become effective on the day subsequent to the above date as provided by Rule 25-22.029(6), Florida Administrative Code.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

If this order becomes final and effective on the date described above, any party adversely affected may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or by the First District Court of Appeal in the case of a water or wastewater utility by filing a notice of appeal with the Director, Division of Records and Reporting and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days of the effective date of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.