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September 11, 2007

VIA HAND DELIVERY

RECEIVED-FPSC
07 SEP 11 PM 4:20
COMMISSION
CLERK

Ann Cole, Commission Clerk
Division of the Commission Clerk
and Administrative Services
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Re: West Lakeland Wastewater, Inc.; Docket No. 070466-SU
Informal Response to Staff's First Set of Interrogatories (Nos. 1 - 2)
Our File No. 38079.01

Dear Ms. Cole:

CMP _____
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ECR _____
GCL _____
OPC _____
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SCR _____
SGA _____
SEC _____
OTH _____

We were requested by the staff who sent us Staff's First Set of Interrogatories to treat them as an informal request, and we have done so. I have outlined below the answers to each of the four questions imposed, outlining the question as submitted and our response:

1. **Did the utility obtain any other bids for billing services from providers other than Severn Trent Environmental Services, Inc.?**

Utility Response:

The Utility management is not aware of any other entities who are willing to undertake these meter reading, record keeping, billing, and collection functions. Management attempted to contact several other entities who were recommended to it by persons more familiar with these issues and got no response from them. Likely because the Applicant, West Lakeland Wastewater, Inc., is a small company. The City of Lakeland Electric Department had offered to send the meter

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readings to the Utility on a monthly basis for \$1 per customer. However, under that arrangement, the Utility would still be required to undertake billing, record keeping, customer accounting and collection and customer service issues, which would place the Utility in a position to still have to pay to Severn Trent the same amount that it has agreed to under its current proposal, in order to handle those additional duties. Therefore, this would simply increase the cost above that estimated in the filing by approximately \$1 per customer.

2. The termination notice from Lakeland Electric provided as Attachment 3 stated that it would not provide contract billing service to West Lakeland after approximately April 13, 2006.

a. Who has been responsible for billing services since April 13, 2006?

Utility Response: Since the time that the City of Lakeland's electric department ceased providing these billing services, as a stop gap measure the Utility has been utilizing the services of the Utility owner's son, who is a college student. However, he has been unable to keep up with this because the job entailed far more dedication of time and effort than anyone had anticipated, and the inability to fully and properly manage these functions is causing concerns to the Utility under the present scenario. Therefore, the Utility believes moving to the new billing arrangement with Severn Trent Environmental Services, Inc. should be undertaken as quickly as possible.

b. Schedule No. 3 refers to the "Previous Cost per Bill" for billing charges of \$0.85 per bill. Is this previous charge the cost per bill from Lakeland Electric or another provider?

Utility Response: Yes. This is the charge that was previously imposed by the City, including billing, record keeping, accounting and collection. The City had a unique ability to undertake these functions as the electric service provider, with little additional cost to them. The City would simply return the billing information and the total receipts net of the \$0.85 per bill to West Lakeland Wastewater, Inc.

c. Why does the utility now wish to go with Severn Trent after using the provider named in 2a above for 17 months?

Utility Response: The Utility has no choice but to go with Severn Trent, as not only is the person who has been providing these services in

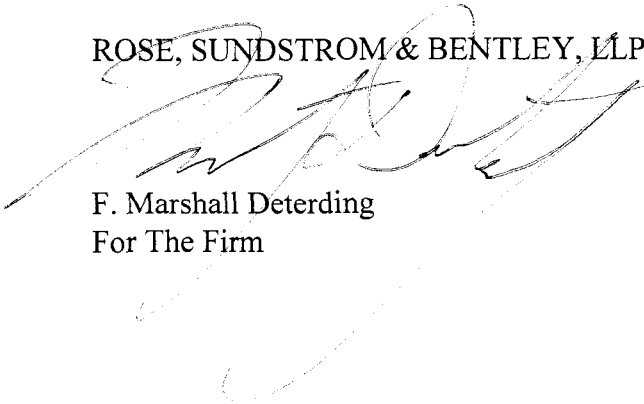
Ms. Ann Cole
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the interim not able to do so in the long term, but is unable to provide adequate services in this regard. There have been concerns raised by customers with the quality of the billing arrangements and the Utility believes these are best handled by a professional billing entity, rather than in the manner they have been, as a temporary measure, over the last several months.

If you or the staff have any further questions or need any further information or more formal responses to those Interrogatories, please let me know.

Sincerely,

ROSE, SUNDSTROM & BENTLEY, LLP



F. Marshall Deterding
For The Firm

FMD/tms

cc: Ralph Jaeger, Esquire
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