



Office of the Mayor & Town Council

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ORIGINAL

Town of Davie

6591 Orange Drive Davie, Florida 33314-3399

(954) 797-1000

June 24, 2002

Director, Division of Clerk & Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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Subject: Docket No. 011073-WS - Ferncrest Utilities, Inc. (Rate Increase Request)

Dear Commissioners:

We have reviewed the Docket as well as other supporting information concerning the rate increase proposed for the Ferncrest Utilities. The customers of Ferncrest Utilities are residents of the Town of Davie and we have concerns with this large rate increase as well as with the previous large increases that have occurred since 1993.

For Example: Rates per 10,000 gallons of water for a 5/8 inch by 3/4 inch water meter

Table with 3 columns: Year, Water, Sewer. Rows include 1993, 2001, Proposed, and % increase from 1993 Rates.

Please refer to the rate comparison sheets supplied by Ferncrest outlining the rates charged since 1993. Generally, the rates have increased yearly except for a small 3% reduction in December 1999.

Based on the information contained in the Docket, the Town has concerns with the large debt service the utility has, part of which is debt to affiliated company. The interest rate the utility is paying on its debt appears to be excessive and is interest charged on loans to affiliates. We would like the utility to investigate refinancing the debt to lower the payments. This is something the Town consistently does. We would also like an accounting of the creditors of the utility as well as a thorough review of the information contained in the Federal and State forms 1120 and F-1120 as we do not have copies of these forms.

Also, please review the differences in the expenses for water and sewer from the recap to the total operating expenses as they are not clear to us. We have attached a summary of water and sewer rates from other utilities in Broward County for your review. Please note that the Ferncrest Utility rates are substantially higher than other utilities in the area.

We ask that you review and take into consideration the demographics of the area that that Ferncrest services as many of the residents are on fixed or low incomes. We request that you listen carefully to the concerns of the residents before approving the Ferncrest rate increase as many of the residents may not be able afford this increase.

Sincerely,

Handwritten signature of Harry Venis

Harry Venis
Mayor

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DISTRIBUTION CENTER

DOCUMENT NUMBER-DATE

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cc: Thomas Willi, Town Administrator
Ken Cohen, Assistant Town Administrator
Dan Colabella, Utilities Director

FPSC-COMMISSION CLERK

RATES AS OF 6/17/02																
WATER & SEWER CHARGES FROM OTHER CITIES FOR SINGLE FAMILY RESIDENCE																
CITY	3000 GALLONS			5000 GALLONS			7000 GALLONS			10000 GALLONS			WATER		SEWER	
	WATER	SEWER	TOTAL	WATER	SEWER	TOTAL	WATER	SEWER	TOTAL	WATER	SEWER	TOTAL	BASE	1000 GAL	BASE	1000 GAL
<b>FERNCREST</b> <small>Rates listed are proposed rates estimated to take effect in August, 2002</small>	\$22.19	\$27.51	\$49.70	\$28.33	\$36.33	\$64.66	\$34.47	\$40.74	\$75.21	\$43.68	\$40.74	\$84.42	\$12.98	\$3.07	\$14.28	\$4.41
<b>COOPER CITY</b> Loretta	\$13.54	\$19.38	\$32.92	\$17.48	\$22.68	\$40.16	\$21.42	\$25.98	\$47.40	\$27.33	\$30.93	\$58.26	\$7.63	\$1.97	\$14.43	\$1.65
<b>PLANTATION</b> Susan \$1.70 per bill charge	\$7.38	\$14.71	\$23.79	\$9.56	\$19.13	\$30.39	\$13.35	\$23.55	\$38.60	\$17.31	\$30.18	\$49.19	\$4.11	\$1.09	\$8.08	\$2.21
<b>FT LAUDERDALE</b> Collette	\$5.87	\$10.16	\$16.03	\$9.19	\$16.38	\$25.57	\$12.51	\$22.60	\$35.11	\$19.86	\$31.93	\$51.79	5/8" meter 2.96	\$0.97	\$3.44	\$2.24
	\$6.91	\$11.36	\$18.27	\$10.23	\$17.58	\$27.81	\$13.55	\$23.80	\$37.35	\$20.90	\$33.13	\$54.03	3/4" meter 4.00		\$4.64	
													4,000-7,000 Gal	\$1.66	4,000-20,000 Gal	\$3.11
													Over 8,000 Gal	\$2.45	CAP OF 20,000 GAL	
<b>HOLLYWOOD</b> Fax	\$7.21		\$7.21	\$10.93		\$10.93	\$14.65		\$14.65	\$20.23		\$20.23	\$1.63	\$1.86	NO SEWER AVAILABLE TO DAVIE RESIDENTS	
													Per thousand gallon charge estimated Hollywood bills in cubic feet			
<b>PEMBROKE PINES</b> Anna (Anticipating a rate increase before the end of June)	\$6.34	\$8.12	\$14.46	\$10.98	\$12.76	\$23.74	\$15.62	\$17.40	\$33.02	\$22.58	\$24.36	\$46.94	\$6.34	\$2.32	\$8.12	\$2.32
													3,000 gal included in base charge		CAP OF 14,000 GAL	
<b>BROWARD COUNTY</b>	\$10.72	\$19.27	\$29.99	\$14.10	\$23.97	\$38.07	\$17.48	\$28.67	\$46.15	\$24.80	\$35.72	\$60.52	\$5.65	\$1.69	\$12.22	\$2.35
													8000-13000 gal	\$2.44	CAP OF 15,000 GAL	
													Over 13000 gal	\$3.39		
<b>SUNRISE-RESIDENTS</b> (Includes Park City)	\$13.52	\$17.16	\$30.68	\$16.86	\$20.54	\$37.40	\$20.20	\$23.92	\$44.12	\$25.21	\$28.99	\$54.20	\$8.51	\$1.67	\$12.09	\$1.69
													Over 30,000 gal	\$2.12	CAP OF 16,000 GAL	
<b>SUNRISE UTIL-DAVIE</b> Includes 25% surcharge	\$16.91	\$21.44	\$38.35	\$21.09	\$25.66	\$46.75	\$25.27	\$29.88	\$55.15	\$31.54	\$36.21	\$67.75	\$10.64	\$2.09	\$15.11	\$2.11
													Over 30,000 gal	\$2.65	CAP OF 16,000 GAL	
<b>SUNRISE - S.B.U.</b> Includes 25% surcharge	\$15.61	\$20.32	\$35.93	\$20.03	\$27.06	\$47.09	\$24.45	\$33.80	\$58.25	\$31.08	\$43.91	\$74.99	\$8.98	\$2.21	\$10.21	\$3.37
															CAP OF 10,000 GAL	
<b>SUNRISE - WESTON</b> Includes 25% surcharge	\$15.65	\$20.18	\$35.83	\$18.99	\$23.56	\$42.55	\$22.33	\$26.94	\$49.27	\$27.34	\$32.01	\$59.35	\$10.64	\$1.67	\$15.11	\$1.69
<b>TOWN OF DAVIE</b> As of 4/98	\$12.91	\$16.12	\$29.03	\$15.65	\$19.54	\$35.19	\$18.39	\$22.96	\$41.35	\$22.50	\$28.09	\$50.59	\$8.80	\$1.37	\$10.99	\$1.71
															CAP OF 15,000 GAL	

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