



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: March 31, 1997
TO: Division of Records & Reporting
FROM: Maggi O'Sullivan, Senior Attorney, Division of Legal Services *MS*
RE: Docket No. 950495-WS - Application for rate increase in service availability charges by Southern States Utilities, Inc. for Orange-Osceola Utilities, Inc. in Osceola County, and in Bradford, Brevard, Charlotte, Citrus, Clay, Collier, Duval, Highlands, Lake, lee, Marion, Martin, Nassau, Orange, Osceola, Pasco, Putnam, Seminole, St. Johns, St. Lucie, Volusia, and Washington Counties.

Please file the attached letter, with attachments, from Matthew Feil, Esquire, dated February 6, 1997, in the above referenced docket.

MEO/mw

cc: Division of Water & Wastewater (Willis)

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
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- OPC _____
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- SEC 1
- WAS _____
- OTH _____

DOCUMENT NUMBER-DATE
03271 MAR 31 5
FPSC-RECORDS/REPORTING



February 6, 1997

Ms. Maggi O'Sullivan
Division of Legal Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0865

by fax & Federal Express

Re: Docket No. 950495-WS -- Application for rate increase and change in service availability charges for Orange-Osceola Utilities, Inc. in Osceola County, and in Bradford, Brevard, Charlotte, Citrus, Clay, Collier, Duval, Highlands, Lake Lee, Marion, Martin, Nassau, Orange, Pasco, Putnam, Seminole, St. Johns, St. Lucie, Volusia, and Washington Counties by Southern States Utilities, Inc.

Dear Maggi:

In Order No. PSC-96-1320-FOF-WS, issued October 30, 1996, in the above docket, the Commission required Florida Water Services Corporation, formerly known as Southern States Utilities, Inc., (hereinafter "Florida Water" or "Utility") to investigate the feasibility of obtaining water meter consumption data for Florida Water's residential wastewater only ("RWO") customers in the Tropical Isles service area. The Commission suggested that the meter data could be used in designing a base facility charge/gallonage charge rate structure ("BFC/gallonage rates"). Further, the Commission ordered Florida Water to explore the feasibility of a vacation rate for Tropical Isles. This letter constitutes the report required by the Order.

Florida Water has to this point experienced difficulties in obtaining information from the Ft. Pierce Utility Authority. Therefore, Florida Water intends to make further attempts to obtain the pertinent information and report back to the Commission in another 120 days.

Below are the steps Florida Water has taken thus far in pursuit of the information in question.

- In early December of 1996, a Florida Water rate analyst contacted the Ft. Pierce Utility Authority (Authority) by telephone and was referred to Mr. Bill Abramowitz, a senior representative of the Authority. The Florida Water analyst explained that Florida Water needed monthly water consumption by customer for at least 12 historical months in order to calculate appropriate metered rates and that

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once the new rates were implemented, Florida Water would need monthly meter reads by customer, including billing adjustments. Mr. Abramowitz assured the Florida Water analyst that he would look into the feasibility and cost of obtaining this information and get back to her.

● As of January 29, 1997, Mr. Abramowitz had not replied to Florida Water's request for information, so on that date another Florida Water rate analyst contacted Mr. Abramowitz. This analyst also described the type of information needed. Mr. Abramowitz told the analyst that the person in charge of doing cost analysis was Ms. Shirley Platt and that Florida Water would need to send a written request detailing the type and format of the required data the Authority could assess the cost of providing the initial historical data and the ongoing monthly consumption readings.

● On January 31, 1997, Florida Water sent a letter to Ms. Platt, requesting the information it had already requested verbally. A copy of the letter sent the Authority is attached hereto and marked "Attachment A."

As of today, February 28, 1997, Florida Water has not yet received the information requested from the Authority. Since Florida Water has yet to receive information from the Authority, Florida Water cannot calculate BFC/gallonage rates for Tropical Isle wastewater service.

The delay Florida Water is experiencing for receipt of the data requested is reminiscent of the problems Florida Water has experienced in the past when attempting to acquire data from other utilities. Those past experiences were the reason Florida Water had not attempted to obtain meter readings from the Authority in this case. Further, in the past, even when Florida Water had obtained water meter readings from another utility, that information was often not timely, properly adjusted or reliable. Billing adjustments, meter change outs, turn ons, turn offs, etc. not timely and properly reported result in billing errors and confusion for Florida Water customers.

Florida Water cannot do more on the subject of a vacation rate until it receives data from and can engage in a meaningful dialogue with the Authority. A vacation rate, if required, should simply be the base facility portion of a wastewater bill. This could be broken out from the RWO rate currently approved, but Florida Water would have to have historic records with an indication of the number of people on vacation and amount of time they are gone so that rates could be appropriately designed. Based on current and past experience, Florida Water has concerns with the timeliness and

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reliability of customer vacation information as well. Florida Water also reiterates that any change in rate structure for Tropical Isles will not reduce the overall revenue collected from those customers. The change would only be a reallocation among customers with additional administrative expense to Florida Water.

In any event, as stated above, Florida Water will continue its efforts to establish a dialogue with the Authority.

Attached hereto as "Attachment B" is a proposed notice to customers of Tropical Isle regarding the status of the above issues to date. If staff requires this notice to be sent out now or would prefer that a notice be delayed until more is known, please advise.

If you have any questions or comments on the above, please call me at (407) 884-8777, ext. 260.

Sincerely yours,



Matthew Feil, Esq.
Staff Attorney

Attachments

ATTACHMENT A



January 31, 1997

Ft. Pierce Utility Authority
P.O. Box 3191
Ft. Pierce, FL 34948-3191
Attn: Ms. Shirley Platt

Dear Ms. Platt,

In early December a member of my staff contacted Bill Abramowitz regarding the possibility of receiving water meter readings for your customers in the Tropical Isles subdivision. It was explained to Mr. Abramowitz that we serve the wastewater collection needs for your water customers. Mr. Abramowitz informed us that he would look into it and contact us. In a follow up conversation we had with Mr. Abramowitz on January 29, 1997, we were given your name as a contact.

This request is being made at the behest of the Florida Public Service Commission, which has ordered us to investigate the feasibility of instituting a rate structure comprised of a monthly fixed base charge with a charge per each 1,000 gallons of wastewater collected. The only way we have of designing and charging such a structure is to base wastewater collection upon water consumption, which is why I am writing to you.

I need monthly 1996 readings for each of the customers in the Tropical Isles subdivision, and then I need to establish a mechanism for receiving the monthly readings when they occur. The format of the information I am requesting is customer name, service address, meter read date and meter reading. I would prefer to receive this information in electronic spreadsheet form, but a paper report could be used. I would also like to receive a report stating connects/disconnects and the relevant dates.

I thank you for your attention in this matter. Please let me know if I can answer any questions. I would appreciate your prompt reply.

Sincerely,

A handwritten signature in black ink, appearing to read "Tony Isaacs", written over a horizontal line.

Tony Isaacs,
Rate Design Supervisor



ATTACHMENT B

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 950495-WS

NOTICE OF FPSC ORDER REGARDING THE INVESTIGATION OF ESTABLISHMENT OF A
BASE/GALLONAGE AND VACATION RATE FOR WASTEWATER CUSTOMERS IN THE
TROPICAL ISLES SERVICE AREA

Application by Southern States Utilities, Inc., now known as Florida Water Services Corporation for rate increase for Orange-Osceola Utilities, Inc. in Osceola County and in Bradford, Brevard, Charlotte, Citrus, Clay, Collier, Duval, Highlands, Lake, Lee, Marion, Martin, Nassau, Orange, Osceola, Pasco, Putnam, Seminole, St. Johns, St. Lucie, Volusia and Washington Counties.

Dear Tropical Isles Wastewater Customer:

On October 20, 1996, the Commission issued Order No. PSC-96-1320-FOF-WS, its "Final Order Approving Rates and Charges." The order requested that Florida Water Services investigate the feasibility of establishing a base and gallonage charge rate structure as well as the possibility of establishing a vacation rate for your service area. In order to do that Florida Water Services has to obtain historic water billing information for each customer in your service area, as well as ongoing monthly water meter readings and other pertinent information. A report detailing our efforts in this regard has been forwarded to the Commission. You will be informed of the Commission's disposition of this matter.

Florida Water Services would like to make clear that the Commission has ordered a feasibility study concerning establishing different rate structures. The Commission may or may not decide to implement a rate structure different than the flat monthly rate you are currently paying.

Florida Water Services would further like to explain to our customers in Tropical Isles that any change in rate structure will not affect the amount of total revenues collected from your service area. The revenues which are required from your service area were set by the Commission in Order No. PSC-96-1320-FOF-WS and are not subject to change by a rate structure change. What this means is that if a different rate structure is ordered, some customers in your service area will pay higher bills, while others will pay lower bills.

If you have any questions concerning your bill or this notice, please call our Customer Service Representatives toll-free at (800) 432-4501.

We appreciate the opportunity to serve you.

Sincerely

A handwritten signature in cursive script that reads "Judy Lee Sweat".

Judy Lee Sweat
Manager, Customer Business Office