

SERVICE MANAGEMENT SYSTEMS, INC.

SMS

July 31,2002

020867-WS

Public Service Commission
Water and Wastewater
Division Commission Clerk & Administrative Service
2540 Schumard Oak Boulevard
Tallahassee, Florida 32399-0873

RE: Certificate 517W

Dear Sirs:

We are a small Class C water and wastewater utility located in Brevard County. Our current approved tariff provides for charging customers for non-potable water (irrigation) at \$.55 per 1,000 gallons. We have no base facilities charge for metered non-potable water users or maintenance charges for fire hydrants. There is no way to meter the usage if the hydrants are opened.

This utility must maintain the approximately 35 existing fire hydrants, and the number will be increasing. When our non-potable rate was set, this utility had no maintenance program for the hydrants, and we must institute a maintenance program now. \$240.00 per year represents actual cost. Without your approval of this fee, this utility would have no means to be compensated for the required maintenance of these hydrants.

We would like within 30 days to begin charging this new rate, a flat rate of \$240.00 per year per fire hydrant, payable monthly. We need this annual fee per hydrant to compensate this utility for maintenance costs.

Please call if there are any other steps we must take.

Regards,



James H. Bates
President

/gak

cc: F. Marshall Deterding, Esq.

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