

Ann Cole

090524-EM

From: Ann Cole
Sent: Thursday, January 21, 2010 9:33 AM
To: Office of Commissioner Klement
Cc: Commissioners Advisors; Administrative Assistants - Commission Suite
Subject: FW: Grand Harbor Utility Petition (Ref. Docket #090524)
Attachments: 1785_001.pdf

Thank you for this information, which has been printed and will be placed in *Correspondence - Consumers and their Representatives*, in Docket No. 090524-EM.

From: Office of Commissioner Klement
Sent: Wednesday, January 20, 2010 4:49 PM
To: Ann Cole
Subject: FW: Grand Harbor Utility Petition (Ref. Docket #090524)

FPSC, CLK - CORRESPONDENCE
Administrative Parties ~~Consumer~~
DOCUMENT NO. 11636-09
DISTRIBUTION: _____

Please add to docket #-090524.

From: Debbi Fletcher [mailto:dfletcher@grandharbor.com]
Sent: Wednesday, January 20, 2010 3:26 PM
To: The Vero Beach Mayor and City Council; Representative Debbie Mayfield; Representative Ralph Poppell; Senator Joe Negron; Senator Mike Haridopolos; Office of Commissioner Skop; Office of Commissioner Klement; Office Of Commissioner Edgar; Office of Commissioner Argenziano; Office of the Chairman
Cc: Anne Forrester - Harbor Side 1; Bennet Bayer - RV Tower 3; Bill Dewitt - St. Andrews; Bill Sullivan ; Bob Fraser - Coventry; Bob Nielsen - Harbor Links; Brad Allin - St. Philip; Bruce Cowgill - RV Tower 5; Charles Bauknecht - RV Estates; Dave Berry - Harbor Side 5; Dave Warren - Sunset Cove & Trace; David Slaven - Harbor Island; David Thorpe - St. Joseph; Don Casey - Harbor Village; Don Deless - River Club; Doug & Betty Petty - RV Tower 2; Doug Sweeney - Harbor Pointe; Ed Tracy - GHCA Resident Director; George David - Falls (Director); Gerald Barton - Harbor's Edge #2; Glenn Rose - Harbor Side 2; Gregory Thaens - Osprey Pointe; Horace Lindsay - River Pointe; James Beede - MV Tower 2; Jerry Zollenbert - RV Tower 4; Jim Bowhens - North Harbor Village; John Frasca - Harmony; John Von Hagen - Harbor Side 3; Machiko Foley - Falls (Director); Pat Murphy - Marina Village; Peter Notaro - Newport; Ralph Mace - Wood Duck; Richard Baskin - Victoria Island; Richard Passen - RV Tower 1; Robert Noe - St. David; Terrence Leggett - Harbor Side 4; Tom Mackie - MV Tower 1; Vicky Tulloch - Riverview #11; Bob White - OHPOA Resident Director; Joh Patten - Camden House; Marshall Wolf - St. Elizabeth; Tully Shelley - St. Margaret; Mayor of Indian River Shores and Town Council; Commisioner Bob Solari; Commisioner Joseph E. Flescher; Commisioner Peter D. O'Bryan ; Commisioner Weley S. Davis; Commissioner Gary C. Wheeler; J.R. Kelly, Public Counsel; Governor Charlie Crist
Subject: Grand Harbor Utility Petition (Ref. Docket #090524)

Please see the attached that I am sending on behalf of Grand Harbor Community Association, Inc.

Thank you.

Debbi Fletcher
 GH Vero Beach Development LLC
 2229 Falls Circle
 Vero Beach, FL 32967
 Tel. 772-794-7827
 Fax 772-794-7810
 email: dfletcher@grandharbor.com

CONFIDENTIALITY NOTICE

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Grand Harbor Community Association, Inc.

**Petition to Mayor, Council, State Delegation, and Public
Service Commission**

Concerning Vero Power Utility

January 15, 2010

The 994 Grand and Oak Harbor Residents and Golf and Beach Club Members who are using Vero Beach Utility for electric power are petitioning the Mayor, Council, State Delegation and Public Service Commission (PSC) to do the following in order to obtain sustained, competitive electric rates:

- Place City electric utility with FP&L under the FL Public Service Commission (PSC)
- End cycle of ALL customers, City, County, and Shores being represented only by the City of Vero Beach
- Seriously evaluate/consider the sale of Utility Assets (Note: As of this writing a request has been submitted to FP&L by the City Manager, Mayor and Council to evaluate)
- Immediately stop using cash generated by the Electric Utility to fund other cost centers within the Municipal Budget.
- The City Council must do everything in its power to eliminate the \$50M contract penalty with the Orlando Utility Commission (OUC) if it proves to be an impediment to a "potential" sale of the Vero Power Utility , if recommended by the forthcoming "evaluation".

Signed By:

The Board of Directors of the Grand Harbor Community Association, Inc. and the 42 Community Association Presidents and Advisory Board Members representing 994 Vero Utility Customers and the Grand Harbor Golf and Country Club. (Names and Original Signatures on File)

Ann Cole

090524-EM

From: Ann Cole
Sent: Thursday, January 21, 2010 9:32 AM
To: Roberta Bass
Cc: Commissioners Advisors; Administrative Assistants - Commission Suite
Subject: FW: Grand Harbor Utility Petition (Ref. Docket #090524)
Attachments: 1785_001.pdf

Thanks, Roberta. This attachment has been printed and will be placed in *Correspondence - Consumers and their Representatives*, in Docket No. 090524-EM.

From: Office Of Commissioner Edgar
Sent: Wednesday, January 20, 2010 4:39 PM
To: Ann Cole
Subject: FW: Grand Harbor Utility Petition (Ref. Docket #090524)

Please place this correspondence in Docket No. 090524-EM. Thank you.

Roberta

Roberta S. Bass
 Chief Advisor to Commissioner Edgar
 Florida Public Service Commission
 2540 Shumard Oak Boulevard
 Tallahassee, FL 32399
 (850) 413-6016 (Office)
 (850) 413-6017 (Facsimile)
 (850) 559-7291 (Mobile)
roberta.bass@psc.state.fl.us

FPSC, CLK - CORRESPONDENCE
Administrative Parties X Consumer
DOCUMENT NO. 11636-09
DISTRIBUTION: _____

From: Debbi Fletcher [mailto:dfletcher@grandharbor.com]
Sent: Wednesday, January 20, 2010 3:26 PM
To: The Vero Beach Mayor and City Council; Representative Debbie Mayfield; Representative Ralph Poppell; Senator Joe Negron; Senator Mike Haridopolos; Office of Commissioner Skop; Office of Commissioner Klement; Office Of Commissioner Edgar; Office of Commissioner Argenziano; Office of the Chairman
Cc: Anne Forrester - Harbor Side 1; Bennet Bayer - RV Tower 3; Bill Dewitt - St. Andrews; Bill Sullivan ; Bob Fraser - Coventry; Bob Nielsen - Harbor Links; Brad Allin - St. Philip; Bruce Cowgill - RV Tower 5; Charles Bauknecht - RV Estates; Dave Berry - Harbor Side 5; Dave Warren - Sunset Cove & Trace; David Slaven - Harbor Island; David Thorpe - St. Joseph; Don Casey - Harbor Village; Don Deless - River Club; Doug & Betty Petty - RV Tower 2; Doug Sweeney - Harbor Pointe; Ed Tracy - GHCA Resident Director; George David - Falls (Director); Gerald Barton - Harbor's Edge #2; Glenn Rose - Harbor Side 2; Gregory Thaens - Osprey Pointe; Horace Lindsay - River Pointe; James Beede - MV Tower 2; Jerry Zollenbert - RV Tower 4; Jim Bowhers - North Harbor Village; John Frasca - Harmony; John Von Hagen - Harbor Side 3; Machiko Foley - Falls (Director); Pat Murphy - Marina Village; Peter Notaro - Newport; Ralph Mace - Wood Duck; Richard Baskin - Victoria Island; Richard Passen - RV Tower 1; Robert Noe - St. David; Terrence Leggett - Harbor Side 4; Tom Mackie - MV Tower 1; Vicky Tulloch - Riverview #11; Bob White - OHPOA Resident Director; Joh Patten - Camden House; Marshall Wolf - St. Elizabeth; Tully Shelley - St. Margaret; Mayor of Indian River Shores and Town Council; Commisioner Bob Solari; Commisioner Joseph E. Flescher; Commisioner Peter D. O'Bryan ; Commisioner Weley S. Davis; Commissioner Gary C. Wheeler; J.R. Kelly, Public Counsel; Governor Charlie Crist

Subject: Grand Harbor Utility Petition (Ref. Docket #090524)

Please see the attached that I am sending on behalf of Grand Harbor Community Association, Inc.

Thank you.

Debbi Fletcher
GH Vero Beach Development LLC
2229 Falls Circle
Vero Beach, FL 32967
Tel. 772-794-7827
Fax 772-794-7810
email: dfletcher@grandharbor.com

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The Board of Directors of the Grand Harbor Community Association, Inc. and the 42 Community Association Presidents and Advisory Board Members representing 994 Vero Utility Customers and the Grand Harbor Golf and Country Club. (Names and Original Signatures on File)

Ann Cole

090524

From: Ann Cole
Sent: Thursday, December 17, 2009 9:22 AM
To: Office of Commissioner Klement
Cc: Commissioners Advisors; Administrative Assistants - Commission Suite
Subject: FW: City of Vero Beach Utilities and Grand Harbor Community Association- Indian River County
Attachments: GHCA Utility Ltr to COVB 121509 1730_001.pdf

Thank you for this information. I have printed the attachment, which will be placed in *Docket Correspondence - Consumers and their Representatives*, in Docket No. 090524-EM.

From: Office of Commissioner Klement
Sent: Wednesday, December 16, 2009 4:31 PM
To: Ann Cole
Subject: FW: City of Vero Beach Utilities and Grand Harbor Community Association- Indian River County

Please place this in the file for DN 090524-EM. Thank you.

From: Debbi Fletcher [mailto:dfletcher@grandharbor.com]
Sent: Wednesday, December 16, 2009 3:21 PM
To: The Vero Beach Mayor and City Council
Cc: Rock Tonkel; Dr. Stephen J. Faherty, Sr.; Anne Forrester - Harbor Side 1; Bennet Bayer - RV Tower 3; Bill Dewitt - St. Andrews; Bill Sullivan ; Bob Fraser - Coventry; Bob Nielsen - Harbor Links; Brad Allin - St. Philip; Bruce Cowgill - RV Tower 5; Charles Bauknecht - RV Estates; Dave Berry - Harbor Side 5; Dave Warren - Sunset Cove & Trace; David Slaven - Harbor Island; David Thorpe - St. Joseph; Don Casey - Harbor Village; Don Deless - River Club; Doug & Betty Petty - RV Tower 2; Doug Sweeney - Harbor Pointe; Ed Tracy - GHCA Resident Director; George David - Falls (Director); Gerald Barton - Harbor's Edge #2; Glenn Rose - Harbor Side 2; Gregory Thaens - Osprey Pointe; Horace Lindsay - River Pointe; James Beede - MV Tower 2; Jerry Zollenbert - RV Tower 4; Jim Bowhens - North Harbor Village; John Frasca - Harmony; John Von Hagen - Harbor Side 3; Machiko Foley - Falls (Director); Pat Murphy - Marina Village; Peter Notaro - Newport; Ralph Mace - Wood Duck; Richard Baskin - Victoria Island; Richard Passen - RV Tower 1; Robert Noe - St. David; Terrence Leggett - Harbor Side 4; Tom Mackie - MV Tower 1; Vicky Tulloch - Riverview #11; Bob White - OHPOA Resident Director; Joh Patten - Camden House; Marshall Wolf - St. Elizabeth; Tully Shelley - St. Margaret; Mayor of Indian River Shores and Town Council; Commisioner Bob Solari; Commisioner Joseph E. Flescher; Commisioner Peter D. O'Bryan ; Commisioner Weley S. Davis; Commissioner Gary C. Wheeler; Representative Debbie Mayfield; Representative Ralph Poppell; Senator Joe Negron; Senator Mike Haridopolos; Governor Charlie Crist; Office of Commissioner Skop; Office of Commissioner Klement; Office Of Commissioner Edgar; Office of Commissioner Argenziano; Office of the Chairman; J.R. Kelly, Public Counsel
Subject: City of Vero Beach Utilities and Grand Harbor Community Association- Indian River County

Please see attached letter that I am sending you on behalf of Grand Harbor Community Association.

Thank you.

Debbi Fletcher
 GH Vero Beach Development LLC
 2229 Falls Circle
 Vero Beach, FL 32967
 Tel. 772-794-7827

FPSC, CLK - CORRESPONDENCE
Administrative Parties ~~X~~ Consumer
DOCUMENT NO. 11436.09
DISTRIBUTION: _____

Fax 772-794-7810
email: dfletcher@grandharbor.com

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Grand Harbor Community Association, Inc.

Northside Plaza

4380 U.S. Highway #1, Vero Beach, FL 32967
(772) 564-7440 Fax (772) 564-7062

December 15, 2009

To: The Vero Beach Mayor and City Council,

The Grand Harbor Community Association represents the interests of 1361 Indian River County residents and businesses, 73% of which (994) are required to purchase electric power from the City of Vero Beach. This is also true for the Grand Harbor Country Club, which despite taking measures to moderate electric usage throughout the community, saw its electric bill increase significantly over the last two years, the cost of which was passed on to the Club Membership.

In essence, The Association is looking for a long-term solution that provides further competitive rate relief; seriously considers the sale of utility assets; and immediately ends the practice of using cash generated by electric utility customers to fund other cost centers within the Municipal Budget.

To be more precise, a close examination of the action of the City Council to enter into a long-term contract with the Orlando Utility Commission (OUC) demonstrated that many of the terms and conditions were onerous. Despite the fact that there will be marginal rate relief, electric charges for both city and county customers will continue to be substantially higher (25-35%) than those of the other residents in our community who have the good fortune to use FPL. The fact that Florida's largest and most efficient electric utility regulated by the Public Service Commission (i.e. FPL) was never engaged in the City Council's recent negotiations, suggests that the members were more interested in preserving the status quo of staying in the utility business, albeit with a new contractor, rather than researching a viable economic solution that puts the city's electric apparatus "in the hands of FPL".

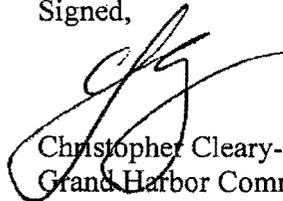
In addition to extending this invitation to FPL, the City Council must do everything in its power to eliminate the \$50 million penalty in the contract with OUC to terminate this contract. This would pave the way to fairly and objectively evaluating all the long-term power and transmission options available to the city, that would assure competitive rates.

The State Congressional Delegation is prepared to support a request to place the city utility under the jurisdiction of the PSC. This agency would continuously evaluate the appropriate rate factors, including the egregious practice of transferring cash from the utility to the City's General Fund. Presently, this represents approximately 5% of the utility rate, or roughly \$5-7 million per year. It is almost a certainty that this amount could have been lowered through the years if the City Manager and City Council had addressed the need to achieve operating efficiencies as well as evaluated the rising labor and pension costs for city employees.

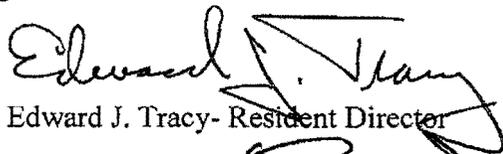
Our Grand Harbor Community Association representative Mr. Rock Tonkel has also called for the formation of a City Council Electric Utility Advisory Committee to assist council members in all aspects of the operation of the utility and in the evaluation of the power transmission alternatives. We strongly support the appointments of Dr. Faherty and Mr. Heran to these positions to insure the voices of the utility rate-payers are no longer ignored.

In conclusion, we are prepared to participate in any deliberations that address these important issues and achieve the lowest possible electric rates for all users now and in the future.

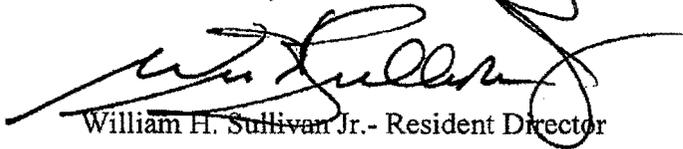
Signed,



Christopher Cleary- President
Grand Harbor Community Association



Edward J. Tracy- Resident Director



William H. Sullivan Jr.- Resident Director

Note: The Grand Harbor Community Association Consists of 1361 homes and business establishments in both Grand and Oak Harbor. 994 of these are served by Vero Power (73%). The 1361 homes/businesses are managed by 47 Association Presidents and Business owners.

Copy To:

Mr. Rock Tonkel
47 Grand Harbor/ Oak Harbor Presidents
Indian River Shores Mayor and Town Council
Indian River County Board of Commissioners
Indian River County State Delegation
Governor Charlie Crist
PSC Commission – Ref. Docket #090524
Office of the Public Counsel

Katie Ely

090524

From: Katie Ely
Sent: Wednesday, December 16, 2009 11:22 AM
To: Grace Lovett
Subject: FW: City of Vero Beach Municipal Electric Utility
Attachments: letter to PSC.pdf

Thank you for this information. This attachment has been printed and will be placed in Docket Correspondence - Consumers and their Representatives, in Docket 090524

Katie Ely
 Staff Assistant - Office of Commission Clerk
 Florida Public Service Commission
 850-413-6304

Please note: Florida has a very broad public records law. Most written communications to or from state officials regarding state business are considered to be public records and will be made available to the public and the media upon request. Therefore, your e-mail message may be subject to public disclosure.

From: Grace Lovett
Sent: Tuesday, December 15, 2009 9:29 AM
To: Katie Ely; Dorothy Menasco
Cc: Ann Cole; Jade Neal
Subject: FW: City of Vero Beach Municipal Electric Utility

Please add to the correspondence side of Docket 090524-EM.

Thank you,
 Grace

Grace P. Lovett
 Florida Public Service Commission
 Governmental Liaison
 glovett@psc.state.fl.us
 850.413.7003 (direct)
 850.320.4813 (cell)

FPSC, CLK - CORRESPONDENCE
 __Administrative__ Parties Consumer
 DOCUMENT NO. 11636.09
 DISTRIBUTION: _____

From: Office of Commissioner Klement
Sent: Monday, December 14, 2009 4:24 PM
To: Grace Lovett
Subject: FW: City of Vero Beach Municipal Electric Utility

12/16/2009

Hi Grace,

Would you handle this one also? Thank you.

Kay

From: Sherri Kolo [mailto:kolo@premiercitrus.com]
Sent: Thursday, December 10, 2009 3:58 PM
To: Office of Commissioner Klement
Subject: FW: City of Vero Beach Municipal Electric Utility

Dear Commissioner Klement,
I regret I had not updated for your inclusion in the below. Please forgive the error.
Thank you,
Sherri Kolodziejczak

From: Sherri Kolo [mailto:kolo@premiercitrus.com]
Sent: Dec 10, 2009 11:27 AM
To: 'chairman@psc.state.fl.us'; 'commissioner.argenziano@psc.state.fl.us';
'commissioner.skop@psc.state.fl.us'; 'commissioner.mcmurrian@psc.state.fl.us';
'commissioner.edgar@psc.state.fl.us'
Subject: City of Vero Beach Municipal Electric Utility

Dear Commissioners,
Please see the attached letter in support of hearings and progress toward a resolution of our current electric utility situation.
Please know that my husband and I, while we live outside the city limits, also own property within the city limits which is on COVB electric.
It is an american catastrophe that the city council is allowed to fund its operations through outrageous charges to its utility customers who may or may not benefit financially from the current system. I hope that progress can be made that allows us as customers living outside the city limits to purchase our electric service from a company in which its customers have some recourse. In the current structure, the City council has no duty to respond at all to complaints of its customers outside the city limits. And now, it has the ability to select its own council member and ignore even city voters and customers. Please help us to remedy this situation.
Thank you for your time and efforts,

Sherri Kolodziejczak

Commissioner Matthew M. Carter II, Chairman
Chairman@psc.state.fl.us

Commissioner Nancy Argenziano
Commissioner.argenziano@psc.state.fl.us

Commissioner Nathan A. Skop
Commissioner.skop@psc.state.fl.us

Commissioner Katrina J. McMurrian
Commissioner.mcmurrian@psc.state.fl.us

Commissioner Lisa Polak Edgar
Commissioner.edgar@psc.state.fl.us

Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

DATE: December 10, 2009

Dear Commissioner:

We request a Florida Public Service Commission (Commission) Hearing regarding the City of Vero Beach (City) Municipal Electric Utility. The City provides electric service to about 34,500 electric customers, 61 percent (22,000) of whom are outside of the City limits, specifically in Indian River County (County – 51 percent) and in the Town of Indian River Shores (Shores – 10 percent). This is the highest percentage of any of the 34 municipal electric utilities in the State.

The reasons for a hearing include, but are not limited to:

1. Changes to the City's electric rate structure;
2. Elimination of City Municipal Surcharge under §25-9.0525;
3. PSC enforcement of Section 366.04(7)(a);
4. Review of Territorial Agreement (Docket No. 800596-EU, Order No. 10382, dated November 3, 1981) between City and Florida Power & Light (FPL)
5. Representation of, and Equal Protection for, 61 % of outside City electric customers

The 34 municipal owned electric utilities in the State were regulated by the 1974 Grid Legislation which expressly gave the Commission jurisdiction over all electric utilities regarding the interconnected energy grid to ensure reliability and avoid costly duplication of electric facilities. The bill also gave the Commission jurisdiction to approve territorial agreements and resolve territorial disputes among all electric utilities.

The Commission was also granted jurisdiction to review the rate structure of municipalities and rural cooperatives to avoid rate discrimination; however, the Commission does not have jurisdiction to set rates or service standards for municipalities and rural cooperatives. The Commission may grant a hearing for any of the reasons above, or on its own motion.

The rate charged by the City for City customers versus neighboring Florida Power and Light (FPL) customers is about 30 percent higher for customers outside of the City. The Commission was granted jurisdiction by the Florida Supreme Court over changes to Municipal Surcharges which the City proposes to: eliminate the surcharge; pass it on by burying the \$3 Municipal Surcharge cost in its base rate; and retain a 10 percent City electric tax on its own City customers.

Numerous administrative and Legislative efforts have been made including legislation in 2008 to allow a Referendum for customers to vote on establishing a representative Utility Authority which Referendum the City refused to hold. This statute, which is in the Commission's jurisdiction (Section 366.04(7) (a), was ignored by the City.

The existing 1981 territorial agreement was approved by the Commission at a time when 10 percent of the customers were outside of the City. Now 61 percent of the 34,500 customers are outside of the City and can't vote for the City's elected officials who determine rates, taxes, liabilities, and other economic and financial factors. Prospective purchasers and lessees of property in the Vero Beach area first ask if the property is served by ANY City of Vero Beach Utility. If yes, they generally ask to see another property!

It appears that the Public Service Commission is the answer for 22,000 electric customers in the Vero Beach area since it has statutory authority to:

- 1) Require hearings on issues 1 and 2
- 2) On its own motion, hold hearing on Issues 3-5

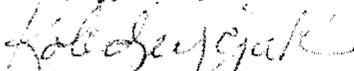
Please consider what has been presented to you and determine on a motion of the Commission, that there is a Territorial dispute under FL Statute §25-6.0439(2) as to who should provide electric service to customers outside of the City of Vero Beach and call a Special Hearing on the City of Vero Beach electric utility per FL Statute §25-6.0442(3). This will give the 22,000 outside City customers the opportunity to express our concerns and views to you and request the opportunity for changing electric service providers.

We believe that the City would have a difficult, if not impossible time, of showing under FL Statute §25-6.0441(2) that: 1) The City is better able than FPL to provide electric service during the past and in the foreseeable future, 2) The nature of the disputed area has changed since the 1981 Territorial Agreement and as well as the future requirements of the area; and 3) The City is not capable of providing reliable and less costly electric service with its aging and inefficient plant, equipment, transmission, and distribution in comparison to FPL. Even, if all of the above factors were proven by the City to be equal, FL Statute § 25-6.0441(2) (d) would allow customer preference for the 61 percent, or 22,000, of the customers outside of the City.

Please support the desires of the un-represented 22,000 (61 %) customers (outside of the City who want to be taken out from under the jurisdiction of the City of Vero Beach electric utility.

Thank you for your consideration.

Sincerely,



Paul and Sherri Kolodziejczak
1076 7th Place
Vero Beach, FL 32962

Katie Ely

090524

From: Katie Ely
Sent: Wednesday, December 16, 2009 11:21 AM
To: Grace Lovett
Subject: FW: City of Vero Beach Municipal Electric Utility
Attachments: Ltr to PSC from TCPOA - Vero Beach.doc

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Sent: Tuesday, December 15, 2009 9:28 AM
To: Katie Ely; Dorothy Menasco
Cc: Ann Cole; Jade Neal
Subject: FW: City of Vero Beach Municipal Electric Utility

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Please add to the correspondence side of Docket 090524-EM.

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Grace

Grace P. Lovett
Florida Public Service Commission
Governmental Liaison
glovett@psc.state.fl.us
850.413.7003 (direct)
850.320.4813 (cell)

From: Office of Commissioner Klement
Sent: Monday, December 14, 2009 4:23 PM
To: Grace Lovett
Subject: FW: City of Vero Beach Municipal Electric Utility

Grace,

Would you please handle for the Commissioner? Thank you.

Kay

From: Todd VanHouten [mailto:vanhouten.todd@gmail.com]

Sent: Thursday, December 10, 2009 10:19 AM

To: Office of Commissioner Klement

Subject: Fwd: City of Vero Beach Municipal Electric Utility

Dear Commissioner,

Please find the attached.

Kind Regards,

Todd VanHouten
President,
Treasure Cove Property Owners Association
1495 Treasure Cove Lane
Vero Beach, FL 32963

12/16/2009

**Treasure Cove Property Owners Association
1495 Treasure Cove Lane
Vero Beach, FL 32963**

Commissioner Matthew M. Carter II, Chairman
Chairman@psc.state.fl.us

Commissioner Nancy Argenziano
Commissioner.argenziano@psc.state.fl.us

Commissioner Nathan A. Skop
Commissioner.skop@psc.state.fl.us

Commissioner Katrina J. McMurrian
Commissioner.mcmurrian@psc.state.fl.us

Commissioner Lisa Polak Edgar
Commissioner.edgar@psc.state.fl.us

Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

DATE: 12-10-09

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The rate charged by the City for City customers versus neighboring Florida Power and Light (FPL) customers is about 30 percent higher for customers outside of the City. The Commission was granted jurisdiction by the Florida Supreme Court over changes to Municipal Surcharges which the City proposes to: eliminate the surcharge; pass it on by burying the \$3 Municipal Surcharge cost in its base rate; and retain a 10 percent City electric tax on its own City customers.

Numerous administrative and Legislative efforts have been made including legislation in 2008 to allow a Referendum for customers to vote on establishing a representative Utility Authority which Referendum the City refused to hold. This statute, which is in the Commission's jurisdiction (Section 366.04(7) (a), was ignored by the City.

The existing 1981 territorial agreement was approved by the Commission at a time when 10 percent of the customers were outside of the City. Now 61 percent of the 34,500 customers are outside of the City and can't vote for the City's elected officials who determine rates, taxes, liabilities, and other economic and financial factors. Prospective purchasers and lessees of property in the Vero Beach area first ask if the property is served by ANY City of Vero Beach Utility. If yes, they generally ask to see another property!

It appears that the Public Service Commission is the answer for 22,000 electric customers in the Vero Beach area since it has statutory authority to:

- 1) Require hearings on issues 1 and 2
- 2) On its own motion, hold hearing on Issues 3-5

Please consider what has been presented to you and determine on a motion of the Commission, that there is a Territorial dispute under FL Statute §25-6.0439(2) as to who should provide electric service to customers outside of the City of Vero Beach and call a Special Hearing on the City of Vero Beach electric utility per FL Statute §25-6.0442(3). This will give the 22,000 outside City customers the opportunity to express our concerns and views to you and request the opportunity for changing electric service providers.

We believe that the City would have a difficult, if not impossible time, of showing under FL Statute §25-6.0441(2) that: 1) The City is better able than FPL to provide electric service during the past and in the foreseeable future, 2) The nature of the disputed area has changed since the 1981 Territorial Agreement and as well as the future requirements of the area; and 3) The City is not capable of providing reliable and less costly electric service with its aging and inefficient plant, equipment, transmission, and distribution in comparison to FPL. Even, if all of the above factors were proven by the City to be equal, FL Statute § 25-6.0441(2) (d) would allow customer preference for the 61 percent, or 22,000, of the customers outside of the City.

Please support the desires of the un-represented 22,000 (61 %) customers (outside of the City who want to be taken out from under the jurisdiction of the City of Vero Beach electric utility.

Thank you for your consideration.

Sincerely,

Todd VanHouten
President,
Treasure Cove Property Owners Association
1495 Treasure Cove Lane
Vero Beach, FL 32963

Katie Ely

090524

From: Katie Ely
Sent: Thursday, December 10, 2009 2:30 PM
To: Ruth McHargue
Subject: FW: 090524

Thank you for this information. This attachment has been printed and will be placed in Docket Correspondence - Consumers and their Representatives, in Docket 090524

Katie Ely
Staff Assistant - Office of Commission Clerk Florida Public Service Commission
850-413-6304

Please note: Florida has a very broad public records law. Most written communications to or from state officials regarding state business are considered to be public records and will be made available to the public and the media upon request. Therefore, your e-mail message may be subject to public disclosure.

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

From: Ruth McHargue
Sent: Thursday, December 10, 2009 2:08 PM
To: Katie Ely
Cc: Ann Cole; Dorothy Menasco; Diane Hood
Subject: 090524

Customer correspondence

FPSC, CLK - CORRESPONDENCE		
<input type="checkbox"/> Administrative	<input type="checkbox"/> Parties	<input checked="" type="checkbox"/> Consumer
DOCUMENT NO. 11636-09		
DISTRIBUTION: _____		

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

From: Consumer Contact
Sent: Thursday, December 10, 2009 9:17 AM
To: Ruth McHargue
Subject: Please review

see 910232C. DHood

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

From: Webmaster
Sent: Thursday, December 10, 2009 8:15 AM
To: Consumer Contact
Subject: RE: My contact

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

From: contact@psc.state.fl.us [mailto:contact@psc.state.fl.us]
Sent: Wednesday, December 09, 2009 6:49 PM

To: Webmaster
Cc: glwbird@aol.com
Subject: My contact

Contact from a Web user

Contact Information:

Name: Gail Williams
Company: sunshine Furniture
Primary Phone: 7725677096
Secondary Phone: 7725690460
Email: glwbird@aol.com

Response requested? No
CC Sent? Yes

Comments:

Comment regarding docket 090524. I own a business in Vero Beach. The property I lease is outside of the city limits and also the house I own is outside the city limits. Yet I pay City of Vero Beach Utilities on both. Thru November of 2009 I have paid about \$40,000 in utilities with about half billed as a fuel cost adjustment and an additional 10% County franchise fee. This is crazy. Not only myself but many many other business are having to lay people off because of this unfair utility. Just so you have a comparison in 2004 year end my utility cost was 24,000

Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

RECEIVED-FPSC

09 NOV 30 AM 9:42

November 24, 2009

COMMISSION
CLERK

DISTRIBUTION CENTER
09 NOV 30 PM 7:24

Dear Commissioners:

0900000 - 01

We request a Florida Public Service Commission (Commission) Hearing regarding the City of Vero Beach (City) Municipal Electric Utility. The City provides electric service to about 34,500 electric customers, 61 percent (22,000) of whom are outside of the City limits, specifically in Indian River County (County – 51 percent) and in the Town of Indian River Shores (Shores – 10 percent). This is the highest percentage of any of the 34 municipal electric utilities in the State.

The reasons for a hearing include, but are not limited to:

1. Changes to the City's electric rate structure;
2. Elimination of City Municipal Surcharge under §25-9.0525;
3. PSC enforcement of Section 366.04(7)(a);
4. Review of Territorial Agreement (Docket No. 800596-EU, Order No. 10382, dated November 3, 1981) between City and Florida Power & Light (FPL)
5. Representation of, and Equal Protection for, 61 % of outside City electric customers

The 34 municipal owned electric utilities in the State were regulated by the 1974 Grid Legislation which expressly gave the Commission jurisdiction over all electric utilities regarding the interconnected energy grid to ensure reliability and avoid costly duplication of electric facilities. The bill also gave the Commission jurisdiction to approve territorial agreements and resolve territorial disputes among all electric utilities.

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Numerous administrative and Legislative efforts have been made including legislation in 2008 to allow a Referendum for customers to vote on establishing a representative Utility Authority which

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

Referendum the City refused to hold. This statute, which is in the Commission's jurisdiction (Section 366.04(7) (a), was ignored by the City.

The existing 1981 territorial agreement was approved by the Commission at a time when 10 percent of the customers were outside of the City. Now 61 percent of the 34,500 customers are outside of the City and can't vote for the City's elected officials who determine rates, taxes, liabilities, and other economic and financial factors. Prospective purchasers and lessees of property in the Vero Beach area first ask if the property is served by ANY City of Vero Beach Utility. If yes, they generally ask to see another property!

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- 1) Require hearings on issues 1 and 2
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Please support the desires of the un-represented 22,000 (61 %) customers (outside of the City who want to be taken out from under the jurisdiction of the City of Vero Beach electric utility.

Thank you for your consideration.

Sincerely,

David and Barbara Morgan

310 Shores Drive

Vero Beach, FL 32963

TARGET MANAGEMENT INC.

310 Shores Drive
Vero Beach, FL 32963

NOV 29 1994 5 L



Fl. Public Service Commission
2540 Shumard Oaks Blvd
Tallahassee, FL

32379-0850

32399+7019

