



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: March 20, 2003
TO: To All Parties of Record
FROM: Blanca S. Bayó, Commission Clerk and Administrative Services Director
RE: Docket No. 021066-WS - Investigation into proposed sale of Florida Water Services Corporation.

BSB

This is to inform you that the Commission is reporting the following communications in the above-referenced docket.

- Letter from Representative Ray Sansom, representing District Four, dated February 25, 2003.
Chairman Jaber's response dated March 6, 2003 to Representative Sansom.
Letter from Representative Greg Evers, representing District One, dated February 25, 2003.
Chairman Jaber's response dated March 10, 2003 to Representative Evers.

The letters, copies which are attached, will be made a part of the record in this proceeding. Pursuant to Section 350.042, F.S., any party who desires to respond to these communications may do so. The response must be received by the Commission within 10 days after receiving notice that the communications have been placed on the record. You may send your response to the Division of the Commission Clerk and Administrative Services, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0870.

BSB/cp

I:\exparte-memo.ctp

Attachments

cc: Mr. Harold McLean, General Counsel

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

DOCUMENT NUMBER-DATE

02694 MAR 20 3

FPSC-COMMISSION CLERK

State of Florida



Public Service Commission  
-M-E-M-O-R-A-N-D-U-M-

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**DATE:** March 10, 2003  
**TO:** Blanca Bayo, Director  
Commission Clerk and Administrative Services  
**FROM:** JoAnn Chase, Executive Assistant to Chairman Jaber JC  
**RE:** Docket No. ~~021006~~-WS - Investigation into Proposed Sale of Florida Water Services Corporation 021066

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Please be advised that the attached letter from Representative Sansom regarding the above referenced docket was received by Chairman Jaber on March 3, 2003. The Chairman's response to Representative Sansom is attached as well.

Pursuant to Section 350.042, Florida Statutes, a copy of the communication and response thereto is being sent to you for the docket file and for notification to the parties of record in accordance with Commission practice.

ng  
attachments  
cc: Division of General Counsel (Holley)

03 MAR 12 PM 12:31  
COMMISSION CLERK  
ADMINISTRATIVE SERVICES



**Florida House of Representatives**  
**Representative Ray Sansom**  
District 4

Reply to: 348 SW Miracle Strip Pkwy.  
Suite 8  
Fort Walton Beach, FL 32548  
850-833-9328  
850-833-9342 (Fax)

210 House Office Building  
402 South Monroe Street  
Tallahassee, FL 32399-1300  
850-488-1170

February 25, 2003

**RECEIVED**

**MAR 03 2003**

The Honorable Lila Jaber, Chairman  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Florida Public Service Commission  
CHAIRMAN JABER

Re: Acquisition of Utilities by Florida Water Services Authority

Dear Commissioner Jaber:

We understand that the Public Service Commission has received an application from Florida Water Services Corp. to transfer its water and sewer utilities to the Florida Water Services Authority, a public agency of Milton and Gulf Breeze under Section 163.01(7), Florida Statutes. Due to the tremendous importance of the above-referenced matter to the people of Northwest Florida, we request that the Public Service Commission cease its efforts to enjoin the closing of the transaction, and follow existing law providing for after-the-fact approval by the PSC.

The Florida Water Services Authority has been created pursuant to Section 163.01(7), Florida Statutes, as the agent of Gulf Breeze and Milton to implement this important public program. Until now, all other such agencies created under that statute have been allowed to proceed, unhindered, with the closing of the acquisition of the utilities. In every case to date, the PSC has granted all approvals as a matter of right and without review, and has always allowed the closing to occur prior to giving that approval. However, in the present case, the Florida Public Service Commission staff has sought to enjoin the program prior to closing, even though the law is eminently clear that the PSC has no jurisdiction:

Section 163.01(7)(g)(1), Florida Statutes, (under which the Florida Water Services Authority is created) specifically states:

Page 2

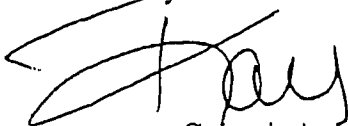
Notwithstanding s. 367.171(7), [the public service commission Act] any separate legal entity created under this paragraph is *not subject to commission jurisdiction.*

The acquisition of the utilities of Florida Water Services Corp. by an agency of Gulf Breeze and Milton will provide much-needed economic benefits to the local area. In addition, the utilities will be a resource for the current operations of the water and sewer utilities of Gulf Breeze and Milton, including disaster assistance, increased bargaining and purchasing power, permitting expertise and environmental resources, and other useful assistance. The acquisition will also assure that the customers of the utility no longer have to fund the profit (historically, \$14 million per year) returned to the investors who currently own Florida Water Services Corp. The utilities will continue to be operated by professional staff and management having extensive experience running the systems. And the Board of Florida Water Services Authority will be appointed by the cities of Gulf Breeze and Milton, who already have experience in running water and sewer utilities.

We urge that you (i) remain neutral in this transaction and (ii) follow the same procedure for this transaction as has been applied to the other public agency utility acquisitions, by allowing the transaction to close under authorization for after-the-fact PSC approval. The delays sought by the Public Service Commission create a tremendous risk that interest rates will increase and make the economics of the acquisition no longer feasible. We suggest that to interfere with the transaction in light of existing laws and precedents by the PSC may well expose the state to liability for the economic consequences of such interest rate changes.

Sincerely,

Ray Sansom



cc: Commissioner J. Terry Deason  
Commissioner Braulio L. Baez  
Commissioner Rudolph Bradley  
Commissioner Charles M. Davidson

LILA A. JABER  
CHAIRMAN

STATE OF FLORIDA



CAPITAL CIRCLE OFFICE CENTER  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
(850) 413-6044

Public Service Commission

March 6, 2003

The Honorable Ray Sansom  
Florida House of Representatives  
348 SW Miracle Strip Parkway  
Suite 8  
Fort Walton Beach, FL 32548

**Re: Sale of Florida Water Services Corporation to Florida Water Services Authority -  
Commission Docket No. 021066-WS**

Dear Representative Sansom:

Thank you for your recent letter regarding the proposed sale of Florida Water Services Corporation. Your input in this matter is appreciated. As you know, this has become a docketed matter (Docket No. 021066-WS) that the Commission must ultimately resolve. Since this is a docketed matter, Florida law prohibits me from commenting on the merits or the ultimate resolution of this issue. If you have any questions regarding this matter, please call our General Counsel, Harold McLean, at 850-413-6199.

A copy of your letter has been forwarded to our staff assigned to this docket, and to the office of the Commission Clerk for its inclusion in the docket file. Thank you for your participation.

Sincerely,

A handwritten signature in cursive script that reads "Lila A. Jaber".

Lila A. Jaber  
Chairman

ng

cc: Lorena Holley, Legal  
Commission Clerk & Administrative Services

**Carol Purvis**

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**To:** JoAnn Chase; Katrina Tew; Cayce Hinton; Jorge Chamizo; Breda Platt  
**Cc:** Kathleen Stewart; Kay Posey; Nicki Garcia; Veronica Washington; Blanca Bayo  
**Subject:** RE: Ex Parte Communication

**TO:** JoAnn Chase, Katrina Tew, Cayce Hinton, Jorge Chamizo, Breda Platt  
**FROM:** Blanca S. Bayó, Commission Clerk and Administrative Services Director  
**RE:** Ex Parte Communication

Chairman Jaber has reported receiving a letter from Representative Sansom, representing District Four, regarding Docket No. 021066-WS - Investigation into proposed sale of Florida Water Services Corporation. We are preparing to distribute this letter to the parties to the matter. Would you please let me know if your Commissioner has also received a letter from Representative Sansom.

**Carol Purvis**

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**From:** Jorge Chamizo  
**Sent:** Wednesday, March 12, 2003 2:44 PM  
**To:** Carol Purvis  
**Subject:** RE: Ex Parte Communication

No, he has not.

-----Original Message-----

**From:** Carol Purvis  
**Sent:** Wednesday, March 12, 2003 2:43 PM  
**To:** JoAnn Chase; Katrina Tew; Cayce Hinton; Jorge Chamizo; Breda Platt  
**Cc:** Kathleen Stewart; Kay Posey; Nicki Garcia; Veronica Washington;  
Blanca Bayo  
**Subject:** RE: Ex Parte Communication

**TO:** JoAnn Chase, Katrina Tew, Cayce Hinton, Jorge Chamizo, Breda Platt  
**FROM:** Blanca S. Bayó, Commission Clerk and Administrative Services Director  
**RE:** Ex Parte Communication

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**Carol Purvis**

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**From:** Kathleen Stewart  
**Sent:** Wednesday, March 12, 2003 2:52 PM  
**To:** Carol Purvis  
**Cc:** Jorge Chamizo  
**Subject:** RE: Ex Parte Communication

No; thanks.

-----Original Message-----

**From:** Carol Purvis  
**Sent:** Wednesday, March 12, 2003 2:43 PM  
**To:** JoAnn Chase; Katrina Tew; Cayce Hinton; Jorge Chamizo; Breda Platt  
**Cc:** Kathleen Stewart; Kay Posey; Nicki Garcia; Veronica Washington;  
Blanca Bayo  
**Subject:** RE: Ex Parte Communication

**TO:** JoAnn Chase, Katrina Tew, Cayce Hinton, Jorge Chamizo, Breda Platt  
**FROM:** Blanca S. Bayó, Commission Clerk and Administrative Services Director  
**RE:** Ex Parte Communication

Chairman Jaber has reported receiving a letter from Representative Sansom, representing District Four, regarding Docket No. 021066-WS - Investigation into proposed sale of Florida Water Services Corporation. We are preparing to distribute this letter to the parties to the matter. Would you please let me know if your Commissioner has also received a letter from Representative Sansom.



**Carol Purvis**

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**From:** Cayce Hinton  
**Sent:** Wednesday, March 12, 2003 2:50 PM  
**To:** Carol Purvis  
**Subject:** RE: Ex Parte Communication

We did not receive it directly, but I got wind of it from legal and requested a copy. We have a copy of the letter from Rep. Sansom, and a copy of the Chairman's reply letter. Again, we did not receive it directly.

-----Original Message-----

**From:** Carol Purvis  
**Sent:** Wednesday, March 12, 2003 2:43 PM  
**To:** JoAnn Chase; Katrina Tew; Cayce Hinton; Jorge Chamizo; Breda Platt  
**Cc:** Kathleen Stewart; Kay Posey; Nicki Garcia; Veronica Washington; Blanca Bayo  
**Subject:** RE: Ex Parte Communication

**TO:** JoAnn Chase, Katrina Tew, Cayce Hinton, Jorge Chamizo, Breda Platt  
**FROM:** Blanca S. Bayó, Commission Clerk and Administrative Services Director  
**RE:** Ex Parte Communication

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**Carol Purvis**

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**From:** Breda Platt  
**Sent:** Wednesday, March 12, 2003 3:16 PM  
**To:** Carol Purvis  
**Subject:** RE: Ex Parte Communication

Commissioner Bradley has NOT received the letter from Representative Evers, but has received the letter from Representative Sansum. Let me know if you need additional information. Thanks.

-----Original Message-----

**From:** Carol Purvis  
**Sent:** Wednesday, March 12, 2003 2:15 PM  
**To:** JoAnn Chase; Katrina Tew; Cayce Hinton; Jorge Chamizo; Breda Platt  
**Cc:** Kathleen Stewart; Kay Posey; Nicki Garcia; Veronica Washington; Blanca Bayo  
**Subject:** Ex Parte Communication

**TO:** JoAnn Chase, Katrina Tew, Cayce Hinton, Jorge Chamizo, Breda Platt  
**FROM:** Blanca S. Bayó, Commission Clerk and Administrative Services Director  
**RE:** Ex Parte Communication

Chairman Jaber has reported receiving a letter from Representative Evers, representing District One, regarding Docket No. 021006-WS - Investigation into proposed sale of Florida Water Services Corporation. We are preparing to distribute this letter to the parties to the matter. Would you please let me know if your Commissioner has also received a letter from Representative Evers.

State of Florida



Public Service Commission  
-M-E-M-O-R-A-N-D-U-M-

---

**DATE:** March 10, 2003  
**TO:** Blanca Bayo, Director  
Commission Clerk and Administrative Services  
**FROM:** JoAnn Chase, Executive Assistant to Chairman Jaber JC  
**RE:** Docket No. ~~021006~~-WS - Investigation into Proposed Sale of Florida Water Services Corporation 021066

---

Please be advised that the attached letter from Representative Evers regarding the above referenced docket was received by Chairman Jaber on March 10, 2003. The Chairman's response to Representative Evers is attached as well.

Pursuant to Section 350.042, Florida Statutes, a copy of the communication and response thereto is being sent to you for the docket file and for notification to the parties of record in accordance with Commission practice.

ng  
attachments  
cc: Division of General Counsel (Holley)

03 MAR 12 PM 12:31  
COMMISSION CLERK  
ADMINISTRATIVE SERVICES



RECEIVED

MAR 10 2003

Florida Public Service Commission  
CHAIRMAN JABER

Florida House of Representatives  
Representative Greg Evers

District One

5233 Willing Street  
Milton, Florida 32570-4960  
(850) 983-5550

402 South Monroe Street  
405 House Office Building  
Tallahassee, Florida 32399-1300  
(850) 488-8188

February 25, 2003

The Honorable Lila Jaber, Chairman  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: Acquisition of Utilities by Florida Water Services Authority

Dear Commissioner Jaber:

We understand that the Public Service Commission has received an application from Florida Water Services Corp. to transfer its water and sewer utilities to the Florida Water Services Authority, a public agency of Milton and Gulf Breeze under Section 163.01(7), Florida Statutes. Due to the tremendous importance of the above-referenced matter to the people of Northwest Florida, we request that the Public Service Commission cease its efforts to enjoin the closing of the transaction, and follow existing law providing for after-the-fact approval by the PSC.

The Florida Water Services Authority has been created pursuant to Section 163.01(7), Florida Statutes, as the agent of Gulf Breeze and Milton to implement this important public program. Until now, all other such agencies created under that statute have been allowed to proceed, unhindered, with the closing of the acquisition of the utilities. In every case to date, the PSC has granted all approvals as a matter of right and without review, and has always allowed the closing to occur prior to giving that approval. However, in the present case, the Florida Public Service Commission staff has sought to enjoin the program prior to closing, even though the law is eminently clear that the PSC has no jurisdiction:

Section 163.01(7)(g)(1), Florida Statutes, (under which the Florida Water Services Authority is created) specifically states:

Notwithstanding s. 367.171(7), [the public service commission Act] any separate legal entity created under this paragraph is *not subject to commission jurisdiction.*

The acquisition of the utilities of Florida Water Services Corp. by an agency of Gulf Breeze and Milton will provide much-needed economic benefits to the local area. In addition, the utilities will be a resource for the current operations of the water and sewer utilities of Gulf Breeze and Milton, including disaster assistance, increased bargaining and purchasing power, permitting expertise and environmental resources, and other useful assistance. The acquisition will also assure that the customers of the utility no longer have to fund the profit (historically, \$14 million per year) returned to the investors who currently own Florida Water Services Corp. The utilities will continue to be operated by professional staff and management having extensive experience running the systems. And the Board of Florida Water Services Authority will be appointed by the cities of Gulf Breeze and Milton, who already have experience in running water and sewer utilities.

We urge that you (i) remain neutral in this transaction and (ii) follow the same procedure for this transaction as has been applied to the other public agency utility acquisitions, by allowing the transaction to close under authorization for after-the-fact PSC approval. The delays sought by the Public Service Commission create a tremendous risk that interest rates will increase and make the economics of the acquisition no longer feasible. We suggest that to interfere with the transaction in light of existing laws and precedents by the PSC may well expose the state to liability for the economic consequences of such interest rate changes.

Sincerely,



Greg Evers  
State Representative  
District 1

GE/mb

cc: Commissioner J. Terry Deason  
Commissioner Braulio L. Baez  
Commissioner Rudolph Bradley  
Commissioner Charles M. Davidson

LILA A. JABER  
CHAIRMAN

STATE OF FLORIDA



CAPITAL CIRCLE OFFICE CENTER  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850  
(850) 413-6044

## Public Service Commission

March 10, 2003

The Honorable Greg Evers  
Florida House of Representatives  
5233 Willing Street  
Milton, FL 32570-4960

Dear Representative Evers:

**RE: Sale of Florida Water Services Corporation to Florida Water Services Authority -  
Commission Docket No. 021066-WS**

Thank you for your recent letter regarding the proposed sale of Florida Water Services Corporation. Your input in this matter is appreciated. As you know, this has become a docketed matter (Docket No. 021066-WS) that the Commission must ultimately resolve. Since this is a docketed matter, Florida law prohibits me from commenting on the merits or the ultimate resolution of this issue. If you have any questions regarding this matter, please call our General Counsel, Harold McLean, at 850-413-6199.

A copy of your letter has been forwarded to our staff assigned to this docket, and to the office of the Commission Clerk. Thank you for your participation.

Sincerely,

A handwritten signature in black ink, appearing to read "Lila A. Jaber".

Lila A. Jaber  
Chairman

ng

cc: Lorena Holley, Office of the General Counsel  
Commission Clerk & Administrative Services

**Carol Purvis**

---

**To:** JoAnn Chase; Katrina Tew; Cayce Hinton; Jorge Chamizo; Breda Platt  
**Cc:** Kathleen Stewart; Kay Posey; Nicki Garcia; Veronica Washington; Blanca Bayo  
**Subject:** Ex Parte Communication

TO: JoAnn Chase, Katrina Tew, Cayce Hinton, Jorge Chamizo, Breda Platt  
FROM: Blanca S. Bayó, Commission Clerk and Administrative Services Director  
RE: Ex Parte Communication

Chairman Jaber has reported receiving a letter from Representative Evers, representing District One, regarding Docket No. 021006-WS - Investigation into proposed sale of Florida Water Services Corporation. We are preparing to distribute this letter to the parties to the matter. Would you please let me know if your Commissioner has also received a letter from Representative Evers.

**Carol Purvis**

---

**From:** Cayce Hinton  
**Sent:** Wednesday, March 12, 2003 2:25 PM  
**To:** Carol Purvis  
**Subject:** RE: Ex Parte Communication

I have not seen a letter from Rep. Evers in our office.

-----Original Message-----

**From:** Carol Purvis  
**Sent:** Wednesday, March 12, 2003 2:15 PM  
**To:** JoAnn Chase; Katrina Tew; Cayce Hinton; Jorge Chamizo; Breda Platt  
**Cc:** Kathleen Stewart; Kay Posey; Nicki Garcia; Veronica Washington; Blanca Bayo  
**Subject:** Ex Parte Communication

**TO:** JoAnn Chase, Katrina Tew, Cayce Hinton, Jorge Chamizo, Breda Platt  
**FROM:** Blanca S. Bayó, Commission Clerk and Administrative Services Director  
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**Carol Purvis**

---

**From:** Kathleen Stewart  
**Sent:** Wednesday, March 12, 2003 2:21 PM  
**To:** Carol Purvis  
**Cc:** Jorge Chamizo  
**Subject:** RE: Ex Parte Communication

No, we did not; thanks.

-----Original Message-----

**From:** Carol Purvis  
**Sent:** Wednesday, March 12, 2003 2:15 PM  
**To:** JoAnn Chase; Katrina Tew; Cayce Hinton; Jorge Chamizo; Breda Platt  
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**Carol Purvis**

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**Sent:** Wednesday, March 12, 2003 3:16 PM  
**To:** Carol Purvis  
**Subject:** RE: Ex Parte Communication

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**Cc:** Kathleen Stewart; Kay Posey; Nicki Garcia; Veronica Washington; Blanca Bayo  
**Subject:** Ex Parte Communication

**TO:** JoAnn Chase, Katrina Tew, Cayce Hinton, Jorge Chamizo, Breda Platt  
**FROM:** Blanca S. Bayó, Commission Clerk and Administrative Services Director  
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