

Brandy Butler

From: Office of Commissioner Brown
Sent: Monday, October 02, 2017 9:05 AM
To: Commissioner Correspondence
Subject: FW: Complaint against Florida Public Service Commission
Attachments: Letter to Governor Scott.pdf

Please place the attached email in Docket Correspondence, Consumers and their Representatives, in Docket No. 20160101-WS. Thank you.

From: Frank [mailto:xcreek@comcast.net]
Sent: Sunday, October 01, 2017 8:22 AM
To: Rick.scott@eog.myflorida.com
Cc: 'Dist2, Cecil Pendergrass'; Office of Commissioner Brown; Office Of Commissioner Graham; Office of Commissioner Polmann; Office of Commissioner Brisé; Office Of Commissioner Clark
Subject: Complaint against Florida Public Service Commission

10/1/2017

Frank Maranto

Cross Creek Condominium Association, Inc

13050 Cross Creek Blvd

Fort Myers, Florida 33912

The Honorable Rick Scott

Office of the Governor

400 Monroe Street

Tallahassee, Florida 32399

Dear Governor Scott:

I represent the 905 residents of the Cross Creek Condominium Association being serviced for sewage by Utilities Inc via the Eagle Ridge service area in Fort Myers, Florida. We are essentially an older, retired community, residing in one or two person condos. I write to you today because we have recently been informed that the Florida Public Service Commission (PSC) has increased our waste water treatment bill by over \$206,000 representing a 71.5% increase.

Eagle Ridge Wastewater Rates

	Rates Prior To Filing	Current Rates	Utility Requested Final	Commission Approved Rates
Residential				
Base Facility Charge - All Meter Sizes	\$24.25	\$23.89	\$25.47	\$25.35
Charge per 1,000 Gallons				
10,000 gallon cap	\$5.56	\$5.46	N/A	N/A
8,000 gallon cap			\$4.91	\$4.05
Flat Rate (assigned to Cross Creek)	\$27.00	\$26.58	\$35.66	\$45.60

So far as I have been able to ascertain, the “justification” for this increase was to assign the same flat rate throughout the state. I was told “The new rate structure spreads the costs of the system to a larger customer base. This explains why some customers see an increase and others may see a decrease in their rates.” Looking at the table below that I received from the PSC, it appears that those users with the higher demand, i.e., requiring in excess of 5,000 gallon a month, received the decrease while those with the lower demand, like us, received an outrageous increase in order to subsidize those high demand users. Data I received from Lee County Public Utilities on my own association showed an actual average water usage of only 1600 gallons a month per customer over the last 12 months which is even less than that shown as the Eagle Ridge average of 2,489 gallons of sewage treatment. Nevertheless, our new flat rate assigned by the PSC is based on an assumption of our demanding 5,000 gallons per month. The formula that the PCS used to compute our flat rate was:

Base facility Charge of \$25.35 + **5,000** gallons X \$4.05 per 1,000 gallons = **\$45.60**

If we were instead to use even the actual usage of 2,486 gallons provided by Utilities Inc, our rate would be:

Base facility Charge of \$25.35 + **2,486** gallons X \$4.05 per 1,000 gallons = **\$35.42**

It is also interesting to note that Lee County Public Utilities informed me that their comparable rate for service to us would actually be **\$32.15**. “LCU bills wastewater to the nearest thousand gallons and 2,000 gallons of usage would be billed \$32.15 in total sewer charges.”

In summary, Utilities Inc requested a flat rate increase of 34% to \$35.66; our actual usage rate with Utilities Inc comes to \$35.42 and the LCU rate would be \$32.15. Ignoring all of these readily available facts, the PSC instead approved a 71.5% increase to \$45.60. Can anyone explain to our residents why the PSC would approve so much more than requested and why they would impose a rate on older, retired, many fixed income residents that forced them to subsidize the higher demand customers?

What kind of logic did the PSC use to determine that every user in Florida should pay the “flat” amount regardless of usage? In FY2017, the U.S. per capita federal income tax is budgeted at \$6,096, but will you and I pay this “flat” amount or will it based more appropriately on actual income? Spending on social programs in the U.S. is more than \$10,000 per capita, but will you and I receive our “flat” \$10,000 or will it be based more appropriately on actual need? Applying the PSC’s principle, every person in the U.S. would pay \$6,096 in tax and receive \$10,000 in welfare – very questionable economics!

Test Year Gallons and Bills for UIF Systems with a Residential Flat Rate

System Name	Total Residential Gallons (Flat Rate Customers Only)	Total Residential Bills (Flat Rate Customers Only)	Average Residential Flat Rate Demand Per Customer
Eagle Ridge	27,031,000	10,860	2,489
Tierra Verde	71,909,000	11,318	6,354
Mid County	63,000	22	2,864
UIF-Pasco Orangewood	69,000	36	1,917
Longwood	114,462,000	18,639	6,141
Lake Placid	59,000	36	1,639
Sanlando	26,601,216	7,296	3,646
Total	240,194,216	48,207	240,194,216/48,207 = 4,982 ~ 5,000 gallons

While I applaud our state's public record laws allowing me access to over 400 pages of related information, I remain disappointed with the PSC which has as part of their mission statement "To facilitate the efficient provision of safe and reliable utility services at fair prices". I filed Complaint TRACKING NUMBER: 124246 on September 18th because I could not agree that our community is receiving fair prices. I have been in touch with the office of our county commissioner, Mr. Pendergrass and with the Florida Office of Public Counsel via Mr. Saylor and I thank them both for their information and support. I have not yet received a proper explanation from either Utilities Inc or from the PCS and on September 27th, I briefly informed the PSC commissioners of our unfortunate position.

I recognize that the governor's office has so many important issues to deal with and that ours cannot possibly deserve to be very high on the priority list; nevertheless I wanted you to at least be aware of what appears to be an obvious conflict in principle for our great state.

Thank you for "listening",



Frank Maranto, President
Cross Creek Condominium Association, Inc
239 785-4750
xcreek@comcast.net

CC: Mr. Pendergrass
Mr. Saylor
Public Service Commission