

STATE OF FLORIDA
BEFORE THE PUBLIC SERVICE COMMISSION

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IN RE:

DESTIN GULFGATE OWNERS
ASSOCIATION, INC


DOCKET #110063 EU

Petitioners
_____ /

RECEIVED-FPSC
11 MAR 22 AM 9:00
COMMISSION
CLERK

NOTICE OF FILING
REPLY TO STAFF'S REQUEST FOR INFORMATION

COMES NOW the Petitioner Destin Gulf Gate Owners Association, Inc., by and through its undersigned representative and hereby files its reply to Staff's Request for Information.



MARC D. MAZO
14252 Puffin Court
Clearwater, Florida 33762
Telephone (727)573-5787
Facsimile (727)573-5675
Email - powck@aol.com
Authorized Representative
DGGOA

I HEREBY CERTIFY that Petitioner's reply to Staff's Request for Information has been furnished by Email to Rosanne Gervasi, Associate General Counsel, on March 16th, 2011, and by U.S. Mail this 18th day of March, 2011, to the Public Service Commission, Attn: Ms Ann Cole, Director, Division of the Commission Clerk and Administrative Services.



MARC D. MAZO DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

COMMISSIONERS:
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STATE OF FLORIDA



GENERAL COUNSEL
S. CURTIS KISER
(850) 413-6199

Public Service Commission

March 17, 2011

Mr. Marc D. Mazo
4252 Puffin Court
Clearwater, Florida 3376

Re: Docket No. 110063-EU – Petition for variance from or waiver of individual metering requirements of Rule No. 25-6.049(5)(a), F.A.C., by Destin Gulfgate Owners Association, Inc.

Dear Mr. Mazo:

The Commission staff has reviewed the Petition filed in the above-referenced docket and requests the following additional information in order to formulate a recommendation to the Commission on the matter.

1. Has Destin Gulfgate Owners Association, Inc. (Destin Gulfgate or petitioner) discussed its request to seek a variance or waiver from the individual metering requirement with Gulf Power Company? If yes, please discuss the results of these communications and provide any written communication between the petitioner and Gulf Power Company on the request.

Answer: No. Destin Gulfgate Owners Association has had no communication with Gulf Power concerning its petition for a variance or waiver.

2. When did the petitioner begin commercial operation and how is the petitioner currently being metered?

Answer: Detsin Gulf Gate has operated transient rentals since 1993. Master meters for common areas and individual meters for each unit.

3. If the petitioner is currently being individually metered, please answer the following questions:

a. Please describe the circumstances that prompted the petitioner to seek a waiver from the individual metering requirement at this time.

Answer: Prior to becoming manager at Destin Gulf Gate, Mr. Lofe' held a similar position at Jetty East. Since Jetty East was successful in obtaining a waiver or variance from the PSC and subsequently master metered its facility, Mr. Lofe' saw first-hand the savings Jetty East experienced on its electric expenses. As a result, since

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Destin Gulf Gate also operates in a similar manner to Jetty East, Mr. Lofe' decided it would be in the best interest of the Owner's at Destin Gulf Gate to seek a approval from the PSC to allow Destin Gulf Gate to master meter its units.

b. If the waiver request is approved, please describe the exact steps the petitioner will undertake to convert from individual metering to master metering.

Answer: The petitioner will contact Gulf Power to discuss the master meter project and to install a CT in the transformer at Destin Gulf Gate and a master meter. If Gulf Power is amenable, DGG will leave the individual meters in place and purchase them from Gulf Power (depending on the price), and use the individual meters to allocate the cost of the electricity used at the Resort to each owner. Or, replace Gulf Power's meters with individual meters purchased by the Association from an electrical supply company.

c. Does the petitioner plan to remove or purchase the individual utility meters that are currently installed?

Answer: See b. above

d. Who will be responsible for the cost of converting Destin Gulf Gate from individual metering to master metering?

Answer: Destin Gulf Gate Owner's Association

e. Please provide an estimate of the cost that would be incurred by the petitioner in converting its condominiums from individual to master metering.

Answer: Approx \$18,000

4. If the waiver request is approved, please indicate how the cost of electricity will be apportioned to the unit owners.

Answer: The cost of electricity for each owner will be apportioned based on the actual KWH usage of each individual unit. The resort's actual cost per KWH will be determined by dividing the total cost of electricity found on Gulf Power's bill for the master meter, by the total KWH shown on the same bill. This will establish the actual cost per KWH of the electricity used for the entire premises, including common areas (if the common area meters can be included in the master meter). Each owner's actual usage will then be multiplied by the actual cost per KWH to determine each individual owner's share of the total cost of electricity.

5. If there are common areas available to tenants, (pool, clubhouse, tennis courts, etc.), will these areas be separately metered?

Answer: Not if they can be included in the master meter.

Mr. Marc D. Mazo

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6. Please list all of the common areas, and state who will be responsible for the electricity consumed in the common areas.

Answer: Currently all owner's share the cost of common area electric. This will not change. Common areas include: lobby, meeting rooms, pool, hallways, parking areas, maintenance areas, and all of the resort grounds.

7. Please identify any Board or unit owner approval requirements in Destin Gulfgate's Declaration of Condominium, Bylaws, Rules and Regulations, or any other document that must be met in order for the condominium to convert to master metering.

Answer: There are no specific approval requirements in the Petitioner's documents that must be met to convert to master metering, other than typical majority approval of the actions to be taken by the Board of Directors. On December 9, 2010, the Board of Directors approved seeking master metering for Destin Gulf Gate.

8. Please indicate when, and by what means, if any, the unit owners of Destin Gulf Gate have been informed of the Petition for Rule Waiver and provide a copy of any written documentation the unit owners have received on the matter.

Answer: Board meetings are open for attendance by all owners, and notices of the meetings are posted in advance. Notification of the action of the Board to pursue master metering is found in the minutes of the Board of Directors that is open for inspection by the owners.

Please submit the requested additional information to the Office of the Commission Clerk by Thursday, March 31, 2011. If you have any questions about this data request, please feel free to contact me at (850) 413-6224 or by e-mail at rgervasi@psc.state.fl.us; or Elisabeth Draper at (850) 413-6706 or by e-mail at edraper@psc.state.fl.us.

Sincerely,

Rosanne Gervasi
Associate General Counsel

RG/md

cc: Office of the Commission Clerk

IA110063 staff data request.rg.doc

**DESTIN GULFGATE HOMEOWNERS' ASSOCIATION
BOARD OF DIRECTORS' MEETING
DECEMBER 9, 2010**

9:00 a.m. CST

The Destin Gulfgate Board of Directors met at 9:00am on December 9, 2010 in the Destin Gulfgate multi-purpose room and by conference call. Board members present were Ralph Armstrong, Roger Wallis, Debbie Hawkins, Lee Anne Pilson, Floyd Giblin, Vic Barrett and Ray Dollar. Others present were general manager Philip Lofe' and maintenance supervisor Rob Dolan.

A quorum was established and the meeting called to order by President Ralph Armstrong. The minutes of the September 2, 2010 and the November 6, 2010 meetings were presented as read. A motion was made and seconded and passed unanimously to approve the minutes as presented.

Roger Wallis presented Dan Gardner of Compass Solar Energy to talk to the Board about the possibility of solar power for the common areas. A power point presentation was given and different incentives for payment of the system were discussed. It was estimated that the return on the investment could be up to 17 years, or less depending on what grants and other financial incentives are available and can be obtained for DG. No decisions were made at this time as there are still too many unknowns and variables that would affect the costs, ROI, maintenance, etc. Mr. Gardner did say the quickest payback would be to have solar power for the pool which will be addressed in future pool discussions and he will send the power point presentation to Roger Wallis who will distribute to the BOD. Mr. Gardner was thanked for his presentation and will continue to pursue avenues for Destin Gulfgate to review for the use of solar power.

General Manager Philip Lofe' introduced Clark Lunt of Folkers Windows and Doors who was to discuss costs and options for the unit front door replacement. To save time he said before going further we would need to have an engineering firm do a wind rating to make sure the choices met the requirements needed.

Philip then introduced representatives from Spicer Design and Southeastern Sash to also discuss front door replacement options. There being different opinions by the companies as to the requirement of a wind rating and permitting requirements no decision was made until Philip could get a ruling from the City of Destin as to the requirements needed for the front unit door replacements.

Michael Sullivan of Designer Data was then introduced to present a proposal for front gate monitoring. His proposal was to include 2 cameras and a recorder. The cost of the proposal for the equipment, installation and set-up was \$3250. After much discussion the Board asked Mr. Sullivan to expand the proposal for cameras for the parking garage and pool area. He will then present the proposal and a decision will be made on which proposal to adopt.

OFFICERS REPORTS

Due to the length of the speakers, no financial questions and most of the officers' reports falling under new or old business there were no reports.

COMMITTEE REPORTS

Building and Grounds: The Board was issued a handout with B & G updates. Rob was asked about the issues regarding the fence around the top or the front lobby and the need

to address it as an emergency or in February at the Strategic Planning meeting. Rob reported that necessary repairs had been made and it would be checked frequently until action could be taken in February.

Legal and Insurance: No report.

Rental: Philip reported that rentals were up 17% in October and 60% in November.

Operations and Staff: No report. The question was asked as to when a replacement for Lucky would be hired and Philip reported he will be hiring in late January or early February to have the new staff member trained before Spring Break.

Long Range Planning: Lee Anne Pilson reported that the LRP committee will provide the Board with goals and priorities at the Strategic planning meeting. She reviewed the rental guests survey cards with DG getting high rankings for 1st impression and desire of guests to return. She also reported the lowest ranked area of the property is the pool area and some individual units. Lee Anne also reported the committee will be doing a brief owner survey for their input regarding the property. Ray Dollar, Roger Wallis, Lee Anne and Philip have also visited various properties in the Destin area to compare the facilities to Destin Gulfgate.

OLD BUSINESS

Master Metering: Roger made a motion to accept the proposal to pursue the master metering for the Destin Gulf Gate property. Floyd seconded the motion. Discussion followed and the motion was approved unanimously.

Front Door/ Jalousie Replacements: Philip reported that the attorney ruled that the front doors would have to be replaced at the Association costs and unless the unit owners voted to change the condo documents the jalousies could not be an optional item. He also reported that since the unit front doors are a responsibility of the Association we would need to build this into the reserves. Since there were too many questions and unknowns after the representatives proposals Philip will get more information and this issue will be addressed once the information is available.

Refrigerant Line Issues: It was reported that the refrigerant lines for units on floors 1 through 6 were in very bad condition, causing problems with the AC units. The cost to each of the 36 owners on these floors would be \$685. A motion was made and seconded to get one more bid and go with the lower bid. Discussion followed and the motion was withdrawn and will be discussed again after a second bid is obtained.

Major goals for staff for 2011 and the ways to improve owner communications with the Board of Directors were tabled until the February Strategic Planning Meeting. ***All Board members were asked to submit agenda items for the SPM by the end of December to***

Lee Ann as she is designated to put together the agenda for the Strategic Planning Weekend.

There being no further business a motion was made and seconded to adjourn. Motion approved. Meeting adjourned.

Respectfully submitted,

Debbie Hawkins

Secretary