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STATE OF FLORIDA



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Public Service Commission

June 20, 2012

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COMMISSION
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Mr. Danny Mays, Managing Member
R.A.M. Golf Management, LLC
The Island Links @ Aquarina
7500 South Hwy A1A
Melbourne Beach, Florida 32951

Ms. Holly Burge, Account Manager
Aquarina Utilities, Inc.
1726 NE Darlich Avenue
Jensen Beach, Florida 34957

Re: Docket No. 120000-OT – Undocketed Filings - Complaint No. 1009000W - Complaint by R.A.M. Golf Management, LLC against Aquarina Utilities, Inc. for improper billing

Dear Mr. Mays and Ms. Burge:

Commission staff has reviewed the additional information provided by R.A.M. Golf Management, LLC (RAM) and Aquarina Utilities, Inc. (Aquarina) subsequent to our April 30, 2012 conference call. In an effort to bring resolution to this complaint, staff has recalculated its original proposed settlement for the Golf Turf Account (Account 707) to include the additional months of March through May 2011. In addition, staff has replaced the calculations that included historical (pre-RAM) usage with new calculations that rely on an average between the disputed months and corresponding undisputed months in the following year. Using this approach, staff proposes that for the time period of December 2010 through May 2011, Aquarina should issue total credits of \$9,597.51, and RAM should pay \$6,485.06 of the disputed total no later than June 21, 2012, or be subject to disconnection. Staff's detailed calculations are enclosed for your reference.

It is staff's understanding that the Utility's previous Receiver is in possession of the meter calibration certification documents that would support Aquarina's assertion that the meter was calibrated in March 2010 when the new flow sensor was installed. Please be advised that if staff receives a copy of that documentation and verifies that the meter was calibrated in March 2010, staff will withdraw its proposed settlement and recommend that RAM be required to pay the full bill.

In addition, staff has reviewed the customer deposits that Aquarina charged RAM in April 2012. Staff has determined that Aquarina correctly calculated and assessed the deposits in accordance with the Commission's rules governing water and wastewater deposits as set forth in Rule 25-30.311, Florida Administrative Code (F.A.C.), which is enclosed for your reference. However, staff recognizes that the deposit calculation included the disputed months of March through May 2011.

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Mr. Danny Mays and Ms. Holly Burge

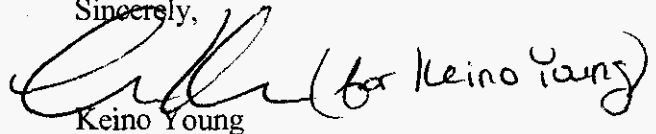
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June 20, 2012

Therefore, staff proposes that the deposit for Account 707 be recalculated based upon the undisputed months of June 2011 through May 2012, thereby excluding any disputed months from consideration. The revised deposit equals \$6,327.43, a reduction of \$1,734.58 from the original deposit of \$8,062.01. RAM should pay the deposit of \$6,327.43 for Account 707 no later than June 21, 2012. Please be advised that RAM's water service for Account 707 is subject to disconnection if RAM fails to pay the required customer deposit, as prescribed by Rule 25-30.320(2)(e), F.A.C.

Please feel free to call me at (850) 413-6226 if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Keino Young" with a flourish at the end.

Keino Young

Senior Attorney

Office of the General Counsel

KY/th

Enclosures (2)

cc: Mr. Martin S. Friedman, Esquire

Division of Economic Regulation (Daniel, Golden, McRoy, Ray)

Division of Safety, Reliability & Consumer Assistance (Hicks)

Complaint No. 1009000W - RAM vs. Aquarina
Proposed Resolution Using Average Gallons of Disputed Months vs. Undisputed Months - Golf Turf Account 707
June 2012

Month/Year	Gallons billed	Proposed bill using average gallons	Amount RAM owes per AUI	Amount RAM owes per RAM estimate	Disputed amount	Share of disputed amount given up by each party	
						Adjustment to AUI billed amount using average gallons	Adjustment to RAM estimated bill using average gallons
December 2010	5,880,272						
December 2011	3,590,752						
December Average	4,735,512	\$3,551.63	\$4,410.20	\$3,121.40	\$1,288.80	-\$858.57	\$430.23
January 2011	8,511,344						
January 2012	3,811,136						
January Average	6,161,240	\$4,620.93	\$6,383.51	\$3,659.57	\$2,723.94	-\$1,762.58	\$961.36
February 2011	8,372,520						
February 2012	3,674,768						
February Average	6,023,644	\$4,517.73	\$6,279.39	\$3,229.03	\$3,050.36	-\$1,761.66	\$1,288.70
Sub-Total December thru February		\$12,690.30	\$17,073.10	\$10,010.00	\$7,063.10	-\$4,382.80	\$2,680.30
March 2011	9,471,507						
March 2011	4,019,904						
March Average	6,745,706	\$5,059.28	\$7,103.63	\$3,121.40	\$3,982.23	-\$2,044.35	\$1,937.88
April 2011	8,603,957						
April 2012	4,950,656						
April Average	6,777,307	\$5,082.98	\$6,452.97	\$3,121.40	\$3,331.57	-\$1,369.99	\$1,961.58
May 2011	6,996,816						
May 2012	2,195,840						
May Average	4,596,328	\$3,447.25	\$5,247.61	\$3,551.94	\$1,695.67	-\$1,800.36	-\$104.69
Sub-Total March thru May		\$13,589.51	\$18,804.21	\$9,794.74	\$9,009.47	-\$5,214.71	\$3,794.77
Overall Total December thru May		\$26,279.80	\$35,877.31	\$19,804.74	\$16,072.57	-\$9,597.51	\$6,475.06
Total bill based upon average gallons:		\$26,279.80					
Less undisputed amount paid by RAM:							
	Paid 4/6/2011	\$10,000.00					
	Paid 6/8/2011	\$2,413.00					
	Paid 6/29/2011	\$4,588.32					
	Paid 6/4/2012	\$2,793.42					
	Total Paid	\$19,794.74					
Remaining payment due from RAM based upon average gallons		\$6,485.06	Note: \$10.00 difference occurred because the \$10,000.00 payment on 4/6/2011 should have been \$10.00 higher.				

25-30.311 Customer Deposits.

(1) Deposit required; establishment of credit. Each company's tariff shall contain their specific criteria for determining the amount of initial deposit. Each utility may require an applicant for service to satisfactorily establish credit, but such establishment of credit shall not relieve the customer from complying with the utilities' rules for prompt payment of bills. Credit will be deemed so established if:

(a) The applicant for service furnishes a satisfactory guarantor to secure payment of bills for the service requested. A satisfactory guarantor shall, at a minimum, be a customer of the utility with a satisfactory payment record. A guarantor's liability shall be terminated when a residential customer whose payment of bills is secured by the guarantor meets the requirements of subsection (5) of this rule. Guarantors providing security for payment of residential customers' bills shall only be liable for bills contracted at the service address contained in the contract of guaranty.

(b) The applicant pays a cash deposit.

(c) The applicant for service furnishes an irrevocable letter of credit from a bank or a surety bond.

(2) Receipt for deposit. A non-transferrable certificate of deposit shall be issued to each customer and means provided so that the customer may claim the deposit if the certificate is lost.

(3) Record of deposits. Each utility having on hand deposits from customers shall keep records to show:

(a) The name of each customer making the deposit;

(b) The premises occupied by the customer when the deposit was made;

(c) The date and amount of deposit; and

(d) A record of each transaction concerning such deposit.

(4) Interest on deposit.

(a) Each public utility which requires deposits to be made by its customers shall pay a minimum interest on such deposits of 6 percent per annum. The utility shall pay an interest rate of 7 percent per annum on deposits of nonresidential customers qualifying under subsection (5) below when the utility elects not to refund such a deposit after 23 months.

(b) The deposit interest shall be simple interest in all cases and settlement shall be made annually, either in cash or by credit on the current bill. This does not prohibit any public utility paying a higher rate of interest than required by this rule. No customer depositor shall be entitled to receive interest on his deposit until and unless a customer relationship and the deposit have been in existence for a continuous period of six months, then he shall be entitled to receive interest from the day of the commencement of the customer relationship and the placement of deposit.

(5) Refund of deposits. After a customer has established a satisfactory payment record and has had continuous service for a period of 23 months, the utility shall refund the residential customer's deposits and shall, at its option, either refund or pay the higher rate of interest specified above for nonresidential deposits, providing the customer has not, in the preceding 12 months, (a) made more than one late payment of a bill (after the expiration of 20 days from the date of mailing or delivery by the utility), (b) paid with check refused by a bank, (c) been disconnected for nonpayment, or at any time, (d) tampered with the meter, or (e) used service in a fraudulent or unauthorized manner. Nothing in this rule shall prohibit the company from refunding at any time a deposit with any accrued interest.

(6) Refund of deposit when service is discontinued. Upon termination of service, the deposit and accrued interest may be credited against the final account and the balance, if any, shall be returned promptly to the customer but in no event later than fifteen (15) days after service is discontinued.

(7) New or additional deposits. A utility may require, upon reasonable written notice of not less than 30 days, such request or notice being separate and apart from any bill for service, a new deposit, where previously waived or returned, or an additional deposit, in order to secure payment of current bills; provided, however, that the total amount of the required deposit should not exceed an amount equal to the average actual charge for water and/or wastewater service for two billing periods for the 12-month period immediately prior to the date of notice. In the event the customer has had service less than 12 months, then the utility shall base its new or additional deposit upon the average monthly billing available.

Specific Authority 367.121, 350.127(2) FS. Law Implemented 367.081, 367.111, 367.121 FS. History—Amended 6-1-63, 4-1-69, 9-12-74, 6-10-80, 1-31-84, Formerly 25-10.72, 25-10.072, Amended 10-13-88, 4-25-94.