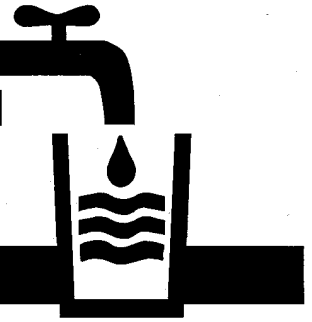


SPECIAL REPORT



MARCH 2000 NO. 4

Sunny Shores Water Company

Sunny Shores Water Company, Inc. (Sunny Shores or utility) is a water and wastewater utility operating in Manatee County. The utility provides water and wastewater service to approximately 262 residential customers and two commercial customers and has been providing service since 1969.

On February 25, 1999, a complaint was filed with the Florida Public Service Commission (PSC or Commission) to amend the rate structure of Sunny Shores. The complaint stated that the Commission approved rates provided a disincentive to conservation because the recurring bill does not vary with usage for any customer whose consumption is below 10,800 gallons per quarter. The complaint also stated that because the cost of purchased water from Manatee County is far less than the approved rates charged to the utility's customers, the utility is favored with excessive profits at the expense of the customers. The complainant requested that the Commission establish a rate structure for Sunny Shores that will encourage, rather than discourage, conservation, and will result in a reasonable profit for the utility.

The utility is currently under a rate structure charging \$51.76 per quarter, which includes 10,800 gallons of usage with a quarterly billing system. Staff has calculated rates and charges for the purpose of discussion at the customer meeting. These rates are preliminary and subject to change based on information gathered at the customer meeting. The PSC has selected a test year ending December 31, 1999 for this proceeding.

The PSC will conduct a customer meeting in the utility's service area on March 2, 2000, to hear and respond to customer comments regarding staff's preliminary rates as well as other related issues. The current proceeding is being processed under the PSC's "Proposed Agency Action" (PAA) procedure. Under the PAA process, the case will not be set for a formal Commission hearing unless a timely protest to the Commission's proposed agency action is filed.

PSC staff is scheduled to make a recommendation to the Commission on March 16, 2000, and the Commission vote on this matter is scheduled for the March 28, 2000, Agenda Conference.

CUSTOMER MEETING

DOCKET NO. 990216-WS

March 2, 2000

Clubhouse

11500 38th Avenue West

Bradenton, Florida

PSC Staff & Reference Numbers

For technical questions:

Stan Reiger (850) 413-6970

Johnny Butts (850) 413-6920

For legal questions:

Patricia Christensen (850) 413-6220

For general information:

Thelma Crump (850) 413-7087

Robby Cunningham (850) 413-6129

or call toll free 1-800-342-3552

1-800-511-0809 to FAX

Internet: contact@psc.state.fl.us

Home page: <http://www.floridapsc.com>

FPSC Commissioners



Joe Garcia

Chairman Joe Garcia was appointed by the late Governor Lawton Chiles in August 1994 to complete a term ending in January 1998, and was then reappointed by Governor Chiles to a new term ending in January 2002. He was installed as Chairman of the Florida Public Service Commission in January 1999. Prior to his service on the Commission, he was Executive Director of the Cuban Exodus Relief Fund, the Cuban American National Foundation's private sector resettlement program, and was Assistant Director of the Salvadoran American Foundation, where he coordinated fund-raising efforts for humanitarian relief campaigns. Chairman Garcia is currently Chair of the National Association of Regulatory Utility Commissioners' (NARUC) Committee on International Relations and serves on the NARUC Committee on Consumer Affairs and the NARUC Committee on Communications. He is second Vice Chair of the Southeastern Association of Regulatory Utility Commissioners (SEARUC). He has also served on the Department of Energy's National Electric and Magnetic Fields Advisory Committee. He received a bachelor of arts degree in politics and public affairs, as well as a law degree, from the University of Miami. He is a director of The Beacon Council and The Latin Chamber of Commerce of USA (CAMACOL).



J. Terry Deason

Commissioner Deason was first appointed by the Florida Public Service Commission Nominating Council in February 1991 for a term ending in January 1995. He has been reappointed to consecutive terms by the late Governor Lawton Chiles and Governor Jeb Bush. Commissioner Deason's current term ends in January 2003. He served as Commission Chairman from January 5, 1993, through January 2, 1995. Commissioner Deason is an active member of the National Association of Regulatory Utility Commissioners (NARUC). He currently serves on NARUC's Board of Directors, its Finance and Technology Committee, and its Utility Association Oversight Committee. Prior to his appointment, he served as Chief Regulatory Analyst in the Office of Public Counsel. In that capacity, he was responsible for the coordination of accounting and financial analysis used by the Public Counsel in cases before the Public Service Commission, presented testimony as an expert witness, and consulting with the Public Counsel on technical issues and ratemaking policies concerning regulated utilities in the State of Florida. From 1981 to 1987, he served as Executive Assistant to PSC Commissioner Gerald L. Gunter, during which time he reviewed and analyzed staff recommendations and advised the Commissioner on those recommendations and other pertinent policy determinations. From 1977 to 1981, he served as a Legislative Analyst with the Office of Public Counsel. He attended the U.S. Military Academy at West Point, and in 1975 received his bachelor of science degree in accounting, summa cum laude, from Florida State University. Deason also received his master of accounting degree from FSU in 1989.



Susan F. Clark

Commissioner Clark was first appointed to the Commission in August 1991 and was recently reappointed to a term ending in 2003. She served as Commission Chairman from January 2, 1995, through January 7, 1997. She served the Commission as General Counsel, representing the Commissioners in all state and federal courts, from 1988 until she was appointed Commissioner. Prior to that, she served as Associate General Counsel and Deputy General Counsel. Before her employment with the Public Service Commission, she was staff attorney with the Florida Joint Administrative Procedures Committee, and was staff attorney for Florida Senate Legislative Services. She received her bachelor's degree in political science and her juris doctor degree from the University of Florida. She is a member of the Florida Bar and is admitted to practice in several federal courts, including the U.S. Supreme Court. She serves as Chair of the National Association of Regulatory Utility Commissioners' (NARUC) Committee on Electricity, and Chair of the Ad Hoc Committee on Electric Industry Restructuring. She represents NARUC on the North American Electric Reliability Council, and is a member of the Electric Power Research Institute Advisory Council and the Steering Committee of the National Council on Competition.



E. Leon Jacobs, Jr.

Commissioner Jacobs was appointed by the late Governor Lawton Chiles to a four-year term beginning in January 1998. Prior to his appointment, he was a staff attorney for the House Committees on Tourism and Economic Development, Insurance, and Financial Services in the Florida House of Representatives, where he authored reforms to the state's minority business enterprise programs and managed health insurance and workers' compensation issues. He was staff counsel to the Florida Senate Committee on Reapportionment addressing redistricting issues, which involved support of court appeals of the political districts up through the U.S. Supreme Court. He also was an attorney with the Florida Public Service Commission, where he served as counsel to Commission staff and litigator of administrative proceedings. He is a member of the National Association of Regulatory Utility Commissioners' (NARUC) Committee on Water, chairs NARUC's Ad Hoc Task Force on Y2K Readiness, and is a member of the Environmental Protection Agency's Small Systems Working Group under the National Drinking Water Advisory Council. He is also a board member of Child Advocates II of Tallahassee, and a volunteer guardian in the Guardian Ad Litem Program in the Second Judicial Circuit. He formerly served as President of the Board of Directors of the Tallahassee affiliate of Habitat for Humanity. Commissioner Jacobs is a member of the Florida Bar. He received a bachelor of technology degree, with honors, in data processing from Florida A&M University, and his juris doctor degree from the College of Law at Florida State University.

Consumer Statements at PSC Meetings

The PSC is interested in what consumers have to say about the petition by Kenneth Bates to amend rate structure of Sunny Shores Water Co., Inc. in Manatee County to establish rate structure which will encourage conservation and result in reasonable profit for the utility. The main purpose of this meeting is to receive comments from the public.

Anyone may make a statement, and speaking is an effective way to let the Commission know how you feel about the case under review. Those consumers who wish to speak should arrive early. The meeting will begin as scheduled and continue until all the consumers have been heard.

At the beginning of the meeting, procedures will be set up to establish an order for comments. The PSC staff will have sign-up sheets, and consumers will be called in the order of those sheets. The PSC staff will be available to coordinate consumer comments and assist members of the public.

Any person who wishes to comment or provide information to the PSC staff may do so at the meetings, orally or in writing. Written comments may be sent to the Commission at: Division of Records and Reporting, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850. Your letter will be placed in the correspondence file of this docket (Docket No. 990216-WS). For your convenience, a comment form is attached to this Special Report. You may also call the Commission's toll-free number, **1-800-342-3552**, or **1-800-511-0809** to FAX.

Any person who is unable to attend and who wishes to obtain a copy of the recommendation or the order may do so by writing to: Director, Division of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida, 32399-0850.

Florida Public Service Commission

BUREAU OF

Consumer Information and Conservation Education

2540 Shumard Oak Boulevard
Betty Easley Conference Center, Room 184
Tallahassee, Florida 32399-0850

The Public Service Commission's Bureau of Consumer Information and Conservation Education provides a staff of information specialists who are available to answer questions from the media and from Florida consumers.

To reach a PSC media representative, please call the Bureau of Consumer Information and Conservation Education during business hours at (850) 413-6100 or send a fax to 1-800-511-0809. See the PSC's Internet home page at <http://www.floridapsc.com>.

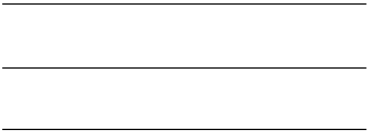
**QUARTERLY RESIDENTIAL & GENERAL SERVICE
WATER RATES**

	Existing Quarterly Rate	Staff's Preliminary Rate
Flat Rate:	\$ 51.76	\$ N/A
Base Facility Charge:	N/A	\$ 45.44
Gallonage Charge:	N/A	N/A
Below 10,800 gallons (per quarter)	\$ 0.00	\$ 1.04
Above 10,800 gallons (per quarter)	\$ 1.36	\$ 1.36

OR IN THE ALTERNATIVE

**MONTHLY RESIDENTIAL & GENERAL SERVICE
WATER RATES**

	Existing Monthly Rate	Staff's Preliminary Rate
Flat Rate:	\$ 17.25	\$ N/A
Base Facility Charge:	N/A	\$ 15.15
Gallonage Charge:	N/A	N/A
Below 3,600 gallons (per quarter)	\$ 0.00	\$ 1.04
Above 3,600 gallons (per quarter)	\$ 1.36	\$ 1.36



STAMP

Florida Public Service Commission
Division of Records and Reporting
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

Fold Here

Tape

Fold Here