



Public Service Commission

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

DATE: February 21, 2000

TO: Division of Records and Reporting

FROM: Division of Water and Wastewater (Lingo) *HL*

RE: Docket No. 970409-SU, Initiation of limited proceeding to restructure wastewater rates for Florida Water Service Corporation's Tropical Isles service area in St. Lucie County

Please file the attached document in the above-referenced docket file. Thank you.

\FJL

Atch: 5/24/99 letter w/three attchs from TIHA/Cimino to WAW/Lingo re: customers' frustrations

cc w/atrch: Division of Legal Services (Gervasi, Fudge)

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FPSC-RECORDS/REPORTING

Tropical Isles Homeowners' Association
252 Travis Cay Place
Fort Pierce, FL 34982
May 24, 1999

RECEIVED

MAY 27 1999

Florida Public Service Commission
Division of Water and Wastewater

Jennie Lingo, Economic Analyst
Bureau of Policy Development
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

Dear Ms. Lingo,

Today we mailed the enclosed letter to various persons and then received your notice re: Docket No. 970409-SU, also enclosed for information purposes. As you will note, our letter is critical of PSC staff and your letter of May 14, 1999, does nothing to allay our concerns and criticisms.

Note:

1. Your "Time Schedule" shows that you and your colleagues met with Tropical Isles residents on November 19, 1997.
2. Then, you plan to make a recommendation to the Commission on June 24, 1999, more than one and one half years (19 months) later during which time PSC staff has neither involved TI representatives nor even kept us informed as promised at the 1997 hearing.
3. Assuming we are mailed a copy of Staff Recommendations on June 24, we may receive same by June 30, based on the time span of your May 14, 1999 letter, received May 21, 1999.
4. This would give TI residents less than a week to prepare and return comments for the July 6, 1999 Commission meeting. **This hardly seems fair!**
5. Further, you are asking PSC to review Staff recommendations during July, when more than half of TI residents are residing in northern climes. Also, some who are still in Florida will be traveling over the 4th of July weekend. It appears that Staff is either insensitive to the realities of TI clients or, if one is paranoid, Staff may be most aware and trying to slip another one by!

We may be pleasantly surprised to find that Staff has recommended a rate reduction, which our accountants computed in 1997. Past history of Staff recommendations certainly would make such a finding a real surprise.

Please be assured that if the Staff's recommendation is not consistent with the best interests of TI residents, that we are ready to continue the battle in court.

Most Sincerely,

A handwritten signature in black ink that reads "Tony Cimino". The signature is written in a cursive, flowing style.

Tony Cimino
President, Tropical Isles Board of Directors

jp

cc: Gov. Jeb Bush
Rep. Ken Pruitt
Sen. Anna Cowin
Joe Garcia, Chair. PSC
Charles H. Hill, Dir. Water & Wastewater, PSC
Harold McLean, Esq., OPC
Charity Cicardo, Exec. Dir., FMO
Roger Shacket, Park Owner

Enc: (4 pp.)

Tropical Isles Homeowners' Association
252 Travis Cay Place
Fort Pierce FL 34982
May 20, 1999

Representative Ken Pruitt District 81
2400 SE Midport Road Suite 310
Port St. Lucie FL 34952

Dear Representative Pruitt,

This letter is in regard to the current status of the Tropical Isles sewer plant rate review by the Florida Public Service Commission (PSC).

Eighteen months have passed since the PSC's public hearing at Tropical Isles. You were present at that meeting and were very helpful. The question of a fair sewer rate to be set for Florida Water Services (FWS) in Tropical Isles was reviewed at that time, after FWS had tripled its rate for TI residents. The total process now has continued for more than two years during which time TI residents have continued to pay the extremely high rate.

The prompt and cooperative review promised by PSC staff at the end of the November, 1997 hearing has been neither prompt nor cooperative! PSC staff has not kept TI representatives informed. Instead, we see an example of Parkinson's Law; that is, when a bureaucracy gets 100 employees, they can keep each other busy without rendering any service to their clients. Here, our taxes continue to pay their salaries while they do nothing for us in return.

In fact, we see a lateral arabesque under Murphy's Law -- a clever sidestepping of the real issue -- lower rates. Now, PSC staff says it is considering a usage-rate structure rather than the current flat rate for TI! FWS has consistently maintained that it needs a certain (albeit too high) dollar income from TI regardless of rate structure. It appears that PSC staff still refuses to, or is unable to face the basic issue. Lower the rate, then discuss the payment plan.

We are tired and disgusted with delay, stonewalling and poor communications. The Public Service Commission hardly exemplifies any commission of service to the public in this instance.

At one time, FWS and TI representatives agreed to terms for the sale of the Plant to TI residents. PSC staff effectively blocked that with an interpretation of F.S. 336.022(7), that 100% of TI residents had to approve any such purchase -- an interpretation that other attorneys do not share. Instead of helping TI work through the requirement, so the Plant would become exempt from PSC regulations -- which, by the way, would significantly reduce the rates -- PSC staff returned to its internal obfuscation's without achieving any announced results for a year and a half -- as of now -- with no relief in sight!
Is it really that difficult to compute how much the amortization of approximately \$400,000 affects TI monthly rates? That is the nub.

Page 2, May 20, 1999

TIHA stands ready to go to court, if necessary, to get PSC staff off its collective gluteus maximus and do what it promised to do in November of 1997: Review FWS' actual costs and set a fair rate for wastewater management for TI residents.

Instead, PSC staff have allowed the Sewergate debacle to continue unresolved. They have promised Commission review several times without it being placed on the docket. Now they talk about another hearing on changing TI from a flat rate to a use rate, implying that such would solve TI's concern. This was clearly refuted at the 1997 hearing.

Would it be possible to have one competent, interested PSC staff member compute what the fair rate should be, then sit down with TI representatives to discuss options and how to expeditiously implement the most favorable one?

Is this too much of a public service to ask of the Commission? To date, it has been!

It has come to our attention that there is a bill before the Governor, expanding the authority of investor-owned utilities to charge customers for future needs. Passage of this bill would give FWS carte blanc to charge anything they wanted. We urge you on our behalf to ask the Governor not to sign this bill into law.

Your continued help is requested and appreciated. Thank you.

Respectfully and Sincerely,



Tony Cimino
President, TIHA Board of Directors

jp

cc: Governor Jeb Bush
Joe Garcia, Chairman PSC
Harold McLean, Esq., Office of Public Counsel
Charity Cicardo, Executive Director, FMO
Roger Shacket, Owner, TI Mobile Home Park
Senator Anna Cowin, 11th District

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STATE OF FLORIDA

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JULIA L. JOHNSON
E. LEON JACOBS, JR.



DIVISION OF WATER & WASTEWATER
CHARLES H. HILL
DIRECTOR
(850) 413-6900

Public Service Commission

May 14, 1999

Mr. Tony Cimino
Tropical Isles Public Information Committee
232 Sandy Bottom Place
Fort Pierce, FL 34982

Re: Docket No. 970409-SU, Initiation of limited proceeding to restructure wastewater rates for Florida Water Service Corporation's Tropical Isles service area in St. Lucie County

Dear Mr. Cimino:

As promised, I have enclosed a copy of the latest schedule of events in the above-referenced docket. As we last discussed, Staff rescheduled the recommendation filing date in order to further review and analyze information related to the revenue requirement in this case. You will notice that we are now scheduled to file a recommendation on June 24, 1999, to be heard at the Commission's July 6, 1999 Agenda Conference. As soon as the recommendation is filed, I will mail you several copies of the recommendation for distribution among the Tropical Isles' residents. As always, if you have questions or comments, please do not hesitate to contact me at (850) 413-6964.

Sincerely,

Jennie Lingo
Economic Analyst
Bureau of Policy Development
and Industry Structure

VFJL

Encl.: CASR revision level 6 (filed 4/30/99)
cc w/o Encl.: Division of Water and Wastewater (Hill, Shafer, Williams, Chase, Rieger)
Division of Legal Services (Gervasi)
Division of Records and Reporting (docket file)
Office of Public Counsel (McLean)
Florida Water Services Corp. (Feil)