

Commissioners:
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DIVISION OF WATER & WASTEWATER
DANIEL M. HOPPE, DIRECTOR
(850) 413-6900

Public Service Commission

November 3, 1999

Mr. Paul Bieber, President
Breeze Hill Utilities, Inc.
152 Breeze Hill
Lake Wales, Florida 33853

Re: Docket No. 990356-WS, application for a Staff-Assisted Rate Case (SARC) by Breeze Hill Utilities, Inc. in Polk County.

Dear Mr. Bieber:

On November 16, 1999, the Commission will vote on staff's recommendation dated November 4, 1999. A Proposed Agency Action (PAA) order is scheduled to be issued twenty days from the date of the Commission's vote followed by a 21 day protest period in which any substantially affected party may file a protest. If the Commission approves staff's recommendation at agenda, the utility may elect to start collecting the new Step I rates on November 17th provided the Commission has received an approved form of security to provide protection in the event of a potential refund, provided customers have received notice of the increased rates, and provided the Commission has received revised tariff sheets reflecting the Commission's decision. If the utility chooses to initiate temporary rates, the utility has the option of providing a letter of credit or a bond in the amount of \$30,201, or it may elect to open an escrow account and deposit the difference in revenues collected between the existing \$19 flat rate charge and the Step I charge of \$45.99 into the account on a monthly basis.

If you decide to open the escrow account, the agreement must be signed by the utility and the bank, and then submitted to the Commission for approval. The signature card associated with the escrow agreement should also be submitted to the Commission so it can be signed by the Director of the Division of Records and Reporting. Enclosed is a sample escrow agreement that may be submitted to the Commission. After the agreement has been approved, you will be notified.

We are also enclosing a sample customer notice which you may use to advise customers of the new rates which would be collected subject to refund. This notice would have to be distributed to customers prior to customers being charged the new rates. Once a signed escrow agreement or other form of security has been approved by the Commission, customers have received notice of the increased rates, and new tariff sheets have been submitted and approved, the utility may start

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FPSC-RECORDS/REPORTING

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charging the new rates. We have also enclosed sample tariff sheets reflecting the Commission's decision and showing the new rates.

In summary, if the Commission approves staff's recommendation at the November 16, 1999 Agenda, and if the utility elects to start collecting the new rates after the Commission vote, the utility must: 1) Complete and submit to the Commission an approved form of security; 2) Give proper notice of the approved rates to the customers; and 3) Submit new tariff sheets reflecting the Commission's decision. The escrow agreement, signature card, copy of the customer notice, and new tariff sheets should be sent to:

Mr. Johnny Butts
Division of Water and Wastewater
Florida Public Service Commission
Capital Circle Office Center, Gunter Bldg.
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

If you have additional questions, please call me at (850) 413-6920.

Sincerely,



Johnny Butts
Professional Accountant

JB
Enclosure (6)

cc: Division of Records and Reporting (Docket No. 990356-WS)
Division of Water and Wastewater (Hoppe, Willis, Rendell, Casey)
Division of Legal (Crossman)

NOTICE
TO CUSTOMERS OF BREEZE HILL UTILITIES, INC. AND
ALL OTHER INTERESTED PERSONS

DOCKET NO: 990356-WS

Notice is hereby given that the Florida Public Service Commission approved an increase in water and wastewater rates and charges for Breeze Hill Utilities, Inc. (Breeze Hill or utility) at the November 16, 1999 Commission Agenda. Breeze Hill is authorized to collect the rate approved herein on a temporary basis, subject to refund in accordance with Rule 25-30.360, Florida Administrative Code, provided the utility has provided satisfactory security for any potential refund, and has satisfied tariff filing and customer notice requirements. A Commission order reflecting the Commission's decision will be issued within 20 days of the Agenda vote followed by a 21 day protest period in which any substantially affected party may file a protest. The approved rates and charges will become final upon the issuance of a consummating Order unless a person whose interests are substantially affected files a petition for formal proceeding pursuant to Rule 28-106.201, Florida Administrative Code during the 21 day protest period. A schedule of Commission approved rates are as follows:

Step I Residential Flat Water Rates

	<u>Existing Monthly Rate</u>	<u>Step I Approved Rate</u>
Flat Rate	\$11.00	\$21.46

Step I General Service Flat Water Rates (Clubhouse)

	<u>Existing Monthly Rate</u>	<u>Step I Approved Rate</u>
Flat Rate	\$11.00	\$202.38

Step I Residential Service Flat Wastewater Rates

	<u>Existing Monthly Rate</u>	<u>Step I Approved Rate</u>
Flat Rate	\$8.00	\$24.53

Step I General Service Flat Wastewater Rates (Clubhouse)

	<u>Existing Monthly Rate</u>	<u>Step I Approved Rate</u>
Flat Rate for Clubhouse	\$8.00	\$234.23

Step II Residential & General Service Metered Water Rates

Base Facility Charge Meter Size	Existing Monthly Rates	Step II Approved Monthly Rates
5/8 x 3/4"	\$ 11.00	\$ 11.86
3/4"	11.00	17.79
1"	11.00	29.64
1 1/2"	11.00	59.29
2"	11.00	94.86
3"	11.00	189.72
4"	11.00	296.44
6"	11.00	592.88
Gallonge Charge	\$ 0.00	\$ 1.28

Step II Residential Service Metered Wastewater Rates

Base Facility Charge Meter Size	Existing Monthly Rates	Step II Approved Monthly Rates
All Meter Sizes	\$ 8.00	\$ 12.65
Gallonge Charge Per 1,000 gallons (6,000 gallon cap)	\$ 0.00	\$ 1.98

Step II General Service Metered Wastewater Rates

Base Facility Charge Meter Size	Existing Monthly Rates	Step II Approved Monthly Rates
5/8 x 3/4"	\$ 8.00	\$ 12.65
3/4"	8.00	18.97
1"	8.00	31.61
1 1/2"	8.00	63.23
2"	8.00	101.17
3"	8.00	202.33
4"	8.00	316.14
6"	8.00	632.28
Gallonge Charge Per 1,000 gallons	\$ 0.00	\$ 1.98

The rates should be effective for service rendered as of the stamped approval date on the tariff sheets provided the customers have received notice. The tariff sheets will be approved upon staff's verification that the tariffs are consistent with the Commission's decision, that the customer notice is adequate, and that any required security has been provided.

If the effective date of the new rates falls within a regular billing cycle, the initial bills at the new rate may be prorated. The old charge should be prorated based on the number of days in the billing cycle before the effective date of the new rates. The new charge should be prorated based on the number of days in the

billing cycle on or after the effective date of the new rates. In no event should the rates be effective for service rendered prior to the stamped approval date.

SERVICE AVAILABILITY FEES (FOR NEW SERVICE)

Existing Charges

Water Connection (tap-in) Fee	\$ 400
Wastewater Connection Fee	\$ 600

Commission Approved Charges

Water Plant Capacity Charge	\$ 400
Wastewater Plant Capacity Charge	\$ 600
Meter Installation Charge	\$ 190
Tap-In Fee	\$100.00

The service availability charges should be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets provided customers have received notice. The tariff sheets will be approved upon staff's verification that the tariffs are consistent with the Commission's decision and that the proposed customer notice is adequate. In no event shall the rates be effective for service rendered prior to the stamped approval date.

If you have any questions about your bill, please call the utility at (941) 696-1666.

FIRST REVISED SHEET NO. 12.0
CANCELS ORIGINAL SHEET NO. 12.0

NAME OF COMPANY Breeze Hill Utilities

WATER TARIFF

GENERAL SERVICE

RATE SCHEDULE GS

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For water service to all customers for which no other schedule applies.

LIMITATIONS - Subject to all of the Rules and Regulations of this tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

RATE - Step I
Flat Rate
\$ 202.38

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice is mailed to the customer separate and apart from any other bill, service may then be discontinued.

EFFECTIVE DATE - November 17, 1999 Mr. Paul Bieber
ISSUING OFFICER

TYPE OF FILING - Staff Assisted Rate Case (SARC) President
TITLE

**FIRST REVISED SHEET NO. 13.0
CANCELS ORIGINAL SHEET NO. 13.0**

NAME OF COMPANY Breeze Hill Utilities

WATER TARIFF

RESIDENTIAL SERVICE

RATE SCHEDULE RS

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For water service for all purposes in private residences and individually metered apartment units.

LIMITATIONS - Subject to all of the Rules and Regulations of this tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

RATE - Step I
Flat Rate

\$ 21.46

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice is mailed to the customer separate and apart from any other bill, service may then be discontinued.

EFFECTIVE DATE - November 17, 1999 **Mr. Paul Bieber**
ISSUING OFFICER

TYPE OF FILING - Staff Assisted Rate Case (SARC) **President**
TITLE

NAME OF COMPANY Breeze Hill Utilities

WASTEWATER TARIFF

GENERAL SERVICE

RATE SCHEDULE GS

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For wastewater service to all customers for which no other schedule applies.

LIMITATIONS - Subject to all of the Rules and Regulations of this tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

RATE - Step I
Flat Rate

\$ 234.23

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice is mailed to the customer separate and apart from any other bill, service may then be discontinued.

EFFECTIVE DATE - November 17, 1999

Mr. Paul Bieber
ISSUING OFFICER

TYPE OF FILING - Staff Assisted Rate Case (SARC)

President
TITLE

**FIRST REVISED SHEET NO. 13.0
CANCELS ORIGINAL SHEET NO. 13.0**

NAME OF COMPANY Breeze Hill Utilities

WASTEWATER TARIFF

RESIDENTIAL SERVICE

RATE SCHEDULE RS

AVAILABILITY - Available throughout the area served by the Company.

APPLICABILITY - For wastewater service for all purposes in private residences and individually metered apartment units.

LIMITATIONS - Subject to all of the Rules and Regulations of this tariff and General Rules and Regulations of the Commission.

BILLING PERIOD - Monthly

RATE - Step I
Flat Rate
\$ 24.53

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice is mailed to the customer separate and apart from any other bill, service may then be discontinued.

EFFECTIVE DATE - November 17, 1999 Mr. Paul Bieber
ISSUING OFFICER

TYPE OF FILING - Staff Assisted Rate Case (SARC) President
TITLE

ESCROW AGREEMENT

THIS ESCROW AGREEMENT is made by and between _____, in _____ County (the Bank), the Florida Public Service Commission (FLORIDA PUBLIC SERVICE COMMISSION), and _____, (the Utility), a Florida corporation, upon the following terms, conditions, and considerations:

W I T N E S S E T H:

WHEREAS, the FLORIDA PUBLIC SERVICE COMMISSION authorized the Utility to collect increased rates as temporary rates and WHEREAS, the Utility is required to provide security for those temporary rates that generate per customer collections in excess of those collections resulting from the application of the rates approved effective _____, and WHEREAS the Bank has agreed to hold such funds in an interest bearing escrow account at an interest rate of _____%, the parties hereto agree as follows:

1. The foregoing representations are true and correct.
2. The Utility shall open a joint interest bearing escrow account. The amount of revenue subject to refund shall be deposited by the Utility in the escrow account within seven days of receipt.
3. The escrow account shall bear interest at the rate of _____%.
4. The FLORIDA PUBLIC SERVICE COMMISSION's Director of the Division of Records and Reporting shall be a signatory to the escrow account.
5. No funds shall be withdrawn from the escrow account without the signature of both the Director of the Division of Records and Reporting of the FLORIDA PUBLIC SERVICE COMMISSION and the Utility. Signature cards executed by the Director of the Division of Records and Reporting of the FLORIDA PUBLIC SERVICE COMMISSION and the Utility shall designate the appropriate authorized signature for each.
6. The Bank shall forward regular monthly statements (including canceled checks) to the utility and shall mail a copy of the monthly account statement to the FLORIDA PUBLIC SERVICE COMMISSION.
7. If a refund to the customers is required, all interest earned by the escrow account shall be distributed to those customers who paid such monies that generated the deposits into the escrow account.
8. If a refund to the customers is not required, the interest earned by the escrow account shall revert to the utility.
9. The Bank may, without reason, withdraw from this Agreement upon thirty (30) days written notice to the FLORIDA PUBLIC SERVICE COMMISSION and to the Utility.
10. The Utility shall indemnify and hold the Bank harmless from any claim, demand or loss suffered by the Bank, and the cost thereof

(including court costs and attorney fees for negotiation, trial and appeal).

11. This escrow account is established pursuant to FLORIDA PUBLIC SERVICE COMMISSION vote at the November 16, 1999 Agenda. This escrow account is for the benefit of the Utility's customers.
12. Information concerning the escrow account shall be available from the Bank to the FLORIDA PUBLIC SERVICE COMMISSION and its representatives at all times.
13. This escrow account is established by the direction of the Florida Public Service Commission for the purpose(s) set forth in its Order requiring such account. Pursuant to Cosentino v. Elson, 263 So.2d 253 (Fla. 3rd DCA 1972), escrow accounts are not subject to garnishment.