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ORIGINAL

TIMOTHY DEVLIN, DIRECTOR
DIVISION OF ECONOMIC REGULATION
(850) 413-6900

Public Service Commission

January 8, 2003

James H. Bates
Service Management Systems, Inc.
235 Hammock Shore Drive
Melbourne Beach, FL 32951

Re: Staff Assisted Rate Case for Service Management Systems, Inc. in Brevard County,
Docket No. 021228-WS

Dear Mr. Bates:

We have determined eligibility for staff assistance filed by Service Management Systems, Inc. We find that the utility is eligible for the staff assisted rate case filing.

The staff engineer has determined the filing fee in this rate case is \$1,000 for water and \$1,000 for wastewater. The fee is based on the capacity of the utility system as provided by Section 367.145(2) of the Florida Statutes. The Commission received payment of \$1,500 on December 11, 2002. The remaining balance must be received by February 7, 2003 which is the official filing date for this rate case.

Section 367.091(2), Florida Statutes, provides:

Upon filing an application for new rates, the utility shall mail a copy of the application to the chief executive officer of the governing body of each county within the service areas included in the rate request. The governing body may petition the commission for leave to intervene in the rate change proceeding and the commission shall grant intervener status to any governing body that files a petition.

Please forward a copy of Service Management Systems, Inc.'s application for a SARC to the Chief Executive Officer of Brevard County as required by law, and copy the Commission as proof that an application was forwarded to them.

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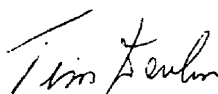
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Mr. Bates
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Members of Commission staff will contact you to schedule a convenient time for examination of the utility's books and records and physical plant. If you have any questions regarding the rate proceeding, please call Ryan Fitch at (850)413-6928 or Tony Sargent at (850)413-6968.

Sincerely,



Timothy Devlin
Director

TD/ts

cc: Division of Economic Regulation (Willis, Rendell, Fitch, Sargent)
Office of General Counsel (Jaeger)
Division of Commission Clerk and Administrative Services (021228-WS)
F. Marshall Deterding, Esq.