

**ORIGINAL
FILE COPY**

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application of Florida
Cities Water Company, North Ft.
Myers Division, for an increase in
wastewater rates in Lee County,
Florida

Docket No. 950387-SU

Filed: March 25, 1996

CHERYL WALLA PREHEARING STATEMENT

Cheryl Walla files this Prehearing State-
ment and state:

(a) All Known Witnesses That May Be Called:

Jarilyn Victor
1740 Dockway Drive
N. Fort Myers, FL 33903

Subject Matter: Lochmoor Golf Course, site of Florida Cities
reclaimed water recipient.

Mr. I. A. Pellicer, Jr.
Natural Resources Manager
Lee County Division of Natural Resources

Subject Matter: Conditions of Permit

Clyde Debb
South Florida Water Management District

Subject Matter: Conditions of Permit

Brian Schall
Florida Department of Environmental Regulation

ACK _____

AFA 1 _____

APP _____

Subject Matter: Conditions of Permit

CAF _____

CMU _____

(b)

All Known Exhibits:

Fifteen Exhibits (CW 1-11) attached to the pre-
filed direct testimony of Cheryl Walla.

(CW-12) Thirteen photographs of Lochmoor Golf
Course, site of reuse recipient.
Sponsors: C. Walla J. Victor

(CW-13) Two workpapers disputing staff margin
reserve and used and useful formulae.

(CW-14) Two page letter to Mr. Ruth of South
Florida Water Management District Accompanied
by Technical and Economic Evaluation for the

CTR _____

EAG _____

LEG 1 _____

LIN 5 _____

OPC _____

RCH _____

SEC 1 _____

WAS _____

OTH _____

FROM : COPY CAT CORNER

PHONE NO. : 9416560950

Mar. 25 1996 09:07AM P03

Reuse of Reclaimed Water, from FCWC recieved by SPWMD January 4, 1990, 5 pages. Memorandum to Steve Lamb, Director Water Use Division, 2 pages recieved on January 31, 1990.
Sponsors: C. Walla J. Victor

(CW-15) Two maps of reuse site from DER.
Sponsors: C. Walla J. Victor

(c) Basic Position:

The rates Florida Cities Water Co. are seeking for increase in capacity and their reuse facility from the Commission are based on flows to their plant inflated by infiltration. Therefore the existing means of effluent disposal was adequate had the 1992 implemented I & I program of FCWC been successful. The reuse facility was not economically feasible for the 2500 customer base and all the variable cost that went with it. FCWC service is not satisfactory to its customers. The rate case expense is exorbitant not prudent.

(d) Issues and Positions:

Infiltration

Issue 1: Did Florida Cities Water Company base its Capacity Increase on flows containing excessive infiltration?

Position: Yes, their flows contain excessive infiltration. (C. Walla, exhibits CW-5 & CW-13)

Issue 2: Has Florida Cities Water Company implemented I & I program been vigorous in trying to correct the problem since 1991?

Position: No position pending answers to interrogatories and further development of the record. (C. Walla)

Reuse

Issue 3: Did the increase in flows cause FCWC to seek the reclaimed water reuse project as means of additional disposal of effluent?

Position: Yes, even though this is not economically feasible to the small customer base of N. Ft. Myers. (C. Walla)

Issue 4: Was Lochmoor Golf Course a prudent choice for the reuse site?

FROM : COPY CAT CORNER

PHONE NO. : 9416560950

Mar. 25 1996 09:07AM P04

Position: No position pending further discovery and development of the record. (C. Walla)

Service

Issue 5: Did FCWC misrepresent with less than truthful statements in three public documents?

Position: Yes, the three documents are (CW-7, CW-8 & CW-10) (C.Walla)

Issue 6: Did Commission seriously consider customer testimony on service when rendering satisfactory decision?

Position: The Commission did not consider the 1065 letters nor did they consider the 54 name odor petition. As well as many other testimonies at customer hearing of July 26, 1995. (CW-6) (C. Walla)

Rate Case Expense

Issue 7: Is the rate case expense of Florida Cities Water Company all prudent expenses thus far in this docket?

Position: No position pending answers to interrogatories and further discovery and development of the record. C. Walla)

(a) Law Issues and Positions

Issue 1: Florida Statute §367.111 (2) Service

Position: The Public should not be compelled to pay increased wastewater rates because of an inefficient wastewater collection system. As in the case North Florida Water Co. v. Bevis, 302 So. 2d 129 (1974) (C. Walla)

Issue 2: Florida Statute §367.121 Powers of Commission

Position: Commission's order granting utility permission to increase wastewater rates is defective for failure to make separate and specific findings of fact upon which commissions ultimate conclusion was predicated. Village of North Palm Beach v. Mason, 157 So. 2d 721 (1965) (C. Walla)

Issue 3: Florida Statute §367.121 Powers of Commission

FROM : COPY CAT CORNER

PHONE NO. : 9416560950

Mar. 25 1996 09:08AM P05

Position: Public Service Commission based its decision simply on the familiarity it had developed from its review of financial affairs and practices of other utilities. Public Service Commission opinion as to what is proper rate of return for utility is not valid substitute for evidence.
Metropolitan Dade County Water and Sewer v. Community Utilities Corp., 200 So.2d 831 (1967) (C. Walla)

(f) Policy Issues and Positions

Issue 1: Used and Useful Calculation

Position: This is a difficult and vague concept. It should not be rendered as a matter of opinion but should be a written standard that all concerned can use the same methodology. It should always have infiltration amounts taken out to give truer used and useful plant. (C. Walla)

Issue 2: Margin Reserve

Position: This policy of including margin reserve should be totally excluded from rate making practices. The present customer base should never have the burden of the cost to provide for future customers. (C. Walla)

Issue 3: Rate Case Expense

Position: There should be a detailed list of prudent expenses allowed by a utility. Here again this should not be a opinion by the Commission. (C. Walla)

Issue 4: Order Establishing Procedure

Position: This procedure does not allow an average customer to successfully protest an order of the Commission without outside assistance of professionals. (C. Walla)

Issue 5: Commissions charges for documents

Position: A person whom intervenes in a case should not be charged for documents that are needed for discovery purposes from the Commission. After all unlike the utility the expense is all out of pocket and cannot be recovered in rate case expense like the utility. (C. Walla)

(g) Proposed Stipulations: I am not aware of any proposed or pending stipulations.

FROM : COPY CAT CORNER

PHONE NO. : 9416560950

Mar. 25 1996 09:08AM P26


(h) Matters party seeks action upon:

- Action 1: Seek action allowing supplemental testimony and exhibits on interrogatories answers from FCWC. (C. Walla)
- Action 2: Seek action allowing further testimony and exhibits from bulk file of South Florida Water Management District. The file is currently in Palm Beach we are waiting for it to be transferred to Lee County office. (C. Walla)

(i) Requirement that cannot be complied with:

- Requirement 1: Cannot attend the pre-hearing conference. This would present an economic hardship to my family.
- Requirement 2: Cannot attend the prehearing conference. This would present an economic hardship to my family. (C. Walla)

Respectfully submitted,



Cheryl Walla

FROM : COPY CAT CORNER

PHONE NO. : 9416560950

Mar. 25 1996 09:09AM P07

CERTIFICATE OF SERVICE

I HEREBY CERTIFY the original and 15 true and correct copies of the prehearing statement were hand delivered to the Director of the Division of Records and Reporting on March 25, 1996. A true and correct copy of the foregoing has been furnished by U.S. Mail to the following:

Wayne L. Shiefelbein, Esquire
Gatlin, Woods, Carlson
& Cowdery
The Mahan Station
1709-D Mahan Drive
Tallahassee, FL 92308

Dawn Coward
951 Tropical Palm Avenue
N. Ft. Myers, FL 33903

Doris Hadley
1740 Dockway Drive
N. Ft. Myers, FL 33903

Eugene Brown
Lakeside at Lockmoor Condo
Assoc., Inc. #32
2069 W. Lakeview Blvd.

Belle Morrow
691 Camellia Drive
N. Ft. Myers, FL 33903

Eugene F. Pettenelli
4300 Glasgow Court
N. Ft. Myers, FL 33903

Jerilyn Victor
1740 Dockway Drive
N. Ft. Myers, FL 33903

Harry Bowne
4272 Harbor Lane
N. Ft. Myers, FL 33903

Mr. Paul H. Bradtmiller
Florida Cities Water Co.
Lee County Division
P.O. Box 21119
Sarasota, FL 34276-4119

Robert & Beverly Hemenway
4325 S. Atlantic Circle
N. Ft. Myers, FL 33903

Nancy McCullough
683 Camellia Drive
N. Ft. Myers, FL 33903

Kevin Morrow
905 Poinsettia Drive
N. Ft. Myers, FL 33903

Fay Schweim
4640 Vineta Ave.
N. Ft. Myers, FL 33903


Cheryl Walla

**CERTIFICATE OF SERVICE
DOCKET NO. 950387-SU**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U.S. Mail or by *Hand-delivery to the following party representatives on this 25th day of March, 1996:

Wayne L. Shiefelbein, Esquire
Gatlin, Woods, Carlson
& Cowdery
The Mahan Station
1709-D Mahan Drive
Tallahassee, FL 32308

Dawn Coward
951 Tropical Palm Ave.
N. Fort Myers, FL 33903

Doris Hadley
1740 Dockway Dr.
N. Fort Myers, FL 33903

Eugene Brown, President
Lakeside at Lockmoor Condo
Assoc., Inc. #32
2069 W. Lakeview Blvd.
N. Fort Myers, FL 33903

Belle Morrow
691 Camellia Dr.
N. Fort Myers, FL 33903

Eugene Retteselli
4300 Glasgow Court
N. Fort Myers, FL 33903

Jerilyn Victor
1740 Dockway Dr.
N. Fort Myers, FL 33903

Harry Bowne
4274 Harbor Lane
N. Fort Myers, FL 33903

Lila Jaber, Esquire
Division of Legal Services
Fla. Public Service
Commission
101 E. Gaines Street
Tallahassee, FL 32399

Mr. Paul H. Bradtmiller
Florida Cities Water Co.
Lee County Division
P.O.Box 21119
Sarasota, FL 34276-4119

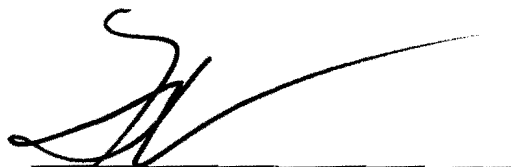
Robert & Beverly Hemenway
4325 S. Atlantic Circle
N. Fort Myers, FL 33903

Nancy McCullough
683 Camellia Dr.
N. Fort Myers, FL 33903

Kevin Morrow
905 Poinsettia Dr.
N. Fort Myers, FL 33903

Fay Schweim
4640 Vinseta Ave.
N. Fort Myers, FL 33903

Cheryl Walla
1750 Dockway Dr.
N. Fort Myers, FL 33903



Harold McLean
Associate Public Counsel