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BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of :  
Application for Rate Increase in :  
Brevard, Charlotte/Lee, Citrus :  
Clay, Duval, Highlands, Lake, :  
Marion, Martin, Nassau, Orange, :  
Osceola, Pasco, Putnam, Seminole, :  
Volusia and Washington Counties :  
by SOUTHERN STATES UTILITIES, :  
INC.; Collier County by MARCO :  
SHORES UTILITIES(Deltona); :  
Hernando County by SPRING HILL :  
UTILITIES (Deltona); and Volusia :  
County by DELTONA LAKES :  
UTILITIES (Deltona :  
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DOCKET NO. 920199-WS

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APPEAL

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SEP 3 1992

Florida Public Service Commission

PROCEEDINGS: SANFORD SERVICE HEARING  
BEFORE: CHAIRMAN THOMAS M. BEARD  
DATE: Friday, August 14, 1992  
TIME Commenced at 10:00 a.m.  
Concluded at 1:30 p.m.  
PLACE: Seminole County Services  
Building  
County Commission Chambers  
1101 East First Street  
Sanford, Florida  
REPORTED BY: SYDNEY C. SILVA, CSR, RPR  
Official Commission Reporter

DOCUMENT NUMBER-DATE

10054 SEP -3 1992

PSC-RECORDS/REPORTING

## 1 APPEARANCES:

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3 Caparello, Madsen, Lewis, Goldman and Metz, Post Office  
4 Box 1876, Tallahassee, Florida, 32302-1876, Telephone  
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7 appearing on behalf of Southern States Utilities, Inc.

8 JACK SHREVE, Public Counsel, Office of the  
9 Public Counsel, Claude Pepper Building, Room 812, 111  
10 West Madison Street, Tallahassee, Florida 32399-1400,  
11 Telephone No. (904) 488-9330, appearing on behalf of  
12 the Citizens of the State of Florida.

13 LILA JABER, Florida Public Service  
14 Commission, Division of Legal Service, 101 East Gaines  
15 Street, Tallahassee, Florida 32399, Telephone No. (904)  
16 487-2740, appearing on behalf of the Commission Staff.

17

## 18 ALSO PRESENT:

19 BILLIE MESSER, Florida Public Service Commission,  
20 Division of Water and Wastewater.

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I N D E X

Page No.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

OPENING STATEMENTS BY:

Mr. Hoffman	7
Mr. Shreve	12

WITNESSES

Name:

JAMES MORAN Direct Statement	18
NICHOLAS STEPHANISHEN Direct Statement	21
RONALD GURTLER Direct Statement	24
BOB O'BRIEN Direct Statement	35
ALBERT HOPPER Direct Statement	41
CLARENCE P. SADOWSKI Direct Statement	45
JOE ISOLA Direct Statement	47
MYRON LEWENTHAL Direct Statement	49
DONALD S. MORGAN Direct Statement	52
ROBERT HARVEY Direct Statement	53

## 1 Index of Exhibits Continued:

2	<u>Name:</u>	<u>Page No.</u>
3	GASPAR LOMBARDO	
	Direct Statement	55
4		
	NOVELL BEPASS	
5	Direct Statement	64
6		
	RALPH E. BAILEY	
	Direct Statement	69
7		
	CLARENCE CHEEK	
8	Direct Statement	72
9		
	MARIE R. SILVIA	
	Direct Statement	80
10		
	SOFIA ADDIS	
11	Direct Statement	84
12		
	LYNNE CADARETTE	
	Direct Statement	86
13		
	WILLIAM P. LYONS	
14	Direct Statement	91
15		
	DOWNING BRYANT	
	Direct Statement	94
16		
	RICHARD GALOR	
17	Direct Statement	96
18		
	HAROLD MARTIN	
	Direct Statement	98
19		
	SIMON R. SILVA	
20	Direct Statement	100
21		
	JAMES R. CLAYTON	
	Direct Statement	102
22		
	MRS. ROBERT LEHMANN	
23	Direct Statement	117
24		
25		



	<u>Name:</u>	<u>Page No.</u>
1	Index of Witnesses Continued:	
2		
3	LAWRENCE HAYDUK Direct Statement	119
4		
5	RONALD C. GLADE Direct Statement	123
6	NORBERT ZALESKI Direct Statement	126
7		
8	DONALD SULLIVAN Direct Statement	129
9	JACK RUDY Direct Statement	130
10		
11	CHARLOTTE ALLMAN Direct Statement	135
12	FLORENCE RUMPH Direct Statement	137
13		
14	VERA WOODHALL Direct Statement	139
15	JOSEPH MULLER Direct Statement	141
16		
17	ART KUNDMUELLER Direct Statement	145
18	JOHN MASIARCZYK Direct Statement	149
19		
20	GERRY MUNOZ Direct Statement	150
21	FERREL SCHRIMSCHER Direct Statement	153
22		
23		
24		
25	CERTIFICATE OF REORTER	158

1 Index Continued:

2

EXHIBITS

3

Number:

Identified Admitted

4

3 (Company) Notices of  
Publication

12

5

6

7

8

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P R O C E E D I N G S

(Hearing convened at 10:00 a.m.)

CHAIRMAN BEARD: If I could get everyone's attention, please? Good morning. My name is Tom Beard, and I'm the Chairman of the Public Service Commission and we've come here today to hear from you. If we can, for just a moment, let me stop, and I have to let my lawyer take care of the reading of the notice and a few things like that. And then I'll come back and give you a more broad description of what we're going to do this morning.

MS. JABER: This time and place has been set pursuant to notice in Docket No. 920199 --

UNIDENTIFIED SPEAKER: Louder.

MS. JABER: This time and place has been set pursuant to notice in Docket No. 920199, application for rate increase in Brevard, Charlotte/Lee, Citrus, Clay, Duval, Highlands, Lake, Marion, Martin, Nassau, Orange, Osceola, Pasco, Putnam, Seminole, Volusia, and Washington Counties by Southern States Utilities, Inc.; Collier County by Marco Shores Utilities (Deltona); Hernando County by Spring Hill Utilities (Deltona); and Volusia County by Deltona Lakes Utilities (Deltona).

CHAIRMAN BEARD: Take appearances.

MR. HOFFMAN: Thank you, Mr. Chairman.

1 Ladies and gentlemen, my name is Ken Hoffman; I'm with  
2 the Messer Vickers law firm, Post Office Box 1876,  
3 Tallahassee, Florida, 32302. Directly to my left is  
4 Mr. Brian Armstrong, 1000 Color Place, Apopka, Florida  
5 32703. We are here today on behalf of the Utility,  
6 Southern States Utilities, Inc.

7 CHAIRMAN BEARD: Mr. Shreve.

8 MR. SHREVE: Jack Shreve, Public Counsel,  
9 Claude Pepper Building, Tallahassee, Florida. I have  
10 intervened on behalf of the Citizens of the State of  
11 Florida in opposition to the rate increase.

12 MS. JABER: Lila Jaber on behalf of the  
13 Florida Public Service Commission Staff.

14 CHAIRMAN BEARD: Okay. Let me kind of give  
15 you all a background description, if I can. And we  
16 kind of jammed ourselves all up in here where you could  
17 see us and we could see you, instead of having peoples'  
18 backs to you.

19 These two gentlemen, as they said, represent  
20 Southern States Utilities, the Company. And Mr. Shreve  
21 represents the Citizens of the State in opposition to  
22 the rate increase, as he said. And these are people on  
23 my Staff that work with me in Tallahassee.

24 And we're here today to hear from you about  
25 complaints on service, on rates, any issue that you

1 have that you want to bring forward. I will try to  
2 keep this as informal as possible. I do need to swear  
3 you in so that we can make it a part of the official  
4 record of this case. I don't want anybody to feel  
5 intimidated, we'll do everybody at once, because we do  
6 want to keep it informal and we want to hear from you.  
7 That's the real purpose in being here today.

8 We will have a brief opening statement, I  
9 believe, from the Company and from Mr. Shreve. I am  
10 going to try to move along this morning, and we may  
11 even work through lunch. And that's a very selfish  
12 thing, there's a 2:00 flight and the next flight is  
13 6:30 in the evening. And if we can get home at a  
14 reasonable hour, we will.

15 If we can't get done, then we won't. We'll  
16 work until we're done. If that's 9:00 tonight, we'll  
17 stay. But if we can work through and get done and get  
18 back at a reasonable hour, that would be nice. But the  
19 first priority is to hear from you, anybody that wants  
20 to speak. Okay.

21 If we can, we'll have some brief opening  
22 remarks. Go ahead.

23 MR. HOFFMAN: Thank you, Mr. Chairman.

24 Ladies and gentlemen, as I said my name is  
25 Ken Hoffman, to my left is Brian Armstrong. We are

1 lawyers and we represent Southern States, Inc.

2 This is a case which stems from an  
3 application filed by Southern States with the Florida  
4 Public Service Commission to increase its water and  
5 wastewater rates. The application is extremely  
6 comprehensive. It covers virtually all of the water  
7 and sewer systems operated by Southern States which are  
8 regulated by the Florida Public Service Commission.  
9 Specifically, the application encompasses 127 systems  
10 spread throughout 19 counties in this state.

11 Now, based on its present rates, Southern  
12 States is earning a combined rate of return on the  
13 systems included in this application of only 2.5%.  
14 Under present rates, investors in Southern States are  
15 currently experiencing a negative overall return on  
16 common equity of -8.32%. Translation, they're losing  
17 money. In fact, for each of the past three years,  
18 Southern States has not been able to recover through  
19 its present rates sufficient revenues to cover the  
20 interest that the Company owes to its lenders.

21 So, the purpose of this application is to  
22 bring the rates to a level so that Southern States will  
23 have the opportunity to earn a fair and reasonable rate  
24 of return on its investment in water and sewer  
25 facilities and would, once again, be able to attract

1 the necessary investment to meet customer growth and  
2 increased environmental regulatory requirements.

3 Now, the Commissioners, Commission Staff,  
4 Florida legislators, virtually every entity involved in  
5 this industry has recognized that environmental  
6 regulation has increased and that such regulation  
7 increases the cost of providing water and wastewater  
8 service to Florida residents. It is no coincidence  
9 that water and wastewater providers across the state,  
10 whether they be privately owned or owned by counties  
11 and cities, are currently, have in the recent past, or  
12 will in the near future have to increase their rates in  
13 recognition of the increased costs of environmental  
14 regulations.

15 The cost of achieving the State of Florida's  
16 and Southern States' conservation and environmental  
17 goals are high. Southern States is a leader in the  
18 conservation environmental areas, as recognized at both  
19 the state and federal levels.

20 Now, many of the systems involved in this  
21 application have not been subject to rate increases for  
22 as long as 12 or 13 years. For example, in Orange  
23 County, the Detwyler Shores, the Lake Conway and the  
24 University Shores systems have not been involved in  
25 rate cases since 1979.

1           While that is not the fault of you, the  
2 customer, the fact remains that since the time that  
3 many of Southern States systems were last subject to a  
4 rate increase, Southern States has incurred significant  
5 increases in operating expenses and has constructed  
6 significant additional water and sewer plants -- in  
7 many cases, to keep up with customer growth, to plan  
8 for anticipated growth and to meet environmental  
9 regulations imposed by the state and federal  
10 government.

11           For example, with the Deltona Lake system,  
12 here in Volusia County, the Company has invested  
13 approximately \$6 million to construct an effluent  
14 disposal system to eliminate the discharge of effluent  
15 into Lake Monroe, and to permit 100% public access  
16 reuse of effluent at the Deltona Hills and Glen Abbey  
17 golf courses.

18           Now, these actions were required to comply  
19 with the DER Consent Order but they also provide Class  
20 I reliability for the customers and are consistent with  
21 the State of Florida's policy of promoting public  
22 access reuse of effluent.

23           I would add that, by virtue of construction  
24 of this effluent disposal system, there are two very  
25 important conservation benefits achieved. The first



1 being that it allows the Company to conserve the use of  
2 potable, i.e., drinking water; and, secondly, the use  
3 of this system serves to recharge the Florida aquifer.

4           Now, the final hearing in this case will take  
5 place in Tallahassee in November. At that time, the  
6 Commission will hear evidence on a number of technical  
7 issues concerning our request, such as the amount of  
8 the Utility's investment and the amount of operating  
9 expenses incurred for providing water and wastewater  
10 service to the systems at issue. Southern States will  
11 be prepared to prove to the Commission and justify to  
12 the Commission that it is entitled to the requested  
13 increase in its rates.

14           This is a service hearing today. And as the  
15 Chairman said, it represents your opportunity to  
16 address the Commission, to address the Commission  
17 Staff, and to address the Company and let us know your  
18 feelings about the Company's service and its proposed  
19 rates. And we welcome the time set aside today to hear  
20 you express any concerns you may have about the  
21 Company's quality of service or its proposed rates.

22           Thank you for the opportunity to provide a  
23 brief statement and background on our request.

24           Mr. Chairman, a housekeeping matter, I have a  
25 Composite Exhibit 3, which I would ask be marked and

1 admitted into the record. It contains the newspaper  
2 ads, Affidavits of Publications, and the Customer  
3 Notice for this Sanford service hearing.

4 CHAIRMAN BEARD: Okay. That will be entered  
5 into the record as Exhibit No. 3.

6 (Exhibit No. 3 received in evidence.)

7 CHAIRMAN BEARD: Mr. Shreve?

8 MR. SHREVE: Thank you, Mr. Chairman.

9 Mr. Hoffman mentioned that this was a very  
10 large rate filing. It's the largest water and sewer  
11 filing that there has been in the state of Florida. It  
12 encompasses 127 systems, yet we are put under the same  
13 time frame to process this case that we would be if it  
14 were just Deltona individually. It is going to be an  
15 impossible task to try and properly represent the  
16 Citizens of the State of Florida.

17 Deltona specifically asked that there not be a  
18 Proposed Agency Action and it go straight to a hearing.  
19 This had the effect of eliminating the possibility of an  
20 extra five months. By doing that, they also put  
21 themselves in the position of eliminating the possibility  
22 of holding down rate case expense. In other words, by  
23 going straight to a hearing, the rate case expense must be  
24 heard; you don't have an opportunity to accept the rates  
25 that might be voted out by the Public Service Commission

1 before having to go straight to a hearing.

2 In this case, they are asking for \$1.7  
3 million just to process the case to be paid for by you.

4 In addition to being on the same time frame  
5 that we have for any case, the Company was given an  
6 extra 35 days, which is not in accordance with the  
7 rules, to file their testimony. This further cut into  
8 our time to process the case for you.

9 We're getting discovery out, getting  
10 information from the Company as fast as we can and  
11 we're going to continue to do this. You have to  
12 understand the Company took as much time as they wanted  
13 to prepare their case, but then when they file it,  
14 we're the ones that are put under the gun in trying to  
15 get back and represent you and have the factual  
16 information to show, frankly, that they don't deserve  
17 this increase.

18 Mr. Hoffman spoke about the return and about  
19 the environmental areas. It is true there are  
20 environmental requirements, but they are not on all the  
21 systems. There are many, many systems out here that  
22 have had very, very little investment to pursue the  
23 environmental conditions.

24 Deltona was mentioned. Granted, there is a  
25 very large investment there. But what I would like to

1 know and you should like to know, what was the  
2 investment that they had in the first place when they  
3 purchased Deltona rather than putting it on the books  
4 at what the old Deltona had? What is their actual  
5 investment and what kind of return are they making on  
6 the money they really have in there rather than a  
7 phantom increased rate base which provides them  
8 additional depreciation and rate of return. You are  
9 entitled to know that. (Applause)

10 And it is not just Deltona. It is Deltona,  
11 Spring Hill, Marco Island, the companies that were  
12 purchased from them all over the state. In addition to  
13 the same thing with the smaller utilities that were  
14 purchased individually. How much did they pay for them,  
15 and how much do they have them on at the books?

16 Many systems, I think, probably were even  
17 given to them, but the customers are paying a return  
18 and depreciation on that noninvestment. If you had an  
19 actual calculation on a factual investment, then it  
20 would be interested to see just how much money they're  
21 making from Minnesota Power. (Applause)

22 And these are questions that you should  
23 insist on an answer before there is a rate increase.  
24 We are going to continue to push this and try and get  
25 the information, but you're paying the bills.

1           There will be a vote on an interim rate  
2 increase this coming Tuesday. I'm sure all of you are  
3 familiar with that or understand that that's the case.  
4 That is up, the Company has requested an interim rate  
5 increase -- in other words, almost like an emergency  
6 rate increase -- to go into effect as soon as possible.  
7 Then we'll proceed with the rate case, and that will be  
8 measured later against the final rate increase.

9           The Staff of the Public Service Commission  
10 has made their recommendation and that is supposed to  
11 come before the Commission next Tuesday. The law  
12 requires that that interim only bring them up, on the  
13 individual systems, to the bottom of their last return.  
14 We're going to have to watch that and see exactly how  
15 that is handled. Because in so many of these systems  
16 put together, there seems to be a transfer of costs  
17 from one system to another to the point that you can't  
18 look at an individual system and tell anything about it  
19 and what is happening. And that's the problem we're  
20 going to run into in trying to handle 127 systems in  
21 this so-called megacase.

22           And I think that is completely to the  
23 detriment of the customers, since we have been given no  
24 extra time to process this case -- even though it was  
25 Deltona's choice to file it in this way, to go straight

1 to a hearing and not have the opportunity to save money  
2 and not have the opportunity to extend additional time  
3 to you and me, the customers.

4 I would like very much to hear from you  
5 today. I hope some of your questions are answered. I  
6 don't think there have been very much explanation to  
7 the customers. I think probably just about all you've  
8 received is your individual rates. You should take a  
9 look at your individual rates and what the rest of the  
10 system is having.

11 Deltona processed this and said they had a  
12 required amount from each individual system. However,  
13 if you will check, but you may not have the information,  
14 almost every system is being asked for more than the  
15 required amount. The justification there is that some  
16 systems, a few systems, would have to pay extremely high  
17 rates and they shouldn't have to pay that. I agree with  
18 that.

19 But did Deltona come in and say, "XYZ System  
20 is going to have to pay rates higher than they should. We  
21 will absorb that"? No. They said, "This system is going  
22 to have to pay rates much higher than they should, we want  
23 to pass that charge on to the customers."

24 Why should the other customers rather than  
25 Deltona be the ones to pick up the tab for that? It's

1 their system, their investment, and they're the ones  
2 asking for a profit on it.

3 I look forward to hearing from you and thank  
4 you very much. (Applause)

5 CHAIRMAN BEARD: Okay. Let's go ahead and  
6 get started. Do you have the first witness?

7 MR. SHREVE: Yes, sir. Mr. Moran?

8 Yes, sir. Are you Mr. Moran?

9 MR. MORAN: I'm Moran.

10 MR. SHREVE: All right, sir. If you would,  
11 if you'd come up to the mike, I believe everyone could  
12 hear you better.

13 CHAIRMAN BEARD: Mr. Moran, did you say at  
14 this time you ask not wish to speak?

15 WITNESS MORAN: I have just one question.

16 CHAIRMAN BEARD: Okay. Let me -- if we can  
17 do this. Just bear with me for a minute. Those of you  
18 that have signed up to testify, if you would, if you'll  
19 stand and let me swear everybody in, and we'll get that  
20 out of the way and then we'll go from there.

21 (Witnesses collectively sworn.)

22 CHAIRMAN BEARD: Thank you very much. Now,  
23 one other thing. To keep the court reporter happy, as  
24 you come forward, if you would, give us your name and  
25 address and spell your last name if you would, please.

1 Thank you. Go ahead.

2

- - - - -

3

JAMES MORAN

4

was called as a witness on behalf of the Citizens of

5

the State of Florida and, having been duly sworn,

6

testified as follows:

7

WITNESS MORAN: My name is James Moran,

8

M-o-r-a-n. I live at 2314 Lake Helen Osteen Road in

9

Deltona.

10

There's one question I would like to ask you

11

people. And this last statement about telling the

12

truth, we will tell the truth and I hope you people do

13

also. (Applause)

14

Now, I would like to know how you can arrive

15

at a decision that one county can afford to pay and one

16

county can't? How do you go about that? Is it because

17

you have your software in your computers with all the

18

individual personal information on it that you can

19

arrive at this decision?

20

CHAIRMAN BEARD: I'm not sure I know what

21

you're talking about, if you're asking the question to

22

me. No decision has been arrived at yet.

23

WITNESS MORAN: Well, how do they arrive at it?

24

CHAIRMAN BEARD: You mean the request?

25

WITNESS MORAN: Do they take it and have



1 their computers with all their customers like these  
2 ladies and gentlemen here, all their personal  
3 information on a computer disk so they can arrive at  
4 whether they can afford these rates or not?

5           What I understand, I read an article where  
6 the SSU was accused of making Deltona pay a little more  
7 because this one county can't. How did they arrive at  
8 that?

9           CHAIRMAN BEARD: Specifically, I don't know.  
10 Maybe the Company may want to try to respond. I don't  
11 think it's done in that fashion that you take the  
12 personal information and see who can afford to pay and  
13 who can't pay. I can tell you that, even if that were  
14 the way they designed their request, that will not be  
15 how the decision is based in Tallahassee. It never has  
16 been and it won't be.

17           WITNESS MORAN: I just wanted to know how  
18 they arrived at that decision. How did they arrive at  
19 this?

20           CHAIRMAN BEARD: Well, and for everybody's  
21 sake, let me make sure we're real clear.

22           The Company had a request, okay? And that's  
23 all that is at this stage of the game, is a request.  
24 The Company had a request some a couple of years ago  
25 and that request was denied. And I don't know what

1 would be the outcome of this case until we hear all the  
2 information. But that's all it is at this stage of the  
3 game.

4 WITNESS MORAN: Now, another thing, the  
5 Utility has 127 different units?

6 CHAIRMAN BEARD: Yes, sir.

7 WITNESS MORAN: Now, are they all -- the  
8 rates all based the same way? Like Deltona now we have  
9 a basic rate. Other counties, I imagine, have the per  
10 gallon of usage on the wastewater treatment. Now, are  
11 they all the same or --

12 CHAIRMAN BEARD: I think, and you've got the  
13 form right there, I think that in most cases all of the  
14 systems have a base rate and a gallonage charge. Now,  
15 I'm sure there are probably some exceptions? No?

16 MS. MESSER: Yes, that's right, there are a  
17 few flat rates.

18 CHAIRMAN BEARD: There are a few flat rates  
19 left; but, generally speaking, most of them have and/or  
20 will be going to a flat rate plus gallonage charge.  
21 That's generally the way it's has been moving in the  
22 industry.

23 WITNESS MORAN: Well, I think that would be  
24 the proper way to do it, instead of a flat rate where a  
25 single individual is paying for the use of other people

1 that have five in the family, four, six or whatever.

2 It should be based on the usage.

3 CHAIRMAN BEARD: Yes, sir.

4 WITNESS MORAN: That's all I have to say.

5 Thank you.

6 CHAIRMAN BEARD: Thank you very much.

7 Questions?

8 MR. HOFFMAN: No questions.

9 CHAIRMAN BEARD: Okay. Thank you very much.

10 MR. SHREVE: Thank you, sir. (Applause)

11 (Witness Moran excused.)

12 - - - - -

13 MR. SHREVE: Mr. Stepanishen.

14 NICHOLAS STEPANISHEN

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 STEPANISHEN: My name is Nicholas

19 Stepanishen. I live at -- last name, you spell it

20 S-t-e-p-a-n-i-s-h-e-n. I live at 532 Tradewinds Drive

21 in Deltona, Florida 32738.

22 I am here to complain about these rates,

23 which gives you an increase of one-third on the basic

24 rate. And then they are charging you for water going

25 in and water coming out of your house. As far as I'm

1 concerned, I think that's an increase in sort of real  
2 estate taxes. I think that's illegal.

3 But I'm not an attorney. We have two  
4 attorneys representing SSU here. They've been through  
5 the Board. Thank God we have an attorney here  
6 representing us before this Board.

7 I just looked at these figures that you have  
8 here in front of me in this green sheet regarding  
9 Deltona Utilities. And it says, "Present monthly,  
10 basic charge, gallonage charge," okay. It doesn't say  
11 the gallonage charge on the amount of gallons that is  
12 being used here. But on the outside here it says, "The  
13 average usage was roughly 9700 gallons."

14 I don't know where they arrived these figures  
15 or where they came up with them, what the average usage  
16 is on gallons. My house alone, I use a lot more than  
17 this, okay? Unless they don't use their water in and  
18 out.

19 Now, going on that assumption, I began to  
20 wonder about these figures or their costs that they're  
21 saying. Like the learned counsel here had said, you  
22 have a depreciation charge, what did they buy the  
23 Company from? What was the initial start? What did  
24 they start at?

25 Now, they have three or four companies

1 involved. Naturally, as you know, if there's more than  
2 one company involved, you can manipulate prices from  
3 one to another, you can manipulate salaries, you can do  
4 anything you want unless those records are taken and  
5 turned before us so we can take a look at them and find  
6 out where the money is going.

7 Is it possible they want increases for  
8 executives? Some are getting a half a mil. They want  
9 a mil. They're not happy. (Applause)

10 We have workers out here, workers that work  
11 for SSU. I know a few of the people. They work very  
12 hard, and they earn their pay. They have asked for a  
13 small increase, which these people were refused. Why?  
14 Because their executives apparently want more money.  
15 Okay. (Applause)

16 This is one of my basic objections to this  
17 raise. I am dead set against it. Thank you very much  
18 ladies and gentlemen. (Applause) Thank you.

19 MR. SHREVE: Thank you, sir.

20 - - - - -

21 MR. SHREVE: Mr. Gurtler?

22

23

24

25

1 RONALD GURTLER

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

5 WITNESS GURTLER: My name is Ronald  
6 Gurtler, I live at 332 Feather Place in Longwood. This  
7 is the Brantly Harbor East section of Meredith Manor.  
8 I am an attorney; and under Florida Bar Rule 4-3.9, I  
9 would like to state I'm here pro se, I don't represent  
10 anybody except myself.

11 Well, here we are again. One more time, the  
12 water company is desirous of plunging its hand deeper  
13 into our pocket. And we're all here to protest this.  
14 I would like to address a couple of broad areas which  
15 concern me.

16 First is the regressive nature of the existing  
17 rate structure, which is enhanced and expanded by their  
18 proposed rate increases. In our area, in Meredith Manor,  
19 the increased proposal is in the base rates. The  
20 particular band I'm in of a one-inch line, the base rate  
21 proposed increase is 129%. This is offset, of course, by  
22 the 3% reduction per gallon of water.

23 Now picture, if you will, a person living  
24 alone. Perhaps she's a widow, her life savings in CDs  
25 paying 3% per annum. This and a small Social Security

1 check constituting her only income. She lives in a  
2 modest home with her cat, Fluffy. Let's assume this  
3 lady uses 3500 gallons a month. What will be the  
4 effect of this new rate increase on her bill? When she  
5 opens her new bill, she had find that her rate -- her  
6 bill has increased 76%. Of course, if she sacrifices  
7 and makes a 50% cut in her water usage, she can cut her  
8 bill from \$68 a month to \$60 a month.

9 Contrast that, if you will, to a house using  
10 50,000 gallons. Maybe they've go several maids and the  
11 chauffeur who washes the Rolls every other day. What's  
12 the effect of their bill? Astoundingly, it decreases  
13 by 4.43%. There's something really wrong here.

14 This approach regards profligacy and  
15 positively discourages water conservation. The big  
16 user consumes 14 times the amount of water of our  
17 widow, and yet their bill is only twice that of hers.  
18 There's something wrong here.

19 Every thinking person in this state  
20 recognizes that the conservation of water is an  
21 absolute necessity. These rates, as proposed, do not  
22 demonstrate even a nodding acquaintance with this  
23 reality. And all of this is caused by the base charge  
24 under which the first gallon costs \$51 a month.

25 The second area of concern is the philosophy of

1 the total corpus of this rate increase. The bottom line  
2 here is that SSU needs an increase in their rate of  
3 return. As a modest investor myself, I can certainly  
4 empathize with that. And part of the deal of being a  
5 regulated industry is that you can and should expect a  
6 fair return on your money. But 11.5%? Speculate, if you  
7 will, what would be the response if our widow went to her  
8 banker and said, "You know, I really need 11.5% right now  
9 instead of the 3% I'm getting." The poor man would  
10 require medical attention. (Laughter)

11 In the real world where you have some  
12 competition, if you want a better return on your  
13 investment, you first look to cut costs before you go  
14 out and try to go you out and try to raise your prices.  
15 (Applause)

16 Now, on file at SSU office is the rate  
17 increase. Now, I must confess, I didn't read every  
18 page of the 38 volumes of this thing. But did I find  
19 some interesting things. I see that their expenses are  
20 100% above the Commission's guidelines. In each  
21 instance, there was a nice little explanation of why,  
22 the guideline didn't apply or some other little  
23 explanation.

24 Volume I, Book 3, shows SSU expenses to be  
25 \$11 million over guidelines. On the other hand,



1 they're only asking for \$8.5 million, maybe some  
2 judicious cost cutting could solve the problem. Some  
3 representative examples under "Miscellaneous," banking  
4 costs. They pay \$103,000 for banking costs. They are  
5 running \$20 million through their bank, they need a new  
6 banker. (Laughter)

7 My favorite is under "Miscellaneous" at the  
8 bottom there's another subject called "Other,"  
9 \$324,000. What is this? We don't know.

10 Workmen's compensation, they dismiss this  
11 saying, "Well, the rates are set by the state." Not  
12 true. There is an experience adjustment to all  
13 insurance rates including workmen's compensation. If  
14 you'd increase your safety record, you wouldn't pay as  
15 much in workmen's compensation. Maybe they've done  
16 that, but they don't say that. And if they did do  
17 that, they would be very proud to say that.

18 "Other Insurance" is the same way. They are  
19 owned by Minnesota Power. With the clout of that  
20 company, they ought to be able to keep their insurance  
21 rates down, explore captive insurance companies or  
22 retained earnings, retained loss, rather than just  
23 sending out invitations to bid. Self-insured retention  
24 is an area they can look at.

25 A&G, which is I think is Administration and

1 General, salaries, \$1.3 million over guidelines; not  
2 surprising when 28% of your employees are  
3 administration in general.

4 Telephone, 388,000 including mobile phones  
5 and an 800 number. Well, mobile phones are notorious  
6 for being costly.

7 Why do they have an 800 number? Well, from  
8 looking at their map, I see they're spread all over the  
9 state. Maybe that's why their costs are so high. They  
10 bought up a lot of little noncontiguous operations.  
11 This is the case and this is why they're losing money.

12 That's bad decisionmaking and that should go  
13 back to their stockholders. Fire the people that make  
14 the decisions, if necessary, but don't put it on the  
15 backs of the consumers if the management made some bad  
16 decisions. (Applause)

17 Another area which concerns me is debt  
18 servicing. I didn't find anything in here to really  
19 explain the debt servicing, but I see they have  
20 long-term debt of \$39 million. Related debt of 27  
21 million. I take that to be owed to sister companies or  
22 parent company. I don't know how much it costs there,  
23 but keep in mind the prime rate right now is 6%.

24 Perhaps some rescheduling and renegotiations  
25 are in order, particularly with Minnesota Power.

1 Perhaps some of these items are covered in the 38  
2 volumes, I don't know; I didn't find it. I didn't find  
3 anything to indication that management has given any  
4 thought to cost containment.

5 This week I had occasion to go to SSU to look  
6 at these 38 volumes. Nice new offices they have, too,  
7 by the way. Standing in the lobby, I overheard a  
8 couple of the employees commenting on the irrigation  
9 system running at 11:00 in the morning to water their  
10 new flowers. Another employee in the lobby answered  
11 very simply, "Hey, we're the water company." (Laughter)

12 The Commission is the only entity which  
13 stands between the rapacious demands of a  
14 state-authorized monopoly on the one hand, and its  
15 captive customers on the other.

16 I urge you to send SSU back to the drawing  
17 board to utilize some of their obviously talented  
18 accountants to configure a rate system which is not  
19 regress and oppressive and which supports the long-term  
20 goals of the Citizens of the state of Florida. Just as  
21 importantly, tell their managers to actually manage and  
22 demonstrate some real savings in the way they do  
23 business. And then, and only then, can it be  
24 determined if rate increases really are justified.

25 Thank you for your attention. (Applause)

1           CHAIRMAN BEARD: One thing I forgot to do  
2 earlier, but after the eloquence of the speech, it  
3 reminded me. Some people aren't as comfortable in  
4 front of the microphones others are. And if some of  
5 you aren't that comfortable, but you hear someone else  
6 say something that basically represents your thoughts  
7 and ideas, you can come up and you can say, "Hey, I  
8 agree with what that guy said." Okay? If that makes  
9 you more comfortable.

10           The other thing that you can do, on those  
11 sheets, I think the yellow sheets, at the back, there's  
12 one that you can actually write your comments in if  
13 you're more comfortable -- on the back of the green  
14 sheet? Okay. And write it in and sign it. That way  
15 we can get it into the record. Either way, whatever  
16 that makes you most comfortable.

17           FROM THE AUDIENCE: Commissioner Beard, we  
18 all agree with that man. (Applause)

19           CHAIRMAN BEARD: Questions?

20           MR. HOFFMAN: No questions.

21           MR. SHREVE: I have a question. And it is an  
22 excellent presentation.

23                           DIRECT EXAMINATION

24 BY MR. SHREVE:

25           Q     In reviewing the filing and you can see where

1 they've represented they're asking for 11.5%, which, of  
2 course, as you mentioned an awful lot of people are  
3 lucky to coming out with 2, 3 or 4% on their CDs -- on  
4 their investment or their return on equity, did you  
5 realize they're actually asking for 12.85%, which then  
6 is leveraged with the debt, which you only pay interest  
7 on? So what they're asking for is their profit level  
8 is 12.85% after taxes. And if the customers pay taxes  
9 on that, it's going to bring it up around 19 or 20%  
10 that the customer will have to pay to support it.

11 (Simultaneous conversation)

12 A Yeah. Well, of course, it probably -- I  
13 didn't bring it out here, but there are two flavors of  
14 return. One is on investment and one is on equity, and  
15 those are entirely different things.

16 Q Yes, sir.

17 CHAIRMAN BEARD: What was your question,  
18 Mr. Shreve?

19 MR. SHREVE: If he knew that?

20 WITNESS GURTLER: He's a lawyer.

21 Q (By Mr. Shreve) You realized that, didn't  
22 you, sir? (Laughter)

23 A Just failed to bring it out, that's all.

24 MR. SHREVE: You had mentioned the 100% of  
25 O&M expenses above the guidelines.

1           A     Yes.

2           Q     That will be brought out in this case and  
3 it's by a benchmark standard set by the Public Service  
4 Commission that's used on almost all the utilities.  
5 And did you realize, sir, that when Topeka Group and  
6 Minnesota Power, one of their reasons that justifies  
7 their purchasing of all of these smaller systems is  
8 their better administrative procedures and efficiency,  
9 which doesn't really seem to be represented by 100%  
10 increase over the guidelines.

11           MR. HOFFMAN:  Mr. Chairman, there are a lot  
12 of witnesses here.  I think that Mr. Gurtler made a  
13 very fine presentation, but I want at this point of the  
14 hearing state my objection to Mr. Shreve testifying and  
15 Mr. Shreve making his presentation.  We have a lot of  
16 folks here today, and they all want to be heard; and I  
17 think that what Mr. Shreve is doing --

18                     (Audience response.)

19           MR. SHREVE:  I would like to reply to Mr.  
20 Hoffman's objection.

21           CHAIRMAN BEARD:  Let's get one thing straight  
22 right here.  I try to give a lot of flexibility to get  
23 information going both ways and I will continue to do  
24 that.  But we are going to have one person talking and  
25 we are going to be polite and we are going to get along

1 and do this professionally. Okay? That goes for  
2 everybody up here, and I ask the audience to behave in  
3 the same manner. Okay. People have the right to be  
4 heard. And that's the way this hearing will be run.

5 Now, let's do this. (Applause)

6 I do really want to limit this  
7 point-counterpoint debate, which is interesting and, I  
8 know you guys would be fun to do this with, but we do  
9 need to focus on getting as much as we can from the  
10 people in. And I know you want to get information out  
11 to them as well, I understand.

12 MR. SHREVE: That's right. And I want to  
13 reply to Mr. Hoffman's remarks, too.

14 CHAIRMAN BEARD: Very briefly, and then we're  
15 going to go back to the witnesses, which is what we're  
16 really here for today, anyway.

17 MR. SHREVE: I hope I haven't imposed on you  
18 by asking these questions. However, I think the  
19 customers in this case have not been adequately  
20 informed by the finer points of this case and what's  
21 out there. And I think, although we're here primarily  
22 to hear from the customers, unless the customers are  
23 knowledgeable and know what is really going on, they  
24 can't adequately comment. So I will, until you stop  
25 me, Mr. Chairman, I will keep every point brief, bring

1 out whatever information I think needs to be brought  
2 out to the customers. (Applause)

3 CHAIRMAN BEARD: And I appreciate that. Let me  
4 talk just to the customers for a moment, as well, then.

5 This is an extremely complex case. This is  
6 unlike probably none that I've ever done before in the  
7 area of water and wastewater. It rivals in complexity  
8 what we sometimes see in electric cases because of the  
9 size and the issues that go with that.

10 Nonetheless, our people, besides Mr. Shreve's  
11 people, my Staff will be spending a large number of  
12 hours going through that some 38 volumes in great  
13 detail, which is what they are trained to do. And we  
14 intend to go through and get the answers to those  
15 questions, complex questions, no question about it. It  
16 is a difficult task.

17 And getting that and trying to explain that  
18 sometimes for them to even try to explain it to me, and  
19 I work with it, and then get into simple explanations  
20 that people that don't work with it every day will  
21 understand, is even more difficult. We will try to do  
22 our best to do that for you. You may not like the  
23 answer, but we will get you the most honest answer we  
24 can got you. Okay? (Applause)

25 MR. SHREVE: Thank you very much. And I



1 adopt your testimony, too.

2 (Witness Gurtler excused.)

3 - - - - -

4 CHAIRMAN BEARD: Okay. Next witness?

5 MR. SHREVE: Mr. O'Brien.

6 BOB O'BRIEN

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

10 WITNESS O'BRIEN: My name is Bob O'Brien. I  
11 live at 472 Leland Drive in Deltona. Last name spelled  
12 O'-B-r-i-e-n. Thank you.

13 I guess I've just got a couple of comments  
14 and one or two questions that just came up. One  
15 question I would have is why was the rate increase  
16 denied three years ago? What was the --

17 CHAIRMAN BEARD: I think -- and just very  
18 briefly what I can tell you from what -- I didn't sit  
19 on that case, but it was felt by the Commissioners that  
20 did that the Company had not proved their case. They  
21 denied the rate increase. That rate increase was then  
22 appealed. Recently, we were upheld in that appeal. I  
23 think that they then had the opportunity to take it to  
24 the Supreme Court. I don't know if the clock has run  
25 on that yet or not or what they intend to do. Once

1 that has been completed and assuming that it stays the  
2 way it is, the interim that they were granted will be  
3 refunded, principal and interest.

4 MR. SHREVE: Mr. Commissioner, if I may, it  
5 was my motion that was -- and it was very close. It  
6 was my motion that had their case dismissed and we  
7 pursued that during the entire procedure. At the very  
8 final decision, Commissioner Gunter and Commissioner  
9 Easley dismissed it.

10 It was dismissed primarily because they had  
11 selected a projected test year -- in other words, we  
12 weren't dealing with facts, we were dealing with their  
13 projections -- in that the Commission requires that you  
14 take the factual or historical information and give  
15 your logic or assumptions that walk it up to the test  
16 year.

17 They went from '89 to '90 to '91. They took  
18 it from '89 to '90 and then jumped from '90 to '91 with  
19 no real logic or assumptions; and because of that, that  
20 is the primary reason it was dismissed.

21 WITNESS O'BRIEN: I asked that because I have  
22 only been in Florida a little over a year and I've only  
23 been in Deltona about eight months, so I'm not familiar  
24 with a lot of what's going on.

25 MR. SHREVE: One thing I might should make

1 clear. I don't believe, now I may be wrong, but I  
2 don't think there were any systems here that were in  
3 that case. I don't think that represents anyone here.

4 WITNESS O'BRIEN: I just have a couple of  
5 other, you know, comments here. If the newspaper  
6 accounts that I have been reading about 250,000  
7 documents -- and you people have just attested to 38  
8 volumes or something, so I guess that number is  
9 probably pretty close -- is being filed in support of  
10 this request, I must tell you right now that SSU has  
11 been very successful in applying a very old adage: If  
12 you can't dazzle them with brilliance, baffle them with  
13 BS. Okay? (Applause)

14 Secondly, having been in the defense industry  
15 for 30 years, I'm going to apply another old truism,  
16 okay? When the weight of the paper equals the weight  
17 of the airplane, the airplane will fly. In this case,  
18 it's the weight of the increase that you're requesting,  
19 the paperwork must now equal the weight of it.

20 I requested a copy of the financial report  
21 from Deltona Utilities the other day and received a  
22 three-paged document here. But this says that it's net  
23 operating income is what that report shows. This  
24 report shows a negative return on -- can't even read my  
25 own writing. A negative return on the document. And

1 according to them, out of 77 of the 90 areas listed on  
2 this, there is a negative return.

3 To me, that says that someone is very  
4 inefficient, all the way along, and probably wasteful.  
5 If I were a stockholder and I'm sure they have them, I  
6 would certainly be looking to replace a lot of people  
7 at SSU in management because they're not doing their  
8 job. (Applause)

9 I guess another example of what I consider to be  
10 the inefficiency and the waste would be Mr. Hoffman's  
11 remark that in some areas SSU has not requested a rate  
12 increase in 12 years. Something is very, very wrong there  
13 if you have gone this long and have not found that you are  
14 losing money. You've got a problem. (Laughter)

15 That's all I have to say. Thank you very  
16 much. (Applause)

17 MR. SHREVE: Thank you, sir.

18 MR. HOFFMAN: Mr. O'Brien, let me just  
19 respond very briefly. It doesn't have to be in the  
20 form of a question, but in terms of --

21 MR. SHREVE: I won't even object. (Laughter)

22 MR. HOFFMAN: I wanted you to understand that  
23 Southern States, in terms of the volume of information,  
24 because Southern States has filed a 127-systems  
25 application, Southern States is in fact required,

1 required, to file thousands of pages of information  
2 under Commission rules.

3           Secondly, after those papers were filed,  
4 Southern States was required to file additional  
5 information based on a Staff review and input from  
6 Public Counsel's office.

7           Third, in the last case, which was discussed  
8 briefly, Southern States filed 32 systems and was  
9 criticized for doing so, was criticized by the Public  
10 Counsel's office. In this case -- and the reason we  
11 were criticized is because we didn't file virtually all  
12 the systems.

13           In this case, that's what we've done. While  
14 the filing is complex and does contain a lot of  
15 information and does contain a lot of paper, you should  
16 know that Public Counsel office has, as is their right,  
17 requested voluminous additional information so that  
18 they can inspect and review our case. And those are  
19 the facts.

20           WITNESS O'BRIEN: Right. And it all comes  
21 down to one simple thing. You people have filed 38  
22 volumes to justify your case and everything else. You  
23 have sent each person in this area one page that says  
24 you are going to pay more, period, just simple, like  
25 that, that's all it says. Right?

1           CHAIRMAN BEARD: Well, let me help you with  
2 that. They have sent a piece of paper out that they  
3 are requesting that you pay more.

4           WITNESS O'BRIEN: Okay. I'm sorry, excuse  
5 me, I stand corrected on that, yes. I stand corrected,  
6 requesting that we pay more. But it was very simple,  
7 one page. Thank you.

8           CHAIRMAN BEARD: Okay. Thank you.

9           MR. SHREVE: Just a minute, please, sir. I'll  
10 be very brief in my comments and I know Mr. Hoffman is not  
11 going to object.

12           Concerning the lack of asking for a rate  
13 increase, that Mr. Hoffman pointed out and you pointed  
14 out, in some systems since 1982, I think it should also  
15 be pointed out that Southern States may not have had a  
16 rate case but in most all of these systems they have had  
17 what's called pass-throughs and indexing or inflation  
18 adjustments. So you're going to find very few customers  
19 out there that have not had an increase in the rates,  
20 probably almost every year, because of the inflation  
21 adjustments allowed to them. That's the based on a  
22 schedule set up by the Public Service Commission with CPI  
23 and inflation considered.

24           I did certainly complain about the 32 systems  
25 that were filed in the last case, and I'm complaining

1 about the 127 systems that are filed in this one. I  
2 don't think that's inconsistent. We have requested a  
3 great deal more information, and are still trying to  
4 get it. Because, as you probably realize, even though  
5 there may be 32 volumes out there, a great deal of the  
6 information that we want and we need to represent you  
7 is not there and we're going after it.

8 Thank you.

9 WITNESS O'BRIEN: Good, thank you.

10 (Applause)

11 (Witness O'Brien excused.)

12 - - - - -

13 CHAIRMAN BEARD: Next witness?

14 MR. SHREVE: Mr. Hopper?

15 ALBERT HOPPER

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

19 WITNESS HOPPER: My name is Albert Hopper,  
20 H-o-p-p-e-r, 1677 West Akron Drive, Deltona.

21 The only thing I'm wondering, when they come  
22 up with this thing of getting the water to the golf  
23 courses, who's paying for the wastewater? Is the golf  
24 course paying for that, or are we paying for it?

25 CHAIRMAN BEARD: Let me try and answer that

1 because I think it tends to vary.

2           It has been a policy, I think, of DER, one  
3 which I personally very much agree with, that you ought  
4 not to be taking fresh water out of the ground to water  
5 a golf course. When you still have to find some way to  
6 get rid of the effluent, you usually buy a spray  
7 irrigation. Sometime go buy property and spray it out  
8 there with water sprinklers, which I call it  
9 "sprinkling the lawn" where I come from. And that we  
10 ought to be using that treated effluent to water with  
11 instead of fresh water, which is -- anybody that's been  
12 in Florida for long, and I have been here all my life  
13 -- water in Florida, I've been tasting water that had  
14 sulfur in it since I was two years old. I mean, that's  
15 just the product; that's what we've got to start with,  
16 and it's very precious.

17           So but then when you get to that point, who  
18 pays for it? To some extent it probably would be paid  
19 for by the golf course; to some extent it may be paid  
20 for by the ratepayers as well. But getting the lines  
21 there, but then once it is there, they purchase it. It  
22 varies from county to county. And specifically, in  
23 this instance, I can't tell you which of these  
24 utilities pay what at this stage of the game. That  
25 will be a part of the case that we look at in detail,



1 is the cost of that and who should pay.

2 WITNESS HOPPER: Well, I'm against these rate  
3 increases, and I think the golf course should pay more  
4 money. I don't think there should be any part on the  
5 customers that have to pay anything towards that on  
6 their sewage bills. They have been pumping water into  
7 Lake Monroe ever since they had this thing. And they  
8 ought to know better than to pump water in there in the  
9 first place, because other states have been having  
10 problems pumping water into the ocean and different  
11 lakes and stuff like that. And I don't think we should  
12 be stuck with any bills like that.

13 CHAIRMAN BEARD: Okay.

14 WITNESS HOPPER: And that's all I have to  
15 comment on.

16 CHAIRMAN BEARD: Okay. Thank you very much.

17 MR. SHREVE: Thank you, sir. (Applause)

18 MS. JABER: Mr. Hopper, may I ask you a  
19 question?

20 Which system serves you?

21 WITNESS HOPPER: Pardon?

22 UNIDENTIFIED SPEAKER: Deltona.

23 MS. JABER: What system serves you? Deltona?

24 WITNESS HOPPER: Yes.

25 MS. JABER: Which golf course are you

1 referring to?

2 WITNESS HOPPER: I'm referring to Glen Abby  
3 and the other one there on Elkham Avenue.

4 CHAIRMAN BEARD: Any of them, basically, is  
5 what you're referring to?

6 WITNESS HOPPER: Yes, those two golf courses  
7 there.

8 MS. JABER: Thank you, sir.

9 MR. SHREVE: Commissioner, Deltona Utilities  
10 furnished the answer to that question, I believe, at a  
11 meeting in Deltona a few days ago. I don't know if  
12 they want to give that answer to the customers. I  
13 thought they had said that there was no charge.

14 MR. ARMSTRONG: No charge.

15 MR. SHREVE: Didn't they say that the other  
16 night?

17 MR. ARMSTRONG: Commissioner, we will  
18 introduce evidence on that. It will be an issue on the  
19 case. I don't believe that's a proper representation  
20 at this point, but there will be other --

21 CHAIRMAN BEARD: We're not going to try the  
22 case today. Okay. That question will be answered.  
23 And if it's inappropriate that there's no charge, then  
24 that will be before the Commission as a vote.

25 (Witness Hopper excused.)

1 MR. SHREVE: Mr. Sadowski?

2 - - - - -

3 CLARENCE P. SADOWSKI

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

7 WITNESS SADOWSKI: Good morning.

8 MR. SHREVE: Good morning.

9 WITNESS SADOWSKI: My name is Clarence P.  
10 Sadowski. I live at 2359 Kimberly Drive in Deltona.

11 I hope you all had your breakfast this  
12 morning because I would like to show you something that  
13 I brought that I drain out of my system every two  
14 weeks. I have two filters on my water system that  
15 comes in from the meter. And they tell me that these  
16 are minerals, but to me, minerals are invisible, and  
17 these you can see with the naked eye. And I have  
18 brought it up to the office and I have said, "What is  
19 this? (Indicating) This is what we drink in Deltona."

20 Now, this is not minerals, this is garbage.  
21 Now, the water stinks. (Applause)

22 I just finished working 25 years with the  
23 Panama Canal Commission. Now, I know what water is and  
24 I know what conserving water is.

25 But Mr. Hoffman did a very beautiful job on

1 covering up exactly why they want this raise. They  
2 want us to pay for the debts of the Company. That's  
3 exactly what this raise is for. They're not giving us  
4 anything in return for it. The poor service -- 65% of  
5 the people here have to go and buy bottled water.

6 (Applause)

7 And if we're paying for water, why should we  
8 have to go and buy bottled water? Why do we have to  
9 put up with this? If you want money, fine, we're  
10 willing to go along with some of your debts. But,  
11 hell, we've got debts of our own. A lot of us are  
12 retired. I, fortunately, I could retire early, and I  
13 did, but I didn't come back to the states here to get  
14 robbed without a gun. (Applause)

15 Everybody, everybody here is out to take  
16 everybody else. Nobody does anything for nothing.  
17 They don't even say "thank you." (Applause) But if I  
18 could get an answer on this, I sure would be happy.

19 CHAIRMAN BEARD: Well, I'll tell you what I'm  
20 going to try to do to help you. This lady back out in  
21 the blue dress, she works with the Commission Staff,  
22 and if you will get with her we'll work with you and  
23 the Company to get an answer for us and for you.

24 WITNESS SADOWSKI: Thank you. (Applause)

25 MR. SHREVE: Thank you.

1 CHAIRMAN BEARD: Okay, thank you.

2 (Witness Sadowski excused.)

3 MR. SHREVE: Mr. Isola.

4 - - - - -

5 JOE ISOLA

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

9 WITNESS ISOLA: Good morning. This resembles  
10 an old-time lynch mob. And I guess I will reiterate  
11 some of the things that have already been said.

12 My name is Joe Isola, I-s-o-l-a. I live at  
13 603 Teresa Court, in Maitland, Florida 32751. That is  
14 actually in Seminole County, and we're served by the  
15 Druid Hills situation in Seminole County. I appeared  
16 approximately three years ago at the other rate hearing  
17 which was denied, so here we go again.

18 Most of us in this room are of the same  
19 opinion. Most of us in this room, I believe, have been  
20 or are hard-working individuals that really have not  
21 asked for much along the way, and I think we're fair.

22 When a rate increase comes through the mail  
23 for our area requesting a plus 100% increase in base  
24 rates, there's something wrong with the way the Company  
25 is run. 7% on the water usage increase. There's

1 something that's wrong, because I have been in business  
2 my whole life.

3           To ask today for income in excess of 11 to  
4 12% in this inflationary time is absolutely stupid. It  
5 won't fly; it shouldn't fly, and it shows the greed  
6 that must be taking place on the part of Company  
7 officials. It is not our fault that through the last  
8 several years this company now that's owned out of  
9 Minnesota has gone out and purchased systems. Or what  
10 they paid for the system, we don't know. How it's run,  
11 I don't know. What the rate of pay for the executives  
12 is, I don't know. I can only tell you from reading  
13 that many executives, I'm sure the Chairman of the  
14 Minnesota company -- is well into the seven figures.  
15 What great savings that have taken place in running all  
16 of these companies now that they are purchased, we  
17 don't know. We really don't, and we have never been  
18 given enough information to make justifiable decisions.

19           I am somewhat concerned because approximately  
20 two months ago a major story broke in the Orlando  
21 Sentinel castigating what until that time was  
22 considered one of the great utility companies in the  
23 United States, Orlando Utilities. And the thing that  
24 most of us were talking about this morning, the rate of  
25 pay, privileges that no one knew about, came to light

1 through an investigative story in the Orlando Sentinel  
2 concerning Orlando Utilities; top management was  
3 changed.

4 Mr. Beard, all I can tell you is that you  
5 have an awesome responsibility, as you probably well  
6 know, to represent us. Governmental bodies,  
7 unfortunately, have not represented people very well in  
8 the last ten years with the savings and loan and the  
9 junk bonds and everything else. After having met you,  
10 I feel comfortable that you're in our corner or you  
11 will, at least, read the information that's given, if  
12 it's in the readable form, to make the right decision  
13 for us. Thank you very much. (Applause)

14 MR. SHREVE: Thank you, sir.

15 (Witness Isola excused.)

16 - - - - -

17 MR. SHREVE: Mr. Lewenthal?

18 MYRON LEWENTHAL

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

22 MR. LEWENTHAL: My name is Myron Lewenthal,  
23 L-e-w-e-n-t-h-a-l. I live around the corner from Mr.  
24 Isola. He described it as Druid Hills, Maitland. I  
25 will call our place Hidden Estates.

1                   On the entranceway to our beautiful  
2 development is Stalag 17. It is two big, used rusty  
3 water tanks that -- and I mean rusty. They stand out  
4 there and they're ugly. At one time, they told me they  
5 spent \$11,000 to beautify it. And I believe it, they  
6 may have spent it, but if that is the way they're  
7 spending their money, they spent about \$6,000 too much,  
8 putting in palm trees, putting in azaleas, trying to  
9 make it look a little better. They have completely  
10 neglected this installation for the last five years.

11                   We went by this morning, the water was  
12 spraying, it was bubbling up. None of the azaleas have  
13 been fertilized or trimmed or weeded. And the place is  
14 just ugly.

15                   In my case a line was drawn down Flame, and I  
16 live on a tee from Flame. At the end of my line --  
17 this was put in by Central Florida well drillers in  
18 1968 -- is a two-inch line. After we put in a  
19 beautiful watering system, we found it wouldn't  
20 function; the water just dribbled out.

21                   The fellow there -- I can't remember his last  
22 name now -- said, "Lou, put in a bigger meter, then it  
23 will function." So I went ahead and did it, and they  
24 charged me the regular price for water.

25                   When this company took over, they got some



1 kind of a bill passed, a usage bill, that makes my  
2 bills \$150 for water. Now, that's ridiculous.

3           As far as like Joe spoke on their profit, God  
4 knows what they're doing. You can take figures and do  
5 anything. They've got a legal Staff that they hire  
6 probably perpetually; that's an expense; that goes on  
7 to our bill. If you go to fight them -- like I've got  
8 this line coming down the street -- I don't think I  
9 should be paying for their inadequate supply of water.  
10 They come down and they may have done it to other  
11 folks. And show you have 40 pounds of pressure. You  
12 can have 40 pounds of pressure with a pencil, but  
13 that's not the volume you need to run things.

14           I'm completely discouraged with them, and I  
15 hope you folks will take them to task. We can't do it  
16 individually. Not especially when they have a legal  
17 Staff. We have to go out and hire an attorney to fight  
18 them. I don't think I should be paying for that  
19 additional meter. I think my house should function on  
20 a normal meter.

21           Thank you very much. (Applause)

22           CHAIRMAN BEARD: If you would, before you get  
23 away -- Bev -- I would like to get some information on  
24 whether you have a different meter and see if we can't  
25 get some answers.

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(Witness Lewenthal excused.)

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CHAIRMAN BEARD: Next witness?

MR. SHREVE: Mr. Morgan.

DONALD S. MORGAN

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

WITNESS MORGAN: My name is Donald S. Morgan. I live at 1113 Lock Laggan Court in New Smyrna Beach. That's in Sugar Mill, and my Zip Code is 32168.

I had a great deal to say but it's been more than adequately covered by my predecessors and probably much better than I could.

What I would like to bring to your attention is the information, the data in this thing here that was handed out this morning, that says I have been paying \$20.21 for water and \$21.45, for sewer for a total of \$41.66 a month.

Now, let me tell you what my actual bills have been. The lowest I have paid in the last 12 months is \$63.81; the highest that I have paid is \$97.92. That's an average for the past 12 months of \$76.07, almost twice, almost twice, what they say is the average.

1 Thank you for your time.

2 Oh, I have one other point, if I may. If  
3 this thing is approved, I think my bills will go to  
4 over \$100 a month for water and sewer. Can you  
5 imagine, can the rest of you imagine what this is going  
6 to do to the value of your homes when you put them up  
7 for sale, and they ask you what your utility is and  
8 it's \$100 a month? (Applause)

9 Thank you very much.

10 (Simultaneous conversation)

11 CHAIRMAN BEARD: Thank you.

12 MR. SHREVE: Thank you, sir.

13 (Witness Morgan excused.)

14 - - - - -

15 MR. SHREVE: Mr. Harvey?

16 ROBERT HARVEY

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 HARVEY: Robert Harvey, H-a-r-v-e-y,  
21 1201 Prescott Boulevard, Deltona. (Pause)

22 SSU acquired Deltona Utilities only two to  
23 three years ago. And now they find it was an error and  
24 want us to pay for it. This trend has been going for  
25 most of the speakers up here.

1           Our own investment, returns on our  
2 investments, have fallen way down from the average of  
3 6% to 3% today. It's too bad we don't have a Public  
4 Service Commission that we can go appeal to.

5           CHAIRMAN BEARD: I'm certainly glad that you  
6 don't, because I don't want to hear the case. I'm just  
7 being facetious -- (Laughter)

8           WITNESS HARVEY: I wonder if they have ever  
9 considered a cost reduction of billing quarterly  
10 instead of monthly? This would save postage; it would  
11 save the meter reading cost. This is done in other  
12 areas.

13           Finally, the rate structure itself, I would  
14 like to see the basic rate include a minimum gallonage  
15 usage. In other words, if you pay for 4,000 gallons,  
16 you don't pay for the first 4,000 but it's included in  
17 the basic cost.

18           That's all, thank you.

19           CHAIRMAN BEARD: Thank you. I think there  
20 are some of these companies that currently operate that  
21 way --

22           WITNESS HARVEY: Oh, yes.

23           CHAIRMAN BEARD: And I think that that will  
24 be an issue in this case.

25           WITNESS HARVEY: Okay. Thank you.

1 CHAIRMAN BEARD: Okay. Thank you.

2 MR. SHREVE: Thank you, sir.

3 (Witness Harvey excused.)

4 - - - - -

5 MR. SHREVE: Mr. Lombardo.

6 GASPAR LOMBARDO

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

10 WITNESS LOMBARDO: Good morning. My name is  
11 Gaspar Lombardo, L-o-m-b-a-r-d-o. I'm from Deltona. I  
12 live on 1418 Section Line Trail.

13 First of all, I want to thank the Commission  
14 for giving us the opportunity to hear us and also for  
15 SSU coming down.

16 I do urge personally, and with a lot of my  
17 friends in Deltona, that the Commission do take at  
18 heart what is happening here. A lot of the people like  
19 myself, I'm retired on a fixed income, and it is tough  
20 trying to meet our everyday expenses. And when  
21 something like this happens, it throws us way off  
22 balance, so to speak.

23 Most of the questions have been asked, but I  
24 still don't myself, personally, get the answers from  
25 it. You know, like one of them is the wastewater going

1 to the golf courses. Number one, they should have  
2 negotiated with these people way back there then when  
3 they put the water from the lake, when they were  
4 dumping it there to the golf courses.

5           Number two, Glen Abby is not even in Deltona  
6 and they're giving them water from Deltona. I really  
7 don't see that personally myself. I know a lot of  
8 people see that it has to happen because of the  
9 wastewater going into the lake. But I don't see why  
10 they shouldn't have been -- at least a minimum amount  
11 of costs should have been given to the golf courses.

12           One of my other questions -- I don't know,  
13 maybe even SSU could answer that, I don't know. Could  
14 you answer that right off for me, or is that something  
15 that has to be answered later?

16           MR. HOFFMAN: I don't have the information  
17 with me right up here on that particular question, but  
18 I think that will be an issue at the final hearing.

19           WITNESS LOMBARDO: Okay. One of my other  
20 questions: Why are you encouraging water customers to  
21 use more water by lowering the gallons rate in lieu of  
22 the basic rate? Here we are into a dilemma here in  
23 Florida with the amount of water we have, and the more  
24 you use -- in other words, you're encouraging them to  
25 use more water by giving them a lower rate. That don't

1 sound like much sense to me.

2 Do you have any answer to that one? (Pause)

3 MR. HOFFMAN: Mr. Lombardo, that is a rate  
4 design question, and the Company will have an expert  
5 who will give an opinion as to why the rate design was  
6 proposed in a specific manner, particularly in the  
7 manner you just suggested. And I am simply not  
8 qualified to give you an accurate answer on that, but  
9 that will be an issue in the case, and we'll have  
10 testimony on that.

11 CHAIRMAN BEARD: Let me tell you as one, just  
12 as one Commissioner, conservation is an issue, and that  
13 will be looked at strongly. Maybe I'm a little bit  
14 radical, but in Florida when you build new homes and  
15 new developments and you put in water and wastewater  
16 lines, if it were up to me, you would be required to  
17 put in lines that would bring back the effluent so you  
18 could water your yard with the effluent and not with  
19 fresh water. (Applause)

20 WITNESS LOMBARDO: May I ask a question to  
21 that? If in fact that is the case, are we going to get  
22 free water just like the golf courses? (Laughter)

23 Another question I'm going to ask, and I  
24 don't know if you have that answer either is, how can  
25 you justify raising Deltona's rates so high that we've

1 got to account for some of the other systems? You  
2 know, the 127 systems that you have throughout Florida,  
3 why do we have to pay extra to offset their costs?

4 CHAIRMAN BEARD: Well, let me try to keep  
5 this brief.

6 I think the Company's position is that that's  
7 not what they're doing. I think Mr. Shreve's position  
8 is very much that that's what they're doing. And it is  
9 going to be our job to try to ferret out who really  
10 should be paying what, what are the fair rates, and who  
11 has caused what to be built or systems to be put in.  
12 That is one of the key issues to this case.

13 MR. SHREVE: Commissioner, I think the  
14 Company, at least at one meeting that I was at, I think  
15 we're in agreement that there is, each one of the  
16 systems is not being asked to provide precisely what  
17 the calculated required amount is. I don't think  
18 there's a difference there.

19 MR. HOFFMAN: He's right.

20 CHAIRMAN BEARD: Okay.

21 WITNESS LOMBARDO: My last question is: How  
22 can you justify raising the water and wastewater rates  
23 for the amount of improvements that you have done for  
24 Deltona? I know this question has been asked, but I  
25 haven't heard an answer yet. You're going to raise



1 them so high that within the first couple of years  
2 these improvements are already going to be paid for but  
3 we're still going to be paying the rates after that, so  
4 that's an exorbitant amount. And I haven't heard an  
5 answer on that, and I think that should be answered  
6 also.

7 CHAIRMAN BEARD: Give it your best shot.

8 MR. HOFFMAN: Mr. Lombardo -- Mr. Lombardo,  
9 the Company --

10 (Simultaneous conversation.)

11 MR. HOFFMAN: During the final hearing, the  
12 Company will be required to justify their investments  
13 and their expenses.

14 Your question is directed specifically to the  
15 Deltona system. That system will be held to the same  
16 burden as the other systems.

17 As I stated in my opening statement, the  
18 Company has invested to the tune of about \$6 million to  
19 comply with the previously existing Department of  
20 Environmental Regulation Consent Order and to meet  
21 customer growth, to comply with county regulations, and  
22 to provide an effluent disposal system, which is  
23 consistent with the State's goals and the Chairman's  
24 goals of permitting and providing public access reuse  
25 of effluent.

1           Now, those are just some of the reasons that  
2 I would suggest justify that particular amount of  
3 investment. But there -- in the case of the Deltona  
4 Lakes systems, there has been more investment than that  
5 \$6 million for a number of reasons, all which of the  
6 Company will be required to get into and justify at the  
7 final hearing.

8           WITNESS LOMBARDO: Have you got any idea  
9 approximately how much money you get out of Deltona for  
10 your water and wastewater?

11           MR. HOFFMAN: Do I have any idea of what the  
12 average bill is?

13           WITNESS LOMBARDO: No, no, the average amount  
14 that's taken out each month from Deltona. In other  
15 words, what is the combined billage of all of the  
16 customers? You have 25,000 customers, about how much  
17 do you collect?

18           MR. HOFFMAN: I don't have that information  
19 before me.

20           MR. SHREVE: I can give it to you. (Pause)

21           They divided their case and they based it on  
22 a test year of 1991, and the water system, their test  
23 year revenues, they say, was 3 million for water,  
24 \$3,409,568. They say they need 4,503,639, or an  
25 increase of 32% is what's required. That's their

1 calculation.

2 WITNESS LOMBARDO: That's for water?

3 MR. SHREVE: For water. And that's their  
4 calculation. They're asking for a 34.45%.

5 On the sewer system, their test year  
6 revenues, they say they took in, in '91, \$828,729. And  
7 they need \$2,159,355, or an increase to their required  
8 -- their required -- level, 160%. Their request is  
9 165% increase.

10 WITNESS LOMBARDO: Well, the question I have  
11 is that I understand there's a \$6 million and a \$7  
12 million improvement in our water and wastewater. Am I  
13 somewhere near the ballpark?

14 MR. HOFFMAN: The one that I referred to was  
15 wastewater --

16 WITNESS LOMBARDO: Okay. Now, when this is  
17 all paid for within the next couple or three years or  
18 so, are they going to lower the rates back down to  
19 normal again? (Audience response.)

20 CHAIRMAN BEARD: Let me try to answer that.

21 (Laughter)

22 As a result of the process that we go through  
23 in Tallahassee, whatever increase is or is not granted  
24 on a quarterly basis -- Staff, correct me if I'm wrong  
25 -- we require certain reports to be sent in where we

1 can get a rough look -- and it is just a rough look --  
2 at what kind of money is being spent, what kind of  
3 earnings they have. Mr. Shreve looks at those reports.  
4 And the Company might think they're not overearning,  
5 but Mr. Shreve might think that they are, or our Staff  
6 might think that they are, and we would bring them in  
7 for a rate case to potentially lower rates.

8           So I don't, you know, I'm not trying to say  
9 anything good or bad about the Company, but where they  
10 might be slower to come in if they were earning lots of  
11 money, Mr. Shreve and our Staff will be faster to get  
12 them in. Whereas, conversely to that, when they think  
13 they're not earning enough money, they're quick to get  
14 in and we're not so quick to call them in. So there's  
15 kind of a balance point there. But that is something  
16 we look at. And it is a rough look; it's not the  
17 detail. We don't have them publish 38 volumes every  
18 three months. But it's a rough look to get an idea of  
19 what we call a "Surveillance Report." We keep  
20 surveillance on all the companies. So we have an idea  
21 if we think they are overearning, then we'll do a more  
22 detailed look, and if we see anything further, then  
23 we'll go to a full rate case. So we do try to provide  
24 you that protection, too.

25           WITNESS LOMBARDO: Thank you, Mr. Beard. I

1 appreciate you and your Staff coming down. And for  
 2 myself and for Deltona, we encourage you to favor us a  
 3 little bit, because, like I told you before, the  
 4 majority of the people in Deltona right now -- I know  
 5 it's going the other way, but we're retired people and  
 6 we're on fixed income and fair is fair, and that's all  
 7 I ask. Thank you.

8 CHAIRMAN BEARD: Thank you. (Applause)

9 MR. SHREVE: Thank you, sir.

10 (Witness Lombardo excused.)

11 - - - - -

12 UNIDENTIFIED SPEAKER: Mr. Chairman, could I  
 13 pass? I didn't get the chance to sign in outside  
 14 there. But there is something about the Deltona area  
 15 that I --

16 CHAIRMAN BEARD: Why don't you come on down.  
 17 And then after this, if you a don't mind, we'll take a  
 18 short break, because we only have one court reporter,  
 19 and if her fingers wear out, I'm in trouble. (Pause)

20 If you would give us your name?

21 WITNESS BEPASS: My name is Nevell Bepass.

22 CHAIRMAN BEARD: Did I swear you in earlier?

23 WITNESS BEPASS: No.

24 CHAIRMAN BEARD: Let me please do that.

25 (Witness sworn.)

## NEVELL BEPASS

1  
2 was called as a witness on behalf of the Citizens of  
3 the State of Florida and, after being duly sworn,  
4 testified as follows:

5 CHAIRMAN BEARD: Okay. Your name and spell  
6 it, please. B-e-p-a-s-s, Bepass.

7 CHAIRMAN BEARD: Okay.

8 WITNESS BEPASS: I live at South Merritt  
9 Drive, 1890 South Merritt Drive, Deltona.

10 Now, the factor that I would like to inquire  
11 on, now, for the last two years, we have been living on  
12 restricted water usage, right? Restricted. Now, the  
13 Company, their position is to supply us water.

14 One, I would like to know, since in the past  
15 three years since they have taken over, have they  
16 placed any more, given any provision for additional  
17 water for the Deltona area? If you have, the other  
18 point is that under normal circumstances, no  
19 restrictions and your supply, they could achieve their  
20 money, their accounts receivable, without increasing --  
21 it might be a small amount but not the amount of 12.5%  
22 or 32%, as they say that they would like to achieve.

23 Now, when restriction is applied, the average  
24 usage is reduced, so they're receivable for the month  
25 is comprehensively reduced. You have, say, well, I

1 said, 25,000 subscribers. I would say that on an  
2 average it's about an \$8 per month per subscriber.  
3 That would work out to about \$200,000 a month that  
4 their accounts receivable should drop reflected. I  
5 don't know if it is that. But in the space of one  
6 year, because the restriction has been so continuous,  
7 we can hardly move around our place and get water to  
8 use, and you have to look to see if anybody is coming,  
9 to say, "Well, we'll take a chance," and they take the  
10 chance, right?

11 Now, at 25,000 subscribers at an average of  
12 \$8 per month, it would work out to about \$2  
13 million-and-something per annum, and they say they want  
14 about an additional 3 million for that period. So  
15 their responsibility is to supply us water that they  
16 can maintain a normal supply without giving us  
17 restrictions all the while, and that is good business.

18 Now, what I think is happening is because  
19 they cannot, due to the restriction, they can not  
20 supply the water to the people around here, they are  
21 increasing the thing to take care of the shortfall when  
22 it is in the restriction. Yeah? Right.

23 CHAIRMAN BEARD: I'm not sure, and somebody  
24 can help me, if the restrictions on the use of water is  
25 in control of the Company?

1 UNIDENTIFIED SPEAKER: County.

2 CHAIRMAN BEARD: It's the County?

3 UNIDENTIFIED SPEAKER: Water district.

4 CHAIRMAN BEARD: Yeah, and the Water  
5 Management District, right. I don't think that's  
6 necessarily in their control, but your math is right,  
7 yes.

8 WITNESS LOMBARDO: Yes, but what I'm saying  
9 is the responsibility rests with the Company to supply  
10 the water, because if they had the water -- I have to  
11 ask, have they the dug any more wells for the last  
12 three years?

13 CHAIRMAN BEARD: I understand that. But I  
14 don't think, regardless of what water they have,  
15 because it's tapping into the aquifer, the governmental  
16 agencies are saying, "You will not; you will reduce,  
17 you will restrict it." The same thing happens to me in  
18 Tallahassee.

19 WITNESS BEPASS: Yes, but the fact remains  
20 that Deltona hasn't even developed. There is a  
21 hospital to come in; there are about four other  
22 industrial companies to be included on the same water  
23 supply, right?

24 What I'm saying is that who is really  
25 responsible for seeing to it that the water is



1 equitable to supply the area? Who is responsible for  
2 that?

3 CHAIRMAN BEARD: The Company is --

4 WITNESS BEPASS: If the Company comes through  
5 and takes over and says, "Well, look" -- and they  
6 probably have made a good survey of exactly what they  
7 wanted to have done. They should realize that at that  
8 point that their aquifer or the present system cannot  
9 supply the water at a given rate, so something is wrong  
10 with the Company.

11 CHAIRMAN BEARD: That will be at issue in  
12 this case is whether or not the service quality, which  
13 is the quality of the water and the quantity of the  
14 water is appropriate, and that will be looked at in  
15 each of the systems.

16 WITNESS BEPASS: Yes. I thank you very much  
17 for giving me the chance to come through and give a  
18 point.

19 MR. SHREVE: Commissioner, if I may?

20 Is one of the points, sir, that you are  
21 making is that if during the year 1991, there were  
22 restrictions on water so that the usage was less and  
23 less revenues would have come to the Company, then  
24 there are changes that will remove those restrictions  
25 so that the customers then would use more, then it

1 would result in a windfall to the Company so they would  
2 be getting more money?

3 WITNESS BEPASS: Yeah, more money, right.

4 MR. SHREVE: I see. It's a good point.

5 Thank you, sir. (Applause)

6 (Witness Bypass excused.)

7 - - - - -

8 CHAIRMAN BEARD: If you will, please, bear  
9 with us. I want to take a break. It's going to be  
10 difficult for me to start having people stand up and  
11 raise their hand and come down back and forth.

12 If you haven't signed up, during the break  
13 sign up. I want everybody to have a chance, and when  
14 we get to the end, if someone hasn't signed up and just  
15 have something they want to say, we'll bring them  
16 forward so everybody gets heard.

17 Let's take a break for the court reporter,  
18 and if you haven't signed up, sir, please do so.

19 (Brief recess.)

20 - - - - -

21 CHAIRMAN BEARD: If we could get everybody  
22 headed back to their seat? Mr. Shreve?

23 MR. SHREVE: Mr. Zalezi? Mr. Zalezi,  
24 Z-a-l-e-z-i or -k-i? Mr. Zalezi? (Pause)

25 Mr. Norbert Zaleski? (Pause)

1           The ones that are circled, Mr. Chairman.

2           CHAIRMAN BEARD: Just the ones that are  
3 circled? Okay. Mr. Bailey?

4                                 - - - - -

5                                 RALPH E. BAILEY

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

9           WITNESS BAILEY: Mr. Chairman, ladies and  
10 gentlemen, I thank you for the opportunity of  
11 expressing our sentiments regarding the proposed rate  
12 increases. I am Ralph Bailey, B-a-i-l-e-y. I live at  
13 555 Bottle Brush Court, Sugar Mill Estates, New Smyrna.

14                                 I'm an officer of the Homeowners Association.  
15 Our small community of 700 homes is protesting the  
16 magnitude of the requested rate increase, which I have  
17 calculated will average about 25% for the normal 3/4  
18 inch meter. Our basic rates will have increased 84%  
19 since 12-20-88.

20                                 We also protest the rapid implementation of  
21 this high increase. And, incidentally, we learned this  
22 morning that the interim rates will be increased as  
23 early as this next week. Is that true, Mr. Chairman?

24           CHAIRMAN BEARD: The interim rate will be  
25 voted upon on Tuesday. Whether there will be, and to

1 what degree there will be, an interim increase will be  
2 voted on by the Commission on Tuesday, that is correct.

3 WITNESS BAILEY: Thank you. The short time  
4 allocated between notification and this meeting has  
5 prevented a thorough investigation. What I would like  
6 the know is what is SSU's management philosophy. And  
7 this sounds like beating a dead horse to death, but I  
8 was an executive, have a lot of experience in things  
9 like participative management and things of that nature  
10 which are taking place in American business today. And  
11 I would like very much to know if SSU is involved in  
12 the latest techniques, such as participative management  
13 and increased spans of control, which permit huge  
14 personnel reductions?

15 We have all seen what industry has done, such  
16 as the huge management reductions at TVA, a government  
17 agency and a utility, and the proposed reductions of  
18 the Post Office Department. Is SSU in the main stream  
19 of American industry, or is SSU operating as a quasi  
20 public company, simply passing on the uncontrolled  
21 increased costs to the consumer?

22 Under the present system, what incentive does  
23 a monopoly have to control costs? When monopolistic  
24 corporations are making millions in profits, who has  
25 the right to say that 11.57% is a reasonable return?

1 To be a little bit philosophical, we, as Americans, are  
2 losing the economic war in this world today while  
3 foreign corporations, earning millions and billions of  
4 dollars, are happily earning returns of less than 5%.

5 The usage of effluent is another subject of  
6 great concern. And I wonder if the long-term costs of  
7 avoidance are greater than a short term program for  
8 effluent usage? This is an extremely valuable  
9 commodity today, which has been used by many communities  
10 for over 15 years now. What is SSU's program for effluent  
11 usage without killing the consumer with additional high  
12 costs?

13 I view SSU's advice on conservation as one  
14 conceived without thought. The consumer has no  
15 incentive to install water-conserving plumbing fixtures  
16 or to even think conservation. By conserving, we  
17 reduce the Utility's income and the system gives them  
18 the right to increase rates to cover the lost income.  
19 Just doesn't make sense.

20 Finally, I would like to question the quality  
21 of our drinking water. Many of us have complained  
22 about the bad taste and odor of our water to no avail,  
23 resorting to expensive bottled water or filtering  
24 systems. One resident, and I have this gentleman's  
25 permission to use his name, Mr. Ray Bayus, B-a-y-u-s,

1 on Magnolia Circle, was told by the SSU personnel after  
2 they analyzed his water that the chlorine content was  
3 too high, could cause cancer, and advised him not to  
4 drink the water.

5 Is this a reaction of a responsible  
6 corporation seeking increased profits while providing a  
7 completely unacceptable product? It would be nice if a  
8 monopolistic utility and the politicians would consider  
9 the word "public," and give the consumer some  
10 consideration.

11 Thank you. (Applause)

12 CHAIRMAN BEARD: Before you get away, if you  
13 would, Bev, the man whose name you mentioned, I would  
14 like to have that and I would like to pursue that.

15 MR. SHREVE: Thank you, sir.

16 (Witness Bailey excused.)

17 - - - - -

18 MR. SHREVE: Mr. Cheek?

19 CLARENCE CHEEK  
20 was called as a witness on behalf of the Citizens of  
21 the State of Florida and, having been duly sworn,  
22 testified as follows:

23 WITNESS CHEEK: My name is Clarence Cheek.  
24 I reside on Brady Drive in Deltona since 1978. And I  
25 have some facts here that I would like to present,

1 which I think bear on things which are not said as yet  
2 but, certainly, things which need to be said.

3 In 1978, I paid a water deposit of \$20, \$10  
4 for sewage and \$10 for water.

5 In 1983, I received a check from the Deltona  
6 Corporation which was for \$21.60, which was my original  
7 deposit, plus \$1.60 interest. It seems to me that it is  
8 very nice that, when we have security deposits and are  
9 required to get utilities installed, that we get such an  
10 exorbitant return on our money of \$1.60 for \$20.

11 I have various rate increases which were  
12 granted at the time the water waste was \$10.20 and the  
13 minimum water rate was \$2.92 for 2,000 gallons. As  
14 recently as May 10th of 1991, we had a sewage increase  
15 from \$12.78 in the basic rate to \$13.30, which went  
16 into effect on May 10th of '91.

17 I have received more mail from SSU this past  
18 week than I have ever had and most of it is just  
19 reiterations of all these various things which lead to  
20 the increases which are proposed.

21 I, myself, am retired, have been since 1978.  
22 And I think that, from the basic rate at that time,  
23 that I have done more than my share for the Deltona  
24 Corporation and now SSU services to pay for the  
25 facilities which I have been using for that length of

1 time. I think I should be entitled to some return on  
2 my investment in their company.

3           Granted, they may have increased costs  
4 because of the county restrictions upon sewage; but  
5 also, we have county restrictions on recycling of  
6 garbage. I don't think that the water or the sewage in  
7 Deltona should be higher per month than what it costs  
8 to have the garbage, which is the real trash,  
9 collected.

10           I think that the timing on this hearing is  
11 very much in favor of the utility companies, because  
12 there is not adequate information supplied to the users  
13 of the services; and there will be a ruling within a  
14 few days on the 18th of August, today is the 14th, that  
15 is four days, for an Agenda interim rates proposal.

16           If the interim rate goes into effect, even  
17 though it may be changed, we will probably only get a  
18 refund based upon the same way we get them from the  
19 telephone company and various other companies, which  
20 will be 37 cents a month or something like that taken  
21 off of our bill. I think if there is an interim rate,  
22 that there should be a Legislative requirement that all  
23 the monies be returned to the people who are assessed  
24 an overcharge.

25           I know that the timing is very important and



1 I look at these facts. But as recently, my water bill  
2 presently is \$5.08 a month and my sewage is \$13.30  
3 because I use less than the 2,000 gallons. I try to  
4 conserve in order to keep my expenses down. Being on a  
5 limited income such as I am, I find it very difficult  
6 to make things meet every month. Regardless of what  
7 the utility company may feel, I wonder what  
8 consideration they have given to the fact of taking  
9 people off of the sewage system and allowing us to  
10 install septic tanks or some other system? Maybe we  
11 could put our refuse in a garbage bag and have the  
12 trash pick it up and recycle it. (Applause)

13 I mean, it's very nice to come before  
14 somebody and propose a rate increase, but it is another  
15 thing for the person who is using those services to  
16 have to pay and bear the cost of inefficiency or  
17 whatever the cause may be. The SSU services certainly  
18 was well-aware of the problems with the wastewater and  
19 also the water problems that were prevalent in Deltona  
20 since 1978 when I first came here. It seems that there  
21 has not been one month that some item has not been  
22 taken to task as far as government or the County or  
23 some other.

24 I cut a little piece out of the paper which  
25 first announced this increase. It was written by

1 somebody named C. J. Drake of the Southwest Volusia  
2 Bureau. And there are various comments in here. It  
3 was brought before the attention of Phil Journeau, who  
4 represents Deltona on the Volusia County Commission,  
5 that the timing of the Utility's request couldn't have  
6 been worse. "I think they picked the wrong time to  
7 raise the rates," Journeau said, citing current  
8 economic hard times. "It's hard enough to keep your  
9 job, much less pay an increase on the most basic of  
10 basic needs, water and sewer."

11 I think that was a very appropriate statement  
12 but I think Mr. Journeau should have been more  
13 concerned about the fact that the increase proposed is  
14 outrageous. "Crooks, who represent the SSU, took over  
15 the Deltona Utilities in 1989, says it was forced to  
16 stop pumping treated into Lake Monroe, which the  
17 Utility had done when it was owned by the Deltona  
18 Corporation." "To stop the practice," Crooks said,  
19 "SSU had to pay 5 million for various improvements to  
20 its water and wastewater system."

21 Seems to me I heard something about 6.3  
22 billion here today. "Those costs had to be passed to  
23 customers," he said. "We made good of our promise to  
24 discontinue the previous utility discharge of effluent  
25 into Lake Monroe," Crooks said. "This advanced

1 treatment has been costly but necessary for the  
2 protection of the local environment."

3 Earlier in this article, it said that Mr.  
4 Gary Crooks, an SSU spokesman, said, "To really put it  
5 into perspective, you have to look at the impact these  
6 regulations have had and that what goes around, comes  
7 around."

8 Well, maybe that's what the problem is, that  
9 what goes around hasn't come around from the people  
10 that pay the bills, and I think it's time we should be  
11 heard more prevalently than we have heretofore.

12 I also have a comment in here from a letter  
13 sent from the Deltona Utilities -- or SSU, rather --  
14 stating the fact they have the right to, without  
15 arbitration, increase certain rates regarding our water  
16 and wastewater. Nothing is stated as to what that  
17 right is; but I think if it is such a ruling, that the  
18 Commission ought to rescind it.

19 CHAIRMAN BEARD: Let me comment to that. If I  
20 understand what they're talking about and if it's what I'm  
21 thinking about, the Commission doesn't have the authority  
22 to rescind it because the Legislature did it.

23 And what it is, is I think you are referring  
24 to certain things that can be passed through. That is  
25 to say, if you have an increase in taxes or an increase

1 in certain utility bills, like an electric bill, rather  
2 than having to come in for a rate case each time one of  
3 those comes up, or if there were enough of them to add  
4 up to require a rate case, then they can, within  
5 certain limits, increase rates and pass those through.  
6 And that is done in the statutes legislatively, and we  
7 do review those but --

8 WITNESS CHEEK: I would ask that you would  
9 review that and ask that it be rescinded because there  
10 is no provision for us, the users, to get that type of  
11 adjustment.

12 CHAIRMAN BEARD: I understand that.

13 WITNESS CHEEK: I think we have the same  
14 rights that the utility companies or the state  
15 Legislature or anybody else has to say this is a bad  
16 law and it needs to be changed. And I don't think that  
17 we should arbitrarily have to go through this type of  
18 hearing all the time because the Utility company wishes  
19 to increase their profit margin.

20 I worked for a small company, General Motors,  
21 and I was one of the junior officers, and I think that  
22 we had offices which did not operate at a profit margin  
23 and we found it necessary to close them. If the SSU  
24 cannot make a go of the Deltona Utilities, then they  
25 certainly, obviously, made a mistake when they did all

1 their research to buy it at a given rate. These  
2 factors should have been considered at that time and an  
3 adjustment made in the sale price of the utility rather  
4 than coming back to us now, from 1989 until today, and  
5 asking that this exorbitant rate be passed on to the  
6 consumers.

7 That's all I have.

8 CHAIRMAN BEARD: Thank you.

9 MR. SHREVE: Thank you. (Applause)

10 Mr. Commissioner, you might want to ask if  
11 anyone, at this point, would like to adopt some  
12 testimony to save some time. Several people mentioned  
13 that to me.

14 CHAIRMAN BEARD: Yeah. There are a couple of  
15 things you can do. One, if you have a question that  
16 you really aren't all that excited about getting in  
17 front of the microphone to ask, or whatever, Bev DeMello  
18 in the blue outfit, who works for the Commission, will  
19 help you in getting an answer to your question. Number  
20 two, if you want to just state you wish to adopt  
21 somebody's testimony and with that you can save some time  
22 that way. So whatever you're comfortable with, as well.

23 MR. SHREVE: Thank you, sir.

24 (Witness Cheek excused.)

25

- - - - -

1 MR. SHREVE: Marie Silvia.

2 MARIE SILVIA

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 SILVIA: Thank you, Mr. Shreve, for  
7 listening to me. I am the first lady. First, let me  
8 tell you that I am Marie Silvia, S-i-l-v-i-a, and I live  
9 at 675 Hager Street in Deltona. I'm the little widow  
10 that attorney Ronald Gurtler was talking about. I'm  
11 the lady who really can't afford to water my lawn, but  
12 I'm still going to pay a lot of money because I'm  
13 trying to conserve.

14 I have had a problem with the quality of the  
15 water. The gentleman that was sitting over there with  
16 that nice bottle of the brown water, that's what I gave  
17 to the SSU people, let's see, back July 23rd, when I  
18 made my complaint. And I also made the complaint to  
19 the Public Service Commission.

20 The gentleman came down, opened the faucet  
21 outside, he said, "Where did you get this from?" I  
22 said, "Inside the house in my sink." He said -- well,  
23 he went outside, checked where the water comes in and  
24 he shook the little bottle, he said, "Got enough  
25 chlorine." He didn't tell me why the water was brown.

1 He didn't tell me they would improve on it.

2 And the only reason that I did find this out  
3 was because, as of May 22nd, through the nice RTC and  
4 OTS, I have been unemployed from First Federal of  
5 Seminole; they took over that bank without, you know,  
6 really having a reason to. We were making money, we  
7 were getting bonuses, but they still took it over.

8 So due to our government, I'm out of a job.  
9 I'm out looking for work, so I find this problem with  
10 the water. Not only do I have that brownish problem --  
11 it doesn't happen every single day, I wish it had today  
12 because I would have brought it in my bottle for you --  
13 but we also have a problem with the pressure.

14 And in my letter that -- I mean, I got this  
15 letter from SSU. They sent me a copy of the letter  
16 they that sent to Mike Dymek at the Public Service  
17 Commission. One of the -- the paragraph on the last --  
18 first page says, "Mrs. Silvia was advised by our  
19 serviceman that older galvanized pipes will discolor  
20 the water."

21 Every one of my pipes in the house were  
22 changed over because we had a problem with a leak.  
23 Now, this problem here comes from their meter to the  
24 main that comes into the house.

25 I mean, I can't see why I have to pay all

1 this extra money for water that they're not even going  
2 to clear up. They're not telling me how for clear it  
3 up. They're not telling me that they're going to work  
4 on it. They said, "If you have any further questions,  
5 call me at this 800 number," which we're, you know, I  
6 guess we're paying money for them to have that 800  
7 number.

8 But if I call them, I don't get any service.  
9 This gentleman came down twice, shook the bottles,  
10 said, "It's got enough chlorine," and walked off. I  
11 mean, this is the kind of service we get?

12 Well, not only that problem that we have with  
13 the pressure and everything, but I don't feel that this  
14 rate increase that they're asking for is reasonable. It's  
15 way out of reason. I mean, you know, I've lived here  
16 since 1967, and I have been a customer since 1967. I've  
17 had problems with the water; but when we had Deltona  
18 Utilities, they gave you a heck of a lot more service than  
19 SSU. SSU you get on, "Oh, yeah, it's got enough  
20 chlorine." But, I mean, that's all they tell you.

21 They want to raise our rates, they want to  
22 raise 200% on the sewer and they want to raise -- I  
23 mean, I have to depend on the good Lord to water my  
24 lawn because I can't afford their rates. I mean, it's  
25 too high now. What's going to happen when they raise



1 it up? I mean, am I going to have to move out because  
2 the water is too, you know, costly? I conserve every  
3 bit I can and, you know, my water is -- my water for  
4 the lawn is come through by the good Lord and that's  
5 about it.

6 CHAIRMAN BEARD: I would like for you, if you  
7 would, when we get finished here, Bill, if you will  
8 make sure she gets with Bev. And I'd like to have a  
9 follow-up on the letter and the information you have  
10 been given. And "Got enough chlorine in it."

11 WITNESS SILVIA: Yeah, that's it. I mean,  
12 you know, I wasn't complaining about the chlorine in  
13 the water. I was complaining that it was brown.

14 When the gentleman came, I had a glass and a  
15 jar, and I had them right side-by-side. And I put the  
16 water in there, and everything settled down, like this  
17 gentleman, to brown.

18 The guy came in and he put it back in, and he  
19 said, well, he said, "I hope it settles down like it  
20 did here." I said, "It probably will." I said, "This  
21 is what we have to drink." If you get up in the  
22 morning, say, about 6:00 or 7:00 and you don't have the  
23 light on, and you put that glass under the faucet is  
24 that what you're expected to drink? I don't think it's  
25 right. And I don't think their rate increases are

1 reasonable at all. I mean, I appreciate, you know,  
2 your letting me speak and thanks a lot.

3 CHAIRMAN BEARD: Okay.

4 MR. SHREVE: Thank you very much.

5 (Witness Silvia excused.)

6 - - - - -

7 MR. SHREVE: Sofia Addis?

8 Sofia Addis, A-d-d-i-s?

9 SOFIA ADDIS

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

13 MS. ADDIS: Hello, I'm Sofia Addis. I live  
14 on Hagar Street, 674 Hagar Street, I'm very nervous, in  
15 Deltona.

16 And I have the same complaint on Mrs. Silvia.  
17 The water is just terrible to drink. I had to put a  
18 filter, pay the \$300 have the clear water. But it is  
19 still not enough. I have to buy the water and I hope  
20 they will pay me for the water, which they want to  
21 increase now, they pay me for that which I spend money  
22 for every week I buy water every day.

23 And the water which I put on the lawn, I  
24 wonder why do we have to pay sewer which that doesn't  
25 go in the sewer? That goes in the lawn. And we still

1 have to pay sewer. What can we do so as the water  
2 which goes on the lawn it doesn't goes in the sewer,  
3 and we have to pay for it?

4 CHAIRMAN BEARD: And I can't tell you,  
5 specifically, the answer for your company. But in many  
6 cases, what we'll do -- I mean, you don't measure the  
7 water coming back out of the house. I mean, I know that.  
8 But there will be an assumption made -- and it is just  
9 that -- that, say, 60% of the water that goes through the  
10 meter going in will go into the sewer. Or it may be 70%  
11 is the assumption. Then they are assuming then that 30%  
12 of that water that goes in the house then is going to be  
13 used for something else, it doesn't go back through the  
14 sewer, it goes on the lawn or maybe in the swimming pool  
15 or wherever it goes. And they set that up in the  
16 structure. So there is some thought given to that.

17 WITNESS ADDIS: And there is only two people  
18 of us.

19 CHAIRMAN BEARD: Right.

20 WITNESS ADDIS: We don't use that much water.  
21 Most water it goes is for lawn.

22 CHAIRMAN BEARD: Uh-huh.

23 WITNESS ADDIS: And, oh, I forgot now what I  
24 have to say. Pressure. I think the dog would water my  
25 lawn better than the sewer. (Laughter) (Applause)

1           And it is, and believe it. Before we moved  
2 to Deltona in 1988 and the water pressure there was so  
3 high, you can feel it when you took a shower. Now, you  
4 just sit there and you say, "Is it raining or is it  
5 shower?" Thank you very much.

6           CHAIRMAN BEARD: Thank you.

7           MS. ADDIS: I hope you understand me, I  
8 don't speak very well English,

9           CHAIRMAN BEARD: You do well.

10          WITNESS ADDIS: Thank you so much.

11          CHAIRMAN BEARD: Thank you.

12          MR. SHREVE: Thank you. ( Applause)

13   - - - - -

14          MR. SHREVE: Lynn Cadarette.

15   LYNN CADARETTE

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

19           MS. CADARETTE: My name is Lynne Cadarette,  
20 that's C-a-d-a-r-e-t-t-e. I live at 653 Sagamore Drive  
21 in Deltona.

22           My problem is really a complaint that I have.  
23 I recently got back from a trip this summer and my  
24 washing machine started leaking. And it's  
25 four-and-a-half years old. The reason I know it is

1 four-and-a-half years old is because that's when my  
2 house was built and that's when I had bought all the  
3 things that were needed to go into a house.

4 I had a repairman come out, and the repairman  
5 said, "Oh, it's no problem." He went in and took out  
6 everything. And he knocked on the door to my house, he  
7 was out in the garage, and he said, "Ma'am, you have to  
8 come out and see this." He said, "I've never seen  
9 anything like this in my life."

10 The sealer on my washing machine, which  
11 operates the whole washing machine, had completely  
12 rusted out. He took a little knife or a pallet and  
13 said, "Look at this." And then he just went around and  
14 took all or the little particles around the sealer. He  
15 said, "This whole washing machine is -- to replace it  
16 would be \$250." Well, I'm not going to put \$250 into a  
17 washing machine that's four-and-a-half years old.

18 He said, "There's nothing else that we can  
19 do." He said, "What it is," and he showed me, there  
20 was still -- it was brownish. He said, "What this, it  
21 was like the residue," around the -- I don't know what  
22 you call that -- the drum, yeah, I think that's what it  
23 was. And he said, "That right there, ma'am, is iron."  
24 He said, "There is a very high iron content in this  
25 water." He says, "I think you need to contact the

1 people that service you."

2 But when it all came down, I kept my washing  
3 machine there. I thought no, what I'm going to do, I  
4 took pictures, and I didn't have them developed, but I  
5 do have them. I thought I'm going give SSU a chance.  
6 I'm not going to go complain. I'm just going to have  
7 them come out. So I called up, and they were very  
8 nice. The lady was very nice. She said, "We'll get a  
9 man out there right away."

10 I had a man come out; and he took a little  
11 vial of water and he held it up to the sunlight and he  
12 said, "Looks fine to me, ma'am." I thought that was  
13 really scientific. And it was a vial of water. I  
14 mean, that's all he said. I said, "Well, what about  
15 the iron content?" He said, "I don't know what you're  
16 talking about. Chlorine? No, we have to have a lot of  
17 chlorine."

18 He said -- he wrote a lot of things on piece  
19 of paper, he said, "Ma'am," he said, "You know, I can't  
20 answer any of these questions." He says, "What I'm  
21 going to do is I'm going to have a supervisor either  
22 call you or come out and talk to you."

23 I said, "Well, I have a friend that I'm  
24 taking to the airport. I'll be back at, you know,  
25 such-and-such a time."

1           He wrote all that down. Came back, I waited  
2 three days. Nobody called me and nobody bothered to  
3 come over. And to me, it was just decent human basic  
4 courtesy. It wasn't even the fact that I had to  
5 replace -- I am of a Seminole County school teacher,  
6 and I sure don't make a lot of money, and I'm single.  
7 I did two to three washings a week maximum. Now,  
8 there's no way that I should have to replace a  
9 four-and-a-half year old washing machine. The  
10 repairman told me the next thing to go would be my hot  
11 water heater.

12                         (Audience response)

13           WITNESS CADARETTE: Quite frankly, I'm scared  
14 to death. Because I thought, "I finally own a home.  
15 I'm doing something with my life and this there is what  
16 is going to happen to me?" And -- and -- and -- even,  
17 you know, it even goes beyond that. Nobody even gave  
18 me the basic decent courtesy to just say, "Ma'am, there  
19 is a high iron content. We'll try to take care of that  
20 you." Or "ma'am, you're totally wrong, it's this, and  
21 it's that, and it's that."

22           I probably would have gone away very happy  
23 and thought, "Well, they'll do something about that,  
24 that's fine. I'm going to buy a new washing machine  
25 but my SSU, my water company is going to take care of

1 me." They didn't even give me that.

2 And some people might say, "Well, why didn't  
3 you call them back?" I thought no, I received about  
4 four letters that said there was going to be a hearing.  
5 I said, "Fine, I'll go to the hearing and I'll make my  
6 complaints in person in front of the Commission." And  
7 that's what I am here to say right now.

8 As you can see, I'm very, very upset, and  
9 that's just all have I to say.

10 CHAIRMAN BEARD: Let me ask you to do this.  
11 Before you leave, Bev DeMello, the lady -- she's  
12 outside talking to some others now, but I would like to  
13 get some information to her from you about whatever  
14 information you have on time and dates around this  
15 thing because I would like to know what happened.

16 WITNESS CADARETTE: Okay.

17 CHAIRMAN BEARD: And get a response from the  
18 Company.

19 WITNESS CADARETTE: All right. Thank you,  
20 Mr. Beard.

21 CHAIRMAN BEARD: Thank you.

22 MR. SHREVE: Thank you very much. (Applause)

23 (Witness Cadarette excused.)

24 - - - - -

25 MR. SHREVE: Mr. Lyons?



1 WILLIAM P. LYONS

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

5 WITNESS LYONS: My name is William Lyons,  
6 that's L-y-o-n-s. I live at 1954 Tilburg Avenue in  
7 Deltona.

8 My problem has been progressively getting  
9 worse since we moved there in September of 1989. It  
10 was a brand new house. Our water pressure is getting  
11 lower. Last -- two weeks ago when we was having a  
12 drought, I woke up about 3:00 a.m. in the morning, went  
13 in to get some water, I have a refrigerator with a cold  
14 water outlet on the thing, went in to get some water  
15 and it took about four minutes for that little glass to  
16 fill with water.

17 Now, what would have happened if we had had a  
18 fire in Deltona at this time? They have not increased  
19 the water pressure, and we live up on the hill, it's up  
20 near the Golf Course Estates, it's up on a hill, and  
21 there has been nothing done improvement.

22 Now, if they want more money, the way I feel  
23 about it, they've got to give us better service. These  
24 people talking about this granules and everything else.  
25 When we moved here in '89, my wife called me in one

FLORIDA PUBLIC SERVICE COMMISSION

1 morning, she said, "Look in that pan on the stove."  
2 She had put some water in a pan on the stove the night  
3 before, and it looked like little bugs or something all  
4 in the water. It was just the hardness of the water  
5 that come out of the thing.

6 Well, I went out looking for a filter. And I  
7 was in the service, I'm -- Uncle Sam gave me too much  
8 salt and I have had three heart failures in about ten  
9 years, and it's all due to the salt. So I couldn't use  
10 the filters they had at that time, nobody had a filter  
11 without salt in it. So then they came out with the  
12 K-Light, which is a salt substitute that you can get  
13 now. So I put that on. That cost me about \$2300.

14 I have a well on my property. I spent better  
15 than \$2,000 on putting a well in for my sprinkler  
16 system when I first moved in there. We lived in  
17 Hollywood, and I was graduating from the University of  
18 Miami, Mechanical Engineering degree, and I worked as a  
19 construction equipment salesman for Blanchard Machinery  
20 in North Miami for nearly 40 years. I called on the  
21 Mackle Corporation, who built this all up here, I  
22 called on Marco Development over here, which is Mackle.  
23 I worked in a lot of their outfits and everything, and  
24 I know how they buy equipment. They buy the cheapest  
25 thing they can buy, and that was a fact.

1           Now, our water meter. We have been charged  
2 for 5,000 to 6,000 gallons of water a month since we  
3 have lived in Deltona. My wife and myself is the only  
4 ones there. We have no swimming pool, we have no other  
5 water usage except washing clothes, washing dishes and  
6 showers and things. That's the all the water that's  
7 ever used in our household. And it's only my wife and  
8 myself.

9           And Hollywood, where we lived 1960 to 1989,  
10 my average water usage was around 2500 to 2600 gallons  
11 of water a month. Now, up here, it's all been 5,000 to  
12 6,000 gallons. My theory is this: The meters that  
13 they put in, if the water pressure drops, you use more  
14 water, the meter runs faster. It works off of  
15 pressure. And some of those meters do work off of  
16 pressure because I was told that by the City of Pompano  
17 Beach Water Department. If anybody wants to verify it,  
18 they can get hold of the City of Pompano Beach, the  
19 bunch of them. But they say that those meters, if  
20 they're not kept up, not taken care of, they will run  
21 faster or run slower.

22           So I just wanted to -- the service is the  
23 thing I think of. If they give us service, I'm willing  
24 to pay more money. But if they don't give us any  
25 better service than we're getting today, I say take

1 them and tell them to go head south because they don't  
2 deserve it.

3 That's all I have. (Applause)

4 MR. SHREVE: Thank you.

5 (Witness Lyons excused.)

6 - - - - -

7 MR. SHREVE: Mr. Bryant?

8 DOWNING BRYANT

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

12 WITNESS BRYANT Mr. Chairman, ladies and  
13 gentlemen, my name is Downing Bryant. I live at --  
14 B-r-y-a-n-t. I live at 2004 Newmark Drive, Deltona,  
15 32738. Most of what I wanted to talk about has been  
16 talked about, eloquently by some people, much better  
17 than I could do it.

18 The only thing I want to complain about is  
19 the bad water. In the last year-and-a-half, I have had  
20 glasses of water one-third full of sediments. I have  
21 called Deltona Utilities about it and asked them, and I  
22 says, "Am I supposed to drink this?" "Why, sure,  
23 you're supposed to drink it."

24 I have to go around behind my house now and  
25 turn on the water facets for 30 minutes to get rid of

1 that junk that's in there. And I'm paying for that  
2 through my meter. This is three times in the last  
3 year.

4 One other time, my water heater didn't work  
5 properly. It just didn't seem right. I put a hose on  
6 it, and I opened the valve on the bottom, and I got a  
7 gallon of green pebbles out of it. If you don't clean  
8 your water heater every 30 days down here, man, you're  
9 in big trouble because it fills up with sediments.

10 And at that time, I had a heat pump on there  
11 to heat my hot water and it ruined that. Those pebbles  
12 got inside my heat pump and stopped it up and I cannot  
13 unstop it. So that's just lost, I lost that.

14 And as I say, everything else that I was  
15 talking about has been said. So thank you very much.

16 CHAIRMAN BEARD: Thank you.

17 MR. SHREVE: Thank you, Mr. Bryant. Thank  
18 you, sir.

19 (Witness Bryant excused.)

20 - - - - -

21 MR. SHREVE: Mr. Galor?

22

23

24

25

1 RICHARD GALOR

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

5 WITNESS GALOR: My name is Richard Galor,  
6 name is G-a-l-o-r. I live at 1510 Zinnia Drive in  
7 Deltona.

8 I didn't think I would ever come up and  
9 defend the SSU, but I think a lot of people are not  
10 aware of the problems with the old Mackle homes in  
11 Deltona, which were built approximately 30 years ago  
12 and were plumbed completely with galvanized pipe.

13 With the consequence, over 30 years,  
14 galvanized pipe keeps filling up with sediment until  
15 the pipe has a usable diameter about an eighth of an  
16 inch, and, consequently, your water pressure inside the  
17 house keeps dropping. I wasn't aware of this when I  
18 bought the house; but I completely replumbed the whole  
19 house with copper pipe, including the pipe from the  
20 street, which was also galvanized pipe. So, in a way,  
21 the water company gets blamed for a lot of stuff that's  
22 not their fault. In other words, A, from the meter to  
23 the house is my problem; anything from the street out  
24 is their problem.

25 But I do think there is one problem that I

1 wasn't aware of until last week when a water line burst  
2 in front of the house. And the water company come and  
3 proceeded to dig up all of Zinnia Drive and half of  
4 Cranbrook trying to find the pipe -- which puzzled me,  
5 because I thought they might have a map or something to  
6 tell them where the pipe was, but they just kept  
7 digging until they found it.

8           But it's quite apparent that a lot of the  
9 plumbing in Deltona is quite old, maybe 30 or 40 years  
10 old; and it's going to be just a patchwork thing until  
11 they replace the whole plumbing, all the water lines.  
12 Because the pipe breaks, they put a piece of pipe in,  
13 put a coupling on both ends, fill the hole up, and  
14 further on down the street they do the same thing  
15 again.

16           Well, that's a very expensive way to operate.  
17 You'd would be better off to come through and just do  
18 whole the damned water line from one end to the other.  
19 It would be cheaper dig the street up once than digging  
20 the street up five times.

21           Well, that's the only thing I have to say.

22           CHAIRMAN BEARD: Thank you very much.

23           (Applause)

24           MR. SHREVE: Thank you, sir.

25           (Witness Galor excused.)

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MR. SHREVE: Mr. Martin?

HAROLD MARTIN

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

WITNESS MARTIN: I see Deltona has been well-represented here. We're out here in the -- I'm Harold Martin, M-a-r-t-i-n. I live at 571 Fifth Street in Chuluota. I'm here with a letter from Southeast Seminole Voters Association, which represents quite a majority of our residents in the Chuluota area. And I will hand-deliver this.

"We strongly protest the rate increase requested for water and sewer service by Southern States Utilities. We believe that the proposed increases are totally unjustified in comparison with Seminole County and the City of Oviedo, Alafaya Utilities, extreme in magnitude of change, incorrectly placing the greatest increase on the smaller user. The majority of homes in this service area are small, the average usage per home is not the 350 gallons per day used by planners but near 150 gallons per day.

"Based on the usage of 5,000 gallons per month, 166 gallons per day, using water and sewer comparisons



1 with the City of Oviedo, Alafaya Utilities and Seminole  
2 County, show SSU's present rate is 39% higher than Oviedo,  
3 their present rate is 37% higher than the county, and  
4 their proposed rate would be 159% higher than Oviedo, and  
5 their proposed rate would be 66% higher than the proposed  
6 county rate.

7 "The rate increase proposed by Southern  
8 States is 167% for basic monthly water charge, 179% for  
9 basic monthly sewer, 96% for gallonage water charge,  
10 and 14% for gallonage sewer charge."

11 WITNESS MARTIN: The rate comparison on the  
12 basic water charge for Oviedo, \$4.50 per month;  
13 Seminole County is \$4.50. Basic per thousand gallons,  
14 Southern States -- wait a minute. Their basic water is  
15 5.39 at the present but their proposed is up to \$14.41  
16 with a thousand gallons an extra dollar, but they want  
17 to charge \$1.96 on their increase.

18 Our monthly bill comparison for 5,000  
19 gallons, at the present, is \$36.93. Oviedo is 26 and  
20 the County is 27. Where Southern States would propose  
21 a \$68.77 monthly bill.

22 We think this is totally unjustified and  
23 request that the Public Service Commission consider  
24 these facts and deny the proposed rate increases.

25 I thank you. (Applause)

1 CHAIRMAN BEARD: Thank you.

2 MR. SHREVE: Thank you, sir.

3 (Witness Martin excused.)

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5 MR. SHREVE: Mr. Silva?

6 SIMON R. SILVA

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

10 WITNESS SILVA: Thank you very much. I want  
11 to ask forgiveness for my English, because I speak very  
12 bad English. Well, I don't speak English at all.

13 CHAIRMAN BEARD: We want to get your name.

14 WITNESS SILVA: Simon R. Silva, S-i-l-v-a. I  
15 live at 1200 Wildwood Drive, Deltona 32725.

16 Well, everybody talks about everything in  
17 here but most of the people forget about Sand Lake.  
18 The people live in Deltona, are about 80% are retired  
19 people with fixed incomes and many of them are very  
20 small incomes. Myself, I got \$710 a month income. I  
21 have five or six neighbors who get less than that every  
22 month. I have to pay 198.23 mortgage for the house  
23 because I don't pay the house off. I had to pay the  
24 insurance for the house; I have to pay insurance for  
25 the car and utilities. And sometimes I can't afford

1 everything. So I think next month I going to cut off  
2 the cable and TV because they rise the price, and I  
3 can't afford it any more.

4 So that is the principle thing the Commission  
5 has to look at us. The people can't afford the price  
6 to pay for the high salaries of the owners or the  
7 Chairman of the Board of the Company, everybody making  
8 a million dollars a year; that's what the people have  
9 to do.

10 That's happening; it is going to be like a  
11 revolution in Deltona (phonetic). So suppose we hold  
12 the payment, everybody hold the payments for the month,  
13 for two or three months, they're going to cut off the  
14 water for everybody. How is the Company going to pay  
15 its employees? So that's what's going to happen in  
16 Deltona. Somebody has already told me "I don't going  
17 to pay; they have to cut the water in my house." And  
18 many people are going to do that.

19 So the Commission have to look at what the  
20 people can afford. We can't afford a raise. Thank  
21 you.

22 CHAIRMAN BEARD: Thank you.

23 MR. SHREVE: Thank you, sir.

24 (Witness Silva excused.)

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1 MR. SHREVE: Mr. Fulkerson?

2 Mr. Fulkerson, Mr. Lewis Fulkerson? (No  
3 response.)

4 Mr. Burnman? Mr. Burnman? (No response.)

5 Mr. Findley? Mr. Findley? (No response.)

6 Mr. Kleinheus? Mr. Robert Kleinheus,  
7 Deltona? K-l-e-i-n-h-e-u-s or -h-e-n-s? (No  
8 response.)

9 MR. SHREVE: Mr. Clayton.

10 JAMES R. CLAYTON

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

14 WITNESS CLAYTON: Good afternoon. My name is  
15 James R. Clayton, C-l-a-y-t-o-n. I'm an attorney  
16 representing the Deltona Inn, which is a motel there in  
17 Deltona, in fact, the only motel in the unincorporated  
18 area of Deltona. My address is 114 West Rich Avenue,  
19 Deland, Florida.

20 I am a little different than the rest of the  
21 people who have appeared before you today in that  
22 instead of representing a resident, I represent a  
23 commercial establishment. My client couldn't be here  
24 today and asked me to appear on his behalf.

25 Let me give some background about Deltona

1 Inn. If the proposed rate increase is implemented,  
2 with five two-inch water meters and three two-inch  
3 sewer or wastewater meters, the monthly increase, based  
4 on last year's figures and a cost analysis, will be  
5 \$1,196.12, say \$1200. That's \$14,400 a year, unlike  
6 the utility companies that allegedly have financial  
7 problems and pass it on to the customers, my client, in  
8 order to be competitive, will not be able to pass this  
9 \$14,400 on to his customers; it will come right out of  
10 his pocket. Now, he's going to do what most people do  
11 when they have a budget problem; he'll work around it,  
12 and figure out a way to trim his budget and hopefully  
13 make some concessions here. And they're much like if a  
14 person in a house has a roof that's going bad and his  
15 car is broke down, but only has X-number of dollars, he  
16 makes a decision. It seems the utility companies are  
17 never ever placed in that position. They figure much  
18 like government, instead of taxing it, we'll just  
19 increase their rates.

20 I am here, too, Mr. Beard, looking at you as  
21 a representative of the people. I realize you're  
22 appointed by the Governor, as the other members are,  
23 and I realize you're not voted in. But it's the same  
24 exact responsibility for all these people who have  
25 appeared before you today. And there's a feeling of

1 despair, quite frankly. I have talked to a lot of  
2 them, because I also represent a lot of homeowners  
3 associations out there. And like any other government,  
4 they're ready to give up. They feel that Mr. Hoffman  
5 and Mr. Armstrong are doing a good job up here on  
6 behalf of Southern States. You have your Staff, Mr.  
7 Shreve, of course, is here to protect them; but they're  
8 really concerned perhaps this is going to be a  
9 rubber-stamp approval because of the way it's been  
10 handled. And the only way they can be assured that  
11 that's not true is to take into true consideration, Mr.  
12 Beard, that hopefully you can relay this next Tuesday,  
13 of these comments.

14           You have to understand also historically, and  
15 I have no idea and I apologize if you are not aware of  
16 this, that you as a representative of the people. In  
17 1989 when Deltona Utilities was acquired by Southern  
18 States, there was a competitive process going on,  
19 Volusia County wanted to buy it. And for the very same  
20 reason that these people have expressed to me in  
21 discussions over coffee that, you know, "I just don't  
22 know if it's going to do any good to appear in front of  
23 these people," they were very concerned about Volusia  
24 County, again, government, buying this utility company.  
25 And Southern States seized upon that fear of government

1 -- because everybody, whether it's a small municipality  
2 or a federal government, they're scared; they don't  
3 trust them. And you'll have to recognize Deltona is  
4 the absolute largest unincorporated area in the state  
5 of Florida, and I've heard it's the second one in the  
6 nation. They don't have a Mayor or City Council they  
7 can go to, so they here to you. You're right over  
8 them.

9           But I have a form here and I hope you have  
10 this. And if you don't, I want to copy it before I  
11 leave. This is a little -- well, apparently propaganda  
12 that was passed out back in 1989 by Southern States  
13 when they were trying to buy Deltona Utilities.  
14 "Deltona Acquisition Issues" front and back. The very  
15 first sentence: "Is it in the public interest for  
16 Volusia County to acquire the Deltona Utilities system?  
17 No. Deltona Utilities can maintain lower rates, lower  
18 impact fees and higher quality service with the  
19 financial capability to make all necessary system  
20 modifications."

21           Now, had these people that were so -- that  
22 packed the County Council chambers, and said, "Please,  
23 we want it to be a private enterprise; we want them to  
24 know it." Had they known then what they know now, I  
25 don't believe we'd be here today. (Applause)

1           And I want you to see how this, I want,  
2 historically, you to understand.

3           Question No. 2 or statement No. 2, in big  
4 bold black letters: "Will rates increase if the County  
5 acquires the system? Yes, the rate difference between  
6 potential county and present ownership will be the cost  
7 of acquisition. We project that there will be an 82%  
8 rate increase." Now, nowhere on here does it say --  
9 they're pretty slick -- will it increase if we buy it.  
10 But they imply don't let the County buy it, because  
11 you're going to get taken to the cleaners. I thought  
12 of the a different word, but it's going to happen to  
13 you, you are going to be upset.

14           No. 3, "Does Deltona Utilities use 100% of  
15 impact fees for capital expansion? Yes, impact fees  
16 are used only by Deltona Utilities for system  
17 expansion."

18           And we've had a lot of impact fees passed in  
19 the last few years by the County and they've increased  
20 somewhat. And one wonders where this money is going.

21           "Will Deltona Utilities provide a higher  
22 quality of the service? Yes."

23           "Does Deltona Utilities have the financial  
24 resources for future capital improvements? Yes. We  
25 already have the monetary reserves, debt capacity and



1 equity availability, which is more than adequate for  
2 necessary capital improvements."

3 Now, I would never look to Southern States  
4 or look at the President, who I understand is here, Mr.  
5 Phillips, who, I understand, is in the audience. I  
6 would never looked at Mr. Phillips and say, "Did you  
7 lie to these people? Did you come in here back in 1989  
8 knowing that it was in good shape, or did you tell  
9 these people that this was going to be one of 127  
10 utilities that Southern States owns? Did you tell  
11 these people that of those one of 127, that Southern  
12 States is also owned by Minnesota Power and Light? Did  
13 you explain to them that if Minnesota Power and Light  
14 ain't doing real good, or Southern States over all  
15 ain't doing real good, "and that no telling where it  
16 is, South Florida, North Florida or wherever, that they  
17 might come back to you to offset this quote, as the  
18 attorney said, "combined," that word caught me, the  
19 combined rate of return is insufficient.

20 Now, it goes on and on and on. It says,  
21 "Will the Florida Public Service Commission  
22 jurisdiction continue if the Deltona system is owned by  
23 the Topeka Group? Yes."

24 It goes on and on and on. So you are here to  
25 protect them. It says, "Has Deltona Utilities taken

1 the steps necessary to stop treated effluent discharge  
2 into Lake Monroe? Yes." And now we hear today that  
3 these environmental concerns are what's causing this  
4 rate increase. What was all this back in 1989? Were  
5 we hoodwinked? (Applause)

6 And I recognize that as a lawyer, and I was  
7 teasing somebody, I feel sorry for Mr. Hoffman and Mr.  
8 Armstrong, I'm in the same boat -- we can't pick and  
9 choose who walks through the door. I realize I don't  
10 have a retiree, widow or widower who can pull at your  
11 heart strings. I have a businessman though, and he  
12 pays his taxes, and he's a community leader, and he's  
13 done a lot with some of the homeowners associations in  
14 taking a leadership role. And this has really got him  
15 concerned. We're out \$14,400 and have all the data  
16 based upon what they provided.

17 So what I want to ask Mr. Phillips, the  
18 President of the Southern Utilities is this: Is  
19 Deltona Utilities, the individual utility out of the  
20 127 -- forget the other 126 -- is it operating at a  
21 loss? (Pause) I'd like to hear. You all can whisper  
22 out loud, it doesn't matter to me. (Laughter) (Pause)

23 That, to me, would be something that should  
24 pop right up. Maybe Mr. Phillips knows it, he's in the  
25 audience.

1 CHAIRMAN BEARD: Well, I appreciate that. If  
2 you want to, you can even go and you and Mr. Phillips  
3 to stand aside and chat for 30 minutes. But there are  
4 127 of them and I work at this business pretty hard,  
5 and I can't keep all those in my head.

6 WITNESS CLAYTON: No, no. I'm curious since  
7 they've applied for this rate increase, surely they  
8 know. I don't expect you to know.

9 CHAIRMAN BEARD: He's going to look and tell  
10 you.

11 MR. ARMSTRONG: I'm getting the exact number;  
12 and yes, we have a negative return on equity, water and  
13 sewer combined, negative 10.76% for Deltona Utilities.

14 WITNESS CLAYTON: Strictly Deltona Utilities?

15 MR. ARMSTRONG: That's strictly Deltona  
16 Utilities. That's based on the historic year and the  
17 December 31st, 1991.

18 WITNESS CLAYTON: Then why did you buy it?

19 CHAIRMAN BEARD: Wait a minute. This would  
20 be a great debate for you guys --

21 WITNESS CLAYTON: I'm sorry.

22 CHAIRMAN BEARD: Let me say this, though,  
23 before they carry away with that negative.

24 One of the things we look at, and this is for  
25 your education as opposed to the attorney's

1 edification, one of the things we look at is the way  
2 numbers are allocated between utilities. So that may  
3 be their position.

4 My position, when we get done, it may not be  
5 that number. Because maybe there are some allocations  
6 that I thought were inappropriate. Or maybe it will be  
7 that number, because, well, yes, the allocations were  
8 right. But those would be issues that we will look at  
9 to see if allocations from the parent company down for  
10 data processing services or whatever, were appropriate  
11 and cost out properly. So that's their position, also,  
12 not mine.

13 WITNESS CLAYTON: Okay, so that's going to  
14 make them feel a lot better. So let me ask you this  
15 then: Then, if it's decided that perhaps this negative  
16 rate of return for Deltona Utilities is based on  
17 improper allocation to other utilities or to Minnesota  
18 Power and Light, or who knows where else, is it  
19 possible for an application of this magnitude to be  
20 filed by extracting Deltona Utilities from it?

21 CHAIRMAN BEARD: Yes, it's possible. It's  
22 possible, in theory at least, that when we got done  
23 with this rate case, we could have them all separated  
24 out one-by-one. It's possible that we might tend to  
25 look at them in groups. I really don't know until I

1 have heard all the evidence around see what is in the  
2 long-term, best interest of the ratepayers to these  
3 utilities. And I do understand my role as a Public  
4 Service Commissioner very well.

5 WITNESS CLAYTON: All right, I appreciate  
6 that. I wasn't here lecturing but you have to  
7 understand these people are scared to death. And they  
8 really do look upon you to help them out; not  
9 necessarily to rubber-stamp them either. And they do  
10 trust you to make judgment. They are not necessarily  
11 opposed to a reasonable rate increase. That's expected  
12 sometimes. But these are so proportionately out of  
13 whack it seems odd.

14 My next question, and I guess my last  
15 question, is it able to quantify or pinpoint how much  
16 of the money -- let's say assume it's implemented -- of  
17 the whole 127 utilities? How much will leave the state  
18 of Florida and go to Minnesota Power and Light?

19 CHAIRMAN BEARD: Well, whatever the return on  
20 equity, that is determined that they have the  
21 opportunity to earn, okay, whatever dollars that  
22 generates, if I were a stockholder and you sent me my  
23 stockholder check -- whether I lived in Tampa where I  
24 grew up or I lived in Minnesota -- I don't think you  
25 need to be telling me how to spend that money. Once

1 the fair amount has been determined to be earned, where  
2 it's shipped and where it goes, would be their  
3 position.

4 Now, if they're earning too much, we need to  
5 deal with that. I don't know how much in retained  
6 earnings they'll put back in. Those will all be issues  
7 that we'll look at that are reinvested in Florida. And  
8 that is an importation issue, no question about it.  
9 And that will help determine what is fair and  
10 appropriate; depreciation rates so we can keep the  
11 system modern. But once it begins to look, act, taste  
12 and feel like stockholder money, then the stockholders  
13 ought to do what they want with it.

14 WITNESS CLAYTON: Will there be any public  
15 input next Tuesday? Even though I realize chances of  
16 anybody driving to Tallahassee are slim to none, is it  
17 a public hearing --

18 CHAIRMAN BEARD: Absolutely.

19 WITNESS CLAYTON: -- a public forum?

20 CHAIRMAN BEARD: Yes, sir.

21 MR. SHREVE: You are going to allow input  
22 into the interim argument?

23 CHAIRMAN BEARD: I will allow some  
24 information input. I don't think that I'm going to be  
25 in a position of taking hours and hours, especially

1 after -- this will be my second trip -- this will be  
2 the third one or the fourth one we've done?

3 MR. ARMSTRONG: Third one.

4 CHAIRMAN BEARD: Third one? Okay. With the  
5 other items. If are you going to load up the buses,  
6 let's set another date?

7 WITNESS CLAYTON: No, no.

8 CHAIRMAN BEARD: Because I only have about 40  
9 items to do that day.

10 MR. SHREVE: Well, I think you answered my  
11 question. If you are going to allow input on the  
12 interim, at least there will be input made.

13 WITNESS CLAYTON: They really want you to  
14 understand what happened back in 1989. That's critical  
15 to the entire application process, because in 1989 they  
16 really did believe the right decision was made when  
17 they really tried to keep the County from buying it.  
18 And now a lot of people are saying, "Maybe we made a  
19 mistake; maybe we shot ourselves in the foot." So we  
20 historically we really want you to understand what  
21 happened back in 1989.

22 I mean, these questions, it's ironic to me  
23 that their fear of government has brought them here  
24 today, and now they're having to seek government again.  
25 And the very questions, the discussion: Why do we have

1 to raise the rates that were addressed in the marketing  
2 propaganda, I guess, back in 1989. So now, they're  
3 going to be fearful from now and evermore.

4 CHAIRMAN BEARD: My attorney is beating me  
5 about the ears telling me the way that was noticed was  
6 no parties participated at the hearing in Tallahassee  
7 on Tuesday. To the extent that there was something  
8 that needed to be done, though, I know the Chairman,  
9 and he sometimes makes exceptions to those if there's a  
10 reason for it. Although from the standpoint of hearing  
11 the people, I know in Kissimmee and here, I've got a  
12 pretty solid input as far as the people's feelings.

13 WITNESS CLAYTON: You will be able to share  
14 with them -- I don't know how you can do all this --  
15 synthesize all this and hopefully get the feeling of  
16 the groups you've met with to the Public Service  
17 Commission?

18 CHAIRMAN BEARD: I think it's been pretty  
19 much a consensus on the part of the people.

20 WITNESS CLAYTON: Would you like a copy of  
21 this document that was passed out back in 1989?

22 CHAIRMAN BEARD: That would be great.

23 MR. SHREVE: Commissioner, if I could, you  
24 were exactly right on the question about the money  
25 going to Minnesota Power. But I think, just to make



1 sure, that there is money going north other than just  
2 the return, there are expenses that are being paid.  
3 They say they're not allocating but there are expenses  
4 being paid for salaries and things like that. So it is  
5 not just limited to the rate of return. Commissioner  
6 Beard was correct but he was talking in terms of return  
7 on equity.

8 CHAIRMAN BEARD: And that's why I mentioned  
9 if you have some centralized service -- data  
10 processing, for example -- that Deltona, the little  
11 utility doesn't have its own computer system, but to  
12 some extent there is some centralized system, there are  
13 expenses allocated down. I have no question about  
14 that. That's an efficiency that probably should be  
15 taken advantage of. Those, wherever, they go, they may  
16 go south or north depending on where the building is.

17 WITNESS CLAYTON: All right. Thank you very  
18 much for the opportunity to talk.

19 CHAIRMAN BEARD: Great. Thank you.

20 MR. SHREVE: Thank you. (Applause)

21 (Witness Clayton excused.)

22 - - - - -

23 MR. SHREVE: Mr. Militello? Mr. Militello

24 M-i-l-i-t-e-l-l-o. (No response.)

25 Mr. Irugarry, I-r-u-g-a-r-r-y, I think. (No

1 response.)

2 Tina Genright? Ms. Genright? (No

3 response.)

4 I think some of these -- Mrs. Lehmann?

5 UNIDENTIFIED SPEAKER: Mrs. Lehmann? Mrs.

6 Robert Lehmann? (No response.)

7 MR. SHREVE: Mrs. W. J. Lehmann.

8 CHAIRMAN BEARD: Let me try something here

9 just for fun. It might help us just a little bit  
10 because I know people are leaving and coming and going.

11 If you would by raising your hand who still  
12 intends to testify that hasn't been called today. Let  
13 me get a count. One, two, three, four, five, six,  
14 seven, eight, nine, ten, 11.

15 Can we just, do you want to just maybe bring  
16 them up --

17 MR. SHREVE: Up to you. I'm taking them in  
18 order as they signed up.

19 CHAIRMAN BEARD: Okay. Well, go ahead, we'll  
20 see. I was trying to short circuit a little bit for  
21 time sake.

22 MR. SHREVE: Well, I think a lot of these  
23 people that are not here now would have adopted the  
24 testimony that was already in there.

25 Mr. Vanderhoff? Mr. Vanderhoff? (No

1 response.)

2 Mrs. Lehmann?

3 MRS. ROBERT LEHMANN

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

7 MRS. LEHMANN: Good afternoon. My name is  
8 Mrs. Robert Lehmann, 794 Crawford Street. And the  
9 spelling of the name is L-e-h-m-a-n-n, Deltona.

10 And I wanted to say not only do we have poor  
11 water quality, poor water pressure, but I have to run  
12 my water in the morning, if I'm going to draw my  
13 coffee, for at least 15 minutes in order to have a good  
14 cup of coffee. And that's at our expense.

15 And I'm really not surprised that SSU is  
16 losing money. I have personally observed them digging  
17 up on the corner of Crawford Street and Lilly Court at  
18 least five times the same hole with using heavy  
19 equipment, a backhoe, filling it up after the end of  
20 the day, coming back another day, doing the same thing.  
21 I'm wondering what's down in that hole. They could  
22 have dug the Panama Canal. (Laughter)

23 Now, is that efficient? Somebody does not  
24 know what they are doing. I have observed nine men,  
25 workmen, standing around, trucks going back and forth

1 -- SSU trucks, somebody asked me did I know, I said,  
2 "Yes, it was the SSU logo." And I want to know why  
3 they're digging all these holes and filling them up at  
4 the end of the day and coming back in -- this is over a  
5 period of time. Also on the corner of Crawford Court  
6 and Lombardy, they've done that several times, using  
7 their backhoe to break the macadam on the Street, which  
8 I don't think is good for the equipment. And I just  
9 want to know why they dig so many times the same hole?

10 MR. SHREVE: Beats me.

11 MS. LEHMANN: Beats me, too. I know in the  
12 service when the drill sergeant will say to his  
13 recruit, "You dig that hole and fill it up," that's  
14 teaching them a lesson but I think we don't need  
15 lessons when we're trying to conserve money.

16 CHAIRMAN BEARD: When I was in the only  
17 lesson it taught me was I didn't like to did holes.

18 WITNESS LEHMANN: That's right, but I'd like  
19 to know why these holes are constantly being dug?

20 CHAIRMAN BEARD: Let's do this so we can get  
21 some specifics. Bev, if you would get with her --

22 WITNESS LEHMANN: We need to check work  
23 orders.

24 CHAIRMAN BEARD: Okay. Well, we'll let Bev  
25 DeMello get with you, and let's get some specific

1 information, rough times and locations and things so we  
2 can get you an answer.

3 WITNESS LEHMANN: Okay. Thank you very much.

4 (Applause)

5 (Witness Lehmann excused.)

6 - - - - -

7 MR. SHREVE: Mr. Middleton. (No response.)

8 UNIDENTIFIED SPEAKER: He left.

9 MR. SHREVE: All right, sir. (Pause)

10 Mr. Lajza, Mr. John, L-a-j-z-a.

11 CHAIRMAN BEARD: Let's try my style this  
12 time. This gentleman, you raised your hand, can you  
13 come on? And we might can get along because I counted  
14 probably another ten people.

15 LAWRENCE HAYDUK

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

19 MR. HAYDUK: My name is Lawrence Hayduk. I'm  
20 a utility engineer with Volusia County. The address is  
21 123 West Indiana Avenue, Deland, Florida, Zip, 32720.

22 CHAIRMAN BEARD: And spell your last name.

23 WITNESS HAYDUK: H-a-y-d-u-k.

24 CHAIRMAN BEARD: Thank you.

25 MR. HAYDUK: This question is directed to

1 you, Mr. Beard.

2 CHAIRMAN BEARD: Uh-oh.

3 MR. HAYDUCK: The Volusia County Council,  
4 through staff, sent a letter to the Public Service  
5 Commission and the Public Counsel requesting a separate  
6 public hearing on this rate increase be held in Volusia  
7 County prior to any rate decision being made. To date,  
8 we don't have a response.

9 I would like to be able to take some  
10 direction or answer back to the Commission for its next  
11 meeting. There's approximately 25,000 SSU customers  
12 residing in Volusia County who deserve a chance to  
13 speak on this issue. I would like to give those folks  
14 a fair shake.

15 CHAIRMAN BEARD: Well, first, you addressed  
16 the question to the right person. You sent a letter to  
17 us?

18 WITNESS HAYDUK: Yes, sir.

19 CHAIRMAN BEARD: I will find out. Because  
20 it's my policy to have a seven-day turnaround in  
21 response to all letters. And that means signing about  
22 75 to 100 letters a day that I personally sign.

23 Now, the person responsible for making that  
24 decision is the one you're looking at. And the bottom  
25 line, if you look at the map on the fourth page there,

1 you'll see how scattered out this is. And I had to  
2 make some decisions on taxpayer resources, how many  
3 meetings I could schedule, and how close I can get to  
4 people. And we're doing 11 -- excuse me, ten hearings,  
5 I keep wanting to say 11, ten hearings which is more  
6 than I even did in Southern Bell, I did six. And  
7 that's a pretty big operation as well. And it was a  
8 matter of finding a Commissioner that had an available  
9 day, the resources of getting the Staff out there and  
10 the location, that was as centralized as I could get  
11 it. And I'm the bad guy. It's just that simple. And  
12 I wish I could have done one in every county. I lived  
13 for six-and-a-half years in Putnam County and for  
14 eight-and-a-half years in Clay County; they didn't get  
15 one either. And they're not happy with me. But I  
16 can't do a thing about it other than the best balance I  
17 could do. So I'm the bad guy.

18 WITNESS HAYDUK: Well, between now and, as I  
19 understand it, the final rate determination will be  
20 made in February of next year. That's six or seven  
21 months. I think there's adequate time in there to have  
22 a rate hearing in Volusia County.

23 CHAIRMAN BEARD: Well, I appreciate that. I  
24 will be glad to spend some time with you showing you  
25 the schedule. Because this is not the only rate case.

1 We have an unusual year this year with the power  
2 companies, the telephone companies and the water and  
3 wastewater companies that are coming to us.

4 WITNESS HAYDUK: Okay. Well, just a response  
5 back that I can take back to the County Council and  
6 then they can give us direction which way to go.

7 CHAIRMAN BEARD: Sure, I will find out why.  
8 Because, like I said, my policy is to have a seven-day  
9 turnaround on letters and response, so that we don't  
10 look any more bureaucratic than we normally do.

11 WITNESS HAYDUK: Thank you.

12 CHAIRMAN BEARD: You bet.

13 MR. SHREVE: Thank you, sir. (Applause)

14 (Pause)

15 (Witness Hayduk excused.)

16 - - - - -

17 MR. SHREVE: Do you want me to continue  
18 calling them or --

19 CHAIRMAN BEARD: I'm sorry. Hands in this  
20 section? Who else wants -- right here, first row, yes,  
21 sir.

22 Thank you, Mr. Shreve. I was losing tract.

23 MR. SHREVE: Sure.

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RONALD C. GLADE

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

WITNESS GLADE: My name is Ronald C. Glade. I'm not really too smart on the power authorities, but I do own some power stock in the Niagara Mohawk Power up north. And you're owned by what is it, Minnesota Power?

Now, that's a big conglomerate. You're only a little drop in the bucket to them. It's like a mutual stock; some mutual stocks make money, some lose. Am I true or not? I'm asking you, I'm not asking your lawyer.

Can you answer me?

CHAIRMAN BEARD: They're both lawyers.

MR. HOFFMAN: I can answer both.

CHAIRMAN BEARD: Okay, answer.

MR. HOFFMAN: He's not my lawyer.

WITNESS GLADE: Okay. I'm asking you.

MR. HOFFMAN: I think, yes, mutual funds have varying rates of returns.

WITNESS GLADE: Okay. That's like Minnesota is running their corporation. You're a drop in the bucket to them.

1           What was Minnesota's stock in 1989 and what  
2 is it now? You don't know, do you? I mean, you're  
3 very informative, aren't you? And you're supposed to  
4 be in management for the Company?

5           CHAIRMAN BEARD: Mr. Glade, let me do this.  
6 I know you're upset.

7           WITNESS GLADE: No, no, no, I got --

8           CHAIRMAN BEARD: Let me finish.

9           WITNESS GLADE: Okay.

10          COMMISSIONER EASLEY: He's not in Management  
11 for the Company. He's an attorney representing them in  
12 this case. And I don't want to rush anybody from  
13 saying what they have on their mind, but I'm most  
14 interested in hearing from you all about Southern  
15 States and less about Minnesota Power and Light's stock  
16 prices, please.

17          WITNESS GLADE: Okay. Now, all I know, it is  
18 a subsidy of Minnesota Power, SSU.

19          Well, I'm at the impression that anybody  
20 that's in business, you're like a drop in the bucket to  
21 them; some make money, some lose money. This is not  
22 the issue. The issue is why are they still in  
23 operation? Usually, you know, they drop subsidiaries  
24 that are not profitable. If they don't think you're  
25 profitable, then why are they still maintaining you?

1 That's what I would like to know.

2 Another thing is there's a lot of things  
3 going on which the public don't know, and you haven't  
4 explained anything actually what you are completely --  
5 you're saying you want a 11.78% increase. You said you  
6 lost how much money last year, percentage, just on  
7 Deltona Utilities? You said you lost what, 6.8%?

8 MR. HOFFMAN: A negative 10%.

9 WITNESS GLADE: Or a negative 10%. Well, all  
10 I know is I don't know much about business, but I do  
11 know about stocks and companies that who owns you --  
12 you said not to mention it -- for them, you're a tax  
13 write-off. They're not losing any money on you; it's a  
14 tax write-off to them for the Federal Government.  
15 We're paying that anyway in the end.

16 Am I right or wrong?

17 MR. HOFFMAN: I don't think I understand your  
18 question. (Laughter)

19 WITNESS GLADE: The question is you're owned  
20 by, I can't mention the Company --

21 CHAIRMAN BEARD: Well, you're talking about  
22 Minnesota Power and Light, I understand that. But  
23 that's their position, that they underearned. And  
24 that's what at this hearing, based on the concerns  
25 we've heard today, we're going to be looking at that.

1                   WITNESS GLADE: I know it. Even if they  
2 don't get their price rate that they want, they're not  
3 going to lose a darned cent because it's going to be a  
4 tax writeoff for the Company, and who is going to end  
5 up paying for it? The people paying the taxes.

6                   That's all I gotta say.

7                   CHAIRMAN BEARD: Okay.

8                   WITNESS GLADE: Which this is never brought  
9 up. I mean, I own a lot of stock in utility companies,  
10 and I know what I'm talking about. And you can't  
11 answer the questions, that means you're not too  
12 informative of your job. Excuse me for saying that,  
13 but that's all I gotta say.

14                   CHAIRMAN BEARD: Thank you. (Applause)

15 (Pause)

16                   Yes, sir?

17                   NORBERT ZALESKI

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

21                   MR. ZALESKI: My name is Norbert Zaleski,  
22 Z-a-l-e-s-k-i. I reside at 887 East Fairbairn Drive  
23 in Deltona. I agree with what most people have talked  
24 about here.

25                   My only comment is on this wastewater that

1 they are giving to the golf courses for nothing, why  
2 this could not be given to the parks, the schools,  
3 public areas or sold to churches or private shopping  
4 centers, or whoever use this watering facilities.  
5 These lines are going by these places, and I'm sure to  
6 tap into them you could make some money at this. And I  
7 just can't understand this free giveaway of this  
8 wastewater that these golf courses are getting.

9           CHAIRMAN BEARD: Let me try to help a little  
10 bit there. And keep in mind that you don't always just  
11 get from where you were yesterday to where you are  
12 today overnight. And state agencies, we actually are  
13 trying to work together, DER, and the Water Management  
14 District and the Public Service Commission. And some  
15 of these golf courses have had consumptive use permits  
16 and have drilled wells and they have the water  
17 available. And as an alternative to using this  
18 effluent, treated effluent, they can go back to using  
19 their own well and pumping. They have that permit. We  
20 have been working with Water Management Districts to  
21 try to get those permits taken away so they can't use  
22 the effluent, they have to use fresh water, and then,  
23 in fact, you can charge. Because it's hard to sell  
24 something like the treated effluent to someone who can  
25 actually just run that well and pump the water for

1 free, even though it's not the best thing  
2 environmentally for us to do.

3 And we've been working our way there over the  
4 last couple of years and we're making headway, but it's  
5 not an overnight process. And that's part of the  
6 reason they have in the past, and hopefully in the  
7 future, as we move this direction, that will reverse  
8 itself. And I'm with you, I have a great deal of  
9 concern about that.

10 WITNESS ZALESKI: Thank you.

11 MR. SHREVE: Thank you, sir. (Applause)

12 (Witness Zaleski excused.)

13 - - - - -

14 CHAIRMAN BEARD: Yes, sir? I'm sorry.

15 WITNESS SULLIVAN: My name is Donald  
16 Sullivan. I have not been sworn and probably most of  
17 the other witnesses have not been sworn because they  
18 signed up late.

19 CHAIRMAN BEARD: Okay. If I can, any of you  
20 that are going to be testifying, that haven't been  
21 sworn if you would stand and let me do that now. It  
22 will save a little bit of time, thank you for that  
23 reminder.

24 (Witnesses collectively sworn.)

25

1 DONALD SULLIVAN

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

5 WITNESS SULLIVAN: My name is Donald  
6 Sullivan, S-u-l-l-i-v-a-n, I live at 1220 Sherbrook  
7 Drive in Deltona. I am Second Vice President of the  
8 Deltona Civic Association. I would like to point out,  
9 at the outset, that in spite of the large number of  
10 persons from Deltona who appeared here this morning, if  
11 the meeting had been in Deltona, you would have had a  
12 much larger attendance.

13 I have done a little mathematics on what I  
14 consider to be possibly the average use of water by  
15 somebody on the sewer system. On the basis of an  
16 assumption that they use 3,000 gallons a month in the  
17 home and 7,000 gallons a month in watering the lawn.

18 Under the present rates, on an annual basis,  
19 they would pay \$311.76 for water and sewer for one  
20 year. Under the proposed rates, for the same water  
21 usage, they would pay \$825.12 per year. Which is an  
22 increase of \$514 per year, from \$300 to \$800.

23 And I would call your attention to the fact  
24 that the homes on the sewer system in Deltona are the  
25 older homes, the smaller homes, and for the most part

FLORIDA PUBLIC SERVICE COMMISSION

1 are occupied by the persons with more modest incomes.

2 And one last thought: The hypothetical  
3 person using the 7,000 gallons per month on his lawn is  
4 paying a sewage charge of \$261.24 per year for water  
5 that does not go in the sewer. Thank you very much.

6 CHAIRMAN BEARD: Thank you.

7 MR. SHREVE: Thank you, sir. (Applause.)

8 (Witness Sullivan excused.)

9

- - - - -

10 CHAIRMAN BEARD: Come on. I'm just gradually  
11 going to work my way around, then we'll get done and  
12 I'll make my last check.

13

JACK RUDY

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

17 WITNESS RUDY: I'm Jack Rudy, R-u-d-y, 650  
18 Elgrove Drive, Deltona. You know, I've heard many,  
19 many things here this morning. Unfortunately, I'm one  
20 of these people who have been here 26 years. And these  
21 people talk about all these pipes rusting and  
22 everything like that, and a lot of that is in your  
23 house. You bought it; you bought it with the  
24 galvanized pipe; and the damned things all of a sudden  
25 25 years later it's clogged up, you have no water



1 pressure. I had to replace mine.

2 If that guy with the bottle of water thought  
3 he had a lot of gook in his bottle, he should have seen  
4 that line I took out about three months ago. Sorry,  
5 three months is too late. I would have happily brought  
6 it down and showed it to you.

7 I have seen the water rates go up, and I  
8 looked at them every time the water rates go up my  
9 friend Doug got a pay raise. But that wasn't true.  
10 And I seen the water -- the sewage go up. And all  
11 these years they always come up and they say, "We're  
12 taking the effluent out of the lake." I don't know how  
13 many times we had increases taking that effluent out of  
14 the lake that still is going into the lake, according  
15 to these gentlemen up there.

16 The golf course's getting water is one of the  
17 best things that people can do. I happen to work over  
18 at the Cape. And over at the Cape, we put in this  
19 effluent water system about ten or 12 years ago, and  
20 it's worked wonderful. In fact, out in the golf  
21 course's green areas, cut down a lot of expenses and  
22 overhead. And they stand here and they say, "Well can  
23 we do it here?" Sure, we can.

24 But, why do these people sit up here and say  
25 we've got to get you now, when two or three years ago

1 when they knew they bought this company, a lot of these  
2 things were there? And they said no, we don't need it.  
3 We don't need that County, we don't want the County to  
4 have one of our people start running the waterworks for  
5 Volusia County. And that was a prejudiced outfit and  
6 put in people's mind in Deltona at the time it took  
7 place. And you can go ask some of these people sitting  
8 here that listened to it.

9 And now they come up and they say, "We need this  
10 money now." But they don't say what they're going to  
11 do with our money, now. What improvement are they  
12 going to do? Are they going to take this dirt out of  
13 the water now? No. They're not going to take any dirt  
14 out of your water now.

15 You don't see any of those people sit up  
16 there from SSU jump and say, "We'll do this." No, no.  
17 No, no. They don't tell you what you're going to do  
18 with your dollar. If you give him \$15 for increased  
19 services in an old sewage system that's only in certain  
20 areas of Deltona, they can't tell me, being I'm in one  
21 of the first areas that had sewage, that I could put a  
22 septic tank in to get off his line because the County  
23 won't let me do it. But you don't say it to the other  
24 people in Deltona, who are on septic tanks, who have  
25 been on them for many, many years, that they have to

1 hook up into that line and into that system.

2           So, one part of Deltona you have a clean  
3 front yard, and the other part of Deltona you have  
4 green grass growing over the sewage -- over the septic  
5 tank. You know what they said, the green grass always  
6 grows over the septic tank, right? We've got many,  
7 many areas like that. But those people there aren't  
8 mentioned.

9           But a few people in the whole thing, and I  
10 feel sorry for the Deltona Inn -- because they have  
11 done wonderful work for the people in Deltona -- they  
12 sit there and get rapped for sewage, such obnoxious  
13 charges, that that plant has been paid for 25 years ago  
14 when it was built. Mackle Brothers says, "Hey, we  
15 built this for you people to come here to live."

16           You're an old retiree. When I came here I  
17 was just 41 years old. I had people walk up and down  
18 the street they'd say, "Son." Yeah, that's true.  
19 Them 70-year-old guys. Now I'm up there and I'm  
20 looking around and I'm saying "son" to these guys.

21           I raised children here, I got grandchildren  
22 here. But damn that old sewage line, they ran a  
23 telescope through it a few years ago, right. They made  
24 a big check, man; they had guys out there running the  
25 damned TV system through the sewage line and everything

1 else. They said, "It's perfect shape. We got a crack  
2 here, we got a crack here, we're going to fix it."

3 I don't know if they fixed it or not. You  
4 don't see them dig it up, it's still there, were it was  
5 25 years ago. And yet they want 125% increase, for to  
6 go down the same damned sewer line that was down for 25  
7 years. This is obnoxious. Can you tell me why?

8 You're talking sewage. It's going to the  
9 same plant. That plant hasn't expanded, the only thing  
10 expanded at that plant down there has been the  
11 alligators. And you want 150%-some? How damned silly  
12 do you think people are?

13 I know you guys are young, you're coming up  
14 in life, and you're challenging us old guys. We don't  
15 have much money. Christ, I got to go out and watch the  
16 little kids play ball, because I can't afford to go to  
17 a ballgame. And you want 100%-and-some.

18 You should be ashamed of yourself to come in  
19 front of a group of people and send them obnoxious  
20 letters, one paper and say, "This is it, Kids, eat it  
21 or else." Thank God we had somebody to come down and  
22 represent us. I thank you. (Applause.)

23 (Witness Rudy excused.)

24 CHAIRMAN BEARD: Thank you. Going across the  
25 room, who's next? Yes, ma'am, come on. Just hold up a

1 second, we're wait on her. Go ahead.

2 CHARLOTTE ALLMAN

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 ALLMAN: Thank you. My name is  
7 Charlotte Allman. That's A-l-l-m-a-n, and I live at  
8 692 Cavern Terrace in Deltona, Florida.

9 I'm a little ill-prepared because I didn't  
10 plan on speaking, but did I want to be heard. I am a  
11 single mother in Deltona. A lot of us don't have a lot  
12 of money, whether retired or just making it through the  
13 world. I have children, and I worry very much about  
14 the environment, what they are going to inherit.

15 I know that our water level is getting lower  
16 in the aquifer, and it seems ridiculous to me to  
17 penalize the people who try to conserve, where on the  
18 top end the scale goes down. I also wonder about the  
19 growth in Florida, the use of the wells here in the  
20 central part of Florida to provide water for everyone  
21 everywhere in the state.

22 I know that water is pumped from here, miles  
23 away, so that people on the coast can have fresh water.  
24 Now, it's not that I don't want them to have water, but  
25 there should be other sources, distillation plants,

1 whatever. I'm not an expert in that sort of thing.

2 But we have to plan for the future. We have  
3 to conserve. I know the St. Johns Water Management has  
4 limited the amount of sprinkling you are supposed to  
5 do, watering your lawns. I know that people don't stay  
6 within those regulations, anywhere near it. Not even  
7 where I work, okay?

8 I know that the Company should make a profit.  
9 I would think that they could. I think an increase  
10 would probably be indicated. But this is a very large  
11 increase, gentlemen. I really wonder whether or not  
12 some of the problems may be within the Company, and not  
13 with Deltona or with one of the other 126 water  
14 managements.

15 I want you to consider our future, our  
16 children, our retired people that live in that  
17 community, and I want you to try to work this out for  
18 us.

19 I thank you very much. (Applause.)

20 CHAIRMAN BEARD: Thank you.

21 (Witness Allman excused.)

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FLORENCE RUMPH

1  
2 was called as a witness on behalf of the Citizens of  
3 the State of Florida and, having been duly sworn,  
4 testified as follows:

5 WITNESS RUMPH: Good afternoon. My name is  
6 Mrs. Florence Rumph, R-u-m-p-h, 969 Shorecrest Avenue,  
7 Deltona, 32725.

8 CHAIRMAN BEARD: Wait, pull that mike down a  
9 little bit where everybody can hear you a little  
10 better.

11 WITNESS RUMPH: Is that better?

12 CHAIRMAN BEARD: Yes, ma'am.

13 WITNESS RUMPH: I have been a resident over  
14 20 years. Now, I would like to ask you if there's any  
15 way that you could give us an increase for one year  
16 only? Because, according to the Daytona Beach paper,  
17 if each resident's bill goes up \$30 a month the way  
18 you're asking, you will receive \$9 million each year.  
19 And they also have a figure of \$750,000 each month.

20 Now, if it only costs you 5 or 5.5 or 6  
21 million to change over to get rid of this effluent in  
22 the lake, if we're going to give you \$9 million the  
23 first year, we're all done owing you anything. We want  
24 our rates to go back where they should be.

25 CHAIRMAN BEARD: Let me do a couple of

1 things. Number one, I didn't do the asking, I just get  
2 stuck in the position of trying to decide whether that  
3 request is appropriate or not. We do look at -- we try  
4 not to look at things in such a fashion that you get  
5 this big lump that's only needed in one year and then  
6 the next year you don't have that expense but you get  
7 to keep the money. Okay? And we do tend to spread  
8 things out over a couple of years.

9 Now, the newspaper, I don't know what their  
10 article contained, I don't know where they got their  
11 information. I have found on rare occasions, on rare  
12 occasions, that the newspaper article wasn't always  
13 accurate.

14 WITNESS RUMPH: Oh, no kidding. (Laughter)

15 CHAIRMAN BEARD: I don't know if they ever  
16 printed anything inaccurate about me before, I'm sure.

17 WITNESS RUMPH: No. But my question is, if  
18 this type of money is coming back into the Company  
19 within one year, I do not see how this can be tacked on  
20 to Deltona forever. I really don't.

21 CHAIRMAN BEARD: I understand that, and I  
22 don't know that that is the case.

23 WITNESS RUMPH: All right.

24 CHAIRMAN BEARD: That is a part of what we're  
25 be looking at when we look at what we call the



1 technical portion of the hearing. Were going to be in  
2 that hearing room for long hours every day, going over  
3 the details of the numbers, and the money and what's  
4 spend and why.

5 WITNESS RUMPH: Thank you. (Applause.)

6 CHAIRMAN BEARD: Yes, ma'am.

7 (Witness Rumph excused.)

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9

VERA WOODHALL

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

13 WITNESS WOODHALL: My name is Vera Woodhall.

14 I live at 898 Merrimac in Deltona. I've heard a lot of  
15 things going on here today, and I really, really thank  
16 you people for coming down. But I do want to just tell  
17 you that the people who have been in Deltona and live  
18 on the sewer lines, which I do, this increase is really  
19 going to hurt us.

20 I am not one to say -- I don't like to say I  
21 am a widow, but I am alone. And when you have lost  
22 your husband and you have lost that income, you people  
23 who still are working do not realize how much our  
24 income has dropped. I'm sure that your stocks and  
25 bonds and CDs and all the rest of your income has

1 dropped along with ours; but this is a situation where  
2 the older people, the widows -- and we have an awful  
3 lot of them in the first area -- not only have lost our  
4 income, but we have lost the ability to put any money  
5 back into the bank. So it would be very great for you  
6 to take under consideration, which I'm sure you have,  
7 that see people are speaking out who need the money.

8           Also, the young people who are just starting  
9 are living on those sewer lines, which we call in  
10 Deltona, because they can't afford the expensive homes  
11 that are being built. And I did notice that most of  
12 the people who complained about the water rates are the  
13 people who live out into the other areas.

14           I've lived in Deltona since 1972, and I like  
15 my community. I cannot afford to move, but I really do  
16 hope that we have some sort of an easement on the  
17 money. Thank you. (Applause.)

18           MR. SHREVE: Thank you.

19           (Witness Woodhall excused.)

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21           CHAIRMAN BEARD: Who else -- while he's  
22 coming up, you also want to be heard? One, two, three?  
23 Okay, go ahead. I've got three that I see, and I'll  
24 come back, we'll get everybody.

25

1 JOSEPH MULLER

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

5 WITNESS MULLER: Hi. My name is Joseph  
6 Muller, M-u-l-l-e-r; I live at 2738 Boyce Court,  
7 Deltona.

8 I guess one of the things that puzzles me the  
9 most is I use 4,000 gallons of water every month for  
10 which I pay almost \$7 for. And under the new rate  
11 increase, I'll now pay almost \$12 for that same amount  
12 of water. To me, if my math is correct, that's a 70%  
13 increase.

14 I think I'm going to go to my employer  
15 tomorrow and see if I can get an increase from 70% of  
16 my salary to be able to compensate for this additional  
17 money that I have to put out.

18 Has anybody taken into consideration those  
19 folks that have already spoken here today that don't  
20 have the ability to work and earn an income and to go  
21 to their employer and say, "Can I have a 70% increase?"  
22 Because somebody else is asking me for the money, where  
23 am I going to get it? Think about that for a second.

24 We're not all making big bucks down here.  
25 And there's a lot of folks that are making a lot of

1 money. So how do they afford all these increases? But  
2 if it's not the water, it's the electric, it's the gas,  
3 it's something else that you have to have. It's not  
4 like things that you can select, and say, "Gee, I think  
5 I'll do without that because I can't afford it."

6 Can you do without the water? Can you do  
7 without the sewer, gas or electric? Can any of us do  
8 without that. At 70%, I think that's a little bit high  
9 for somebody like me who uses only 4,000 gallons a  
10 month.

11 The other thing is that somehow the numbers  
12 seem to get out of kilter when the Utilities are saying  
13 that they want to earn a rate of return of 11% and some  
14 change, instead of the 3% they're currently earning. I  
15 think I'll run to the bank and ask them if they'll  
16 compensate me 11% instead of the 3 that they're now  
17 giving me.

18 But the difference here is that my rates go  
19 up 70% for the numbers that are being stated of 3%  
20 versus 11%. Well, it's 3% versus 11 for them, but it's  
21 70% for me. Somehow, that doesn't seem to wash. Am I  
22 right, or am I wrong? Do I just have the numbers  
23 wrong? Maybe that's what it is.

24 And it has already been said before, I'll say  
25 it again, just to reiterate. Why do you charge less

1 money for using more water? I thought we were supposed  
2 to be conservative. You don't get people to conserve  
3 -- I don't have to tell you, you're all intelligent  
4 people you can figure out. You don't have to pay  
5 people an exorbitant salary to figure out that, if you  
6 make the rate higher at the lower level, you're not  
7 going to have that problem, you're going to conserve --  
8 excuse me, I've got it in reserve. If you use more  
9 water, you're going to pay a higher price for that  
10 water.

11 I'm sorry for those folks that have to water  
12 the grass and keep it so green. As one lady said, "God  
13 provides." I don't have to water my grass, God does  
14 provide. So, do we need to spend 7,000 gallons of  
15 water a month for watering the grass? If you want to,  
16 fine, you can pay a dollar a gallon for those 7,000  
17 gallons. Maybe that will discourage those folks that  
18 think that water for grass is more important than for  
19 people who are just trying to exist, to take a shower,  
20 or to consume the water any other way that's normal.  
21 Watering the grass, to me, is not a necessity.

22 One last thing, and then I'm off the podium.  
23 You know, this is a recession; and a lot of people, you  
24 know, folks maybe don't even have jobs. I'm a working  
25 person, I make a whopping five bucks an hour. I'm

1 working. But what about that person that lost his job?

2 How does that person pay for any increase in anything?

3 I mean, this is a recession. Somehow or  
4 other, this seems to be out of context with the time  
5 that we're in. I should think right now we probably  
6 would be talking about a decrease instead of an  
7 increase for those people to be able to survive that  
8 can't because they don't even have a job. Recession.  
9 Think about it. Recession. Nobody else has said it  
10 here today. I'll say it.

11 My next-to-the-next-to-the-last thing. The  
12 Deltona Utilities folks have said that they have lost  
13 10%? What I want to know is, what are they doing to  
14 correct that 10% discrepancy. If you're out running a  
15 business and you're losing 10%, what are you doing  
16 about it? What are you doing to correct the problem?

17 Why come back to the taxpayer to rectify the  
18 problem? What are we, the go-to guy? You come to us  
19 to rectify the problem. You're in the business to make  
20 money. Make money. Do the things that it takes to  
21 make money, but don't come back to the taxpayers and  
22 ask us to compensate you for your inefficiencies.

23 Right or wrong?

24 I rest my case. (Applause.)

25 (Witness Muller excused.)

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ART KUNDMUELLER

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

WITNESS KUNDMUELLER: I've got a good case of laryngitis here, so please bear with me. My name is Art Kundmueller. K-u-n-d-m-u-e-l-l-e-r.

Okay, we've had people that had very little income come up here and talk, people that had, probably, are very affluent. I'm somewhere in the middle, but yet I consider myself very poor in these times. I've been unemployed for three years. About a third of that time I was looking for work. No unemployment compensation because I was self-employed.

Fortunately, I have enough investments that I don't need to work. I can pretty much do what I want to do. But yet, in these economic times we have in this country -- and they're not getting much better -- I still feel poor.

This does not relate to the water company, but eight years ago I built a home in Deltona, moved down here from the Cleveland, Ohio area. We had rotten water up there, believe me. This time of the year we would get green scum out of our faucets, filter or no

1 filter.

2           But anyhow, to make a long story short and to  
3 set the stage here, I bought two lots; I built on one,  
4 and the other one I have is a little picnic area.  
5 Still has trees on it, I just pick up the dead branches  
6 once in a while. No maintenance. My tax bill, to give  
7 you an example of the times we're in, eight years ago  
8 it was \$58 a year on this empty lot. My last tax bill,  
9 last year, and I expect to get one pretty soon, last  
10 tax bill was \$285. God only knows what it's going to  
11 be this year.

12           So, even though we aren't really poor, we  
13 feel poor. And I think this is ridiculous to ask a  
14 rate increase like this on water. It just doesn't fit  
15 in with the times that we're living in.

16           And you know, when you do away with your  
17 middle class people, you've got a banana Republic.

18           Gosh, I'm not old enough to collect Social  
19 Security. You can't really call me retired; I'm  
20 semi-retired, I guess. But my income has been going  
21 down steadily because of the decrease in what produces  
22 the investments. I've had to go into riskier  
23 investments, and I have been very fortunate I haven't  
24 lost money for these riskier investments. But I am very  
25 concerned about this.



1           And I'm just an average user, my average  
2 water bill is around 11 or \$12 a month. And when I pay  
3 my water bill, people standing in back of me say, "How  
4 do you keep it so low?" Well, I just done water the  
5 doggoned lawn. I don't believe in it. But to pay that  
6 -- now, another thing before I stop. Let me just say  
7 this.

8           About three years ago, I had good reputable  
9 manufacturers' appliances and everything put in my  
10 home, including hot water tank, name brand. The hot  
11 water went out, no hot water. So, what do we do? I do  
12 my own repairs.

13           We took out the heat element and we went to  
14 drain the tank. Nothing came out of the bottom of that  
15 tank. We had the water off, the power off, we opened  
16 every faucet in the house, no water. It refused to  
17 drain out of that tank, so we took a wrench to it and I  
18 got the spigot off. You hook a stick up there or a rod  
19 up there and occasionally you would get something out  
20 of it.

21           And I mean there is brown glob in there, I  
22 don't know how to describe it. It's not sand, it's not  
23 gravel, but I don't know what it is.

24           Now, the hot water tank is a natural trap.  
25 You don't need a filter in your water line, it'll all

1 end up in your hot water tank. And I'm telling you,  
2 this was in the morning when we started, and by late  
3 afternoon, we still hadn't gotten half of that stuff  
4 out of there, it was in still in there. We replaced  
5 both elements. And we took the elements out; it was  
6 just like you took a trowel out and you put wet cement  
7 on top of that; it just actually encrusted itself right  
8 to the elements.

9           So, I don't know where this stuff was coming  
10 from. But yet we can take -- we don't buy drinking  
11 water, we drink the water, it tastes good, far better  
12 than where we came, the part of the country we came  
13 from. But the water looks clear, but yet we're  
14 collecting this stuff. And where is it coming from?

15           Now, they tell me this is normal in Deltona.  
16 But I have replaced tanks, hot water tanks, in other  
17 parts of the country, that were served by the Great  
18 Lakes system and never anything like that inside of a  
19 tank. I just don't know where it's coming from.

20           Thank you very much.

21           CHAIRMAN BEARD: Thank you.

22           (Witness Kundmueller excused.)

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1 JOHN MASIARCZYK

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

5 WITNESS MASIARCZYK: Good afternoon, I'm John  
6 Masiarczyk, M-a-s-i-a-r-c-z-y-k. I'm from Deltona  
7 also. I am currently Chairman of the Deltona Municipal  
8 Service District Public Works Committee, but I'm  
9 speaking on my own this afternoon.

10 What I would like to ask you is, after  
11 listening to most of the testimony today, I have yet to  
12 hear anybody ask directly for a delay in the interim  
13 rate structure that's been proposed by the Utility.  
14 And I feel it only fair and prudent that somebody ask  
15 you directly to either delay that interim rate until  
16 you have sufficient time at the PSC to really look into  
17 all of the aspects of this case. You've stated earlier  
18 today that, even with the help and support of your  
19 Staff, you're going to find it very difficult to  
20 understand this case in it's entirety.

21 I feel that the Utility is justified in an  
22 increase in rates; and I feel that if they've had a 10%  
23 loss, that they should be justified in recouping that.  
24 But to have an interim rate structure which is of such  
25 extreme proportions, I think, is a disservice to our

FLORIDA PUBLIC SERVICE COMMISSION

1 community; and the fair and prudent thing for the PSC  
 2 to do would be to respond with not a total delay but a  
 3 much greatly reduced rate presently. At least enough  
 4 for them to maintain just the status quo until your  
 5 final decision in February.

6 I don't think that would hurt them any more  
 7 than they are presently being hurt at the current  
 8 rates. So, in fairness to the Utility and to the  
 9 Citizens of Deltona, I believe that just a rate to  
 10 allow them to maintain where they are at now until the  
 11 final decision and the final fact-finding is done would  
 12 be a much fairer thing to do to the citizens of all the  
 13 communities, and especially Deltona. Thank you.

14 CHAIRMAN BEARD: Thank you. (Applause.)  
 15 (Witness Masiarczyk excused.)

16 - - - - -  
 17 GERRY MUNOZ

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

21 WITNESS MUNOZ: My name is Gerry Munoz. I'm  
 22 not a very fluent English speaking person because I am  
 23 Spanish, but I hope you understand me. And if you have  
 24 a question about what I say, please ask, I'll explain  
 25 it.

1 I have been living in Deltona -- Oh, I'm  
2 sorry, I have to give you my name. Jerry Munoz. I  
3 live in 1322 Abigail Drive, Deltona, 32725. For the  
4 last eight years that I have been living in Deltona, I  
5 haven't seen much improvement in the water service.

6 We lived 25 years in North Carolina, where  
7 the water was perfect, beautiful. Now we came to  
8 Deltona, and the first thing we got is a slap in the  
9 face when you open your water because it wouldn't smell  
10 just like rotten eggs. And my wife can't stand it.

11 Now my question is, why do the Deltona people  
12 have to buy water if we are already buying water from  
13 the public utilities? We are buying water twice. Now,  
14 that money that you people have failed to collect from  
15 us as customers because that water is being collected  
16 by somebody else who was smarter than our public  
17 utilities personnel. And they notice that we, we are  
18 suffering and hurting for a good drinking water and  
19 somebody establish water serving outlets where you pay  
20 25 cents a gallon for Deltona water that is being  
21 purchased at less than one cent per gallon. So that  
22 is, from one to 25, is 25% -- I mean 25 times profit.  
23 That is about a big percentage and a very profitable  
24 business for these people that are, they notice that we  
25 we are needing better water than what we have.

1           Now, why couldn't the Deltona Utilities  
2 Commission and SSU notice that at the time that it was  
3 noticed by somebody else?

4           And now, you are falling below the profit  
5 line, getting into the red, because you were probably  
6 sleeping while somebody else was watching for you to go  
7 to sleep and they took over the business in which they  
8 made a lot of money, and they are still. So it's a  
9 shame that the Deltona people have to buy water. I am  
10 not used to that.

11           I have my water service in my house. I  
12 expect that that water will be good for drinking  
13 without having to worry about my health and the health  
14 of my family, and why do we have to buy drinking water?  
15 So I have a shallow well in my back yard that gives me  
16 much better water than the one I get from the taps.

17           And so I hope that you people realize that  
18 every person behind a business is not a business  
19 person. You have to know how to do business. And if  
20 you don't know it, you will either have to go to  
21 college and learn how to do it or copy from somebody  
22 else. But I think in this case it has been nothing but  
23 a neglect about our own health, and our morale and  
24 everything that we are entitled to as American  
25 citizens. That this monopoly, like all monopolies,

1 they don't think of nothing but just money to come in  
2 and nothing to come out. That's all I have to say.

3 THE REPORTER: Sir, would you spell your  
4 name, please?

5 WITNESS MUNOZ: M-u-n-o-z, first initial G.  
6 (Witness Munoz excused.)

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8 CHAIRMAN BEARD: Thank you.

9 Is there anybody I've missed? Please, sir,  
10 come on. Were you sworn in earlier?

11 WITNESS SCHRIMSCHER: No, I wasn't.

12 CHAIRMAN BEARD: Okay, come on down.

13 WITNESS SCHRIMSCHER: I just came in. I'm  
14 working.

15

FERREL SCHRIMSCHER

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

19 CHAIRMAN BEARD: If you would give us your  
20 name.

21 WITNESS SCHRIMSCHER: My name is F-e-r-r-e-l,  
22 Schrimsher, S-c-h-r-i-m-s-c-h-e-r, sounds like  
23 "scripture," but it's Schrimsher. I live at 1311 West  
24 Hartly Circle, and my zip code is 32725.

25 I have been a resident of Deltona for 21

1 years. I'm just about one of the pioneers in Deltona.  
2 I moved my family here from Miami. I work with the  
3 light company.

4 And when we came to Deltona, at that time the  
5 water seemed to be good but it gradually got bad. And  
6 it got so bad that I had to invest in putting in a  
7 system to purify the water. My wife couldn't even do  
8 the laundry properly without the residue in the  
9 clothing and in the linens. And we went ahead and  
10 invested in that and accepted that. But as time went  
11 on, we could not -- she could not drink the water. In  
12 fact, we have bottled water that we don't even drink  
13 Deltona water.

14 And now we come along with the new company,  
15 SSU, and they say, "Well, we're going to up the rates  
16 in a very humongous way."

17 And now, I can tolerate increases and I can  
18 understand that. Everything is in a recession and  
19 everything going up and inflation, that's  
20 understandable. But you take something like 200% for  
21 sewage, and you take something like one-third for  
22 water, I think that's way out of proportion --  
23 especially to many of the people in Deltona, they are  
24 retirees, many of them are just on a very limited  
25 income, Social Security, and having it very difficult.



1 It wouldn't be as difficult on me, as a working man,  
2 I'm not retired yet, but it would be on some that are  
3 there. And could I tolerate that.

4 But I know for a fact that if you was to  
5 increase the sewage rate from approximately \$13 a month  
6 and jump that by 200%-some-odd it would be very  
7 difficult on the budget of many of these that are  
8 there in Deltona. They have difficulty even putting  
9 bread on the table. And they are very limited. I know  
10 that for a fact. I know one who is one of the first 65  
11 families, we're in the first church together. He's a  
12 man that's 93 years of age and they're very limited,  
13 they live from meal to meal and it's difficult. They  
14 only have Social Security, no pension or anything; and  
15 this is one family that I know would feel the impact  
16 immensely.

17 So, I think that it's way out of proportion  
18 as to what SSU wants to do. I think it should be  
19 evaluated. We all can understand some increases in  
20 something, that's true, as has been stated by others  
21 who spoke before me. But with this humongous rate, it  
22 is just without question.

23 If you were to say they say they spend \$5  
24 million to upgrade so they can not have to put the  
25 sewage water into Lake Monroe. Well, if you were to

1 take 25,000 accounts and multiply that by 200%, that  
2 would pay for itself very quickly.

3 This would be an ongoing thing, once the  
4 increase is on, would it decrease in the future? When  
5 this here \$5 million that they say has been rectified  
6 and covered by expenses, would it be decreased then?  
7 No, it wouldn't.

8 Like everything else, it would be very seldom  
9 in this day and age in which we live that things are  
10 going to step down in price. Even McDonald's french  
11 fries, as plentiful as potatoes have been in recent  
12 days, you won't see a decrease in that; and you surely  
13 will not find a decrease, once these rates have been  
14 established and have this great hardship on many of the  
15 residents in Deltona.

16 I just voice my opinion, I've come down here  
17 on my lunchtime that I can do this. I'm glad I didn't  
18 have to wait too long to speak, sir. And so I  
19 appreciate your hearing me. But I do express this,  
20 that there are many retirees and people that are  
21 handicapped, I know that for a fact. My family and I,  
22 we have helped many other families and it would be a  
23 tremendous hardship on many of these households,

24 Thank you, sir.

25 CHAIRMAN BEARD: Thank you. (Applause)

1 Okay.

2 WITNESS GLADE: I have one more thing to say.

3 CHAIRMAN BEARD: Very briefly, please.

4 WITNESS GLADE: I am not very derogative  
5 against SSU. I have very good service with them, the  
6 water has been fairly good and my water pressure is 80  
7 pounds, so I have no complaints.

8 CHAIRMAN BEARD: Perhaps you could share some  
9 of that pressure with a few of the others.

10 WITNESS GLADE: I live off of Alcan where the  
11 pumping station is and that's why I have such good  
12 water pressure.

13 CHAIRMAN BEARD: Very good. I thank you very  
14 much for coming.

15 MR. SHREVE: Commissioner, let me call two --  
16 just to make sure.

17 CHAIRMAN BEARD: Okay.

18 MR. SHREVE: Very quickly. Ms. Allman gone?

19 UNIDENTIFIED SPEAKER: You've done her.

20 MR. SHREVE: Oh, okay. Right. Mr. Oliver? Okay.

21 CHAIRMAN BEARD: That do it?

22 MR. SHREVE: That's all we had listed.

23 CHAIRMAN BEARD: Thank you very much.

24 (Thereupon, hearing adjourned at 1:30 p.m.)

25

1 F L O R I D A )  
:  
2 COUNTY OF LEON)

CERTIFICATE OF REPORTER

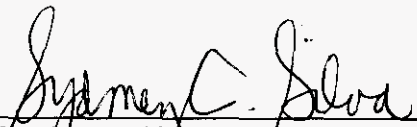
3 I, SYDNEY C. SILVA, CSR, RPR, Official  
4 Commission Reporter,

5 DO HEREBY CERTIFY that the Sanford Service  
6 Hearing in the captioned matter, Docket No. 920199-WS, was  
7 heard by the Florida Public Service Commission at the time  
8 and place herein stated; it is further

9 CERTIFIED that I reported in shorthand the said  
10 proceedings; that the same has been transcribed under my  
11 direct supervision, and that this transcript, consisting  
12 of 157 pages, constitutes a true and accurate  
13 transcription of my notes of said proceedings; it is  
14 further

15 CERTIFIED that I am neither of counsel nor  
16 related to the parties in said cause and have no interest,  
17 financial or otherwise, in the outcome of this docket.

18 IN WITNESS WHEREOF, I have hereunto set my hand  
19 at Tallahassee, Leon County, Florida, this 3rd day of  
20 September, A.D., 1992.

  
\_\_\_\_\_  
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