

STATE OF FLORIDA

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

ORIGINAL

Public Service Commission

April 13, 2000

Mr. Joseph S. Lamb  
P.O. Box 640  
Bokeelia, Florida 33922

Re: Application of Useppa Island Utility, Inc. For a Limited Proceeding to Increase Wastewater Rates in Lee County

Dear Mr. Lamb:

Thank you for your comments regarding the limited proceeding for Useppa Island Utility, Inc. (Useppa or utility), along with your participation at the April 6, 2000 customer meeting. Since you stated at the customer meeting that we addressed each of the concerns outlined in your letter, I won't re-address them. However, as an update, after reviewing the utility's 1999 annual report, we have decided to audit the utility's books using a calendar test year ending December 31, 1999. We are doing this to insure that the utility will not overearn on an overall basis should staff recommend approval of the requested wastewater revenue increase. Although the utility's 1999 annual report showed a wastewater net operating loss of \$27,128, it also showed a net operating income of \$49,247 for the water system. We anticipate a 60-90 day audit timeframe.

The original recommendation filing date and Commission agenda date will have to be postponed pending the audit. Your name has been entered in this docket file as an interested party, so you will receive a copy of the staff recommendation and resulting Commission order. A copy of your letter will also be placed in the official docket file for review of any interested parties. If you have any questions, please don't hesitate to contact me at (850) 413-6974.

Sincerely,

Robert J. Casey  
Professional Accountant Specialist

- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- DMU \_\_\_\_\_
- GTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- MAS \_\_\_\_\_
- OPC \_\_\_\_\_
- RRR \_\_\_\_\_
- SEC \_\_\_\_\_
- WAW \_\_\_\_\_
- OTH \_\_\_\_\_

cc: Division of Water and Wastewater (Willis, Rendell, Crouch, Ted Davis, Wetherington)  
Division of Legal Services (Brubaker)  
Division of Records and Reporting (000090-WS)  
Useppa Island Utility, Inc.

DOCUMENT NUMBER - DATE  
04703 APR 17 2000  
FPSC-RECORDS/REPORTING

Legal

RECEIVED-PPSC  
20 MAR 23 PM 1:13 20 MAR 23 AM 8:22

March 20, 2000

RECORDS AND MAIL ROOM  
REPORTING

Director, Division of Records and Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

000090-SU

Dear Director of Records and Reporting:

As a Useppa Island resident, I have several questions and concerns about the proposed wastewater rate increase. While I will be attending the hearing on April 6, 2000, I would like the PUC staff to be aware of these concerns and be prepared to address them at the hearing.

First, the background information referenced a reported loss for operating year 1998. Are the operating results for 1999 available?

Second, have any of the filings of financial operating information by the Useppa Island Utility company been subject to an independent audit?

Third, are any empty building sites subject to the wastewater base fees? It is my understanding that the major reason for the shortage of wastewater capacity was the development of the former airstrip and the design approval for the construction of several very large homes on those lots.

Fourth, how are the "Base Facility Charges" calculated and specifically what costs are to be recouped by these charges?

Fifth, why is the residential maximum gallonage set at 6000 gallons? This seems very high since a large percentage of water usage goes to landscape maintenance. Based on my own experience, a more realistic maximum would be about 3000 gallons.

Sixth, since the new wastewater facility is a modern, efficient plant, why are the variable operating costs per thousand gallons increasing? If anything, these costs should be about the same as before and possibly lower.

If your staff could address these questions in some depth and with appropriate supporting facts at the hearing, I am sure all of the attendees would be most interested.

Sincerely,



Joseph S. Lamb  
P.O. Box  
Bokeelia, FL 33922

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