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Public Service Commission  
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**DATE:** March 18, 2002  
**TO:** Division of Commission Clerk and Administrative Services  
**FROM:** William T. Rendell, Public Utilities Supervisor, Division of Economic Regulation  
**RE:** Docket No. 010616-WS - Complaint by Dr. William Weir against Sun Communities Finance, LLC d/b/a Water Oak Utility in Lake County

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The attached letter was inadvertently sent to the Division of Economic Regulation. Please include it in the official docket file for Docket No. 010616-WS.

Thank you.

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March 14, 2002  
**VIA HAND DELIVERY**

Mr. Troy Rendell  
Division of Economic Regulation  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: Complaint of Dr. Weir against Water Oak Utility  
Our File No. 33013.01

Dear Troy:

I discussed your two additional potential "proposed solutions" to Dr. Weir's concerns with my client and believe that neither is well founded and both present substantial additional problems. I have discussed each of these separately below:

1. Separate Service Availability and DFC for Irrigation Meter - Your first suggestion was that we review the size of the Utility's service lines to the customer's home to see what additional demand would, in fact, be placed on the system by the addition of an irrigation meter in each of the customer's cases. I discussed this with the head of the maintenance for the Water Oak system who has indicated to me that the service lines from which the Utility currently connects the single residential meters and which the Utility would tap in order to provide irrigation service, vary in size from 4" down to 3/4". Because of the various situations and configurations of this system that has been put in over the last 20 years, there are many varied situations. However, it is clear that in each and every case, even where there are 3/4" service lines, the customer would still have the capability to place at least 1 1/2 ERCs of demand through taping two meters off of such a line. In the case of anything larger than a 3/4", the customers would have the capability to place a full 2 ERCs of demand on the system with the addition of a second meter. Based upon this alone, we believe that it is inappropriate to consider not charging either a connection fee or base facility charge for the second meter.

This type of proposal could not possibly work because not only are there many situations where the customer would be placing a full 2 ERCs of demand on this system with the addition of such a meter but all would result in at least 1 1/2 times the demand of a single meter. Setting a standard policy that proposes not to charge the customers for the additional demand is discriminatory against those who choose not to install such an irrigation meter. Of course, it would also be impossible to differentiate between customers with various size lines simply because of the location of their home from street to street.

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Even if such a proposal did not place additional demand on the system, a reduction in revenue from one set of customers would require that the revenue be made up from the general body of rate payers thereby discriminating against those who choose not to have irrigation services.

2. Customer Affidavit for Vacation Rate – Your second proposal was that the Utility might consider the idea of each customer signing a sworn Affidavit as to the period of time they would be absent from the Utility system in order to qualify for some type of vacation rate. You agreed that to the extent any customer abused this one time that customer would no longer be allowed to utilize this accommodation. We believe this would create substantial additional work load on the utility, as well as to require a reprogramming of the Utility's computer system, and renegotiation of its contract with its contract billing group. In addition, there would be substantial additional costs related to policing of who is and who is not on vacation, and communication of that information to the billing contractor. The cost of monitoring this situation alone would add significantly to the Utility's operating cost. In addition, the Utility already is frequently placed in the position of having to notarize the affidavits for the residents of the community for their affidavit submitted to the Town of Lady Lake related to garbage collection. This places substantial additional burden on the Utility personnel. The second group of affidavits where all of the customers came to the Utility offices to report vacations, would increase that workload substantially.

In conclusion, we believe if the Commission in fact wishes to pursue these types of unique arrangements for establishing vacation rates, it should be done with a company with substantially larger resources than this company, before being applied to a small Class C company. This company does not have the resources to spend substantial hours of professional accounting and legal time pursuing the pros and cons of unique regulatory and billing theories. We urge the Commission staff to proceed to agenda conference with the staff recommendation which is not only in keeping with standard Commission policy, but with the facts for setting nondiscriminatory and reasonable rates for this Utility Company.

If you have any further questions or I can supply you with any additional information, please do not hesitate to contact me.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP



F. Marshall Deterding  
For The Firm

FMD/brm

cc Ms. Gabriel Umbel  
Ms. Lori Rumer  
Gary Morse, P.E.  
Julian Coto, P.E.  
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Mr. Brian W. Fannon

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