

State of Florida



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Public Service Commission

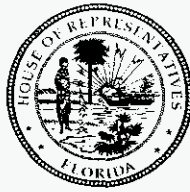
CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

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

DATE: September 28, 2009
TO: Ann Cole, Commission Clerk - PSC, Office of Commission Clerk
FROM: Stephen C. Larson, Assistant to Commissioner Argenziano
RE: Docket #080121-WS

Please place the attached letter in the file for the above noted docket. Commissioner Argenziano has not viewed this letter.

DOCUMENT NUMBER-DATE
10002 SEP 29 08
FPSC-COMMISSION CLERK



Florida House of Representatives
Representative Kelli Stargel
District 64

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September 18, 2009

Chairman Matthew Carter II
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

Dear Chairman Carter:

I have received numerous emails from local citizens about the outrageous increase in rates recently approved by the PSC. I have been in contact with several employees at the PSC and have received background information and multiple explanations as to why these rates were increased. I had asked for an explanation why the Lake Gibson rates were substantially increased over other Aqua Utility Florida areas and was told this was due in part to the poor profitability of the utility when bought and the need for improvement and expansion. While I understand the need for improvement and that the cost for one utility system to upgrade may be more substantial than others due to its "size and age of the utility system, the quality of the water at its source, the number of customers, and the geographic spread of the service area;" I also understand economies of scale and how the costs could be spread over all the 82 systems Aqua Utilities Florida currently serves.

Of specific concern to me are the customers of the Lake Gibson Estates. If Lake Gibson Estates Aqua customers attended the public meetings or read the notice concerning the request for increase in rates, they would have been provided information about the proposed 58% increase. This information may have seemed somewhat reasonable and, while never fully embraced by customers, may have been understandable even though it was high. However, they would not have been told or been able to ascertain from the information given, that their rates would increase over 200%. Had this been the case, they would have vehemently opposed such an increase, as evidenced by the responses I am receiving today.

Senior Legislative Assistant - Rachel Barnes

District Assistant - Chris Dowdy

COMMITTEES:

PreK-12 Appropriations Committee (Vice Chair); PreK-12 Policy Committee; Education Policy Council;

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FPSC-COMMISSION CLERK

Chairman Matthew Carter
September 18, 2009
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In this economic climate, with job losses and fixed incomes, allowing a private monopoly to increase an average household cost for water from \$14.56 to \$45.57 (over a 200% increase) and a wastewater household bill from \$26.81 to \$82.25 (again, over a 200% increase) is outrageous. In October of 2009, customers of the City of Lakeland water services experienced an increase in their rates. Along with the bill, the City submitted a chart demonstrating how their increase was "highly competitive". According to the City of Lakeland's chart of their and other water systems' rates, Aqua Water (which is not on the chart) would be the more than double Lakeland's new rates and the third highest rate in the state (see attached chart.)

I am requesting an inquiry into the current average rate for water and wastewater customers in all 82 areas Aqua Utilities Florida currently serve. Along with the current rates, I would like to see how the recent rate approval increased all of these customers' previous payments as well as the percentage change in rates for each area.

In addition, there has been a growing concern regarding the relationship between the PSC and the Utilities they regulate. It is my understanding there are employees of Aqua Water who were former employees of the PSC. This too needs to be investigated for both the perception and possibility of preferential treatment.

I look forward to seeing the results from my requested inquiry along with any solutions you may propose to help these Aqua Water Florida customers receive clean, pure water without having to experience extreme financial burdens in order to pay their bills.



Kelli Stargel
State Representative, District 64

cc: Commissioner Nancy Argenziano
Commissioner Lisa Edgar
Commissioner Katrina McMurrian
Commissioner Nathan Skop

Senior Legislative Assistant - Rachel Barnes

District Assistant - Chris Dowdy

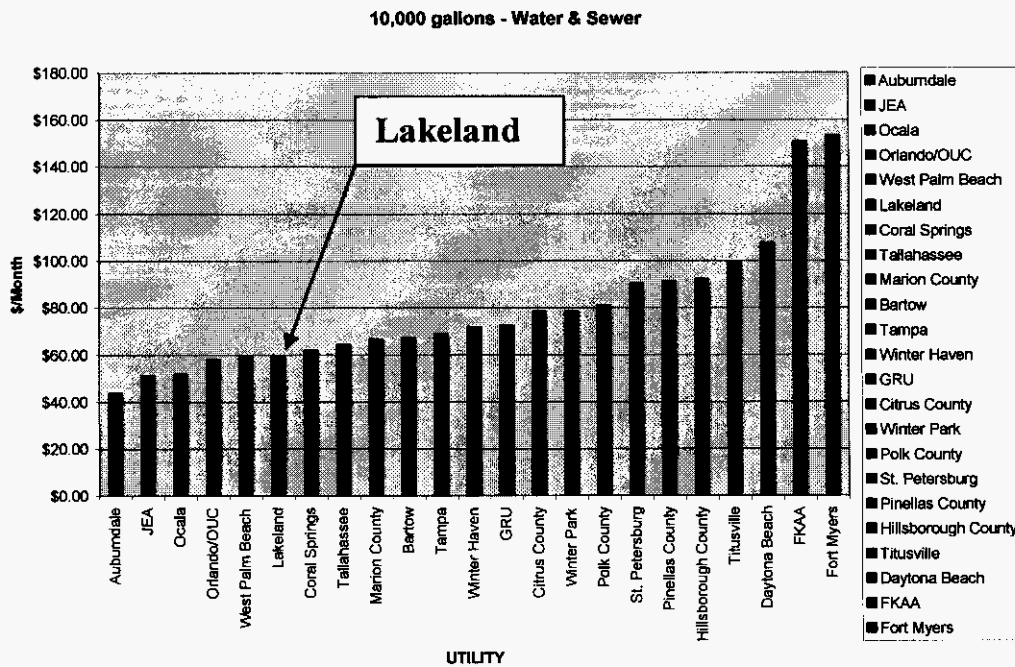
COMMITTEES:

**PreK-12 Appropriations Committee (Vice Chair); PreK-12 Policy Committee; Education Policy Council;
Public Safety & Domestic Security Policy Committee**

NEW WATER AND WASTEWATER RATES COMMENCED OCTOBER 1, 2008

Rates for Lakeland water customers will increase beginning with the October 1, 2008 bills. Significant increases in costs of chemicals, materials, fuel, equipment, debt service and energy necessitate these rate changes. All customer groups (residential, commercial and industrial) will be subject to the new rates.

Lakeland's water services remain highly competitive, both in terms of quality and cost, providing continuing value to our customers. Data reveals our costs for 10,000 gallons of water and wastewater service to be below many comparable utilities (see below), and will remain amongst the lowest after the rate increase.



The chart compares Lakeland's FY2009 rates to the FY2008 rates of all other entities.