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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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In re: Application for rate increase and 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.

RECORDS AND REPORTING

Docket No. 950495-WS

PETITION TO INTERVENE

COMES NOW, the City of Marco Island, an incorporated municipality of the State of Florida ("City"), by and through its undersigned attorneys, and pursuant to section 25-22.039 Florida Administrative Code, files this Petition to Intervene, stating as grounds the following:

1. On June 28, 1995, Florida Water Services, Inc., f\k\a Southern State Utilities, Inc. ("Utility"), filed its application for approval of uniform, interim and final water and wastewater rate increases with the Florida Public Service Commission. This

application covered 141 service areas in 22 counties including what was then unincorporated Marco Island located in Collier County, Florida.

2. On behalf of thousands of utility customers on Marco Island, the Marco Island Fair Water Rate Defense Fund Committee, Inc. ("Committee"), intervened in this docket. The Committee continues to be a party to this proceeding.

ACK ✓
AFA 1
APP
CAF
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EAG
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LIN
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RCH
SEC 1
WAS Crouch
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3. On August 28, 1997, the City of Marco Island was formally incorporated. The first seven members of the Marco Island City Council were sworn into office on November 7, 1997.

4. The City Council of the City of Marco Island has determined that this rate case is a matter of importance to many residents on Marco Island. As the duly elected representatives of the residents of the City, the City Council has determined that the actions of the Public Service Commission in this docket affect the substantial interests of these residents.

5. The City provides a number of municipal services to its residents, including fire protection, and maintains facilities provided water and wastewater service by the Utility. A copy of a recent bill rendered to the City evidencing its status as a customer is attached hereto to as Exhibit "A" and incorporated herein by reference.

6. Recognizing the City Council as the duly elected and authorized representatives of the residents of Marco Island, including thousands of Utility's customers, the Committee has deferred to the City with regard to matters related to this docket. Attached hereto is Exhibit "B" and incorporated herein by reference is a letter from Committee President Frederick C. Kramer, Esquire, to City Manager A. William Moss, wherein the Committee has graciously deferred action on a settlement in this case to the City as being in the best interests of the community.

7. The City, through its Council, believes it is in the best position to represent the interests of all of the Marco Island customers of the Utility in this proceeding.

8. It is in the best interest of these customers and the community as a whole to allow intervention by the City at this time. Intervention at an earlier time in this case was not practicable due to the recent incorporation of the City and the status of these proceedings.

WHEREFORE, the City requests that the Commission allow the City of Marco Island to become a full party in the remand of this case and receive any notices, orders, staff recommendations, correspondence, or other documents issued in Docket No. 950495-WS.

DATED this 18th day of September, 1998.

Respectfully submitted,



JOHN R. JENKINS, P.A.
MARTIN S. FRIEDMAN, P.A.
ROSE, SUNDSTROM & BENTLEY, LLP
2548 Blairstone Pines Drive
Tallahassee, Florida 32301
(850) 877-6555

Attorneys for the City of
Marco Island, Florida

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing Petition was furnished by U.S. Mail to the following:

Kenneth A. Hoffman, Esquire
William B. Willingham, Esquire
Rutledge, Ecenia, Underwood,
Purnell & Hoffman
P.O. Box 551
Tallahassee, Florida 32302-0551

Brian P. Armstrong, Esquire
Matthew Feil, Esquire
Florida Water Services Corporation
1000 Color Place
Apopka, Florida 32703

Jack Shreve, Esquire
Charles R. Beck, Esquire
Harold C. McLean, Esquire
Stephen C. Reilly, Esquire
Office of Public Counsel
111 West Madison Street
Tallahassee, Florida 32399-1400

Larry M. Haag, Esquire
111 West Main Street
Second Floor, Suite B
Inverness, Florida 34450

Michael B. Twomey, Esquire
P.O. Box 5256
Tallahassee, Florida 32314-5256

Joseph A. McGlothlin, Esquire
Vicki Gordon Kaufman, Esquire
McWhirter, Reeves, McGlothlin,
Davidson, Rief & Bakas
117 S. Gadsden Street
Tallahassee, Florida 32301

Margaret E. O'Sullivan, Esquire
Lila A. Jaber, Esquire
Rosanne G. Capeless, Esquire
Ralph R. Jaeger, Esquire
Charles J. Pellegrini, Esquire
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0863


JOHN R. JENKINS, P.A.



FLORIDA WATER SERVICES

P.O. BOX 609520

ORLANDO, FL 32860-8520

Local Office Phone 1-941-394-3168 or Call Toll Free 1-800-432-4501

CUSTOMER NUMBER

112296-9-26001-8

SERVICE ADDRESS
750 N COLLIER BLVD

CITY OF MARCO ISLAND
950 N COLLIER BLVD # 308
MARCO ISLAND FL 34145-2722

CURRENT CHARGES
PAST DUE AFTER
9/02/98

TOTAL AMOUNT DUE
\$ 192.33

Bill Date 8/13/98
Location Number 2600001686
Plant Number 26001

SEWER
Rate Code-MIE
Billing Period 6/08/98 TO 8/06/98
Days in Billing Period: 59
Meter Readings:
Present Previous Usage
362890 362890 Gal

Meter Size: 3/4" X 3/4"
Meter Number 19777968 1
Deposit \$.00
Connect Date 5/18/98

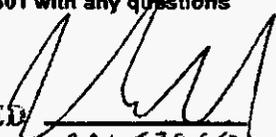
..... USAGE

Daily Average USAGE:	
Current Month	6151 Gal/Day

SEWER			
GALLONAGE CHARGE	SEWER CHARGES	192.33	
TOTAL SEWER			192.33
TOTAL CURRENT CHARGES			192.33
TOTAL AMOUNT DUE			\$ 192.33

*****TEMPORARY MODIFICATION OF DISINFECTION TREATMENT PROCEDURES*****
Florida Water Services will be temporarily changing the disinfection process for the Marco Island potable (drinking water) water supply. From July 27, 1998 through August 9, 1998, Florida Water Services will disinfect the water with free chlorine rather than combined chlorine/ammonia (chloramines). This conversion to chlorine (which is a stronger disinfectant) from chloramines (which is a longer lasting disinfectant) allows Florida Water Services to perform a water distribution system purge as recommended by the Department of Environmental Protection for water utilities using chloramines as their primary disinfectant.
This temporary change in disinfectant does not cause adverse health effects. However, during the period customers may experience a slight increase in the taste and odor of chlorine. Customers on dialysis who use a proportioning machine to prepare dialysate are advised to contact their physician to obtain the appropriate steps to accommodate the change in water disinfection. Customers who have fish tanks or aquatic species are advised to contact a professional aquarist to avoid any problems associated with chlorine. Customers are asked to call Florida Water Services at (800) 432-4501 with any questions concerning this change in disinfectants.

RECEIVED
AUG 17 1998

APPROVED 
ACCOUNT # 0015794300
PO # _____
PKG SLIP _____
DATE PAID 8-20-98
CHECK # 348
AMOUNT 192.33

Please bring entire bill when paying in person

Make checks payable to FLORIDA WATER SERVICE

Marco Island Fair Water Defense Fund Committee, Inc.
P.O. Box 207
Marco Island, FL 34146-00207

Board of Directors

Frederick C. Kramer, President
Attorney

Phillip Pazzo, Vice President
Past President, Marco Island
Chamber of Commerce

Beverly Boltz, Secretary
Owner, Travel Agency

Donald Bearman, Treasurer
Controller, Marriot Resort

Lynn Brasen
President, Marco Island Civic Assoc.

Joel M. Cox, Sr.
Vice-President
Cox Insurance Agency, Inc.

John Dougherty
General Manager, Hilton Resort

Margaret Harrison
Growth Management Planning Com.

John T. Mackelfresh
Retired Business Executive

Bruce Miles
Past President, Marco Island Area
Association of Realtors, Inc.

Dr. Tandy Roach
Pastor, Church of God
President, Marco Island Cemetery, Inc.

Scott K. Schille
Past President, CAMMI

Karen Urbanik
Business Executive

Lara Jean Young
Founder, M.I. Historical Society

September 15, 1998

HAND DELIVERY

Mr. A. William Moss
City Manager
CITY OF MARCO ISLAND
950 N. Collier Blvd., Ste. 308
Marco Island, FL 34145

Re: Florida Water
Services Corporation

Dear Mr. Moss:

On an initial point, the committee is deeply impressed both with the city's commitment to protecting the community in the current rate battle, Docket No. 950475-WS before the Public Service Commission, and with the city proceeding in the consideration of the acquisition of the utility system. Further, the city's engagement of Mr. John R. Jenkins of Rose, Sundstrom & Bentley to represent the city and intervene in the rate battle ensures the community of quality representation in a difficult and complex issue.

On a separate point, the committee is cognizant of the fact that a number of the city council members have questioned the committee's representation of the community. While we strongly believe that we have consistently acted not only in the best interests of the community but also with the overwhelming support of the community, still, we recognize that we are not a publicly elected body.

To the matter at hand, enclosed is a copy of the September 14 memorandum of the Public Service Commission. The matter is to be again reviewed at the 10:30 a.m. hearing tomorrow morning (September 16).

A community civic service committee

EXHIBIT "B"

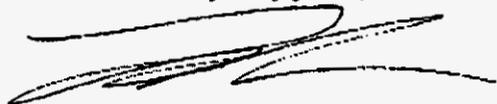
Mr. A. William Moss
September 15, 1998
Page 2

The committee's board has not been able to timely meet to review the settlement proposal. It is, however, the general consensus of the directors with whom I have spoken that any decision on settlement should be deferred by the committee to our city government. The city is governed by elected representatives and has the obligation and ability to fully analyze any proposal in light of the best interests of our community.

To that end, we would offer our assistance in your intervention in the proceeding. More immediately, we will look to the city to advise us on how to proceed in the settlement discussions.

Thank you for your time and attention.

Very truly yours,



Frederick C. Kramer

FCK/lk
Enclosure
cc: Board of Directors
96-D-123

State of Florida



Public Service Commission

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

DATE: September 14, 1998
TO: All Parties
FROM: Ralph R. Jeger, Senior Attorney
RE: Proposed Stipulation In Docket No. 950495-WS - Application for rate increase and increase in service availability 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.

On September 8, and again on September 11, 1998, the parties met to discuss a complete settlement and stipulation of the issues remanded by the Court in the case. Florida Water Services Corporation has now proposed a stipulation for complete disposition of the remand of Order No. PSC-96-1320-FOF-WS.

This stipulation has been offered for purposes of settlement and is not to be used for any other purpose. The offer is as follows:

1. An across the board increase in the rates on a prospective basis to increase annual revenues by \$2.2 million, plus an additional \$600,000 for the regulatory asset (for a total of \$2.8 million annual revenue increase) will be approved;
2. A regulatory asset in the amount of \$4.4 million will be created. The utility will begin amortization of the regulatory asset the earlier of its next rate case or 3 years;
3. There will be no surcharges;
4. There will be no additional rate case expense;
5. Florida Water will not file a motion for attorney fees;
6. The Commission will close the gain on sale docket, Docket No. 980744-WS, and shareholders will retain the gain on sale, and the issue would not be reconsidered.
7. There will be a meeting on September 23, 1998, to discuss the refund requirement in Docket No. 920199-WS related to the Spring Hill facility.