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Public Service Commission

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DEC 10 PM 4:34

COMMISSION
CLERK

DATE: December 10, 2004
TO: Division of Commission Clerk and Administrative Services
FROM: Troy Rendell, Public Utilities Supervisor, Division of Economic Regulation *e*
RE: Docket No. 040972-SU - Application for an increase in wastewater rates by Ranch Mobile WWTP, Inc. in Pinellas County

The attached letter was inadvertently sent to the Division of Economic Regulation. Please include it in the official docket file for Docket No. 040972-SU.

Thank you.

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3357 Willowcreek Road
Portage, IN 46368
Phone: 219-764-9959
Fax: 219-764-9969
www.thesigroup.com

THE SI Utility Group

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VIA OVERNIGHT DELIVERY

December 6, 2004

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Attn: Mahnaz Massoudi, Engineer IV

**Re: Ranch Mobile Petition for Approval of a Permanent Rate Increase
Docket No. 040972 – SU**

04 DEC -8 PM 3:42
ECONOMIC REGULATION
PUBLIC SERVICE

I am writing on behalf of Down Yonder Mobile Home Community (“DY”) concerning a petition for approval of a permanent rate increase by Ranch Mobile WWTP, Inc. (“RM”), docket nos. 040972-SU.

DY is a retirement mobile home community that consists of 362 home sites (“units”). DY also operates common areas that include a swimming pool, clubhouse, maintenance area and several laundry facilities. DY was constructed in the mid 1970s. The last phase was completed in the mid 1980s. RM was constructed in ca. 1959. DY and RM share a property line that runs north to south between County Road No. 124 (142nd Avenue) and County Road No. 122 (150th Avenue).

DY currently discharges sewage directly to the City of Largo from 133 units (DY Phase III development). 229 units (DY Phase I and II) discharge to the City of Largo via RM. Of the 229 units, 11 units (located along South Bourbon Street) discharge via a gravity sewage line to manhole C10 and C9 (as depicted on the 07/28/83 EAI, “Ranch Mobile Cooperative Park Existing Collection System” as-built; a copy of which was supplied to the Florida Public Service Commission on December 1, 2004, at the Customer Meeting). From C9 the sewage flows to manhole C8A. C8A is located on RM property. An approximately 200-foot sewage gravity line (used both by DY and RM) conveys the sewage to the City of Largo lift station located at the RM clubhouse.

Similar to this, 26 units (located along West Bourbon Street) discharge to a shared (DY and RM) sewage gravity line that discharges to manhole B5. B5 is located on RM

property. From B5, sewage discharges via gravity sewage line through manhole(s) B3, B2, B1, A2 A1A to the City of Largo lift station. The sewage gravity line that conveys effluent from 26 DY units and approximately >75 RM units is no more than 1,500 foot long.

From the City of Largo lift station, sewage is conveyed via a City of Largo force main (located on RM property) to the City of Largo collection system located along Country Road No. 122 (150th Avenue).

The remaining 192 DY units that discharge to RM discharge via a force main that originates on the DY property to a manhole C7 located on RM property. A 20-foot sewage gravity line discharges sewage from C7 to the City of Largo lift station. Ownership of that force main remains in dispute. At this time no repairs have been required to the force main, nor are any contemplated in the RM capital improvement budget.

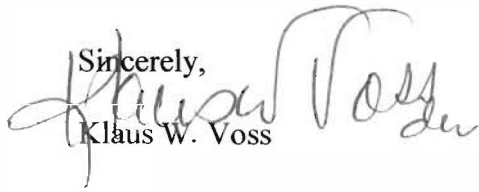
In summary, DY utilizes <10% of the sewage gravity system that RM is currently repairing. RM intends to repair 100% of its sewage gravity line collection system and assorted manholes over the next five (5) years at a cost of \$1,500,000 (not adjusted for inflation). If the FPSC approves the permanent rate increase DY retirees and the adjoining development Twin Palms ("TP") are in essence paying the bill to improve RM property infrastructure. DY and TP will not share in the benefit of a restored RM sewage collection system. DY believes that this is inherently unfair and must not be allowed.

DY herewith requests that the FPSC reject the petition for approval of a permanent rate increase and all future rate increases contemplated to fund the \$1,500,000 RM capital improvements to its gravity sewage collection system based on the fact that neither DY nor TP will share in their benefit.

Furthermore, DY must emphasize RM did not request nor obtain a third party independent engineering survey to determine an appropriate scope of work for the capital improvement project to the RM collection system. RM solicited bids directly from repair contractors to repair/replace the entire system. This was done without consideration as to whether or not the entire collection system required repair/replacement: There was no determination by RM of whether it would be prudent to repair and replace the entire system.

Finally, the RM collection system was designed and installed ca 1959. It contains gravity collection lines that are located at depths of >10 feet. Regional groundwater depth fluctuates but is estimated to be at 4-6 foot depth. Construction is primarily vitrified clay pipe. DY and TP must not be held responsible to bear the cost of improving a collection system that was built using inferior material and designed in an unsuitable manner.

Please feel free to contact the undersigned (Klaus W. Voss 312/543-8562) should you have any further questions.

Sincerely,

Klaus W. Voss

CEO/Principal
The SI Utility Group, Inc.