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3/29/96

Ms Mary Ann Helton, Esq.
Public Service Commission
2540 Shumard Oak Blvd
Tallahassee, FL., 32399-0868

957485
Docket No. 96 0020-EU

Copies to: Messrs. Joseph D. Justice
David Wheeler
Bernard Whigham

Dear Ms Helton:

Our sincere thanks to you and the Staff for the cordial reception microMETER received at the workshop, 3/27. We sensed that the round table discussion was conducted in a mature fashion without fireworks or acrimony. In our "post mortem" we concluded that we had perhaps tried to reach too far too fast. That the proposed changes would have created a major impact on the utilities' rate structure and would be unanimously resisted by them. Further, we did not know of the extent of legal mandates requiring jurisdiction, in conjunction with the utilities, of response to potential complaints by ultimate, unprotected users. We got an education!

But we did observe the following: Although the Staff and Commission have yet to rule on the petition of the time share industry, microMETER concluded that they had won their case with a reasonable argument and that, if approved, these two landmarks will be established: (1) The FSC will give up its consumer jurisdiction and transfer the relationship and problem resolution to the developers, (and time share law). And (2) There was no objection from any utility to granting that industry master meter commercial rate structure as in "grandfathered" locations in lieu of residential rates presently charged. In other words, the residential rate structure so vigorously defended, by the utilities, in microMETER's request for change, was waived with no verbalized discussion. Why, we asked ourselves? Possibly an answer is that the time share argument was reasonable, and the economic impact on the utilities was relatively small, so why fight the issue. But it does undercut the utility position that switching from residential rates to commercial is intolerable and unsustainable.

During the morning break and after the workshop, several people, including utilities, complimented us on the "elegance" of microMETER's design and operation and projected that our approach, and similar competitive ones, was the coming thing and it was probably just a question of "time and tide". If you accept this scenario, we ask that the Staff address our following request: The condominium industry is unique, and possibly meets the specialized criteria such as presented by the time shares. I live in a 218 unit condominium, "The Village at Tierra Verde", Pinellas County. All owners are 100% owners. We elect our

own governing board of directors who spend our money in our own perceived best interests. They are empowered through condominium law to assess maintenance fees and make capital improvements if approved by membership. We own our units and elect/control our Boards to administer in our perceived best interests. We ask that you permit condominiums, as self contained, self owned, self monitored, self controlled, self governed entities to elect, should they choose, to become master metered properties with subcontracting to be done by commercially available systems and metered billing by the condominium association, or its contracted agent. The associations pay the monthly utility charge and are responsible for collections from their membership. Payment of utility charges are treated as variable maintenance fees, and are subject to control by existing condominium law. The following arguments are advanced:

(1) There is ample condominium law in place which spells out how condominiums are to be operated, how elections take place, the powers of the elected boards, and the remedies available to complaining members. Your legal staff might want to review Florida Statutes, Condominiums, Chapter 718; Operations, 718.111; Association Powers, 718.114; Assessments, collections, 718.116; Rights of Owners, 718.123; Dispute resolution, 718.125; Rights and Obligations of Association, 715.301.

(2) The PSC does not leave the consumer "high and dry" but turns over their protection to a sister State function, the law and regulators of condominium associations. We expect adequate protection from this agency, and, after all, the condo associations are not being coerced against their wills, but freely decide in accordance with condo law.

(3) We ask that you require the utilities to determine a rate structure perhaps called "multiple unit residential rate" which would be priced between current commercial and residential rates, and hopefully closer to commercial rates. It is presumed that the utilities are making a profit on grandfathered commercial rates and they did not object to transferring residential rate to commercial in the case of time shares. The reasonableness of this position is affirmed by Florida Power's 2/28/96 letter to you, Item 3, C, last sentence. Quote: "A residential rate designed for multiple unit residential service would be appropriate." This suggests that the savings from eliminating costs of : billing, meter reading, administration, line maintenance, postage, stationery, customer service, customer complaints, management of customer deposits, meter maintenance, meter purchases, and sales staff are deserving of a rate less than "residential".

(4) Please recall that the development of the microMETER was partially funded by the US DOE who wanted to see a low cost way to encourage energy conservation....by two contracts from Enterprise Corporation of Tampa Bay to foster growth of high technology new companies in Florida...and by considerable support from Martin-Marietta Specialty Components Corp. Please note that the projected system costs of microMETER, per condominium, are about \$100, and would return about 100% per year from just the elimination of average service costs, plus 100-200% additional return per consumer from a realistic multiple unit residential rate.

(5) If you agree that what you saw demonstrated 3/27/96 is a low cost, accurate, sophisticated means of allocating master metered utility charges, then permitting condominiums to choose this option allows evaluation of this process over the next several years so that some day PSC could decide if its benefits and capabilities should be expanded and available when "deregulation" occurs.

(6) Would you kindly send us a copy of the sign-in sheet and any responses to your April 10 deadline?

Our thanks and appreciation.

John C. Clement

