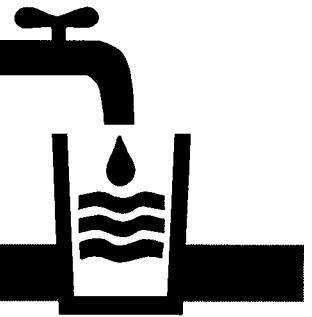


SPECIAL REPORT



OCTOBER 1999 NO. 15

Sun Communities Finance Limited Partnership (f/k/a Water Oak Utilities Company)

On March 2, 1999, Sun Communities Finance Limited Partnership (Water Oak Utilities, Co. or utility) filed for a limited proceeding with the Florida Public Service Commission (PSC or Commission). Water Oak is a water and wastewater utility operating in Lake County. The utility provides water and wastewater service to approximately 715 customers.

In its application, the utility states that the St. Johns River Water Management District is requiring the implementation of a conservation rate structure. The application also states that the Florida Department of Environmental Protection (DEP) is requiring the installation of hydropneumatic tanks.

The utility explains that through the water use permit renewal process, the St. Johns River Water Management District determined that the utility has excessive water usage on a per capita basis. The negotiations of the conditions for issuance of the new water use permit included the utility's agreement to implement a conservation oriented rate structure per the Commission's approval.

The utility further states in its application that under current DEP Rules (Chapter 62.550, Florida Administrative Code), the utility has reached a level of flows within its water system that requires the installation of a second hydropneumatic tank. In addition to installing a second hydropneumatic tank, the existing tank used since utility's inception, must be replaced. Therefore, the utility is requesting through the limited proceeding, the recovery of the costs associated with the two hydropneumatic tanks along with the approval of a conservation oriented rate structure.

This customer meeting is being conducted in the utility's service area to hear and respond to customer comments on quality of service, rate structure and other comments on the proposed rate increase.

PSC staff is scheduled to make a recommendation to the Commission on November 4, 1999, and the Commission vote on this matter is scheduled for November 16, 1999.

CUSTOMER HEARING

Application for a limited proceeding in Lake County by Sun Communities Finance Limited Partnership / Water Oak Utilities, Co.

DOCKET NO. 990243-WU

Thursday, October 7, 1999
6:00 p.m.
The Main Clubhouse
Water Oak Country Club Estates
Lady Lake, Florida

PSC Staff and Reference Numbers
For technical questions, contact:
Division of Water and Wastewater
Cissy Rehwinkel (850) 413-6972

For legal questions, contact:
Division of Legal Services
Stephanie Crossman (850) 413-6179

For general information, contact:
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 Vice Chair of the National Association of Regulatory Utility Commissioners' (NARUC) Committee on International Relations and serves on the NARUC Committee on Consumer Affairs. 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

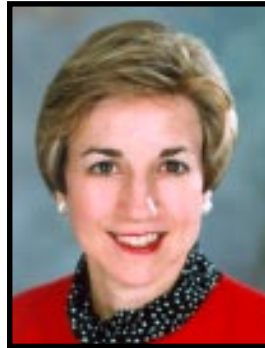
serves on NARUC's Board of Directors, its Finance and Technology Committee, and its Utility Association Oversight Committee. Prior to his appointment, he served as Chief Regulatory Analyst in the Office of Public Counsel. In that capacity, he was responsible for the coordination of accounting and financial 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.



Julia L. Johnson

Commissioner Johnson was appointed by the late Governor Lawton Chiles in January 1993 and was reappointed to another four-year term ending in 2001. She served as Commission Chairman from January 7, 1997, through January 5, 1999. Prior to her appointment, she served as Legislative Affairs Director for the Department of Community Affairs (DCA), where she represented the agency before the Florida Legislature on issues relating to economic development, land-use growth management, energy efficiency, housing, and emergency manage-

ment. From 1990-91 she served as a senior attorney for the DCA, where she participated in state judicial and administrative proceedings on growth management issues. From 1988-90 she was an associate with the Orlando law firm of Maguire, Voorhis and Wells. She has a bachelor of science degree in business administration, as well as a law degree, from the University of Florida, and is a member of the National Bar Association. She serves as Vice Chair of the National Association of Regulatory Utility Commissioners' Communications Committee, and is also a member of the Communications Subcommittee on Federal Legislation and Regulation. She also serves as State Chair of the Federal/State Joint Board on Universal Service.



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.

Residential & General Service Water Rates

Base Facility Charge

Meter Size	Existing Monthly Rates	Utility's Proposed Monthly Rates
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5/8" x 3/4"	\$ 6.37	\$ 9.97
3/4"	9.89	14.96
1"	15.95	24.93
1 1/2"	31.89	49.85
2"	51.05	79.76
3"	102.08	159.52
4"	159.51	249.25
6"	319.00	498.50

Gallorage Charge

per 1,000 gallons	\$ 0.51	
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per 1,000 gallons		
0 - 5000		\$ 0.51
5,000 - 10,000		1.15
10,000 or more		2.30

Consumer Statements at PSC Meetings

The PSC is interested in what utility customers have to say about the application for the limited proceeding in Lake County by Water Oak Utilities, Co. One 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 Public Service Commission staff will have sign-up sheets, and consumers will be called in the order of those sheets. 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 PSC staff may do so at the meeting, 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. 990243-WU). 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>.

STAMP

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

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