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February 28, 2002

Ms. Blanca Bayo, Director  
Commission Clerk and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

RECEIVED FPSC  
02 FEB 28 PM 4: 32  
COMMISSION  
CLERK

Re: Docket No. 010119-WS; Steeplechase Transfer

Dear Ms. Bayo:

Pursuant to a request from PSC Staff, enclosed for filing on behalf of Florida Water Services Corporation ("Florida Water") are an original and fifteen copies of a letter to Ms. Patricia B. Daniels of PSC Staff and Florida Water's Proposed Notice to Customers. Please acknowledge receipt of these documents by date stamping the enclosed copy of this letter and returning it to the undersigned.

Sincerely,

Martin P. McDonnell

MPM/rl

Enclosures

cc: Ms. Patricia Daniels

- AUS \_\_\_\_\_
- CAF \_\_\_\_\_
- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL \_\_\_\_\_
- OPC \_\_\_\_\_
- MMS \_\_\_\_\_
- SEC \_\_\_\_\_
- OTH \_\_\_\_\_

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DOCUMENT NUMBER-DATE

FPSC-BUREAU OF RECORDS

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FPSC-COMMISSION CLERK

Dear Stonecrest Customer,

When Florida Water Services acquired the Stonecrest utility from Steeplechase Utilities, we agreed not to raise rates (except for minor cost of living adjustments potentially once per year) until July 2003. We plan to keep that commitment.

We have discovered though that the Florida Public Service Commission (FPSC) approved cap for residential wastewater in Stonecrest is 10,000 gallons per month, even though Steeplechase Utilities charged its customers and now we are charging a 5,000-gallon per month cap. That 10,000 gallon per month cap was approved in FPSC Docket No. 890145-WS, by Order No. 21438 issued June 26, 1989. Private utilities are required by law to charge the FPSC approved rates for service.

The Florida Public Service Commission and Florida Water have worked together to come to a solution to this problem. Florida Water will continue only charging up to the 5,000-gallon cap, however, we must show the 10,000 gallon cap on your bill. The difference shown will be the savings on that bill because of our continued application of the lower cap. This savings will continue until the July 2003 bill when we must begin applying the approved wastewater cap of 10,000 gallons. In July 2003 customers who use 5,000 gallons or less of potable water will have no effect in their bill. Customers who use between 5,000 and 10,000 gallons will pay additional gallonage charges according to their usage. A customer using over 10,000 gallons will pay the gallonage charges up to the 10,000-gallon cap. Please refer to the following examples for clarification.

<b>Wastewater Bills At 5k, 8k, 10k and 15k Usage</b>				
<b>Under 5k and 10k Cap</b>				
	<u>@5k</u>	<u>@8k</u>	<u>@10k</u>	<u>@15k</u>
\$ Per thousand gallons:	\$ 1.69	\$ 1.69	\$ 1.69	\$ 1.69
Wastewater base charge:	\$ 10.67	\$ 10.67	\$ 10.67	\$ 10.67
Gallonage charged at 5,000-gallon cap	\$ 8.45	\$ 8.45	\$ 8.45	\$ 8.45
5,000-gallon cap total wastewater bill	<u>\$ 19.12</u>	<u>\$ 19.12</u>	<u>\$ 19.12</u>	<u>\$ 19.12</u>
Gallonage that would be charged at 10,000-gallon cap	\$ 8.45	\$ 13.52	\$ 16.90	\$ 16.90
10,000-gallon cap total wastewater bill	<u>\$ 19.12</u>	<u>\$ 24.19</u>	<u>\$ 27.57</u>	<u>\$ 27.57</u>
Savings	<u>\$ -</u>	<u>\$ 5.07</u>	<u>\$ 8.45</u>	<u>\$ 8.45</u>

As can be seen from the above example, the maximum a wastewater bill can increase because of the 10,000-gallon cap is \$8.45 for those customers using 10,000 gallons of water or more per month.

Florida Water will be holding a customer meeting on \_\_\_ at \_\_\_ to answer any questions you may have regarding this change. Again, this change to the approved cap will take place in July of 2003.

DOCUMENT NUMBER DATE

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FPSC-001, HBSION, CLERK

If you have any questions concerning this notice, please call our Customer Care Specialists at (800) 432-4501 between the hours of 8:00 a.m. and 7:00 p.m. weekdays.

Written comments to the Commission regarding Florida Water, its rates or service may be directed to the following address: Division of Consumer Affairs, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, FL 32399-0850. Such correspondence should refer to the Steeplechase Transfer Application, FPSC Docket No. 010119-WS. You may also call the Commission's Division of Consumer Affairs at the following toll-free number: (800) 342-3552.

Sincerely,

Florida Water Services Corporation