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**REBUTTAL TESTIMONY OF CHARLES E. WOOD
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
ON BEHALF OF
SOUTHERN STATES UTILITIES, INC.
DOCKET NO. 920199-WS**

DOCUMENT NUMBER-DATE
12624 OCT 27 1992
FPSC-RECORDS/REPORTS

1 Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

2 A. My name is Charles E. Wood and my business address
3 is 1000 Color Place, Apopka, Florida 32703.

4 Q. WHAT IS YOUR POSITION WITH SOUTHERN STATES
5 UTILITIES, INC.?

6 A. I am Vice President - Planning and Engineering for
7 Southern States Utilities, Inc. ("Southern States"
8 or the "Company").

9 Q. PLEASE DESCRIBE YOUR WORK EXPERIENCE IN REGULATED
10 INDUSTRIES.

11 A. I have been employed by Southern States for the past
12 three years. Prior to working for Southern States,
13 I worked in the electric industry for Minnesota
14 Power & Light Company for 14 years and Pacific Gas
15 and Electric Company for 5 years.

16 Q. PLEASE BRIEFLY DESCRIBE YOUR EDUCATIONAL EXPERIENCE.

17 A. I hold a Bachelor of Science degree in Electrical
18 Engineering. I currently am a professional engineer
19 in California, Minnesota and Florida.

20 Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

21 A. I will address the adjustment proposed by Public
22 Counsel's witness Kimberly H. Dismukes regarding
23 costs associated with the 1991 Leilani Heights
24 effluent reuse study.

25 Q. DO YOU AGREE WITH MS. DISMUKES PROPOSED ADJUSTMENT?

1 A. No. Ms. Dismukes' proposed disallowance is premised
2 on the fact that the \$10,150 was expended for a
3 reuse study for the Leilani Heights system. In
4 fact, the \$10,150 was spent for engineering fees
5 incurred to perform certain studies which DER
6 required the Company to submit with our request for
7 a renewal of the Leilani Heights wastewater plant
8 operating permit. The studies actually performed
9 in 1991 were required by DER in part, to confirm
10 Southern States' compliance with the Indian River
11 Lagoon System SWIM Act, and did not include a reuse
12 study. The complete reuse study was completed in
13 June 1992 at an additional cost of approximately
14 \$3640. In any event, the sole justification
15 provided by Ms. Dismukes for the adjustment is that
16 the study was non-recurring. The Company incurs
17 expenses associated with these types of studies each
18 year for many of its systems. These expenses are
19 ordinary costs of doing business which the Company
20 should be permitted to recover unless a party
21 demonstrates on the record that the cost of the
22 studies were unreasonably high or that the decision
23 to perform the study was imprudent. No such showing
24 has been made in this proceeding regarding the
25 studies at issue. Therefore, Ms. Dismukes' proposed

1 adjustment should be rejected and the Company should
2 be permitted to recover these costs from our
3 customers.

4 Q. DOES THAT CONCLUDE YOUR REBUTTAL TESTIMONY?

5 A. Yes, it does.