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March 7, 1997

Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Re: Docket No. 920199-WS

Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket are the original and 15 copies of the Citizens' Response in Opposition to the Motion for Reconsideration of Order No. PSC-97-0175-FOF-WS filed by Florida Water Services Corporation, f/k/a Southern States Utilities, Inc. A diskette in WordPerfect 6.1 is also submitted.

Please indicate the time and date of receipt on the enclosed duplicate of this letter and return it to our office.

- ACK _____
- AFA 2 _____
- APP 1 _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG 1 _____
- LIN 5 _____ CJB:bsr
- OPC _____ Enclosures
- RCH _____
- SEC _____
- WAS _____

Sincerely,

Charles J. Beck
Deputy Public Counsel

RECEIVED

DOCUMENT NUMBER-DATE
00397902500 MAR-75
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for rate increase in)
Brevard, Charlotte/Lee, Citrus, Clay,)
Duval, Highlands, Lake, Marion,)
Martin, Nassau, Orange, Osceola,)
Pasco, Putnam, Seminole, Volusia, and)
Washington Counties by SOUTHERN)
STATES UTILITIES, INC.; Collier)
County by MARCO SHORES UTILITIES)
(Deltona); Hernando County by)
SPRING HILL UTILITIES (Deltona);)
and Volusia County by DELTONA)
LAKES UTILITIES (Deltona))

Docket no. 920199-WS

Filed: March 7, 1997

**CITIZENS' RESPONSE IN OPPOSITION TO THE MOTION FOR RECONSIDERATION
OF ORDER NO. PSC-97-0175-FOF-WS FILED BY FLORIDA WATER SERVICES
CORPORATION, F/K/A SOUTHERN STATES UTILITIES, INC.**

The Citizens of Florida ("Citizens"), by and through Jack Shreve, Public Counsel, file this response in opposition to the motion for reconsideration of order no. PSC-97-0175-FOF-WS filed by Florida Water Services Corporation, f/k/a Southern States Utilities, Inc. ("Southern States" or "Florida Water") on February 28, 1997.

1. Southern States seeks Commission approval to continue charging uniform rates in Spring Hill, even though it does not charge uniform rates anywhere else. The Commission correctly determined in order PSC-97-0175-FOF-WS that it was the Commission's intent all along to require implementation of modified stand-alone rates for all of the facilities in this docket in order to comply with the decision of the First

District Court of Appeal in *Citrus County v. Southern States Utilities, Inc.*, 656 So.2d 1307 (Fla. 1st DCA 1995).

2. Southern States claims that the Commission may not modify the stay issued in Order No. PSC-96-1311-FOF-WS, even though Rule 9.310(a), Rules of Appellate Procedure, specifically provides that right to the Commission. Instead, Southern States bases its argument on Commission rule 25-22.061(1)(a), which states that when an order involves a decrease in rates charged to customers, the Commission shall grant a stay pending judicial proceedings.

3. This argument ignores the fact that the order requiring modified stand alone rates for Spring Hill simply completes the procedure of moving from uniform rates to modified stand alone rates. The Commission's order here must be read in conjunction with the Commission's order requiring modified stand alone rates for the other systems in docket 9201990-WS. Taken together, the orders requiring modified stand alone rates for all systems are revenue neutral. There is no difference in revenues to Southern States if all systems on uniform rates change to modified stand-alone rates. There is a difference if all systems except Spring Hill change to modified stand alone rates: the difference is that Southern States receives a revenue increase for no reason at all.

4. Order PSC-97-0175-FOF-WS states that the Commission intended to require implementation of modified stand-alone rates for all of the facilities in docket 920199-WS. Order PSC-97-0175-FOF-WS at 4. The order completes the action required to effectuate that intent by putting Spring Hill on modified stand alone rates just like all of the other systems. It also completes the action necessary to make the change from uniform rates to modified stand alone rates a revenue neutral action for Southern States.

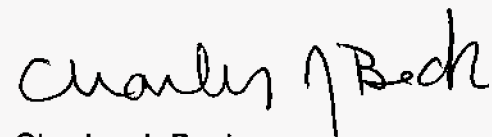
5. In addition, Southern States' motion misconstrues the motion for reconsideration filed by the Citizens in docket 950495-WS. In that motion we argued that the Public Service Commission changed its reading of the interim statute in midstream, using one interpretation for initially ordering an interim rate increase and using another interpretation to deny refunds of interim rates in excess of final rates. The premise of our argument was that Commission must be consistent in its interpretation of the interim statute. In its motion here, Southern States incorrectly states that our motion was "premised" on a contention that potential interim revenue refunds should be calculated on a separate water and wastewater facility basis. Our "premise" is that the Commission must be consistent in its interpretation of the interim statute both for the purpose of ordering an interim rate increase and for determining eligibility for a refund of that rate increase. Interim rates exceeded final rates in many systems affected by docket 950495-WS.

6. Southern States' motion is nothing more than an attempt to "game" the system and take advantage of a mistake made by the Commission when the Commission moved all systems other than Spring Hill to modified stand alone rates. Order no. PSC-97-0175-FOF-WS completed the action necessary to make a revenue neutral change from uniform rates to modified stand alone rates, in compliance with the mandate of the First District Court of Appeal. Southern States is not entitled to retain uniform rates in Spring Hill, where such rates are far in excess of modified stand alone rates, after every other system has been moved off uniform rates. The Commission should deny Southern States' motion.

WHEREFORE, the Citizens request the Commission to deny the motion for reconsideration filed by Southern States on February 28, 1997.

Respectfully submitted,

Jack Shreve
Public Counsel



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Deputy Public Counsel

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Attorneys for the Citizens
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a correct copy of the foregoing has been furnished by U.S. Mail or hand-delivery* to the following party representatives on this 7th day of March, 1997.

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