

1 APPEARANCES:

2 **BRIAN P. ARMSTRONG**, 1000 Color Place,
3 Apopka, Florida, 32703, Telephone No. (407) 880-0058,
4 appearing on behalf of **Southern States Utilities, Inc.**

5 **MICHAEL B. TWOMEY**, Route 28, Box 1264,
6 Tallahassee, Florida 32310, Telephone No. (904)
7 421-3586, appearing on behalf of **Sugarmill Woods Civic**
8 **Association, Inc., Spring Hill Civic Association and**
9 **Marco Island Fair Water Rate Defense Fund Committee.**

10 **RALPH JAEGER**, Florida Public Service
11 Commission, Division of Legal Services, 2540 Shumard
12 Oak Boulevard, Tallahassee, Florida, 32399-0870,
13 Telephone No. (904) 413-6199, appearing on behalf of
14 the **Commission Staff.**

15 **JACK SHREVE**, Public Counsel, and **CHARLES J.**
16 **BECK**, Associate Public Counsel, Office of Public
17 Counsel, 111 West Madison Street, Room 812,
18 Tallahassee, Florida 32399-1400, Telephone No. (904)
19 488-9330, appearing on behalf of the **Citizens of the**
20 **State of Florida.**

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P R O C E E D I N G S

(Hearing convened at 10:05 a.m.)

CHAIRMAN CLARK: Ladies and gentlemen, we are going to go ahead and call the meeting to order. There are a few preliminary matters we have to take care of, and the first of which is reading the notice.

MR. JAEGER: Pursuant to notice, this time and place has been designated for a customer service hearing in Docket No. 950495-WS, application for a rate increase --

AUDIENCE: (Simultaneous conversation)

MR. JAEGER: -- application for a rate increase and increase in service availability charges by Southern States Utilities, Inc.

CHAIRMAN CLARK: Thank you, Mr. Jaeger. I have been informed that when we speak we need to speak right into the microphone so the people in the back can hear us. Can you hear me?

AUDIENCE: Yes.

CHAIRMAN CLARK: Okay.

UNIDENTIFIED SPEAKER: Can we start off with a pledge of allegiance at least?

CHAIRMAN CLARK: That will be fine with me.

UNIDENTIFIED SPEAKER: How about a prayer, too?

1 CHAIRMAN CLARK: We'll stand up and give the
2 pledge of allegiance. (Complies)

3 Thank you.

4 At this point I have to get through a few
5 preliminary matters. We've had the reading of the
6 notice, and now we need to take appearances.

7 Mr. Armstrong.

8 MR. ARMSTRONG: Brian P. Armstrong, 1000
9 Color Place, Apopka, Florida 32703, on behalf of
10 Southern States Utilities.

11 MR. TWOMEY: And I'm Mike Twomey, Route 28,
12 Box 1264, Tallahassee, Florida 32310. I am appearing
13 on behalf of the Spring Hill Civic Association, Inc --
14 (Applause) -- the Sugarmill Woods Civic Association,
15 Inc., and the Marco Island Civic Association, Inc.

16 CHAIRMAN CLARK: Mr. Shreve.

17 MR. SHREVE: Jack Shreve and Charlie Beck,
18 Office of Public Counsel, appearing on behalf of the
19 customers in opposition to the rate increase for
20 Southern States, Claude Pepper Building, Tallahassee,
21 Florida. (Applause)

22 CHAIRMAN CLARK: Go ahead.

23 MR. JAEGER: Ralph Jaeger, 2540 Shumard Oak
24 Boulevard, Tallahassee, Florida 32399-0850, appearing
25 on behalf of Commission Staff.

1 CHAIRMAN CLARK: Good morning, my name is
2 Susan Clark, I'm Chairman of the Public Service
3 Commission. To my right is Commissioner Terry Deason.
4 (Applause) To his right is Commissioner Julia
5 Johnson. (Applause)

6 We do expect to have Commissioner Joe Garcia
7 here today, but he must be running a little late. And
8 I think we'll go ahead with the hearing and expect him
9 shortly.

10 I will be conducting this hearing for the
11 purpose of receiving your comments about this rate
12 increase request. We are particularly interested in
13 hearing your comments about quality of service
14 rendered by this utility. We are going to record your
15 comments by the official court reporter, and they will
16 become an official part of the record. We will rely
17 on your comments along with the other evidence
18 gathered in this case in making our decision.

19 To give you some background information
20 about how the Commission processes a rate request
21 increase, the process takes about eight months. It
22 begins officially when the company files a petition
23 for a rate increase, that is a legal document that
24 sets out the reason for the requested rate increase.
25 It is accompanied by a voluminous amount of financial,

1 engineering and rate information that supports their
2 request.

3 In this case, the case began when Southern
4 States filed an application with the Commission for an
5 increase in water and wastewater rates. The utility
6 has requested a two-tier uniform water rate along with
7 a uniform wastewater rate. The utility has requested
8 a final rate increase of up to 45.9% for water and
9 30.21% for wastewater. They have also requested an
10 interim rate increase. We heard from Staff on that
11 last Friday, and we denied at that time the interim
12 rate increase. (Applause)

13 During the pendency of this proceeding, the
14 parties who have intervened will be represented by
15 counsel, and you heard from them initially. They are
16 Mr. Twomey, who is representing various homeowners
17 associations, and then Mr. Armstrong, who is
18 representing the utility. Then Mr. Shreve and
19 Mr. Beck with the Public Counsel, and then Ralph
20 Jaeger with our Staff.

21 I would also like to introduce some other
22 people from our Staff who are here to assist you. I
23 know there are some people who do not like to get up
24 and make comments in a public forum. They are
25 available to talk to you. Also, if you want to make

1 comments, there's a sheet on the back of the handout
2 you got which you can write your comments on and mail
3 it to the Commission.

4 Let me introduce the other Staff. Right
5 here is Marshall Willis, he's a bureau chief in the
6 Division of Water and Wastewater. In the back over
7 here is Mr. Chuck Hill, he's our director. Mr. Tom
8 Walden in the back over here, he is an engineer with
9 the Commission. Sandy Simmons helps organize these
10 hearings for us; she's over here. I think many of you
11 have already met her.

12 Bev DeMello and Melinda Pace are the two
13 ladies you met in the back coming in with our Consumer
14 Affairs Division. We have two court reporters here
15 today, Joy Kelly and Rowena Hackney. And finally in
16 the back is my aide, Mr. Billy Stiles; he's in the
17 back.

18 During the pendency of this proceeding, all
19 the parties have the opportunity to present evidence,
20 and they may conduct discovery through interrogatories
21 and depositions of utility-sponsored witnesses. They
22 may also sponsor their own witnesses, which, I'm sure,
23 the Public Counsel and the intervenors will do.

24 We have set aside nine days for hearing for
25 this case to begin on January 29, 1996. And as part

1 of the rate case process, we are holding 14 public
2 hearings around the state to hear about the service
3 and to hear about you -- hear from you, the customers.
4 As I say, it is specifically designed to gather
5 information about the utility from its customers.
6 After all the hearings have been conducted, we will
7 meet once again in a public forum in Tallahassee to
8 decide the case.

9 I would like to emphasize that our purpose
10 here today is to hear from you, but there are some
11 formalities we have to adhere to and one of which is
12 swearing in all the witnesses. Please don't let this
13 intimidate you; we want to hear from you.

14 Also, before we take testimony, we will
15 allow each of the parties present to make a
16 five-minute opening presentation on this case. I'd
17 like to also ask you, when you come up to testify, if
18 you will give us your name and spell your last name.
19 Give us your address and tell us what facility you
20 receive service from.

21 What I'd like to do now is ask everyone who
22 has signed up to present testimony, if you will please
23 stand and raise your right hand, I will swear you in.

24 (Witnesses collectively sworn)

25 Thank you very much. Mr. Armstrong, would

1 you like to give a five-minute presentation?

2 MR. ARMSTRONG: Yes, Madam Chair. I also
3 have the affidavit of publication, newspaper
4 publication, as well as affidavit of service of
5 customer notices here.

6 CHAIRMAN CLARK: We have to identify some
7 exhibits. Mr. Armstrong, what I would like to do is
8 do that immediately after the opening statements.

9 MR. ARMSTRONG: Okay, thank you. Thank you.

10 Madam Chair, Commissioners, ladies and
11 gentlemen, my name is Brian Armstrong, and I represent
12 Southern States Utilities in this matter.

13 (Simultaneous conversation)

14 You've seen me before. We've discussed this
15 many times. I don't expect I'll be able to convince
16 many people of much today, but I do want to -- since
17 the last time we've met, we have had hearings. At
18 those hearings we have information provided under
19 oath. This information is factual information, and I
20 want to share some of that with you today.

21 There is a utility in Hernando County which
22 has purchased a dilapidated facility, or has purchased
23 in the past dilapidated facilities. The facilities
24 have been described as "nightmarish" or a "mess." The
25 facilities had to require -- to receive significant

1 investments to bring them up to federal and state laws
2 and standards.

3 The investments made in those facilities
4 have been spread out among all of the customers
5 whether or not they received service from those
6 facilities. Millions of dollars in investments have
7 been made in utility facilities, and customers who do
8 not receive service from those facilities are being
9 charged the cost of those facilities, despite the fact
10 that they may receive service from old plant, which is
11 obviously cheaper and less costly. There are
12 customers of this utility that have paid contributions
13 or connection charges when they were initially
14 connected to the system that range from zero dollars
15 to several thousand dollars.

16 Now, the utility I'm talking about is the
17 Hernando County Utilities Department. The information
18 I've provided was provided under oath by the
19 representative of the Hernando County Utilities
20 Department before this Commission last year. The
21 Hernando County Utilities Department and the Hernando
22 County Commission have approved uniform rates for that
23 utility. Why have they done that? They've done it
24 for the same reason that 18 other counties in Florida
25 have done it; twenty states across the nation have

1 done it, because it's fair and it's reasonable.

2 Under oath the testimony was that federal
3 and state laws and requirements are becoming more and
4 more stringent. And you need to have a larger utility
5 that can provide that service and meet those
6 standards. What's the result if you don't have those
7 requirements and standards being met? Well, the
8 result is what you see in Dade County where the
9 utilities department did not make the investments
10 required, and you had Biscayne Bay polluted by
11 wastewater.

12 The result is what you heard in the city of
13 Milwaukee, again a City owned and operated facility
14 where hundreds of people became very ill from drinking
15 the water because investments weren't made to treat
16 that water. That's what happens when you delay these
17 investments.

18 Something else you might have heard, that
19 Southern States makes disproportionate investments at
20 facilities that we acquire. Well, the evidence in
21 this case that will be given under oath suggests and
22 confirms that the investments we make in our
23 facilities are directly proportional to the size of
24 those facilities and the size of the customer bases
25 receiving service from those facilities.

1 74% of our investments have been made in
2 facilities serving -- well, actually -- yeah, serving
3 66% of our customer base; more money invested in those
4 facilities serving those large customer bases. I
5 think that proves our fact. I think it disproves the
6 fact that we are investing large sums in small
7 facilities.

8 There are just a couple of other matters
9 which I'd like to address with you all. Number one, I
10 want to reconfirm, I've said it before, the Hernando
11 Utilities Department does a fine job. I have no
12 question with that. Southern States does a fine job
13 as well, and we have proved that in testimony under
14 oath in every proceeding we have presented the
15 Commission. Seventy-two volumes of information have
16 been provided to the Commission. Many of you want to
17 know some of that information, depreciation rates,
18 used and useful, that was all investigated. Public
19 Counsel, Mr. Twomey, they're been doing that for
20 years. They know how to investigate it. And we have
21 to bear the burden and disprove their allegations.

22 Let's look at the facilities Southern States
23 has bought since 1991. Lehigh Utilities, 13,000
24 customers in Lee County. Orange/Osceola we're in the
25 process of purchasing right now; 15,000 customers in

1 Osceola County. Other than those two, three, only two
2 other utilities have been purchased with the combined
3 total of 800 customers.

4 Now, Public Counsel is involved in one of
5 those transfers. There's no evidence that those are
6 dilapidated. The FPSC has to approve every one of
7 those transfers; no evidence that any of those
8 facilities were dilapidated.

9 CHAIRMAN CLARK: Mr. Armstrong, you have
10 about 30 seconds.

11 MR. ARMSTRONG: Prior to 1991, you've heard
12 that Southern States buys facilities and buys them for
13 cents on the dollar or less than nickel value. Well,
14 the net effect of those facilities we buy at less than
15 book value is offset by the facilities that we have to
16 buy for more than book value. The entire industry
17 does it that way. You buy some below and some above.
18 The net effect is a .1% impact on our \$75 million
19 revenue requirement, 21%. It's immaterial by
20 anybody's measure.

21 We look forward to hearing from you. Like I
22 said, I don't expect to convince you, but we do want
23 to reoffer our longest -- I'll speak to any group here
24 or any people here. Please give us a call. If you
25 don't receive the information you want today, we'll

1 provide you with information. Thank you.

2 CHAIRMAN CLARK: Mr. Twomey.

3 MR. TWOMEY: Thank you, Madam Chairman.

4 Ladies and gentlemen, let me comment on a few things
5 that Mr. Armstrong just said. First of all, he's been
6 going around the state for the last two years telling
7 everybody else to get your money -- the new rate
8 subsidies -- that you people are selfish and greedy
9 because you don't want to participate in this uniform
10 rate thing. On the record, the transcript, "The
11 people in Spring Hill, the people in Sugarmill Woods,
12 they're selfish and they're greedy." They don't want
13 to help you keep your rates lower because it makes
14 their rates higher. Okay? Now, that's a no-brainer.
15 Why should you guys want to do that? Okay.

16 He goes around and says you are greedy. He
17 says that his witnesses under oath have proven through
18 their testimony that they have good quality service,
19 right?

20 These commissioners sat in front -- for four
21 hours in front of people in Jacksonville and for three
22 and a half hours in front of people in Temple Terrace
23 in Tampa, Hillsborough County, in the last three weeks
24 and heard people nonstop say they couldn't drink the
25 water. One lady said she wouldn't even let her dog

1 drink it. Couldn't drink the water; the water ruined
2 their clothes, ruined their plumbing. These
3 Commissioners heard it. On top of that they said the
4 customer service was rude. People weren't to be
5 found. And at least you people can drink the water.
6 Okay? But this business about they're such a good
7 company is a bunch of hokey. No matter how many of
8 their witnesses swear up and down, that it ain't so.

9 Now, I've only got five minutes, let me give
10 you some highlights. First of all, you shouldn't be
11 here. Commissioner Nancy Robbinson is going to say
12 some more about this, but on my recommendation about a
13 year and a half ago, your county commission opted out
14 of the PSC regulation because they were tired of what
15 the PSC had let SSU do to you. It opted out.

16 The PSC recognized that, but they came back
17 at SSU's invitation and said, "We're going to look at
18 whether we can take the jurisdiction away from your
19 county involuntarily without any choice on your part."
20 And not surprisingly, they held a little hearing, went
21 around the state, and they came back and said, "We can
22 take it away from your county commission, your local
23 officials, your elected local officials, who are
24 accountable to you, and take it to Tallahassee and
25 we'll set the rate and you have nothing to do about

1 it."

2 It is a lousy, lousy order. Not all of
3 them. Commissioner Deason voted against it. I think
4 the other commissioners, now that they've seen,
5 they've heard from the customers and how SSU treats
6 its customers, would vote differently. If they voted
7 now, a majority of them, I'd say, would not try and
8 take your authority away. But they've already done
9 it.

10 You can win it. It's a lousy order. It can
11 be beaten on appeal, but you have to fight it. You
12 have to fight. You have to pay somebody that knows
13 what they are doing to fight that on appeal.

14 Why did the county commission of Hernando
15 County, why did the commissioners elect to opt out of
16 PSC regulation? Three years ago the Public Service
17 Commission allowed SSU to start charging you rates
18 that were so excessive that they take \$2.2 to \$2.5
19 million a year out of your pockets to go pay to
20 somebody else. It reduces your property values. It
21 reduces the economy in your county by that much. It's
22 wrong. It shouldn't have been done. That's why your
23 county got out. Okay?

24 Now, it took me two years, but Susan Fox and
25 I, representing Sugarmill Woods and being financed by

1 your county commission in part, beat SSU and beat the
2 Public Service Commission in the First District Court
3 of Appeals. And as a result of that, in the last
4 month, the Public Service Commission had to face up to
5 it and did, to their credit, and they ordered SSU to
6 reduce the rates back to the rates they asked for two
7 years ago.

8 And they can't accept that now. Reduced the
9 rates back to the stand-alone rates, plus a little bit
10 more to help support systems like Gospel Island. And
11 they said give the money back that you wrongly took
12 from the people in Spring Hill and Sugarmill, and they
13 refunded. Okay? (Applause)

14 They ordered it as they had to. They say
15 they are going to appeal. Okay? Mr. Armstrong, his
16 bosses, lost \$8.2 million of the shareholder money of
17 their corporate parent, Minnesota Power and Light. If
18 they persist in trying to appeal this case, they are
19 going to lose five or six million more because I'm
20 going to take it away from them again. And if they
21 persist in trying to charge you people uniform rates
22 on a going-forward basis in this new rate case, they
23 are going to put \$11 million a year of their
24 shareholder money at risk. I will take it away from
25 them if they do. And before that, I'm going to make

1 sure that their shareholders and Wall Street knows
2 that they are wasting and risking their shareholders'
3 money for nothing. (Applause)

4 Now, you should be getting back shortly,
5 once we get through with these appeals, almost \$5
6 million from the last case. If the Public Service
7 Commission persists and wins in this business of
8 keeping you in this case and they approve the uniform
9 rates, which the First District Court of Appeal said
10 they couldn't charge, and which I say they can never
11 charge, it will cost your share of the \$11 million of
12 rate transfers under the new placement costs, you
13 people, \$5 million a year out of your economy, out of
14 your pockets, out of your stores, out of your
15 retirements. You can't put up with it.

16 Now --

17 CHAIRMAN CLARK: Mr. Twomey, you have about
18 30 minutes -- 30 seconds. (Laughter)

19 MR. TWOMEY: I'll only take 15.

20 Thank you. Your -- Senator Ginny
21 Brown-Waite has been most helpful in this. She's
22 tried to pass laws that prohibit some of this stuff.
23 Commissioner Kiesling, who isn't here, stuck her nose
24 in it and went to the legislature and talked against
25 Representative Stabins' bill, talked against Senator

1 Ginny Brown-Waite's bill. We are trying to get her
2 kicked off the case for that.

3 There are lots of things. We have got three
4 years of history, ladies and gentlemen. We have got a
5 potentially dismal future ahead of you that we can
6 correct.

7 My time is up, and I respect that. But I
8 would ask as many of you as possible to stay after the
9 conclusion of this meeting so that I can tell you
10 where you stand, what you can do to fight this, and
11 how you can beat these people. And I thank you very
12 much. (Applause)

13 CHAIRMAN CLARK: Mr. Shreve.

14 MR. SHREVE: Thank you, Chairman Clark. Can
15 everyone hear me okay?

16 CHAIRMAN CLARK: They may be able to hear
17 you, but they don't see you.

18 MR. SHREVE: That may be a benefit.

19 (Laughter)

20 I won't take but just a minute. I want to
21 tell you what a pleasure it is to be back here in
22 Spring Hill and see this auditorium filled the way it
23 is. We don't have that all over the state, though we
24 have had it here for years.

25 We've worked together for years starting

1 back with Deltona, and it's been great down here. You
2 have your county commission backing you up. You have
3 your governmental official: Representative Stabins,
4 Senator Brown-Waite. You don't have that in all the
5 areas of the state. And the only way you are going to
6 be able to accomplish anything -- it's not going to be
7 just me, we'll be going for you just as hard as we
8 can, as we always have, but the only way you are
9 really going to accomplish anything is to let people
10 know where you stand and what your interests are. And
11 I want to congratulate you for it. (Applause)

12 I'm not going to take a lot of time because
13 we are really here to hear from you tonight. Southern
14 States comes in, owned by Topeka Group, owned by
15 Minnesota Power; and they offer you, I guess, because
16 they are a larger company, this much greater, more
17 efficient administration. It would be nice to see
18 that represented by lowering of the rates one of these
19 days since they are so efficient, because I would
20 challenge them to say, not just in Spring Hill, but in
21 one utility around this state that they have lowered
22 the rates. They have gone up time and time again on
23 the rates over the entire state.

24 And in the notices that they put out, you
25 cannot tell, no person in this state really knows what

1 their maximum exposure is. We started talking about
2 this at the first hearing in Washington County, and it
3 still has not been corrected. And I guess it's not
4 going to be corrected. There would be a much greater
5 interest in the other areas if they knew how much
6 money Southern States was talking about taking from
7 their individual systems, but they do not know it.

8 They come in and they talk about
9 conservation of water being the reason they are going
10 up with their rates. They discovered that little toy
11 in the last rate case. They were about half way
12 through it before they decided they would use that as
13 a reason for the rates they had asked for, but that's
14 the way it went.

15 That is not the case totally. There
16 probably are some things that they do require you to
17 do, but not overall. They have asked for increases in
18 margin of reserve which requires you to pay a part of
19 the cost for future customers. They are asking for
20 changes in policy, where we've always been able to get
21 a CIAC offset. They've asked that that be eliminated.
22 So don't let them come in and tell you that they are
23 all righteous and just raising these because they are
24 being ordered to. It is not the case.

25 It goes all the way back to Deltona with you

1 being successful here in opposing rate increases where
2 we got several years ago -- and a lot of you remember
3 this -- \$1.5 million refund for you. The largest, and
4 up to now, the largest refund that we've had in water
5 and sewer cases. It's because of your interest, the
6 interest in helping your elected government officials.
7 And if you keep up the good work, that we should be
8 successful in knocking out this latest rate request.
9 Thank you very much. (Applause)

10 CHAIRMAN CLARK: Thank you, Mr. Shreve.
11 Will you call the first witness, please -- just a
12 minute. I need to do the proof of publication.

13 MR. ARMSTRONG: Madam Chair, we have the
14 Affidavit of Publication as well as the Affidavit of
15 Service of the customer notices here, and I request
16 they be identified with the next two available exhibit
17 numbers.

18 CHAIRMAN CLARK: Yes. We'll identify the
19 Proof of Publication as Exhibit 23, and the Affidavit
20 of sending the notices as Exhibit 24.

21 MR. ARMSTRONG: Thank you, Madam Chair.

22 CHAIRMAN CLARK: Thank you.

23 (Exhibit Nos. 23 and 24 marked for
24 identification.)

25 CHAIRMAN CLARK: Mr. Shreve, go ahead.

1 MR. SHREVE: Thank you, Chairman Clark.
2 Commissioner Robinson? (Applause)

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HANNAH M. ROBINSON

5 was called as a witness on behalf of the Citizens of
6 the State of Florida and, having been duly sworn,
7 testified as follows:

8 WITNESS ROBINSON: Good morning, honorable
9 members of the Public Service Commission, ladies and
10 gentlemen. My name is Hannah M. Nancy Robinson.
11 Robinson is R-O-B-I-N-S-O-N. I'm located at 20 North
12 Main Street, Brooksville, Florida 34601. I am
13 appearing before you today as a member of the Hernando
14 County Board of County Commissioners. I also serve as
15 Chairwoman of the Withlacoochee Regional Water Supply
16 Authority and as a member of the Hernando County Water
17 and Sewer Board. I, too, am a customer of SSU Spring
18 Hill water systems.

19 I would like to take this opportunity, first
20 of all, to thank you for coming to Hernando County to
21 hear concerns and comments from our citizens. There
22 are three elements I would like to comment on first:
23 rate, conservation, and regulation.

24 In reference to the rate, I do not believe
25 that the statewide uniform rate is fair. I believe

1 the rate structure to be discriminatory to the Spring
2 Hill residents. Spring Hill customers are making a
3 multimillion dollar subsidy to Southern States
4 Utilities. Spring Hill customers should not be
5 required to subsidize SSU customers throughout the
6 state of Florida, particularly when SSU's other
7 systems are not physically connected to the Spring
8 Hill system. This rate structure is unacceptable to
9 those who are mandated to pay. We think it is unfair
10 and think it needs to be revised.

11 Secondarily, in the capacity of a County
12 Commissioner and with the Withlacoochee Water Supply
13 Authority, I would like to express to you how critical
14 water resources have become in West Central Florida.
15 Furthermore, the impacts to groundwater due to pumping
16 of the West Coast Regional Water Supply Authority's
17 Crossbar Ranch impresses upon all of us the need for
18 conservation of water.

19 Southern States Utilities, again, has
20 applied for a statewide uniform rate rather than a
21 stand-alone rate. Again, I want to emphasize to the
22 Public Service Commission that the statewide uniform
23 rates are not as effective for water conservation as
24 other rate structures. The Southwest Florida Water
25 Management District's Water Needs and Resources Report

1 states that conservation is considered a source of new
2 water to reduce existing demand and to meet future
3 needs. In keeping with the SWFWMD's call for
4 conservation, the Hernando County Water and Sewer
5 District Governing Board approved an inverted block
6 rate as a water conservation tool. Stan O'Toole
7 (phonetic) in that department has advised me that the
8 water and sewer district has realized 13% savings in
9 water due to these conservation rates. Conversely, a
10 statewide uniform rate, in my opinion, does little to
11 conserve water; and that's a major focus for us here
12 in our county.

13 In documents received by Hernando County for
14 this docket, SSU intends to implement a monthly
15 weather normalization adjustment clause. This
16 mechanism supposedly will provide for monthly
17 adjustments to the gallonage charge up or down to
18 reflect variations in customer consumptions.

19 I don't think we have been able to locate
20 the rate schedule that would go with this
21 normalization in the packet. And if there is one, we
22 would like to have that information if that's
23 possible. Our utilities department would be very
24 grateful for that.

25 The last item I would like to discuss is

1 regulation. Hernando County respects the authority
2 and the jurisdiction of the Public Service Commission.
3 By the same token, Hernando County trusts that the
4 Public Service Commission likewise respects the
5 sovereignty, authority and the jurisdiction of the
6 Hernando County Board of County Commissioner.

7 Hernando County has adopted a resolution
8 pursuant to Chapter 367 Florida Statutes which removes
9 Hernando County from the regulatory jurisdiction of
10 the Public Service Commission. We request that you
11 honor and respect this act of sovereignty. Hernando
12 County asserts that it is currently the proper
13 tribunal to regulate investor-owned utilities within
14 Hernando County.

15 We are not unmindful of the fact that the
16 Public Service Commission has this year entered an
17 order declaring that Southern States Utilities is a
18 system whose service transverses county boundaries and
19 has, therefore, asserted that it has jurisdiction over
20 Southern States Utilities' rates in Hernando County.
21 However, I'm advised by legal counsel that when a
22 government body takes an appeal, such an appeal
23 constitutes an automatic stay as to defend the lower
24 tribunal decision. Thus, with the stay in effect,
25 Hernando County's position is that the Public Service

1 Commission does not have jurisdiction to entertain
2 this current rate case for Hernando County.

3 We, therefore, suggest that it would be
4 proper to remove the Southern States Utilities
5 Hernando County system from this rate proceeding. And
6 I would like a response to that since there is an
7 automatic stay in place in reference to this. May we
8 have a response on that?

9 CHAIRMAN CLARK: Yeah, I'd be happy to
10 respond to that. I think we asked them to go ahead
11 and file that information. They have likewise taken
12 the position that while that is pending, any rate
13 changes should not be implemented. We had done that
14 to get the information in an effort to coordinate with
15 whatever decision may come out, but I think we have to
16 be mindful of the fact that if it is appealed, there
17 is a stay in effect.

18 And we appreciate the fact that you
19 respected our jurisdiction. I can tell you that as a
20 Commissioner. I'm well aware of that; and I'm anxious
21 to be as -- coordinate with you on that issue until it
22 is resolved.

23 WITNESS ROBINSON: I think part of the
24 problem, and I note, is the fact that this rate case
25 is taking place in Hernando County. There has been no

1 public discussion that, indeed, this is an information
2 gathering session, and we are not really a part of the
3 rate case. It would be my thought that if we are part
4 of the rate case, and have been a part of the
5 application, that we are part of the rate case.
6 That's the problem I see. And my request is that you
7 take us out of this rate case until the First DCA
8 Court of Appeals renders its determination as to who
9 is the regulator of Southern States Utilities in
10 Hernando County. Because we believe we are, and until
11 they make a determination, I don't believe the Public
12 Service Commission is. And the community now is here
13 for a public hearing when they are not part of this
14 rate case and should not be.

15 And we would respectfully request that the
16 Public Service Commission would take Hernando County
17 out of this rate case. We were not originally part of
18 it. You had suggested putting us into it. We would
19 like to be out of it until the First DCA makes its
20 determination and then respond appropriately as we all
21 will. Can that happen?

22 CHAIRMAN CLARK: We have requested the
23 information so it's in the docket. And the reason we
24 have come here is to hear from you in case you are in
25 the docket. But we are mindful of the fact that it is

1 on appeal, and I believe there is the stay; am I
2 correct, there is a stay? It has been appealed by the
3 counties, hasn't it?

4 MR. TWOMEY: I think that maybe Mr. Snow can
5 answer that question.

6 WITNESS ROBINSON: Mr. Snow is here, the
7 county attorney, may he respond to that? Mr. Snow,
8 could you respond to that?

9 CHAIRMAN CLARK: I am certain it has been
10 appealed.

11 MR. SNOW: It has been appealed.

12 MR. TWOMEY: There's -- (Simultaneous
13 conversation)

14 CHAIRMAN CLARK: And we are aware of the
15 fact that a government entity, when they appeal it,
16 it's stayed.

17 I can't tell you what the final decision
18 will be, but we are aware of that. And in an
19 abundance of caution, we wanted to be here today. But
20 if the court says you are out of it, then you are out
21 of it.

22 WITNESS ROBINSON: Well, we would like to be
23 out of it now until the court determines we are in it.

24 (Applause)

25 I want to hear Susan.

1 CHAIRMAN CLARK: I understand that, but we
2 had requested them to file that information because we
3 have made a decision that we thought, based on the
4 law, that we had jurisdiction over Hernando County. I
5 understand you are looking at trying to get that case
6 resolved soon. That's something we could take up.

7 WITNESS ROBINSON: But by the Public Service
8 Commission bringing Hernando County into the case,
9 there is a presumption on the Commission's part that
10 you are the regulator, and with the stay in place, I
11 don't believe you should be taking any effort toward
12 regulation of Hernando County until the First DCA
13 makes its decision. And we are in limbo in that issue
14 because, obviously, there's a time frame, and I
15 understand that. I understand the effort of
16 efficiencies.

17 But I believe Hernando County is in this
18 rate case by virtue of the fact that you are here
19 today taking public testimony, and I believe that the
20 Public Service Commission, if you are honoring the
21 stay, we should not be here today; we should not be
22 mentioned in the docket. We are not part of this case
23 because that determination is under appeal; there is a
24 stay in place. And I believe the Public Service
25 Commission is going beyond that stay and taking a role

1 as a regulator without waiting for the First DCA to
2 follow through.

3 I believe that the stay is not being honored
4 then by virtue of the fact that we are all here and
5 Hernando County's fate is in this docket. That's the
6 problem. And if you are going to take jurisdiction,
7 if that is your assumption today, please tell me that.
8 If you are not taking jurisdiction, then we don't need
9 to be here because Hernando County isn't in the case.
10 We need to have an understanding on that in reference
11 to the stay.

12 This is as much of everything that's going
13 to be said here today is very vital, from rate issues
14 to conservation, this is the most outstanding and
15 important issue to me because it determines whether or
16 not we even belong here. So I need some input from
17 you. Are you regulating today? Have you taking the
18 role as the regulator regardless of the stay that's in
19 place, or are we going to honor the stay?

20 CHAIRMAN CLARK: The primary purpose is to
21 hear about the service, so I would like to go ahead
22 and hear about the service, and I'd like to go ahead
23 and hear their comments on -- (Inaudible due to
24 audience response.)

25 WITNESS ROBINSON: Ladies and gentlemen, I

1 appreciate your concern, but let's let the
2 Commissioner comment.

3 CHAIRMAN CLARK: Ms. Robinson, you make a
4 good point with respect to the fact that there is a
5 stay and that by going ahead and conducting -- the
6 county and its people may feel some need to be
7 involved, and I think perhaps we should look at that
8 again. I mean, we did say that we need that
9 information, we want that information, but I think
10 maybe we should look at it again.

11 WITNESS ROBINSON: Well, my point is are you
12 here as the regulator today? I think I need that
13 question answered.

14 CHAIRMAN CLARK: Yes. I mean, I would say,
15 yes, based on the fact that we issued an order that
16 said, based on the law, we think we have jurisdiction
17 of it, and we are required to act on that. But by the
18 same token, I think you make a good point that that
19 order has been stayed by the --

20 WITNESS ROBINSON: And if that order is
21 stayed, can your legal counsel tell us that, if that
22 indeed is a legal standing of stay, because --

23 CHAIRMAN CLARK: What I can tell you is this
24 is a new proceeding. It is not the same proceeding.
25 And what I can tell you is I think we will look at

1 it -- (Inaudible due to audience response.) -- but I
2 would like to go ahead with this hearing.

3 WITNESS ROBINSON: Is it not true that you
4 have asserted your authority as the regulator for
5 Southern States Utilities in Hernando County, you've
6 made that determination?

7 CHAIRMAN CLARK: That is correct.

8 WITNESS ROBINSON: Hernando County entered
9 its appeal; with that appeal there's an automatic stay
10 to your authority as the regulator under any case, any
11 time, any place, so -- (Simultaneous conversation)

12 CHAIRMAN CLARK: I think you have made a
13 good point, but I would like to go ahead and conduct
14 this hearing and hear about the service --
15 (Simultaneous conversation)

16 WITNESS ROBINSON: I don't believe Hernando
17 County is part of this case, and I think your legal
18 counsel needs to tell us if that stay is in effect. I
19 believe it is. (Applause) (Inaudible due to audience
20 response.) We need to understand where we stand
21 legally on this point. That's of prime importance to
22 me.

23 CHAIRMAN CLARK: I think that's true. I
24 don't think we can answer it here today. (Inaudible
25 due to customer response.)

1 WITNESS ROBINSON: If there is a stay? Is
2 there a stay or not?

3 CHAIRMAN CLARK: Ladies and gentlemen, you
4 have all come out here, if there is a -- I mean, we
5 have made our decision, the Commission has made the
6 decision that we think the law requires us to regulate
7 in the counties in Hernando and in Hillsborough. And
8 I believe -- I don't remember what the other one is.

9 MR. TWOMEY: Polk.

10 CHAIRMAN CLARK: Polk. But I'm going to
11 tell you this, I would like -- I'm going to proceed
12 with this hearing, and I will ask the legal counsel to
13 look again for us to revisit that.

14 WITNESS ROBINSON: The legal counsel is
15 waiting to comment.

16 CHAIRMAN CLARK: We don't have all our
17 Commissioners here, I can tell you that, and we will
18 not take it up right now. Go ahead, Mr. Jaeger.

19 MR. JAEGER: There is a stay in play, but
20 what the Commission is trying to do is if that stay is
21 lifted, to go ahead and do their job and not lose the
22 time that we have. And so we are not going to change
23 the rates. We are not going to do anything in
24 Hernando County until the court says we may go ahead
25 with the rate case. So the stay is in effect.

1 WITNESS ROBINSON: And if the stay is in
2 effect, who is the regulator in Hernando County
3 currently until the DCA makes a determination?

4 MR. JAEGER: The Commission is not going to
5 take any action until a response --

6 WITNESS ROBINSON: No, no. With the stay in
7 effect, who is the regulator at this point in time
8 until DCA makes a determination?

9 CHAIRMAN CLARK: I don't think -- (Inaudible
10 due to customer response.)

11 WITNESS ROBINSON: Just one moment. It's
12 hard to say Hernando County, I know that. But I
13 believe that that's what the answer is. And you see,
14 when Hernando County is in that position, the people
15 we represent have a right to expect us to ask,
16 request -- which I have done -- and to finally demand
17 that that stay be upheld and that Hernando County be
18 withdrawn from this docket until such time as DCA
19 makes a decision.

20 When they make their decision, we all have
21 to abide by that. That's no problem for us in
22 Hernando County. We have respected the Public Service
23 Commission's authority. When we first opted out, you
24 held all the cases you were working for, we had no
25 problem with that. It's a token in the transition.

1 We have honored every issue as we have gone down the
2 line legally. We have stood our ground and we respect
3 yours. We honored them. We expect the Public Service
4 Commission to honor that stay.

5 CHAIRMAN CLARK: Ms. Robinson --

6 WITNESS ROBINSON: And that stay takes us
7 out of the case. We shouldn't be here discussing it.

8 CHAIRMAN CLARK: Let me ask you --

9 WITNESS ROBINSON: And when you need
10 information from Hernando County in reference to
11 depending on the outcome, I assure you this entire
12 audience will be at your disposal. (Applause)

13 I mean, you will have every bit of
14 information that you need, but we need to solve this
15 problem first. If that problem turns out that it is
16 in favor of Hernando County, we hope it will be and,
17 very frankly, feel it will be; but if that's the
18 outcome, these people are here for no reason, working
19 under stress, concerned about outcomes, concerned
20 about fixed income, how much they are going to have to
21 pay. Their motors are revved up for no good reason if
22 that's the outcome.

23 Should it be the Public Service Commission,
24 yes, you'll need their input; and we can guarantee you
25 you'll have your audiences, they will be here. But my

1 point is if you are not regulating at this point -- if
2 you are not, if you are upholding the stay, then
3 Hernando County should not even be in the docket. And
4 we weren't originally; you added us to that.

5 CHAIRMAN CLARK: We certainly did.

6 WITNESS ROBINSON: SSU did not request this.
7 They, too, are challenging our position, as you well
8 know. And there is a stay in effect. And we are not
9 dealing with SSU until the First DCA resolves it.
10 They are honoring the stay by not requesting us to be
11 in the docket. So if they are willing to honor it, we
12 are willing to honor what would be the legal endeavors
13 which, of course, I am not a legal counsel, but I
14 obviously honor these things. We want the Public
15 Service Commission to honor it and not include
16 Hernando County in this docket.

17 And then if you need us, we will be at your
18 disposal to give you any bit of information. This
19 community is very cooperative. But we want to be
20 pulled out of it now until such time as the DCA makes
21 its determination as to who is the regulator of
22 Hernando County. That's what we would like.

23 (Applause)

24 CHAIRMAN CLARK: I'm not going to appear to
25 make a decision at this point because I would like --

1 I obviously have to let the parties respond to that,
2 and we don't have a full Commission here today. But I
3 think you have a good point. (Inaudible due to
4 customer response.)

5 Let me just finish. What I want to ask you,
6 I'm going to ask you the question. Would you have
7 preferred we not have held this proceeding and then if
8 the court had said we had jurisdiction, what then
9 would you suggest we do?

10 WITNESS ROBINSON: If the court makes the
11 determination that the Public Service Commission is
12 the regulator for Hernando County, obviously you are
13 going to need a public environment, and our community
14 will want to comment. There's no question about that.
15 But we need to have that information first from the
16 First District Court of Appeals.

17 CHAIRMAN CLARK: Okay.

18 WITNESS ROBINSON: That's what I'm asking
19 you to wait for, to have a public hearing once we have
20 the determination because, very frankly, if they find
21 in Hernando County's favor, we don't need a public
22 hearing at that point in time. If they find in the
23 favor of the Public Service Commission, why, then, of
24 course, we would all want to sit down and give you the
25 information that you need to make determinations

1 because we don't want to be a barrier to your
2 decisions at that time. We want to be very
3 cooperative.

4 But at this point in time there is a stay,
5 and Hernando County, if it goes to the lower tribunal
6 matters of the Hernando County Board of County
7 Commissioners at this point, until DCA makes the
8 decision, then our people in Hernando County should
9 not be part of this docket and we should not be having
10 a public hearing on an element that does not even
11 affect them. So that's what --

12 CHAIRMAN CLARK: It's just our concern that
13 it may affect them, that's why we are here.

14 WITNESS ROBINSON: Well, I think if you ask
15 they will tell you please let us out and we'll all go
16 home and we'll come back another day, but --

17 (Applause)

18 COMMISSIONER DEASON: Madam Chairman, let me
19 just take just a moment. I believe that Commissioner
20 Robinson raises a very good point.

21 As we all know, there was not unanimity on
22 the Commission as to whether the PSC indeed had
23 jurisdiction or not over Hernando County.
24 Nevertheless, that decision was made. I happen to
25 disagree with it, but that was the Commission's

1 decision.

2 When this case was filed -- and by the way,
3 this Commission has no control over when a regulated
4 utility seeks a rate increase. By law, they have the
5 authority to file a case when they deem it
6 appropriate, regardless of whether there is an appeal
7 pending from a prior case, regardless of whether the
8 jurisdiction is even in question. They have the
9 authority to file the case.

10 Southern States chose to exercise that right
11 under the law. They filed the case with the
12 Commission. The Commission was faced with a dilemma.
13 We had a decision made by the Commission that we had
14 jurisdiction in Hernando County. The case was filed
15 on the basis of uniform rates. The Commission was
16 very cognizant of the concerns of customers in the
17 prior rate case, that they were not given adequate
18 notice; that they were not given notice that uniform
19 rates were an issue in the prior case. And so out of
20 concern, I think the Commission decided that we would
21 require Southern States to file the information for
22 Hernando and other counties in which our jurisdiction
23 was in question so that information would be part of
24 the record, so if the court made a decision prior to
25 the end of this rate case, we would have the

1 information to make a decision one way or the other,
2 not meaning that it would absolutely -- you would be
3 included; you would not; we did not know.

4 That was the reason the information was
5 included. I personally don't think that we should
6 have jurisdiction in this county. But I did vote to
7 agree to have the information filed. And I believe
8 that we thought that it would be appropriate to have a
9 hearing in Hernando County to give customers the
10 opportunity. But what I'm hearing here today is that
11 you believe that as a result of the stay, we do not
12 have jurisdiction until the court, if that is their
13 decision, says we do. And that it is inappropriate
14 for us to have this hearing today, and the customers
15 would just as soon go home and not address us.

16 Madam Chairman, it may be inappropriate, I
17 don't know, but to save everybody a lot of time and
18 trouble, I am willing right now to make a motion to
19 delete Hernando County, the other counties in which
20 the jurisdiction is in question, delete it from this
21 case, it will no longer be a part of this case;
22 whatever decision is made will only apply to those
23 counties that we have jurisdiction over today.

24 If the court makes a decision before this
25 rate case is over, and the court says we do have

1 jurisdiction, we will just not apply any rate increase
2 in those jurisdictions. Southern States would have to
3 file another rate case for those jurisdictions
4 specifically. And if they want uniform rates over
5 their entire area, including those jurisdictions in
6 question, they will have to file a rate case at that
7 time.

8 I sincerely thought that we were being very
9 cautious in protecting the customers' interest by
10 having the information filed and included --

11 AUDIENCE: No.

12 COMMISSIONER DEASON: -- and included in the
13 case. I believe maybe we were in error. And if that
14 is the case -- and you may not want to entertain the
15 motion; I can understand that; but right now I am
16 going to make a motion that we simply exclude Hernando
17 County at this point. And I will be welcome to give
18 Mr. Jaeger and Mr. Shreve, Mr. Armstrong and
19 Mr. Twomey a brief opportunity to address that, if you
20 are willing to entertain the motion before we take a
21 vote.

22 UNIDENTIFIED SPEAKER: I second the motion.

23 CHAIRMAN CLARK: I was just about to ask for
24 a second. I don't think you can second.

25 COMMISSIONER JOHNSON: I'd like to ask for a

1 second on our --

2 CHAIRMAN CLARK: Okay.

3 COMMISSIONER JOHNSON: But my concern is --

4 AUDIENCE: Can't hear.

5 COMMISSIONER JOHNSON: I think what

6 Commissioner Robinson has just raised is an excellent
7 point; one that I hadn't thought about in terms of who
8 has jurisdiction right now. Quite candidly, I thought
9 that by us coming to Hernando County and hearing from
10 the citizens, that we were doing it for more
11 informational purposes; that we wanted to hear what
12 you had to say.

13 I participated in the last hearing, and I
14 know that what the citizens of this county say and
15 what they will have to say may have some impact on my
16 final decision; and for that reason, I wanted to hear
17 from the citizens. I was pleased that so many people
18 came out today, and I would hate for us to now turn
19 these people around that have signed up to participate
20 and let us know how they feel about uniform rates, let
21 us know how they feel about us, let us know how they
22 feel about our Staff -- I would like to hear that
23 information now.

24 With respect to the legal issue that
25 Commissioner Robinson raised, you may be right. But I

1 don't want to take the Public Counsel, our counsel --
2 I'm sure Mr. Twomey is ready -- but the other legal
3 staff who haven't had the opportunity to thoroughly
4 analyze that issue and to force us to a decision
5 before I've had an opportunity to read all of the
6 legal analysis and perhaps, when I have this one
7 opportunity to hear from these people, to take that
8 away from me now.

9 I believe that since we are here, we've
10 spent the resources, the citizens have spent their
11 time to come here, I'd like to hear from the other
12 Commissioners, I would like to hear from the
13 representatives and, more importantly, I would like to
14 hear from the citizens today. (Applause)

15 CHAIRMAN CLARK: Ms. Robinson.

16 WITNESS ROBINSON: Madam Chairman, I
17 understand Commissioner Johnson. I'll agree that it
18 is a shame to waste it now. But what we would like
19 to -- we would be more than happy to stay here and
20 give you all the information you want, but we want to
21 pull Hernando County out first. You take us out of
22 the rate case, that's where I think we should be, we
23 would gladly come up to this mike, everyone in this
24 room, and give you the opinions on all the issues that
25 pertain to the docket. But we want to pull Hernando

1 County out of the docket because we believe the stay
2 is in place and a stay is a stay is a stay. Once it
3 happens, there is a stay. And we would like that on
4 there. (Applause)

5 If we can get that on there, to pull
6 Hernando County out of this docket now, then set that
7 aside, we'll be more than happy to stand here and have
8 all these people get up. They will give your opinion
9 on the facts you are seeking. The information you
10 want, Commissioner Johnson, we can supply that today.
11 By no means do I want you not to have information to
12 make a decision. I know how it feels not to have all
13 you need. But what we would really like first is to
14 pull Hernando County out of this rate case, on that
15 element alone, because the stay is in place. If we
16 can do that, then we can proceed and give you all of
17 the information and the concerns that this community
18 has about the utility from top to bottom rates, all
19 elements. We'd be happy to do that.

20 In fact, it would be a pleasure to do it.
21 But we would like to first have you pull us out of
22 this rate case because we are not feeling that we are
23 part of it. The stay is in place, the jurisdictional
24 issue is still not determined, and until the Public
25 Service Commission has been determined by First DCA as

1 the regulator, I believe Hernando County is the cause
2 of that stay, and, therefore, we want to be pulled out
3 at this point.

4 I'd be happy to deal with it should the
5 decision of the First DCA favor the Public Service
6 Commission. Certainly, we would be an active
7 participant in solving it, but we want to be pulled
8 out now.

9 Please pull us out now, then let us have our
10 people go ahead and give you the comments and the
11 information you need so that you don't have to rework
12 this issue. I understand that. But please pull us
13 out today.

14 CHAIRMAN CLARK: Ms. Robinson, let me ask
15 you this. I guess I would like -- I'm going to
16 entertain a motion from the Commissioners. I don't
17 have a second, but my concern is that we still haven't
18 given everybody an opportunity to respond to that.
19 There are time frames they need to have. Let me ask
20 you this, if I indicate to you that we will make the
21 decision at our next agenda, which is October 21st --

22 AUDIENCE: No.

23 CHAIRMAN CLARK: I just don't know if we
24 could get to where we want. I want to hear from these
25 customers, but I also think you make an awfully good

1 point.

2 WITNESS ROBINSON: I don't want you not to
3 hear from them --

4 COMMISSIONER GARCIA: If I may, I'm going to
5 begin by saying I'm sorry I got here late; I got lost.
6 It's the first time I've traveled this part of the
7 state.

8 I would be willing to entertain -- to second
9 the motion, but I don't feel it's fair at this point.
10 And let me explain my reasoning on this.

11 AUDIENCE: Oh.

12 MR. TWOMEY: Hear him out. Ladies and
13 gentlemen, hear him out.

14 WITNESS ROBINSON: Let the gentleman speak.
15 I mean, we all need to hear what's going on, so let
16 them speak, please.

17 COMMISSIONER GARCIA: Let me just say this.
18 I would be willing to even move it at our next agenda
19 when all the Commissioners are there. But let me say
20 this because I think it's important, and perhaps
21 Mr. Deason, or Commissioner Deason, might be able to
22 second this motion.

23 I make the commitment that I will also make
24 the motion that we return to Hernando County if you
25 feel that at some point we did not give you a fair and

1 proper notice of this hearing, or that you felt that
2 you weren't prepared to answer this situation. But I
3 do think it would be unfair to all the parties
4 involved to take the time to come out here today to
5 simply -- albeit this hearing -- and not get all the
6 information that we need to get.

7 Now, I will make this commitment to you,
8 that I will move that we return to Hernando County
9 because the Hernando County public was not part of
10 this decision, and, therefore, did not prepare
11 adequately, and we will return here and hear the
12 customer complaints again if you would like. But what
13 I do think is necessary is that you be given the
14 opportunity simply on the service hearings alone, but
15 doing that we have to be within a procedural
16 framework, and that's why we are here.

17 Now, if you feel that it would be better
18 simply to cancel this, because that's what, in
19 essence, we would be doing, is canceling this, and no
20 one would get to speak, you know, I can understand it,
21 but I don't think it's fair. There are people who
22 have concerns, very specific to themselves,
23 individually, which we can address in this forum, and
24 we will address in this forum. But I don't think this
25 is the proper time to cancel this, although I do agree

1 with what you've said. There is a very strong point
2 there, however --

3 MR. TWOMEY: Madam Chair?

4 COMMISSIONER GARCIA: -- however, we do not
5 have the full Commission here, and we have a notice
6 for this motion proper, and for that reason, I don't
7 think that this would be the proper time to entertain
8 this type of motion.

9 MR. TWOMEY: Madam Chair, would you consider
10 short arguments on the subject before you --

11 CHAIRMAN CLARK: Let us finish here.

12 WITNESS ROBINSON: Well, I recognize
13 Commissioner Garcia's concerns. My concern is that we
14 are here in a docket whereby you are not the regulator
15 by virtue of the stay. Until DCA makes a
16 determination, the Public Service Commission is not
17 the regulator. That's what the stay does. That's my
18 legal counsel's determination. When you stop, you
19 stop; and that's what that is. It's in abeyance until
20 the decision is made.

21 My perspective is that we, as Hernando
22 County, should be removed from this rate case until
23 that decision is made. That is just a logical train
24 of thought that would follow the elements of law as
25 they were pursued, as they have gone thus far.

1 As far as hearing from our people, what we
2 really want is just take us out of the docket. That
3 we want. If you want to hear from this audience, this
4 audience is here to talk to you. They will give you
5 every bit of information under oath that you require,
6 but the point is we want to clarify that we are not in
7 the docket, that the Public Service Commission is
8 under stay, and, therefore, is not the regulator at
9 this point in time. So until you are the regulator,
10 this community should not be involved in the rate case
11 at all. And that's the point of concern based on the
12 legal stay.

13 We are asking you to take us out of this
14 particular case until such time as a decision is made
15 through the First DCA. And historically, when the
16 Commission has made decisions before, we have all been
17 here at the same time. I can say that historically.
18 So the fact that there are four -- there are four
19 people here who can do this, four people who
20 understand all of this. I have no concern about that.
21 But we're asking that you take Hernando County out of
22 this rate case today, and let that go. And listen to
23 the people --

24 CHAIRMAN CLARK: Ms. Robinson, we will take
25 that up right now.

1 WITNESS ROBINSON: Please.

2 COMMISSIONER JOHNSON: Could I ask --

3 (Applause)

4 Because I believe Commissioner Robinson has
5 raised a good point, but I'm not concerned -- I mean,
6 I'm not convinced of the final legal conclusion. And
7 I say that because certainly there is a stay. But I'm
8 wondering if by that stay can we then not notice
9 Hernando County with respect to matters? Can we then
10 not ask the Company for information regarding Hernando
11 County? Is that your position that -- and so,
12 therefore, Hernando County will not be a part or
13 active or noticed on any of the proceedings that we
14 are, in fact, holding, would that be your position?

15 WITNESS ROBINSON: My position is that
16 Hernando County is not part of this rate case and
17 should be taken out.

18 COMMISSIONER JOHNSON: So that you will not
19 be noticed and you will not be a participant at all?
20 And I say that because I don't know if us noticing and
21 asking for information, if we have now somehow
22 breached some regulatory -- I don't know if we were
23 servicing regulatory jurisdiction by doing that, and
24 that's what I -- I'm not concerned about us not having
25 all the Commissioners here. I think we do have a

1 quorum. My issue is a legal issue and whether we have
2 sufficient legal analysis to answer that question.

3 I hate to jump the gun on that until we find
4 out if the action that we've taken are not prohibited
5 by the states. I would like to hear the argument of
6 legal counsel and see the briefs filed so that we can
7 make an informed decision on the issue.

8 CHAIRMAN CLARK: Well, let me ask this
9 question, Ms. Robinson.

10 WITNESS ROBINSON: Yes.

11 CHAIRMAN CLARK: Commissioners, are you
12 prepared to take this matter up today?

13 COMMISSIONER DEASON: Well, I'm ready. I
14 made the motion. And let me say this. I'm not so
15 much concerned about the legality of whether the stay
16 prevents us from seeking this information and have it
17 as part of the docket and whether the stay prevents us
18 from having this hearing. I think it's a matter
19 within our discretion.

20 And I think I tried to express that I
21 thought -- I know this is what I put -- and I thought
22 that it was being cautious and that we were trying to
23 protect customers' interests by having this
24 information be part of the case and come to Hernando
25 County and have this hearing. What I'm hearing today

1 is that the customers, through Commissioner Robinson
2 and through the comments of the audience, I believe
3 that there's -- there appears to be unanimity on the
4 point that they don't want to have any part of this.
5 And I do recognize that Southern States, we are not
6 violating their due process right because they didn't
7 ask Hernando County to begin with in the filing.

8 We wanted to supplement the information.
9 And when we requested the information, I don't think
10 that we were making a decision then that Hernando
11 County would be included. It was simply a decision to
12 have the information before the Commission so that we
13 would have all the information to make an informed
14 decision pending the court's decision.

15 But I'm not concerned with the legality.
16 I'm concerned with what makes the best public policy
17 sense. And what I am hearing about from the public is
18 that it doesn't; in their opinion, it doesn't make
19 sense. And we were basically doing it for their
20 benefit to give them an opportunity. So I'm not
21 concerned about the legality.

22 I would allow parties who would like, if
23 they are so inclined, to address the Commission on the
24 issues going on. But I'm willing to go forward with
25 the motion, and I'd like to respect that --

1 MR. TWOMEY: Madam Chair -- I'm sorry. Let
2 me say one thing.

3 CHAIRMAN CLARK: Just a minute, Mr. Twomey.
4 Are there any other comments, Commissioners? Go
5 ahead, Mr. Twomey.

6 MR. TWOMEY: Thank you, Madam Chair. I'm
7 sorry to interrupt. I would love to have two or three
8 minutes max to argue why you should grant what
9 Commissioner Robinson has just said.

10 I think I can give you some reasons that
11 will help Commission Johnson and Commissioner Garcia,
12 and perhaps yourself, Madam Chair, fighting to second
13 Commissioner Deason's motion.

14 No one needs to brief this, to my knowledge,
15 except perhaps your own Staff. But why don't you hear
16 us out for a few minutes. It's toward what these
17 folks want to do. And if his motion dies for a
18 second, so be it. But why don't you hear us out?

19 CHAIRMAN CLARK: I'm just concerned about it
20 being an informed decision, but I summed what
21 Commissioner Deason is saying, we did come down here
22 to hear from you all. And we did it in an abundance
23 of caution. I mean, it wasn't that we were going to
24 assert our jurisdiction. It just was a matter of a
25 pendency and doing it so that we gave everyone an

1 opportunity to talk should it possibly affect them.

2 That's why we are here.

3 COMMISSIONER GARCIA: I wouldn't mind
4 hearing the arguments the way Commissioner Johnson --
5 (Audience responds)

6 I wouldn't mind hearing the arguments as
7 Commissioner Johnson stated. I do have a problem with
8 feeling that they may not be as complete as they
9 should be when we are examining them. This has been a
10 case that has been back and forth. It started way
11 before I got here and probably will proceed for quite
12 a while longer.

13 But what I'm fearful of is that we may rush
14 this decision, and I don't want to miss that. Now, in
15 the interest of hearing at least the legal arguments
16 that will be put forward here now that requires a
17 second, I'd be willing to make it. But again, I'm
18 scared that you all are missing an opportunity.

19 I believe that the ratepayers --

20 AUDIENCE: No.

21 CHAIRMAN CLARK: Ladies and gentlemen, you
22 all came out here today. We would like to hear from
23 you.

24 COMMISSIONER GARCIA: You all came out here,
25 and one of the unfortunate things that has happened is

1 something that we try to avoid at these hearings is
2 that we turn something that should be a public hearing
3 into a legal proceeding that is going to probably take
4 another long while. All I want is the opportunity to
5 hear what you have to say. And what you have to say
6 has had an impact, at least on me and the decisions
7 that I make. And I think it's important that if you
8 are here, we allow that to happen.

9 And I wouldn't mind if we finish the
10 proceeding. At the end of the proceeding, we'll sit
11 here and everybody can go home or not go home. We'll
12 listen to all the legal arguments and then make a
13 determination. I just don't think we prepared the
14 parties sufficiently enough and we are going to be
15 taking up peoples' time without allowing them to
16 speak.

17 Now, Commissioner Robinson, if you feel that
18 this is a unanimous opinion and you feel that you are
19 giving the position of the County Commission and this
20 is the way you want to proceed, then clearly these are
21 your constituents and they vote with you, that's fine.
22 If you want to try it out that way, that's fine also.

23 WITNESS ROBINSON: Madam Chairman, may I
24 comment?

25 CHAIRMAN CLARK: Yes.

1 WITNESS ROBINSON: I believe there are two
2 issues here. One is Hernando County does not believe
3 it should be part of the rate case. We believe we
4 still retain the jurisdictional issue until the First
5 DCA Court of Appeals makes its determination. That's
6 one issue. We would like you to pull us out of the
7 rate case based on that element.

8 The second consideration is your
9 consideration of information. If, indeed, you wish to
10 hear from the people of Hernando County, please give
11 us their first decision and then move on and listen to
12 Hernando County because our people are here. They are
13 all quite prepared. Every one of us are prepared to
14 address the issues. That's not in question.

15 We are not here in meeting where we are ill
16 prepared to present our concerns. But our primary
17 concern -- my primary concern -- is the jurisdictional
18 issue, and we need the Public Service Commission to
19 determine that we are not part of this rate case
20 currently based on that. If we can have that, then if
21 indeed the DCA finds in your favor, obviously we'll
22 become part of a rate case, and we will all be talking
23 on this level again. If they do not, then Hernando
24 County will be the ratemaker for Hernando County, and
25 we'll have these hearings in Hernando County with its

1 own people and with SSU.

2 So we would like you to pull us out of the
3 rate case -- I would want. Just take us out because
4 we aren't part of it. Secondary, if you want
5 information, our audience is here today, and we'll
6 spend as much time as you like to give you information
7 as they feel are concerns to them. (Applause)

8 Should there be any future rate case -- and
9 at that point in time should there be a future rate
10 case, they will be back to meet with you at your
11 leisure and be available to you at anytime to do that.

12 CHAIRMAN CLARK: Okay.

13 WITNESS ROBINSON: But we want the
14 designation of this rate case; we want Hernando County
15 taken out of that. That's what we are here for first.

16 CHAIRMAN CLARK: Okay. Mr. Shreve, do you
17 have any comments? Would you like to participate in
18 argument on this?

19 MR. SHREVE: I'll be glad to if Mr. Jaeger
20 wants to go first, I'll get my notes together.

21 CHAIRMAN CLARK: No.

22 MR. TWOMEY: I'll be happy to do it.

23 CHAIRMAN CLARK: Okay. Mr. Jaeger, do you
24 have anything?

25 MR. JAEGER: Yes. Chairman Clark, at the

1 agenda conference on August 1st is when you decided to
2 give this additional information. After that order
3 was issued, or after that decision, that the three
4 counties were added, and, hey, I'm not sure that that
5 ever was -- it should have been a, correct, fallout
6 that this county should have been added. In any
7 event, they were, and we set this for hearing.

8 I think the Commission does have the power.
9 We have a quorum here, and they can either clarify
10 or -- if it's on their own motion, like a
11 reconsideration of what happened at agenda for that
12 agenda conference on August 1st. So that if you think
13 there needs to be a clarification and whether you want
14 to proceed, that is up to you, and you may do that
15 here today.

16 CHAIRMAN CLARK: Okay.

17 COMMISSIONER JOHNSON: Chairman Clark, may I
18 ask a question perhaps of Staff because I think
19 Commissioner Robinson said two points. She said we
20 are dealing here with two issues. She said one was
21 whether or not Hernando County is part of this rate
22 case, and second, wether or not we will gather
23 information from the citizens of Hernando County
24 whether or not they are part of the rate case, and I
25 understood that completely.

1 And one of my concerns about it originally
2 said perhaps we need to have this analyzed because
3 what we did on that agenda day, decide to get the
4 information, I didn't feel as if we were trying to
5 assert jurisdiction and make these people a part of
6 this rate case, and whether our adding them to the
7 heading and actually giving them notice of the
8 meeting, would make them a part of this rate case, I
9 don't think that's what we actually did. So maybe we
10 need to clarify that.

11 And with Commissioner Robinson, I don't know
12 exactly what you are asking for. Are you asking to
13 not to be in the --

14 AUDIENCE: No. (Simultaneous
15 Conversations.)

16 WITNESS ROBINSON: Let Commissioner Johnson
17 finish. Ladies and gentlemen, please. Hernando
18 County needs to listen to Commissioner Johnson's
19 comments and treat all the Commissioners with the
20 greatest of respect; they are here to help us and to
21 work with us. We are trying to do that, so please let
22 the Commissioner finish.

23 COMMISSIONER JOHNSON: Are you asking that
24 what have we done to assert jurisdiction? Just being
25 here? Including you in the notice? Asking for

1 information regarding the system? Those are the kind
2 of questions that I need to -- if you can address for
3 me to help me better understand what actions we have
4 taken to constitute jurisdiction here.

5 WITNESS ROBINSON: The only one I see that
6 is of ill concern is that if the rate hearings and the
7 outcome of this ratemaking case should occur, it will
8 affect Hernando County. Those rates will affect us.
9 We have no information to the contrary. So if those
10 rates are going to affect us, we are obviously in the
11 rate case whether that was your intent or not.

12 What I'm asking you to do today, since
13 obviously it was an informational issue that you were
14 concerned about -- and we thank you for that because
15 our people want to give you information; that's not a
16 question. We thank you for those attempts. But we
17 want you to tell us that we are not part of this rate
18 case at this point in time until the jurisdictional
19 issue is resolved. That's what the people here want.
20 They want to know are they or are they not part of the
21 rate case.

22 If the rates affect us and rate change
23 affects us at this point in time as you make your
24 deliberations, then we're obviously part of the case.
25 We don't believe we should be part of this case. We

1 want you to take us out.

2 If it's information, that's the second
3 consideration. And if you need information, this
4 audience here will be happy to remain and to do that
5 and answer any -- (Simultaneous conversation)

6 Just a second. -- answer any questions you
7 have. So it is a two-pronged issue. Your issue is
8 gaining information; we want to help you with that.
9 Our issue is we don't belong in the rate case, and we
10 are affected because those rates will affect Hernando
11 County's residents.

12 COMMISSIONER GARCIA: Ms. Robinson, let's
13 say you've convinced me.

14 WITNESS ROBINSON: I hope I have.

15 COMMISSIONER GARCIA: If you have convinced
16 me, then I don't think we can sit here. If you
17 believe that this is an assertion of jurisdiction,
18 which I think you make a valid argument that this is
19 an assertion of jurisdiction just being here. Well,
20 if that's the case, we cannot ask the Company to
21 provide any further information in terms of this -- of
22 being because it has no effect on my decision. And if
23 that's the case, I don't have a problem sitting here
24 informally and talking to everyone here for as long as
25 you like.

1 WITNESS ROBINSON: We would invite you to do
2 that. That's not a problem. But once you could tell
3 us we are not part of the rate case, that's what we
4 want. That's the primary issue.

5 COMMISSIONER GARCIA: If that's your feeling
6 on it, then I will go ahead and second the motion so
7 that we can have a discussion by the attorneys and
8 then make our decision, I guess, so that we can be
9 more formal.

10 CHAIRMAN CLARK: Okay. Mr. Jaeger.

11 MR. JAEGER: Chairman Clark, I have one
12 other comment. What we did on August 1st, if we
13 didn't decide -- even if we don't have jurisdiction
14 over Spring Hill, when we are trying to set rates for
15 everybody else, we have to have total information from
16 Spring Hill or from Hernando County. And what we are
17 trying to do is set rates for everybody else, and it's
18 just as a fallout that we need this information,
19 whether it affects you at all or not, whether we have
20 any jurisdiction over you, it's for us to completely
21 do our jobs for all the other counties that we do have
22 jurisdiction over, we need to have this information to
23 get an overall picture of the operations of Southern
24 States.

25 CHAIRMAN CLARK: Ladies and gentlemen, we

1 need to keep it down. We're trying to hear what is
2 being said here. And I apologize for this legal
3 argument going on, but we want to hear it.

4 WITNESS ROBINSON: We don't want to hold
5 back information from you, but the amended application
6 has Hernando County in there, and those rates are
7 going to affect Hernando County, so I believe then we
8 are in this rate case. And if information is what the
9 Public Service Commission needs, we are happy to
10 provide you with any new information; we will spend
11 the day. That is not an issue to us here.

12 The issue -- and I believe you have the
13 right to that information and can do that whether we
14 are a member -- whether we are affected by the docket
15 or not, whether we are a part of the case or not. I
16 believe you have that opportunity. That's just my
17 personal opinion.

18 CHAIRMAN CLARK: Okay.

19 WITNESS ROBINSON: But what we want to do is
20 have Hernando County taken out of the rate case
21 because of the stay, wait for a DCA's decision, and
22 then respond appropriately. So Hernando County
23 wants --

24 CHAIRMAN CLARK: Let me ask you one point.
25 What happens if the DCA decides the case while the

1 case is pending? What is your view then?

2 WITNESS ROBINSON: At that point in time, we
3 can do -- then Hernando County would like to have a --
4 sit down and have a public meeting with you.

5 CHAIRMAN CLARK: Okay.

6 WITNESS ROBINSON: But we would like to
7 first, pull us out because we do not believe we are
8 part of the case at this point in time. Should that
9 occur, then we will all respond and work together on
10 this then.

11 CHAIRMAN CLARK: Ms. Robinson, let me --
12 Mr. Armstrong, do you wish to make any comment or
13 argument on this point?

14 MR. ARMSTRONG: Just briefly. Southern
15 States --

16 CHAIRMAN CLARK: Commissioner Johnson and --
17 well, at least Commissioner Garcia would like to hear
18 briefly from the attorneys. We'll hear from them --
19 (Simultaneous conversation)

20 COMMISSIONER GARCIA: And before we -- the
21 people perceive that, Ms. Willis made a very important
22 point, that there may be people here from other
23 systems --

24 CHAIRMAN CLARK: Yes.

25 COMMISSIONER GARCIA: -- which are still

1 part of the rate case. But, clearly, if that is the
2 case, then we will not be hearing from Hernando County
3 today in a formal hearing if we vote this way. And
4 then the people who are here from Citrus, from -- I
5 don't know what the other systems are that may be
6 here, we will hear from them. And then this hearing
7 will conclude, and we will gladly sit and talk to you
8 because it wouldn't be ex parte; we can talk about it,
9 I think.

10 CHAIRMAN CLARK: It's not going to be -- no,
11 I think we can go ahead and hear from the other county
12 people. (Simultaneous conversation)

13 COMMISSIONER GARCIA: We can go ahead and
14 have it in an informal basis.

15 CHAIRMAN CLARK: No, we can take their
16 testimony, too. And I'm willing to -- because they
17 are part of the system anyway, even if we don't have
18 jurisdiction.

19 WITNESS ROBINSON: And if we are out of the
20 case, I don't have any problem if you take public
21 hearing. I mean, that's more than appropriate from my
22 perspective. We just want to clarify where we are.
23 We want to be out.

24 CHAIRMAN CLARK: Mr. Armstrong.

25 MR. ARMSTRONG: Commissioner, as everybody

1 knows, we did not include Spring Hill in this rate
2 application. We did that based on our legal analysis
3 and based on conversation with the Hernando County
4 attorney that they would be filing an appeal. We
5 didn't feel at that point in time that Hernando
6 County, the Spring Hill residents, should be in the
7 case. But it was clear -- and I don't have the order
8 in front of me -- it was clear to us that we had on
9 August 1st to include Hernando County and the Spring
10 Hill customers in this rate case and that it would
11 impact them at that point in time. No other rationale
12 to the constituent was made at that point.

13 Southern States is concerned about the legal
14 issue which the Commission has raised, and which I'm
15 sure every attorney in this room would be concerned
16 about. And I'm not in the position, and Southern
17 States is not in the practice of making a practical
18 determination of what the law would be or should be.
19 So I really believe that we do have to have an
20 opportunity to address the issue after legal analysis
21 is done. We always hesitate to make any assertions
22 based on the law if it is not known.

23 CHAIRMAN CLARK: Mr. Armstrong, is that it?
24 Oh, I'm sorry.

25 MR. ARMSTRONG: No, I've got one more

1 comment, and that is Hillsborough County previous to
2 today has filed a motion seeking a determination. Are
3 they in or are they out? And we were surprised to
4 come to this point today without having received
5 something from the Spring Hill Civic Association.
6 You're represented here, and I'm surprised to hear it
7 today, I expected it much sooner than this. But I'm
8 sorry, but I really can't make a legal opinion today
9 without having done that Tuesday.

10 CHAIRMAN CLARK: Okay. Mr. Twomey.

11 MR. TWOMEY: Mr. Armstrong, which I take to
12 be an explicit criticism for not filing a motion or a
13 petition as did Hillsborough County for a point of
14 entry pursuant to Chapter 120 of the Florida
15 Administrative Procedure Act, okay. Now, I'll do
16 that -- I plan on doing it and I'll do it when I feel
17 like it. I expect Mr. Snow is going to file one for
18 Hernando County as well.

19 CHAIRMAN CLARK: Speak into the microphone,
20 Mr. Twomey.

21 MR. TWOMEY: Let me give you some background
22 on why Hillsborough County did that. Okay?

23 Ladies and gentlemen, what happened here was
24 that, as Mr. Armstrong said, is they didn't ask that
25 Spring Hill be included in this case. Okay? Didn't

1 ask for it. Guess where the idea came from? The idea
2 came from the Staff of the Florida Public Service
3 Commission when they issue a recommendation to the
4 Commissioners, the same Public Service Commission
5 Staff that sprung the concept of uniform rates on you
6 people at the eleventh hour in 1993. Okay?

7 Now, it was their idea, to his credit -- and
8 Mr. Armstrong is right -- and legally it makes a mess
9 of this whole stinking case, to drag you people in
10 when you shouldn't be here. Now, they made another
11 mistake, and I was there on behalf of someone else
12 that day, not for Spring Hill, the Public Service
13 Commission and their Staff -- and I blame the Staff
14 for this, not the Commissioners -- they made a
15 recommendation to the Commission back in August that
16 said, drag in involuntarily in this rate case -- even
17 though SSU didn't ask for it -- drag in Hernando
18 County, you folks, drag in Hillsborough County, who's
19 been regulating their own utilities for years, and
20 Polk County, the same. Okay. Do you think they
21 bothered to give anybody even a modicum of notice, the
22 courtesy or the legal responsibility of notice, to
23 say, "We are asking our Commissioners to make a
24 decision today that affects your substantial rights.
25 You ought to be here or at least watch it or talk

1 about it."

2 They didn't say a word to Mr. Snow. They
3 didn't say a word to me. I wasn't representing Spring
4 Hill. They didn't give me notice in that regard.
5 They didn't tell Hillsborough County. They didn't
6 tell Polk County or anybody else. Okay?

7 And these Commissioners, with the exception
8 of Commissioner Deason, I think, said, "Okay, we'll do
9 this just out of caution," they called it, or
10 something, so we have information. Okay?

11 Now, Mr. Jaeger is wrong. They don't have
12 to drag you people in and put you subject to rate
13 increases in order to get the information they need
14 about SSU's operations in Spring Hill. Okay? All
15 that information, you don't know what they are
16 spending, how many new pickup trucks they drive, and
17 what they are paying their people. Armstrong knows
18 it.

19 They don't have to put you at risk in order
20 to get the information that Mr. Jaeger says they need.
21 They need it, sure they do. They don't have to put
22 you at risk. Now, they did not give anybody legal
23 notice about the decision to drag you in, and it is
24 fatally flawed. That alone kills it. Okay?

25 Hillsborough County filed a petition to get

1 the point of entry, basically saying, "Give us notice,
2 give us a chance to talk against what you want to do
3 against our interest." I'm going to do the same for
4 Spring Hill. They've had to do it before. I'll do it
5 when I feel like it. Maybe Mr. Snow will do the same
6 thing, and maybe the county attorney from Polk, maybe
7 the county attorney -- from anybody else will do it as
8 well. Okay? It's flawed right there.

9 Now, they dragged you into this case and by
10 having your name on the masthead and saying that if
11 the First District Court of Appeal makes the decision
12 in the middle of this case, Commissioner Clark said,
13 well, what's going to happen then? What if they
14 decide against you people and your county commission
15 and say, yes, the Public Service Commission has
16 jurisdiction. Now, I don't think that's going to
17 happen, but what if? Well, what danger is there?
18 Okay? Do you people want to be included?

19 AUDIENCE: No.

20 MR. TWOMEY: Do you know why the Staff
21 recommended to have you included when the Company
22 didn't? Your rates are too high right now. You are
23 paying too much right now, \$2.2 - \$2.5 million a year
24 too much. They recognized it by ordering these people
25 to reduce your rates about a week or so ago. Okay?

1 They denied their request for interim rates
2 based in large part on the fact that, one, that they
3 asked for interim rates based upon projected date,
4 based upon a law they got passed. These folks didn't
5 even know about it. And more importantly, based on
6 the fact that they asked for interim rates based upon
7 a uniform rate structure. Okay? And you all know
8 what a uniform rate structure does, it rips you off
9 for millions of dollars a year. If we go through this
10 case and you are not in and Commissioner Deason's
11 motion is upheld and voted on and passed, and you are
12 out of the case and the First DCA rules against you,
13 is there any harm? No, no harm. The Commission can
14 go ahead and set the rates for the other 150 or -49
15 or, whatever it is, systems and give them all the
16 money they are entitled to.

17 Do you know what they miss if you are not
18 there? Because you are paying rates that are too high
19 now, you should be getting a rate reduction. Okay.

20 Now, I will tell you why the Staff -- why I
21 think the Staff argued so strenuously to have you
22 included. Because under the amended filing that the
23 Public Service Commission made Mr. Armstrong and his
24 utility file, which, by the way, added another half a
25 million dollars to what they were asking for, under

1 that concept, if they approved the uniform rates,
2 which I say is illegal, they'll be able to take \$5
3 million a year out of your pockets. Okay?

4 And if you are not here, if they haven't
5 forced you to be here, they can't take it from you
6 without going through this whole business again.
7 Okay? That's the only risk.

8 All the information the Staff says they
9 need, they can get it. The only thing they risk by
10 letting you out right now is taking \$5 million a year
11 from you. And if they let you out, you don't suffer
12 the risk of any harm at all. And as far as that
13 goes --

14 So for that reason I would urge a second at
15 some point for Commissioner Deason's motion, they
16 should let you people out of this thing. You
17 shouldn't have to worry about how this is going to
18 affect your budgets, your retirements, your children,
19 grandchildren, whatever, until it is clear,
20 convincingly clear, from the District Court of Appeals
21 as Commissioner Robinson has indicated, that they have
22 the clear authority to regulate and you don't.
23 Waiting for the court to rule on letting you out and
24 letting your minds be at ease until that time doesn't
25 hurt one thing, again, but the opportunity of their

1 Staff to allow this utility to take \$5 million from
2 you. Thank you. (Applause)

3 WITNESS ROBINSON: Chairman Clark, we'd like
4 our attorney here, Mr. Snow, to have a few words if
5 that's --

6 CHAIRMAN CLARK: Yes, Mr. Snow. Go ahead.

7 MR. SNOW: Thank you very much.

8 Madam Chair, the members of the Commission, ladies and
9 gentlemen, I think Commissioner Robinson has obviously
10 done a very good job raising the issue that Hernando
11 County has discussed. They've discussed in great
12 detail with me. Frankly, its been black-letter law
13 that there's a stay in regard to the jurisdiction of
14 this case. I mean, it is unheard of that when a lower
15 tribunal has been determined not to have jurisdiction
16 based on the stay, you don't conduct a trial when you
17 don't have jurisdiction. And I think that's the point
18 Commissioner Robinson was making.

19 Certainly, we would have no objection to
20 taking testimony and what have you. But the status of
21 the pleadings is such that Hernando County has been
22 included in the application for a rate increase. In
23 all due respect, the Public Service Commission does
24 not, at this point, have jurisdiction to consider
25 that.

1 I should point out that several years ago
2 the shoe was on the other foot. Hernando County had
3 just adopted the resolution to opt out of the
4 regulatory authority of the Public Service Commission,
5 but you still have your 1992 rate case that have been
6 placed into effect.

7 I advised the Board of County Commissioners
8 that they were compelled to recognize the jurisdiction
9 of the Public Service Commission and that they could
10 not foresee to change and hear a rate case until the
11 1992 rate case was over.

12 As a matter of fact, I got criticism for
13 making that determination. Whether right or wrong,
14 the fact of the matter is Hernando County respected
15 the jurisdiction of the Public Service Commission, did
16 not proceed independently with its own rate case, even
17 though there was perhaps legal authority that we
18 might.

19 And I think what Commission Robinson and the
20 other members of the County Commission are saying is
21 we would appreciate the reciprocal respect and that
22 you recognize at this point Hernando County's
23 jurisdiction and that you make a determination that
24 you do not have jurisdiction at this time to consider
25 Hernando County in this particular rate case.

1 CHAIRMAN CLARK: Because the stay is in
2 effect?

3 MR. SNOW: Because the stay is in effect.
4 As a matter of fact, Madam Chairman, members of the
5 Commission, even when we were deliberating several
6 years ago as to whether or not Hernando County had the
7 authority to do something with the rates in Hernando
8 County, I was advised by legal Staff members of the
9 Public Service Commission that if we attempted to,
10 that we would be subject to a petition of prohibition
11 and other litigation was threatened.

12 We don't intend to threaten that type of
13 litigation because we respect your abilities, and we
14 respect the fact that ultimately you want to
15 understand and agree that there is an automatic stay,
16 and that there is no jurisdiction. And that you would
17 not conduct a trial in a proceeding when you have no
18 jurisdiction.

19 CHAIRMAN CLARK: Okay. Thank you, Mr. Snow.
20 (Applause)

21 Mr. Shreve.

22 MR. SHREVE: Commissioner, I would like to
23 comment on a couple of things today. One, I think
24 there's been a great deal of misunderstanding here
25 coming from the remarks the Commission has made.

1 (Inaudible due to audience response.)

2 MR. SHREVE: Now, wait a minute. -- by the
3 Commissioners -- and I don't think by me, but that's
4 possible, too.

5 It was my understanding -- and I was not in
6 this fight, so I'm not cutting in from either side.
7 It was my understanding that when the Staff of the
8 Public Service Commission came and asked you to bring
9 the other counties in, that they wanted the
10 information so that they could include them in the
11 rate increase or rate case at the end. They were not
12 included in the interim. And I guess that decision
13 was made by Southern States. But that was my
14 impression that that was the reason the Staff wanted
15 the information, so that it would be in there, so that
16 it could be considered in the rate increase at the end
17 of the case. That was my understanding.

18 If that was not your understanding, then
19 maybe there was no problem anyway if you didn't
20 include them in the rate increase. So with that, I
21 don't think the Commissioners -- there may have been
22 some misunderstanding there on that, but I think they
23 were in for that purpose, as you have commented. They
24 were in there for the rate increase. And I think
25 that's what Southern States is doing.

1 CHAIRMAN CLARK: Well, let me interrupt you.
2 You were correct, in the interim they were not
3 included in that deliberation.

4 MR. SHREVE: Yes. And I'm not sure who made
5 that decision. I assume it was Southern States, but
6 it was very clear --

7 CHAIRMAN CLARK: And the Staff felt that it
8 was not appropriate until it was decided, the court
9 case was decided.

10 MR. SHREVE: Okay. Well, then I was not
11 privy to that conversation.

12 CHAIRMAN CLARK: It's in the recommendation.

13 MR. SHREVE: I beg your pardon?

14 CHAIRMAN CLARK: It's in the recommendation,
15 I think, Mr. Shreve.

16 MR. SHREVE: I know Southern States did not
17 make a request.

18 CHAIRMAN CLARK: You are correct.

19 MR. SHREVE: All right. It was very clear,
20 in my opinion, that they were included -- rate was
21 included -- it could be included in the rate case.
22 And I understand exactly where Commissioner Garcia is
23 coming from on needing the information for
24 Commissioner Johnson. And I think you are exactly
25 right. However, I will commit to you that we will go

1 after the information that we need from Southern
2 States on anything that they are doing in Hernando
3 County that we need for the rate case. And we will
4 pursue that in discovery, and would expect the same
5 cooperation that we are getting on other things that
6 we are asking for. But we will commit that we will go
7 after the information even if they are excluded in
8 this rate case, so we won't be prohibited from having
9 that.

10 Now, as I said, in my opinion, we are
11 fighting the past so I'm relying really on
12 recollection from what happened at the time.
13 Historically, it's been a County Commission decision
14 as to whether or not they would be regulated.
15 Hernando County and OPC -- the Public Service
16 Commission had jurisdiction. Really, there was a
17 decision by the Hernando County Commission that they
18 could take it away at any time. Hernando County made
19 the decision that they were taking the jurisdiction
20 back, and that was recognized by the Public Service
21 Commission. I think the county attorney has expressed
22 the facts accurately throughout.

23 At the time you voted to bring the three
24 counties in, I am not sure -- I really am not sure of
25 the timing on that. I'm not sure if the appeal and

1 the stay was in place at that time, so you may not
2 have been aware of the stay at the time you brought
3 them back in. But at any rate, once the stay was in
4 place, I don't think this Public Service Commission
5 had jurisdiction to bring them in or take them out or
6 whatever. But I think it's very clear to me that the
7 Public Service Commission, once that stay is in place
8 while it's being appealed, does not have jurisdiction
9 over these certain counties as far as purposes of
10 granting a rate increase or considering rates.

11 (Applause)

12 CHAIRMAN CLARK: Someone has just refreshed
13 my memory. I think you are correct, Mr. Shreve. At
14 the time that we asked for this information, the
15 appeal had not yet been filed.

16 MR. SHREVE: So from that, I think you may
17 have not had full information that agreed with the
18 county commission, the county attorney, and I know
19 now, the wishes of the people here that they should be
20 excluded from the rate case.

21 CHAIRMAN CLARK: Commissioners?

22 COMMISSIONER DEASON: Madam Chairman, since
23 I made the motion I just want to clarify something and
24 ask for additional comments before we proceed further
25 on the motion.

1 I appreciate Mr. Twomey's comments, but I
2 don't think full blame rests with our Staff. In fact,
3 I had discussions with our Staff, and I felt that it
4 was extremely important that the Commission have all
5 relevant information before it, and that the filing
6 appeared to be lacking in that there was not -- it did
7 not appear to be all the relevant information. There
8 needed to be information in the other counties in
9 which jurisdiction was in question.

10 But I do understand the argument that's made
11 by Commissioner Robinson. I think she makes an
12 extremely good point. I think in a nutshell what she
13 is saying is that she doesn't mind providing any
14 information. She doesn't mind us having this hearing.
15 She just doesn't want the Hernando customers put at
16 jeopardy to have their rates increased as a result of
17 this case.

18 AUDIENCE: Yeah. (Applause)

19 WITNESS ROBINSON: We want to clearly be
20 excluded from this particular case.

21 COMMISSIONER DEASON: I understand that.
22 Now, we have heard from the attorneys here today. I
23 tend to agree with Mr. Jaeger that we are basically --
24 on August the 1st we made a decision to get this
25 information in to include Hernando. Now, whether we

1 were -- I don't think we were taking action on that
2 day saying that Hernando County's rates would be
3 changed, but we would have information pending the
4 court's decision. And that was our decision at that
5 point.

6 I think we are at the stage now of
7 reconsidering that. I disagree with Mr. Armstrong
8 that we need to give the attorneys some type of notice
9 and give them a chance to brief it. If we did the
10 action and we think it was wrong, we can redo it or we
11 can undo it. And I think we can do that here today.
12 And that's the reason I am making the motion.

13 (Applause)

14 CHAIRMAN CLARK: Commissioner Deason, state
15 the motion for me.

16 COMMISSIONER DEASON: The motion is to make
17 a determination that in those counties in which our
18 jurisdiction is in question, that is subject to the
19 appeal pending before the First District Court of
20 Appeal, that we make it clear that we are not going to
21 be putting those customers' rates in jeopardy with the
22 rate increase as a result of this case regardless of
23 what the court says.

24 I do not think that violates Southern
25 States' due process rights because they did not

1 include that as a part of their initial request. We
2 will proceed or we will process the rate case for
3 those counties in which we have clear jurisdiction.
4 If the court says we have jurisdiction of those other
5 counties before those rates would be changed, it would
6 necessitate another rate filing with proper and
7 adequate notice in another round of public hearings in
8 those counties.

9 COMMISSIONER GARCIA: It's been seconded.

10 CHAIRMAN CLARK: Okay. Just so I'm clear,
11 that even if the court decision came down in the midst
12 of it, of this, we would still have to have a whole
13 new rate proceeding?

14 AUDIENCE: Sure.

15 COMMISSIONER DEASON: That's right. The
16 rates in those counties -- because my understanding is
17 that with the stay in effect -- with the stay in
18 effect, we do not have the authority to subject these
19 customers to that. We would have had clear
20 jurisdiction, and I don't think we can do it in this
21 rate case because there's already an eight-month clock
22 ticking. And if we get a decision from the District
23 Court of Appeal in the seventh month of this rate
24 case, we won't have the time to process it
25 appropriately and give them an opportunity to

1 adequately participate in the case.

2 CHAIRMAN CLARK: Okay.

3 COMMISSIONER DEASON: We have no alternative
4 but to exclude them from this case.

5 CHAIRMAN CLARK: Okay.

6 COMMISSIONER GARCIA: Commissioner Deason,
7 but at no point are you excluding the ability for us
8 to ask for information from the Company?

9 COMMISSIONER DEASON: Absolutely correct on
10 that because we have to have information on the
11 operations in Hernando County because there are
12 complex cost allocations which take place in a company
13 of this magnitude. And that's something that this
14 Commission has historically done in other areas of our
15 jurisdiction.

16 We regulate electric companies who are a
17 part of holding companies that have operations in
18 other states. Obviously, we can't change the rates
19 for their operations in other states, but we can get
20 information on those companies' operations --

21 COMMISSIONER GARCIA: I just wanted to
22 clarify.

23 COMMISSIONER DEASON: -- so that we can make
24 an informed decision on the jurisdiction that we do
25 have.

1 COMMISSIONER JOHNSON: I did want to hear
2 from Mr. Jaeger, though.

3 MR. JAEGER: The only thing I was going to
4 clarify, Mr. Twomey, I said we needed a clarification.
5 And I think the appeal came out on the 21st of August,
6 which would have changed things. We voted on
7 August 1st --

8 CHAIRMAN CLARK: All right. That makes it a
9 little more clear.

10 There has been a motion and a second. All
11 those this favor say aye?

12 CHAIRMAN CLARK: Aye.

13 COMMISSIONER DEASON: Aye.

14 COMMISSIONER GARCIA: Aye.

15 COMMISSIONER KIESLING: Opposed nay? (No
16 response) (Applause)

17 CHAIRMAN CLARK: There's a little
18 consternation on the part of the Commissioners with
19 respect to trying to be fair to everybody, not just
20 the customers in Hernando, but other customers. And
21 think that's all you want to hear.

22 But, quite frankly, I have been persuaded by
23 two points. First of all, the stay was not in effect,
24 or the appeal was not taken at the time we said we
25 needed the information. And to be consistent with our

1 decision, we needed that information because it was
2 our decision that the law required us to regulate.
3 And you asked for a stay. And I was concerned that if
4 it's on a stay, if the court decides through the
5 proceeding that we do have jurisdiction, that it's
6 fair to include everyone.

7 But I think Commissioner Deason has made a
8 good point with respect to the eight-month time clock,
9 Commissioner Johnson, and my real concern is you can't
10 keep processing a case and keep getting information
11 throughout the case. And unfortunately, that's
12 happening in this case. And it has happened with
13 Southern States. And hopefully, at some point, we'll
14 get it straightened out.

15 And I, quite frankly, don't think the court
16 will decide it in a timely enough manner that we can
17 probably get all that information before we have to
18 finish the case. And, quite frankly, if that happens,
19 you know, we may be back here on another case, and I
20 think you all need to be aware of that.

21 You have made some good points, and we've
22 had a motion and a second, and it's been supported by
23 three Commissioners. So I think as it stands now, the
24 motion is passed; Hernando County is not part of this
25 rate case. (Applause)

1 WITNESS ROBINSON: Madam Chairman, we would
2 just like to thank the members of the Public Service
3 Commission for considering this element. We know that
4 there is a time gap in this whole affair, and that's a
5 communication issue. and we wanted to bring that to
6 your attention because I really felt that we would not
7 wish to -- regarding that stay.

8 CHAIRMAN CLARK: Well -- (Simultaneous
9 conversation)

10 WITNESS ROBINSON: I felt that way, but I
11 didn't think there was communication on the issue.
12 But we want to thank you for considering that, for
13 taking Hernando County out of this rate case. And I
14 guess in the future should there be other issues,
15 obviously, we would be happy to cooperate.

16 CHAIRMAN CLARK: And I appreciate the fact
17 that you contributed to keeping the case not as
18 complicated as it would have been by not exercising
19 your jurisdiction, and I appreciate that.

20 WITNESS ROBINSON: Thank you.

21 COMMISSIONER GARCIA: I do want to make sure
22 that people who are in Citrus County and what was the
23 other one -- Pasco County -- we'd like for them to
24 testify because they are still part of this.

25 CHAIRMAN CLARK: Let me just make a

1 clarification. I have misspoke for a Commissioner.
2 She is also voting in the affirmative. I think she
3 had some concerns about the timing and that sort of
4 thing, and I probably should have spoken up first.
5 But I think Commissioner Deason's point about the
6 clock is running and we need to make some decision as
7 to just exactly what we are looking at --

8 So what I'd like to do now is we are here in
9 Brooksville, but there are other Counties besides
10 Hernando County, and I would invite the people from
11 Hernando County to stay and give us information.

12 WITNESS ROBINSON: And for those in Hernando
13 County, you all realize we are no longer part of this
14 rate case? (Applause)

15 WITNESS ROBINSON: Thank you very much.

16 CHAIRMAN CLARK: We're going to go ahead and
17 take a break. Ten minutes and -- ladies and
18 gentlemen, if you no longer want to testify, would you
19 please let Mr. Shreve know.

20 (Brief recess.)

21

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22 CHAIRMAN CLARK: Ladies and gentlemen, we do
23 need to continue this hearing.

24 Mr. Shreve. Can you determine who you
25 should call as your next witness?

1 MR. SHREVE: I have been asked not to call
2 anyone from Spring Hill, unless there is someone that
3 would like to speak. I have a great many names, but I
4 think most of those people have left. Is there anyone
5 here from Spring Hill that would like to speak? All
6 right, sir. Two people.

7 Commissioner, although they are no longer
8 jurisdiction of the Public Service Commission, I think
9 that we --

10 CHAIRMAN CLARK: It's not clear that they
11 are not under our jurisdiction. They are not in this
12 case.

13 MR. SHREVE: They're not in this case and
14 there's a stay on the order. We all understand but I
15 think we'll probably go ahead and hear from the people
16 there.

17 There was some people here from Sugarmill
18 Woods but they told me they were not going to speak
19 today. Is there anyone here from any other systems
20 other than Spring Hill? I think essentially we're
21 here from Spring Hill.

22 CHAIRMAN CLARK: Go ahead.

23 MR. ARMSTRONG: Madam Chair, we would like
24 to just register our objection to testimony from
25 anyone from Spring Hill. Spring Hill, due process and

1 equal protection.

2 COMMISSIONER DEASON: Okay. Mr. Armstrong.

3 Thank you.

4 MR. SHREVE: Is he objecting to testifying
5 or what?

6 CHAIRMAN CLARK: He's registering an
7 objection to taking evidence from them.

8 MR. SHREVE: I object to his objection. I'd
9 like to register that. (Applause)

10 CHAIRMAN CLARK: I'm not going to rule on
11 the objection. I think we're here to take testimony
12 from the customers. If it's determined they are not
13 part of this -- I'm down here, Mr. Armstrong. I'm
14 going to hear from them. Go ahead.

15 - - - - -

16 FRED WALL

17 was called as a witness on behalf of the Citizens of
18 the State of Florida and, having been duly sworn,
19 testified as follows:

20 MR. SHREVE: Give us your name and address?

21 WITNESS WALL: My name is Fred Wall. I live
22 at 7739 Pinehurst Drive, Spring Hill, Florida. I'm a
23 resident here.

24 And I'd like to thank all of you people for
25 coming down here. And this hassle has been going on

1 too long. I think it's about time that we get this
2 thing wound up and get it back in order, because we
3 have people spending lots of time here that should be
4 doing other things. But your job is very important.

5 I was in Tallahassee even back to when
6 Deltona -- we got the reform for Deltona. I have been
7 up there just about every trip that we've gone to
8 Tallahassee. And I want to thank you for your
9 cooperation and your consideration you have shown.
10 And we'll be having another hearing so I'm going to
11 cut mine real short. Thanks again for coming down and
12 God bless all of you.

13 CHAIRMAN CLARK: Thank you, Mr. Wall.

14 MR. SHREVE: Representative Stabins.

15 - - - - -

16 JEFF STABINS

17 was called as a witness on behalf of the Citizens of
18 the State of Florida and, having been duly sworn,
19 testified as follows:

20 WITNESS STABINS: Thank you very much. My
21 name is Jeff Stabins, S-T-A-B-I-N-S, 7497 Forest Oaks
22 Boulevard, Spring Hill, Florida 34606. That is my
23 legislative office and I represent the folks who are
24 here and many who have left.

25 I wasn't sure of how this meeting was going

1 to develop today, but I thought that Commissioner
2 Robinson did an excellent job of presenting the
3 viewpoint. And I appreciate the decision that you
4 made on behalf of the Commission today.

5 You know, it reminded me, and reminds me, of
6 the fact that you're here, and yet you really
7 apparently do not have jurisdiction over this case.
8 It kind of reminds me of I have had 36 town meetings
9 throughout my district. And once during a campaign my
10 sign man, loyal sign man who was really out there
11 trying to help me and help promote me, wandered off
12 into Floral City. Commissioner Garcia was lost today
13 in our beautiful area. Floral City is not in my
14 district. As beautiful as it is, he couldn't do me
15 much good out there and if I had the town meeting up
16 there, that wouldn't be appropriate because I don't
17 have jurisdiction over those folks; I don't vote for
18 them. And yet I am a state representative and I do have
19 some sort of a role in terms of making laws for the
20 entire state. And certainly as Public Service
21 Commissioners you have a role in utilities, whether
22 you have specific jurisdiction or not. So I think
23 it's appropriate that you have stayed and I appreciate
24 that.

25 In terms of Southern States, I just want you

1 to know -- and some of my constituents who may wonder
2 sometimes just what I'm doing for them in
3 Tallahassee -- that I have been very involved in this
4 case and I have filed legislation to assist our County
5 Commission in making it more clear about when it is
6 that they may have jurisdiction over utilities within
7 their county boundaries. I'm sure the Commission is
8 aware of that. I plan to follow and continue this
9 battle. And the whole reason why we're here, the
10 whole reason why I filed legislation, why my County
11 Commission has done so, why these folks are up in arms
12 is because of the very detrimental treatment that
13 Southern States Utilities has on the people of Spring
14 Hill. The rates that we are paying -- and, frankly,
15 I'm paying them, too. I'm in a better position to
16 afford them than my constituents, who are on fixed
17 incomes. But they are absolutely unjust. And
18 anything that we can do, any of us in this state, to
19 roll back those excessive rates should be done. There
20 is no reason under the sun why the people of Spring
21 Hill, whose utility system does not physically
22 interconnect with the systems of other counties in
23 other parts of the state, should pay to subsidize
24 those systems. It is flat wrong and it just shouldn't
25 be done.

1 And eventually, and I don't know how long
2 it's going to take -- I'm not an attorney, but I know
3 how these things drag out -- eventually I believe we
4 will prevail. And I hope in some future venue the
5 Commission will do what it needs to do to assist in
6 this matter, that this situation will be taken care of
7 and that there will be a rebate for the customers of
8 Spring Hill. That the courts will decide in the
9 correct manner, but it's wrong and we've just got to
10 get it taken care of.

11 We do appreciate your being here today, kind
12 of like when I go to Floral City, but thanks for
13 coming to Brooksville. (Applause)

14 MR. SHREVE: I think we have one more.

15

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16

RICHARD SHAKE

17 was called as a witness on behalf of the Citizens of
18 the State of Florida and, having been duly sworn,
19 testified as follows:

20 WITNESS SHAKE: Madam Chairman. Richard
21 Richard Shake. S-H-A-K-E. I reside at 1162 East
22 Trumbull Drive. I'm here for information.

23 I need to know what the return was for 1954?
24 And the return for 19 -- I'm sorry, 1994, 1993 and
25 1992. Because they are requesting, if I'm not

1 mistaken, a 10.32% increase. Also, I need a
2 clarification on the \$116 million to plant in service.
3 Is that repair, replace or addition? And also I have
4 to question the PSC because of the utility, or their
5 buying other utilities that are in a rundown condition
6 and now they are expecting us to help them out of this
7 jam. And I wonder what they had in mind. Was there a
8 forethought of fixing it up or placing a rate increase
9 on the users to repair the plant? If I could have
10 answers to these questions I would appreciate it.

11 CHAIRMAN CLARK: Mr. Shake, we can't provide
12 you answers to those things. I don't have that
13 information with me right now. We can certainly
14 provide that to you and I'm sure Mr. Shreve and
15 Mr. Beck, who represent the consumers, have that
16 information.

17 WITNESS SHAKE: I would appreciate that.

18 CHAIRMAN CLARK: Okay. Thank you.

19 COMMISSIONER DEASON: It may be that
20 Mr. Willis could also help provide that information.
21 Not that Mr. Beck couldn't, but he can help with that.

22 CHAIRMAN CLARK: Mr. Shake, if you could,
23 give us your name and address Mr. Willis right here
24 can help you. Mr. Beck. Is there anyone else who
25 wants to speak?

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1
2 **WILLIAM CSASZAR**

3 was called as a witness on behalf of the Citizens of
4 the State of Florida and, having been duly sworn,
5 testified as follows:

6 WITNESS CSASZAR: My name is William
7 Csaszar, C-S-A-S-Z-A-R. I live the 11141 Marysville
8 Street, Spring Hill, Florida 34609.

9 I heard the attorney for the utility say
10 that they had one of the best repairs, et cetera in
11 their systems. Well, on two different occasions
12 recently I had calls for water breaks in the
13 neighborhood.

14 COMMISSIONER GARCIA: Sorry, for what?

15 WITNESS CSASZAR: Water breaks.

16 COMMISSIONER GARCIA: Water bricks?

17 WITNESS CSASZAR: Water breaks.

18 I called and they came out immediately and
19 checked it. However, the reponse was, "We'll get to
20 it tomorrow." Meanwhile, this water leak is running
21 all night. Now, if this is conservation, it's a poor,
22 poor way of conserving water.

23 Secondly, what I'm questioning is the amount
24 of money this utility intends to spend for upgrading
25 some of their utilities. How is it that Spring Hill

1 has 25,000 population and you're going to spend
2 8.1 million here in Spring Hill to update it, and you
3 turn around, Marco Island with 8,000 people, and
4 you're going to spend 9.6 or 9.1. Now, where is the
5 justification? Are we taking care of the elite or are
6 we taking care of people? This is a point that I
7 can't understand. If somebody could explain it to me,
8 I'll buy it.

9 Thank you for your time. Appreciate hearing
10 from me.

11 WITNESS CSASZAR: Thank you, Mr. Csaszar. I
12 think we have one more person. Go ahead.

13 - - - - -

14 **MIKE GOLOVEY**

15 was called as a witness on behalf of the Citizens of
16 the State of Florida and, having been duly sworn,
17 testified as follows:

18 WITNESS GOLOVEY: My name is Mike Golovey.
19 10454 Northcliffe Boulevard, Spring Hill.

20 I would like to mention one thing that will
21 be important in considering rates, and it relates not
22 only to Spring Hill but it relates to some other
23 counties. It's the same like when you raise taxes,
24 you expect to collect more money but actually you get
25 less money. The same is going to happen in some cases

1 with the water.

2 I can give you an example of my case. I own
3 16 apartments. I have a sprinkler system and I'm
4 paying \$25-and-plus water, so it's about \$30 per month
5 for water. So it's \$360 a year.

6 I was considering drilling a well. It will
7 cost me between \$1200 and \$1500. So with the \$360 a
8 year spending, it doesn't make a whole lot of sense to
9 do. Now, when you raise rates, I can get a return in
10 two and a half years for my investment, and I can pump
11 as much water as I want. So it will be an excellent
12 return on my money and I can pump water and water my
13 plants 24 hours a day. It's against conservation.
14 You have to consider these kinds of things.

15 People, you know, with higher rates,
16 expensive rates, people will go to alternatives.
17 Instead of using sewage lines they will use septic
18 tanks. They will drill wells all over the state and
19 will pump ten times more water than they are using now
20 because water is free. So rates have to be kept to
21 some reasonable level so it's not economically
22 feasible to look for alternatives. And they don't
23 think that SSU realizes these kinds of things. They
24 think the higher rates the more money they will get.
25 Eventually they will get less money and the

1 environment will be destroyed. So this is my point I
2 would like you to consider. And thank you for your
3 time.

4 CHAIRMAN CLARK: Thank you, Mr. Golovey.
5 (Applause) Yes, do you want to come forward and give
6 some testimony?

7

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8

EUGENE FONTANA

9 was called as a witness on behalf of the Citizens of
10 the State of Florida and, having been duly sworn,
11 testified as follows:

12 WITNESS FONTANA: My name is Eugene Fontana.
13 I live at 10375 Ventura Drive, Spring Hill Drive.

14 I attended these meetings several years ago
15 when they had rate hearings on SSU, and at that time
16 the disappointment was that rates were later put in
17 for a uniform rate. Nothing at any of those meetings
18 said that uniform rates were being considered. SSU
19 apparently realized what a windfall they have had
20 because look how much money, millions, they are
21 putting in now fighting the correction of this
22 disaster.

23 So, this is our money they are fighting us
24 with. So why are they coming back and saying, "Hey,
25 we need more money." Where are they getting all this

1 money to appeal, appeal, appeal, and where is our
2 rebate they say we should be getting? They say they
3 don't have one. Where is it? Did they spend it on
4 appeals? I think this is ridiculous. I thank you.

5 CHAIRMAN CLARK: I believe we have no one
6 else who signed up to testify. That being the case,
7 we're going to adjourn this hearing at this time.
8 Thank you very much for coming out.

9 (Thereupon, the hearing concluded at
10 12:07 p.m.)

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