



Public Service Commission

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

DATE: November 14, 2000
TO: Division of Records and Reporting
FROM: Stephanie Clapp, Division of Regulatory Oversight @ OSW PD
RE: Docket No. 970201-WU, Application for transfer of facilities of Lake Region Paradise Island and amendment of Certificate No. 582-W in Polk County by Keen Sales, Rentals and Utilities, Inc.

Please add the following to the docket file:

September 12, 2000, letter from Keen asking many questions concerning the processing of the transfer application in this docket, the calculation of overcharge refund required in the transfer order, and the amount of Regulatory Assessment Fees paid by Keen for this system.

Please note that two copies are provided.

Thank you.

Attachments

cc: Division of Regulatory Oversight (Messer)
Division of Legal Services (Crosby)

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OTH *cy memo*

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FPSC-RECORDS/REPORTING

KSRU

Keen Sales, Rentals and Utilities, Inc.

685 Dyson Road
Haines City, FL 33844
Business Phone 941-421-6827

September 12, 2000

Mr. Tim Devlin
Director of Economic Regulation
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

RECEIVED
FLORIDA PUBLIC SERVICE
COMMISSION
00 SEP 18 AM 8:44
DIVISION OF
ECONOMIC REGULATION

RE: LAKE REGION PARADISE ISLAND

Dear Mr. Devlin:

We are in receipt of your letter regarding the Pass-Through Adjustment for the above.

However, we would like for you to address, directly, the following issues:

1. Why did it take so long (January, 1997, to May, 2000) for the Florida Public Service Commission to approve the transfer of the above?
2. Why did it take so long (July, 1997, to November, 1999) to determine that the rates we were charging were allegedly incorrect?
3. Why must we refund money that was allegedly overcharged, when in fact, we were not notified of any alleged overcharging until almost three (3) years after the initial filing of paperwork regarding the transfer?
4. Why did the Commission gladly accept the Regulatory Assessment Fees and then refuse to refund them, while, at the same time, stating there was an alleged overcharge?
5. Why should Keen pay the Regulatory Assessment Fees when, according to the Florida Public Service Commission, they did not own the utility?

We firmly believe that there was no overcharging. If the Commission determines that there was overcharging, why wait three (3) years to make this determination? This fact, in essence, shows that the Commission condoned the alleged overcharging and then reversed themselves; making Keen Sales, Rentals and Utilities, Inc., the scapegoat. The Commission was more than happy to accept the Regulatory Assessment Fees for these monies. All these fees have been paid.

Also, when requested in November, 1999, Keen Sales, Rentals and Utilities, Inc. reduced the rates charged at Lake Region Paradise Island to a figure that was not correct, i.e. did not include the 2.5% County Tax that was being charged by the previous owners and incorrectly documented in the audit report. This caused the utility, which, was already operating at a loss, to further lose money.

We strongly believe that this situation can be easily resolved by the Commission reconsidering and dismissing the alleged overcharges. Any actual overcharges occur in the payment of the Regulatory Assessment Fees. Our Corporation has shown good faith by paying these fees when, according to the Florida Public Service Commission, we DID NOT own the utility and, therefore, should not be liable for the fees.

Please address all of our questions by return mail.

Sincerely,


J. Ray Keen
President

JRK/mmc