

1 BEFORE THE
2 FLORIDA PUBLIC SERVICE COMMISSION

3 -----
4 In the Matter of :
5 Application for a rate increase :
6 in Brevard, Charlotte/Lee, :
7 Citrus, Clay, Duval, Highlands, :
8 Lake, Marion, Martin, Nassau, :
9 Orange, Osceola, Pasco, Putnam, :
10 Seminole, Volusia, and Washington: :
11 Counties by SOUTHERN STATES :
UTILITIES, INC.; Collier County :
by MARCO SHORES UTILITIES :
(Deltona); Hernando County by :
12 SPRING HILL UTILITIES (Deltona); :
and Volusia County by DELTONA :
LAKES UTILITIES (Deltona) :

DOCKET NO. 920199-WS

FILED
SEP 23 1992
CLEARING HOUSE
PUBLIC UTILITIES
DIVISION

13 PROCEEDINGS: SEBRING SERVICE HEARING

14 BEFORE: **RECEIVED** CHAIRMAN THOMAS M. BEARD
15 Division of Records & Reporting

16 DATE: **SEP 29** 1992 Wednesday, September 23, 1992

17 **Florida** Public Service Commission

18 TIME: Commenced at 6:30 p.m.
19 Concluded at 7:30 p.m.

20 PLACE: Sebring Civic Center
21 355 West Center
Sebring, Florida,

22 REPORTED BY: SYDNEY C. SILVA, CSR, RPR
23 Official Commission Reporter

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1 APPEARANCES:

2 FLOYD R. SELF, Messer, Vickers, Caparello,
3 Madsen, Lewis and Metts, Suite 701, First Florida Bank
4 Building, 215 South Monroe Street, Tallahassee, Florida
5 32303, Telephone No. (904) 222-0720, appearing on
6 behalf of Southern States Utilities, Incorporated.

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

12 LILA JABER and DANIEL VILLAZON, Florida
13 Public Service Commission, Division of Legal Services,
14 101 East Gaines Street, Tallahassee, Florida
15 32399-0863, Telephone No. (904) 487-2740, appearing on
16 behalf of Commission Staff.

17

18 ALSO PRESENT:

19 BOB CROUCH and TRISH MERCHANT, Florida Public
20 Service Commission, Division of Water and Wastewater.

21 BRENDA MONROE, Florida Public Service
22 Commission, Division of Public Information.

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P R O C E E D I N G S

(Hearing commenced at 6:35 p.m.)

CHAIRMAN BEARD: Good evening. Let's get started and others can come along as they can get here.

My name is Tom Beard, and I'm the Chairman of the Florida Public Service Commission. And tonight, we're here to hear what you have to say. That is the primary objective.

Obviously, this is in the area of the Southern States requested rate increase that they've asked for. We're holding approximately ten -- not approximately, we're holding exactly ten meetings -- like these around the state.

Obviously, we've had people that want us to have them closer to where they are, and it seems like every county has wanted one. But with the number of people it takes to get out and the other hearings and work we have going on, ten was all we were able to put together, which is more than we've ever done before, because of the geographical dispersal of the Southern States.

If you will bear with me for just a minute, and let me take care of a few of my little technical/legal things that I have to get the hearing started and keep did lawyers off my back, then we'll

1 get back to what we're going to do this evening as far
2 as hearing from you. Do you want to read the notice.

3 MS. JABER: Yes, sir. This time and place
4 for service hearing has been set pursuant to Docket No.
5 920199, application for a rate increase in Brevard,
6 Charlotte/Lee, Citrus, Clay, Duval, Highlands, Lake,
7 Marion, Martin, Nassau, Orange, Osceola, Pasco, Putnam,
8 Seminole, Volucia and Washington Counties, by Southern
9 States Utilities, Inc.; Collier County by Marco Shores
10 Utilities (Deltona); Hernando County by Spring Hill
11 Utilities (Deltona); and Volusia County by Deltona
12 Lakes Utilities (Deltona).

13 CHAIRMAN BEARD: Take appearances.

14 MR. SELF: Yes. I'm Floyd Self of the
15 Messer, Vickers law firm, Tallahassee, Florida. I'm
16 here representing Southern States Utilities.

17 MR. SHREVE: Jack Shreve, Public Counsel,
18 Claude Pepper Building, Tallahassee, Florida,
19 representing the Citizens of the state of Florida in
20 opposition to the rate increase.

21 MS. JABER: Lila Jaber on behalf of Commission
22 Staff.

23 CHAIRMAN BEARD: Okay. Again, what we wanted
24 to do tonight, does the Company have a brief opening
25 statement?

1 MR. SELF: Yes, Mr. Chairman.

2 CHAIRMAN BEARD: And, Mr. Shreve, I assume
3 you will, also?

4 MR. SHREVE: Yes, sir.

5 CHAIRMAN BEARD: What we'll do to kick it off
6 this evening is the representative for Southern States,
7 for the Company, will have a brief statement about what
8 this case is about. And then Mr. Shreve will have some
9 comments about that. Once that's over, what I want to
10 do then, is just like I said, I want to hear from you,
11 whatever you have to say relative to the rates, to the
12 quality of service that you receive, anything along
13 those lines.

14 We try to keep it as informal as possible.
15 But I do need to -- anybody that's going to testify, I
16 do need to swear you in. And what I'll do is, do that
17 kind of en masse, everybody at once. Because I'm not
18 trying to intimidate anybody, we want you to say what's
19 on your mind.

20 If, for some reason -- and some people,
21 obviously, are nervous about standing up in front of
22 the microphone. There's a couple of ways we try to
23 make that easier for you, if you're for the comfortable
24 doing that. One, if you hear something that somebody
25 else has said that basically is the same thing that you

1 would say, if you want to step up and say, "I agree
 2 with what that person has said and I adopt their
 3 remarks." Or, in addition to that, on the yellow
 4 handout you have, I think, there's a blank there where
 5 you can write your comments and sign them, and that
 6 will get them in the record and make them an official
 7 part.

8 We want you to be comfortable, we want you to
 9 say what you have on your mind. That's what we're here
 10 for tonight. Okay.

11 Is there anything else I need to do?

12 MS. JABER: No, sir.

13 CHAIRMAN BEARD: Okay. Mr. Self?

14 MR. SELF: Thank you, Mr. Chairman.

15 Again, ladies and gentlemen, my name is Floyd
 16 Self, and I'm an attorney and I'm here representing
 17 Southern States Utilities.

18 This is a case which stems from an application
 19 filed by Southern States with the Florida Public Service
 20 Commission to increase water and wastewater rates. The
 21 application is extremely comprehensive and covers
 22 virtually all of the water and wastewater systems
 23 operated by Southern States, and which are regulated by
 24 the Florida PSC.

25 Specifically, the application encompasses 127

1 systems spread throughout 19 counties in the state.
2 Based on its present rates, investors in Southern
3 States are currently experiencing a negative overall
4 return on common equity of 8.32%. In fact, for each of
5 the past three years, Southern States has not been able
6 to recover, through its present rates, sufficient
7 revenues to cover the interest that the Company still
8 owes to its lenders.

9 The purpose of Southern States' rate
10 application is to bring the rates to a level that will
11 enable the Company to earn a fair and reasonable return
12 on its investment in water and sewer facilities and
13 will, once again, enable it to attract the necessary
14 investment to meet customer growth and increased
15 regulatory requirements.

16 The Commissioners, Commission Staff, Florida
17 Legislators, and virtually every other entity involved
18 in the water and wastewater industry have recognized
19 that environmental regulation has increased and that
20 such regulation increases the cost of providing water
21 and wastewater service to Florida residents.

22 It is no coincidence that water and
23 wastewater providers across the state, whether they be
24 privately owned or owned by counties and cities, are
25 currently, have in the recent past, or will in the near

1 future, increase their rates in recognition of the
2 increased cost of environmental regulation.

3 The cost of achieving Florida's, and the
4 Company's, conservation and environmental goals are
5 high. Southern States is a leader in the conservation
6 area as well as the environmental area, as recognized
7 by both state and federal authorities.

8 Many of the systems involved in this
9 application have not been subject to rate increases for
10 as long as 12 or 13 years. Through no fault of the
11 customer, the fact remains that since the time many of
12 the Southern States systems were last subject to rate
13 increases, Southern States has incurred significant
14 increases in operating expenses and has constructed
15 additional water and sewer plant to meet such needs as
16 customer growth and environmental regulations imposed
17 on the Company by state and federal authorities.

18 The final hearing on the Company's rates will
19 take place in Tallahassee in November. At that time,
20 the Commission will hear evidence on many technical
21 issues concerning the Utility's request, such as the
22 amount of the Utility's investment in facilities and
23 the amount of operating expenses incurred for each of
24 the systems that are at issue in the case.

25 Southern States will be prepared to prove to

1 the Commission, and justify to the Commission, that it
2 is entitled to the requested increase in its rates.

3 This is a service hearing, as Commissioner
4 Beard stated, and it represents your opportunity to
5 address the Commission, the Staff and the Company, and
6 to provide your comments about the Company's service
7 and its proposed rates. We welcome the opportunity to
8 be here this evening and hear what you have to say
9 about the Company's quality of service or its proposed
10 rates.

11 Thank you. And, Mr. Chairman, we have an
12 exhibit; I believe the next number would be Composite
13 Exhibit 9, which reflects the proof of publication and
14 the customer notice. And I've already distributed this
15 to the parties.

16 CHAIRMAN BEARD: Okay, that will be placed in
17 the record.

18 MR. SELF: Thank you.

19 (Exhibit No. 9 marked for identification.)

20 CHAIRMAN BEARD: Mr. Shreve?

21 MR. SHREVE: Yes, sir. I will be brief
22 because we are here to hear from you tonight.

23 There's no way that the Company is entitled
24 to the type of the size of rate increase they're asking
25 for. As most of you know, they've included 127

1 different systems in this. That would routinely be
2 about 90 cases.

3 Now, had there been a case filed just for
4 Covered Bridge, then you would have the hearing down
5 here where you'd have the opportunity to go and hear
6 the evidence and view the proceedings. The only way
7 you're going to get it when they file this number of
8 cases is to go to Tallahassee. And I think that's not
9 going to be likely to be the case for many of the
10 systems all over the state.

11 By filing 127 different systems, there is no
12 way that anyone is going to be able to properly dig
13 into the facts and evidence in this case and do a good
14 job doing it. By filing 127 systems like that, it is
15 nothing but to the detriment of the Public Counsel and
16 to the public. There is not going to be a good job
17 done in this.

18 They're asking for a return on equity or
19 profit of 12.85%. Now, I'm sure most of you are
20 getting that in your CD's now. What we've been hearing
21 at the public hearings is that you're lucky to be
22 getting the 3, 4, 5%. That would mean -- and that's
23 after taxes. That would mean that the ratepayers, the
24 customers, would be paying about 19, a little over 19%
25 to support their profit of 12.85%.

1 Another thing that I'm not sure it affects
2 your area so much, but I think and I think we're going
3 to be able to show and the information should be out
4 there and available so that at least the customers know
5 what the facts are, is that Southern States is asking
6 for a return and depreciation on more than they have
7 invested in it. Now, whether we're right or wrong on
8 the issue and whether we win or lose on that, the
9 information should be available to you, the people that
10 are paying the bills, so you know what the situation is.

11 It's one of the fights we're going to have in
12 this case and you should have that information
13 available to you.

14 There are many, many issues that we are going
15 to be taking up. We think their operation and
16 maintenance expense is way too high. We think it's
17 gone up significantly since Topeka Group and Minnesota
18 Power has taken over this system.

19 Now, it was my understanding, and what they
20 keep saying is, when you get a big company like
21 Minnesota Power and then it turned into Topeka Group
22 and Southern States, that you have all these
23 efficiencies. Well, those efficiencies should be
24 keeping the rates down instead of pushing the rates up.
25 And that's exactly what is happening.

1 Another area that really rubs the customers
2 the wrong way is rate case expense. I suppose most of
3 you know, at least some of you know, that you will be
4 paying for their rate case expense. Their cost to put
5 this case on. They're asking for \$1.7 million in rate
6 case expense for this case alone.

7 We're firmly opposed to this rate increase,
8 we're going to fight it all the way. It's going to be
9 really tough because there is not going to be adequate
10 time or adequate information to do a good job.

11 Thank you very much. We're opposed to it.
12 Thank you.

13 CHAIRMAN BEARD: Thank you. Okay. Let's get
14 at the business at hand then. Would you call your
15 first person who wishes to speak, please.

16 MR. SHREVE: Mr. Doyle.

17 CHAIRMAN BEARD: If everybody that intends to
18 speak tonight, if you would go ahead and stand now and
19 we'll swear everybody in at one time.

20 (Witnesses collectively sworn.)

21 CHAIRMAN BEARD: If you would, each of you,
22 as you come forward, if you would give your name and
23 spell your last name for the court reporter so she'll
24 get it right.

25

1 TOM DOYLE

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 MR. DOYLE: My name is Tom Doyle,
6 D-o-y-l-e. I'm President of Covered Bridge.

7 I would like, briefly, to explain to the
8 Commission the size of Covered Bridge. There are
9 approximately 240 homes in Covered Bridge. We have one
10 water, one utility company. Formerly, it was the
11 Leisure Lakes Utility owned by Mitchell Miller. He, in
12 turn, sold that utility to USS. And since they bought
13 it, the only thing we have received is an increase on
14 our water and sewer.

15 We haven't received any benefit by having USS
16 deliver our water. Consequently, I certainly am
17 opposed to any increase for our people; because, being
18 a very small, private retirement area, it's a hardship
19 on the people and we get no further service.

20 I could enumerate by saying that we were
21 promised an eight-inch well. We never received it.
22 We were promised a generator on the -- automatic
23 generator which would turn the water pump on in the
24 event of a power failure. That is very iffy. It still
25 goes off every time we have a small lightning storm.

FLORIDA PUBLIC SERVICE COMMISSION

1 And I see no reason why Covered Bridge, with 240 homes,
2 should pay for the increase of all of the areas listed
3 by Mr. Shreve for the USS.

4 Any questions, Mr. Beard?

5 CHAIRMAN BEARD: Let me ask. Isn't backup
6 generator power at the wellsite normally required?
7 Backup power at the wellsite -- I'm asking my engineer
8 on my Staff.

9 MR. CROUCH: The backup generator that would
10 automatically come on is recommended but not required.
11 This is the problem right there. It's recommended --

12 CHAIRMAN BEARD: I see.

13 MR. CROUCH: -- especially when you get a
14 certain number of people.

15 CHAIRMAN BEARD: Okay.

16 MR. CROUCH: But it is definitely something
17 we have encouraged the Utility to provide.

18 CHAIRMAN BEARD: Okay, fine.

19 WITNESS MR. DOYLE: Sir, I would like to say
20 we were promised that generator five years ago; and it
21 to this date has never kicked in when the power goes
22 off. So that we get promises from the Utility company
23 that they are going to fix it, but that's as far as it
24 goes. We do get the rate increase, however.

25

1 CHAIRMAN BEARD: Okay. I had asked the
2 question because --

3 WITNESS MR. DOYLE: Surely.

4 CHAIRMAN BEARD: -- in the back of my mind, I
5 had thought we required backup power at the wellsite,
6 but I'm corrected that we do not require it. It's
7 recommended.

8 WITNESS MR. DOYLE: I think, Mr. Beard, I was
9 in Tallahassee when yourself and Ms. Nichols were on
10 the Board.

11 CHAIRMAN BEARD: I knew we met before --

12 WITNESS MR. DOYLE: Yes, I'm sure we did, and --

13 CHAIRMAN BEARD: -- I was trying to scratch my
14 head.

15 WITNESS MR. DOYLE: That point came up, and I
16 believe Ms. Nichols was the Commissioner at that point,
17 and she mandated that they put that generator in. We
18 still have never received it in working order. But we
19 had two engineers from the public service Staff who
20 promised us it would be done virtually immediately.

21 Any other questions?

22 CHAIRMAN BEARD: No. Thank you.

23 MR. SHREVE: Thank you, sir.

24 WITNESS DOYLE: I thank you very much.

25 MR. SHREVE: Thanks a lot.

1 (Witness Doyle excused.)

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MR. SHREVE: Mr. Cavallaro.

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CARMEN CAVALLARO

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was called as a witness on behalf of the Citizens of

6

the State of Florida and, having been duly sworn,

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testified as follows:

8

WITNESS CAVALLARO: Hi, my name is Carmen,

9

Cavallaro, C-a-v-a-l-l-a-r-o.

10

Based on the information I received from the

11

young lady at the desk here, I find that my bill for

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services from Southern States Utility, which was \$20.55

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for the month that I have in front of me, would now be,

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based on their proposed rate increase, \$31.98 -- which

15

is more than a 50% increase. I don't see how anyone

16

can come before this Board and ask for that kind of an

17

increase.

18

I would also like to -- I have a few questions

19

that I would like to pose, first. And that is that where

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is the information that attempts to justify any increase?

21

And where is the information -- and is this information

22

checked by an accountant of the court?

23

CHAIRMAN BEARD: First, to answer the

24

question, most of the information -- there's volumes of

25

it, number one, and a lot of that is in Tallahassee.

1 They are required to have on file what we call the
2 Modified Filing Requirements, which are pretty
3 extensive. And they're on file here in Sebring?

4 MS. JABER: A copy of the Minimum Filing
5 Requirements is required to be in their office, which
6 is at the Apopka office. I don't know if they have
7 made arrangements for a local copy to be available.

8 WITNESS CAVALLARO: It isn't so much that I'm
9 asking for a local copy, for I probably couldn't
10 decipher it anyway. What I'm really asking is does the
11 Commission have an accountant who goes over all of
12 these things that they propose and see if they are, in
13 fact, even -- that their figures are correct that they
14 are representing?

15 CHAIRMAN BEARD: Yes, sir. We have
16 accountants, many economists, engineers, that will be
17 reviewing in great detail. Mr. Shreve's staff also has
18 accountants that are reviewing it. It is massive. Mr.
19 Shreve is precisely correct. And a lot of time is
20 being spent going over that detail on the information.
21 But yes, sir, we do have that and that is our job.

22 WITNESS CAVALLARO: It must seem a little
23 unusual to you for a company to come before you and ask
24 for a 50% increase.

25 CHAIRMAN BEARD: Quite frankly, it is not all

1 that unusual. It's probably more unusual that they get
2 what they ask for. You know, my kids ask for a lot of
3 things, too, they don't get many of them, but --

4 WITNESS CAVALLARO: I mean, in this day and
5 age, isn't a 5 to 7% increase more in the ballpark?

6 CHAIRMAN BEARD: Well, that's something we will
7 be reviewing in over, I guess it's approximately -- how
8 many weeks of hearings -- one or two?

9 MS. JABER: Two weeks.

10 CHAIRMAN BEARD: Two weeks that the
11 Commission will be in the hearing room reviewing this
12 information. So that's something that has to be
13 answered.

14 WITNESS CAVALLARO: Thank you.

15 MR. SHREVE: Mr. Cavallaro, if I could? Over
16 here.

17 One point you're making that it's unusual to
18 have this number of systems in one rate case. Not only
19 is it unusual, this is the first time it has ever been
20 done. And the Commission Staff auditors are doing an
21 audit now. It is my understanding that will be ready
22 just before, probably the week before the rate case,
23 which is unusual. And that's probably because of
24 magnitude of the rate case.

25 And as to your percentage increases, they're

1 asking for a 85% increase in water and a 40% increase
2 in sewer rates.

3 Based on the figures that I received -- I
4 mean, I didn't try to figure it out from the
5 information that they originally presented because I
6 just couldn't.

7 MR. SHREVE: Yes, sir. That's the revenue
8 increase they want?

9 WITNESS CAVALLARO: But based on the figures
10 I received here, it was an \$11 increase and I had a \$20
11 bill -- \$20.55 bill -- and I get an \$11 increase,
12 that's over 50% increase.

13 CHAIRMAN BEARD: That's for sure.

14 MR. SHREVE: Their calculations on the
15 average bill for Covered Bridge would be an 85%
16 increase in water and 40% increase in sewer. Now,
17 that's their calculations for an average bill for
18 Covered Bridge.

19 CHAIRMAN BEARD: What do you -- about how
20 many --

21 WITNESS CAVALLARO: This is the combined --
22 combination of both things. This is the utility bill
23 for a month.

24 CHAIRMAN BEARD: Okay. Thank you.

25 (Witness Cavallaro excused.)

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MR. SHREVE: Eleanor Gooch.

ELEANOR GOOCH

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

WITNESS GOOCH: My name is Eleanor Gooch, G-o-o-c-h, and I live in Covered Bridge.

Of course, I don't think you're entitled to anything. All of -- most of us have to have filter systems in order to drink your water.

And I have two or three questions I would like to ask the gentleman. It has an odor which is repulsive, and I wonder if it's safe. We brush our teeth with it and I wonder where it's treated? And I would like to know, is your deposit refundable or do you keep it forever? You don't pay interest on it.

And another thing I wanted to know was how far away is the sewage disposal from our water supply? And any of you may answer.

CHAIRMAN BEARD: Mr. Self, is that a question you're able to answer?

MR. SELF: Well, I can't answer the exact physical locations where is the sewage disposal in relationship to the water. I think Mr. Crouch -- I

1 know that there are certain requirements that prohibit,
2 you know, the physical proximity of a water well to
3 sewage disposal facilities. So there are state and
4 federal regulations that govern that type of thing.

5 I believe there are Commission rules with
6 regard to the refund of deposits and the payment of
7 interest on deposits. I don't have them in front of me
8 at the moment, but there are time frames and
9 requirements for doing that type of stuff.

10 As for the -- where is the water treated, I
11 don't know the actual spot. I've never been to the
12 plant myself.

13 CHAIRMAN BEARD: Let's do this. Brenda
14 Monroe? Brenda works for the Public Service
15 Commission. She's one of our Staff people. When you
16 get done here, let's get with her and we'll get the
17 answers to those questions from the Company officials.

18 WITNESS GOOCH: Would she know what makes the
19 odor in the water?

20 CHAIRMAN BEARD: She won't know that, but
21 she's going to make sure that you get the answer; and
22 then she'll also get that same answer to me so I'll
23 know the answer to the question as well.

24 WITNESS GOOCH: Okay. Thank you.

25 CHAIRMAN BEARD: She'll coordinate between

1 you and the Company so that we get those answers,
2 because I want to know about it as well. Because if
3 you're having a service problem, that's one of the
4 things we want to look at.

5 WITNESS GOOCH: Well, it's always been that
6 way since we've been there.

7 CHAIRMAN BEARD: Okay.

8 CROSS EXAMINATION

9 BY MS. JABER:

10 Q Ms. Gooch, may I ask you a question, please?
11 Can you tell me how far you live from the water plant?

12 A How far I am, I don't even know where it is.

13 UNIDENTIFIED SPEAKER: About half a mile.

14 Q Can you tell me a little bit more about the
15 odor? Is it odor from the water that you're drinking
16 or is it an odor --

17 A Smells like rotten eggs.

18 MS. JABER: Okay, thank you.

19 MR. SELF: Excuse me, ma'am. Could I ask you --

20 MR. SHREVE: Thank you.

21 Mrs. Gooch?

22 CHAIRMAN BEARD: Mrs. Gooch, hang on.

23 MR. SELF: I would simply like to get your
24 address, if I could, please.

25 WITNESS GOOCH: 107 Pinecrest Street, Lake

1 Placid.

2 MR. SELF: Thank you.

3 CHAIRMAN BEARD: Thank you so much.

4 (Witness Gooch excused.)

5 - - - - -

6 MR. SHREVE: That's all we have. Is there
7 anyone else that would like to make a statement
8 tonight? Anyone else?

9 UNIDENTIFIED SPEAKER: Other than the fact
10 that I buy all my drinking water because --

11 MR. SHREVE: That would be good if you would
12 like -- why don't you come on up.

13 CHAIRMAN BEARD: If you would? I don't bite.

14 UNIDENTIFIED SPEAKER: Just the simple fact
15 we are unable to drink our water so I buy bottled
16 water. And paying that kind of rate, I don't think I
17 should have to buy bottled water. It's just that
18 simple.

19 CHAIRMAN BEARD: And your name please, ma'am.

20 UNIDENTIFIED SPEAKER: Jacqueline Harbaugh,
21 H-a-r-b-a-u-g-h.

22 MS. JABER: Can you tell -- ma'am, may I ask
23 you, are you unable to drink the water because of --
24 what is in the water?

25 WITNESS HARBAUGH: The odor and the taste, it

1 has a very bad taste.

2 CHAIRMAN BEARD: Yes, ma'am. When I swore
3 people in earlier, you didn't get sworn in, did you?

4 UNIDENTIFIED SPEAKER: Pardon? No.

5 CHAIRMAN BEARD: Would you bear with me? And
6 the lady that just talked, if you do that with me, too.

7 UNIDENTIFIED SPEAKER: Why don't we all swear
8 ourselves in?

9 (Witnesses collectively sworn.)

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11

DOROTHY CAAUWE

12 was called as a witness on behalf of the Citizens of
13 the state of Florida and, after being duly sworn,
14 testified as follows:

15 WITNESS CAAUWE: I'm also from Covered
16 Bridge, and I have lived there 14 years.

17 THE REPORTER: Name, please.

18 CHAIRMAN BEARD: Your name, please, ma'am.

19 WITNESS CAAUWE: Dorothy Caauwe, C-a-a-u-w-e.

20 CHAIRMAN BEARD: Thank you.

21 WITNESS CAAUWE: I lived in Covered Bridge
22 now for 14 years. When I first moved in Covered
23 Bridge, I had water that it was just like it had come
24 from a stream, and it was very, very good to drink and
25 it was very, very clear and it had no smell. And since

1 you folks have taken it over, it is just I will say
2 it's trash.

3 CHAIRMAN BEARD: I didn't take it over.
4 (Laughter)

5 WITNESS CAAUWE: I know, but your company.

6 CHAIRMAN BEARD: No, ma'am.

7 WITNESS CAAUWE: SSU.

8 CHAIRMAN BEARD: That's SSU.

9 WITNESS CAAUWE: Has taken it over, it is, it
10 is trashy. And the water that comes out of my faucet
11 is gray.

12 Now, I've had the guys come over and look at
13 my water, he said, "Oh, no. It's the same color and
14 the smell is all right." But it is not. And it still
15 has a gray color to it and it does smell a rotten egg
16 smell.

17 And like I say, when Mr. Miller had it, he
18 had a lot of funny things, but the water was very, very
19 good. But now, it is not good at all. And sometimes
20 when you take a shower and you come out of the shower,
21 you still have that rotten egg smell.

22 CHAIRMAN BEARD: Okay. Thank you.

23 MR. SHREVE: Thank you.

24 (Witness Caauwe excused.)

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1 MR. SHREVE: Anyone else? Come on.

2 HAROLD THOMSEN

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 CHAIRMAN BEARD: If you would give us your
7 name.

8 WITNESS THOMSEN: My name is Harold Thomsen,
9 T-h-o-m-s-e-n. I'm on Building and Grounds in Covered
10 Bridge and have been there 11 years.

11 I got involved with Mr. Glenn of the
12 Department of Environmental Regulation last week. He
13 filled out a list that long of things that hadn't been
14 done and supposedly his report has gone in to
15 Tallahassee. That involved the well that's missing;
16 and he did check the water and he said the water was
17 good as far as chlorine was concerned, but he did say
18 that he noticed an odor in the water. That bothers
19 some more than it does others, I think.

20 I happen to come originally from Long Island
21 and they said if you drank Long Island water, you drank
22 water anywhere in the country, which happens to be with
23 me. But I think if they go back to Mr. Glenn's report,
24 if the Board has that report, he made a very composite
25 report on the thing last week.

1 Thank you.

2 CHAIRMAN BEARD: Okay. Yeah, we work with
3 DER and, as a matter of fact, in many of these cases,
4 we'll have a witness that is somebody from DER to talk
5 about the service quality and problems.

6 WITNESS THOMSEN: Yeah. Well, he said he
7 would have liked to have been at the meeting tonight,
8 but he got called down to Dade County this week.

9 Thank you.

10 CHAIRMAN BEARD: Yes, sir. Thank you.

11 MR. CROUCH: He will be at Tallahassee.

12 (Witness Thomsen excused.)

13 - - - - -

14 MR. SHREVE: Anyone else?

15 CHAIRMAN BEARD: Yes. He will be at the
16 hearing in Tallahassee.

17 MAURA DOYLE

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 MS. DOYLE: I already put my arm up.

22 CHAIRMAN BEARD: I saw you.

23 WITNESS MS. DOYLE: My name is Maura,
24 M-a-u-r-a, Doyle, D-o-y-l-e. We've lived in Covered
25 Bridge for it will be 11 years in December.

1 As my husband is President of Covered Bridge,
2 we get many calls about the water. Last week, we got a
3 call from one person who lived on Hillside. His water
4 was all brown, his drinking water. We immediately,
5 after we moved into Covered Bridge, put a big water
6 filtering system in our house so we're not quite as
7 aware of other people of the sulfur and all. But most
8 people don't want to go to that expense.

9 And constantly, the pressure is down. We
10 call Howard Short repeatedly. He comes out within a
11 half an hour and does whatever he does there at the
12 water plant.

13 Now, the water and sewer plant are very close
14 together. How close are they, 1,000 feet?

15 The water and sewer plant are about 1,000
16 feet apart, and they're very close to Mrs. Gooch.
17 She's not too far at all from the water and the sewer
18 plant.

19 And I think the rate increase is kind of
20 ridiculous. We appeared before the Public Service
21 Commission seven times for our previous rate increase;
22 and the things that were mandated at that point in time
23 were not done because they said that the Utility would
24 be sold -- which it was to you people -- and that you
25 people might move the water plant and the sewer plant,

1 which you have not done. So all our problems, plus the
2 increase that we got at that point in time, are still
3 there.

4 Did I miss anything?

5 CHAIRMAN BEARD: Before you leave, help me
6 for just a minute.

7 WITNESS MS. DOYLE: Yes, sir.

8 CHAIRMAN BEARD: You hear too many cases I
9 guess and they start to run together. The last one,
10 you all had a problem there were places that weren't
11 metered at that time?

12 WITNESS MS. DOYLE: There were many places
13 that were not metered. There were many places that,
14 regardless of the amount of water and sewer you used,
15 most people paid only \$14 per month for water and sewer
16 plus 5,000 gallons of water. Now, since then, my bill
17 runs \$23 for the two of us.

18 WITNESS MR. DOYLE: With the pump.

19 WITNESS MS. DOYLE: With the pump. But we do
20 have good drinking water because we have this big
21 filtering system which actually froze up one winter
22 because it's above the ground. But our filtering
23 system is very good, but it was expensive to put in.

24 CHAIRMAN BEARD: The meters are all in now?

25 WITNESS MS. DOYLE: The meters are all in;

1 the fire hydrants are being flushed; they're all above
2 ground which they were supposed to be, which they
3 weren't at that point in time? And what else, Tom?
4 What did I forget?

5 WITNESS MR. DOYLE: The new well was never put
6 in.

7 WITNESS MS. DOYLE: The new well that was
8 mandated was never put in. And, of course, the
9 automatic thing that Katie Nichols had said we should
10 have, it apparently doesn't work because we always have
11 to call Howard Short, who takes care of our water
12 system for Southern States Utility.

13 CHAIRMAN BEARD: Okay.

14 WITNESS MS. DOYLE: Did I miss anything else,
15 gang? Okay.

16 MR. SHREVE: Thank you.

17 CHAIRMAN BEARD: Thank you.

18 WITNESS MS. DOYLE: You're welcome.

19 (Witness MS. Doyle excused.)

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21 MR. SHREVE: Anyone else?

22 CHAIRMAN BEARD: I would like to backtrack,
23 because my memory is rusty, on the well and on the
24 generator. Because I remember those pieces, and I
25 remembered it as to be done. And I would like to go

1 back and look at exactly what was said, what was done,
2 because I'm rusty on that.

3 MR. CROUCH: I am, too.

4 MS. JABER: We will be checking into that.

5 CHAIRMAN BEARD: Okay. Because, quite
6 frankly, if that's what was promised and ordered, then
7 it needs to be delivered.

8 WITNESS MS. DOYLE: Commissioner Beard, what
9 they said was since the developer, Leisure Lakes Utility,
10 was going to sell the water company, it could be moved and
11 so they weren't going to put a well in at that point in
12 time. And that's how we just never got it.

13 CHAIRMAN BEARD: Well, like I said, I want to
14 backtrack on it, because that might answer part of the
15 answer to the well. But most of the generators can be
16 moved if you move the wastewater or move the wellsite.
17 So that wouldn't answer all the questions, and it still
18 may not be satisfactory. We'll look into it. Because
19 I can't -- my recollection is fuzzy.

20 I hear a lot of cases that sometimes blend
21 together. And I'll backtrack on that.

22 MR. SHREVE: I'm sure Commissioner Beard will
23 look into it. Because if it was mandated in that other
24 case, this Company still has that responsibility even
25 though it was sold. So that doesn't excuse them from

1 complying with the orders that were issued by the
2 Commission.

3 CHAIRMAN BEARD: That's exactly right. And
4 we don't get real happy about mandates not being
5 followed through on. Even though it may not have been
6 Southern States' fault, but, nonetheless, I like to see
7 when it's ordered, that it's followed through on. So
8 let me check on it.

9 MS. JABER: Chairman Beard, may I ask that
10 Brenda Monroe can have their address so we can follow
11 up with the Doyles?

12 CHAIRMAN BEARD: Sure.

13 WITNESS MS. DOYLE: 30 Edgewater Drive West,
14 Lake Placid, 33852.

15 CHAIRMAN BEARD: I tell you what. You don't
16 have anybody else? Let's do this. I don't want to run
17 off just yet. So let's take about 15 minutes or so and
18 just break and kind of be in place in case anybody else
19 comes in and wants to speak. I don't have any place
20 else to go but lovely Sebring tonight. So no need for
21 us to rush off.

22 (Brief recess.)

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24 CHAIRMAN BEARD: Okay. On break, was there
25 anybody else that came in that would like to speak or

1 anybody that had anything else?

2 My engineer has been doing a little bit of
3 checking. The generator is and has been in. It did
4 not function properly on a recent test and some work
5 needs to be done there.

6 There is a -- why don't you take the
7 microphone and give some information instead of me
8 trying to translate it for everybody.

9 MR. CROUCH: There is a second well. Now,
10 according to the standards that DER has, after you
11 reach a certain level of the number of customers, you
12 should put in a second well and then, on up, a third
13 well. They do have a backup well installed that they
14 can switch between their primary and their backup well.
15 They have a third well that is not in use, it is capped
16 off, they have no pump on it, it is not in use. But
17 there are actually three wells; they only have two
18 pumps, so they can --

19 CHAIRMAN BEARD: Now, this gentleman here talked
20 about when the DER man did his inspection, they saw that
21 well and that is a part of the detailed analysis and
22 report that he brought in because it was not --

23 WITNESS THOMSEN: Why a backup well when
24 you're talking 1200 feet and your backup well is 150
25 feet?

1 CHAIRMAN BEARD: Those are some of the things
2 that, No. 1, we'll get that DER report; and our, we're
3 having engineers go to each of the sites and go through
4 and do that same kind of review ourselves. They have
5 not gotten to Leisure Lakes yet, but they're scheduled
6 to come in when?

7 MR. CROUCH: Before the end of this month.

8 CHAIRMAN BEARD: Okay, before the end of the
9 month.

10 WITNESS THOMSEN: I think that gentleman that
11 I said, Glenn, I think he's going to give you a pretty
12 composite and a pretty good report, I think.

13 MR. CROUCH: We get the prefiled testimony
14 from the DER engineers who do the periodic inspections
15 here; and if anything in the prefiled testimony of
16 theirs that looks like there could be controversial
17 that the customers or Public Counsel or somebody has
18 some discussion about, that DER witness will come to
19 the formal hearing that we have in Tallahassee later
20 on. We're talking here, again, with the number of
21 systems that we have, there will be a considerable
22 number of witnesses there.

23 We have not seen his report yet. But he did
24 say that he was going to be running an analysis within
25 the near future; and this was about a month ago he told

1 us that. So we will probably be looking at that report
2 in the very near future before our formal hearing.

3 UNIDENTIFIED SPEAKER: It was a week ago
4 Monday.

5 MR. CROUCH: We will be looking for that.
6 Thank you, sir.

7 John Starling will be the engineer on our
8 Staff who will be down here working with the Utility
9 and will be contacting some of you folks that I have
10 the information here from your testimony earlier. So
11 when he comes down here, he will be identifying himself
12 to you, give you his business card and answer any
13 questions you might then. But he will be down here
14 within the next ten days.

15 CHAIRMAN BEARD: Okay. I appreciate you all
16 coming out. We have some information we need to go
17 back and do some work on and the DER report to look at.
18 We appreciate your input and information. Yes, sir?

19 WITNESS MR. DOYLE: Mr. Beard, would it be
20 possible for us to get a copy of that home audit report
21 for Covered Bridge?

22 CHAIRMAN BEARD: The DER, you mean?

23 WITNESS MR. DOYLE: No, that the Utility
24 Company, I believe, is going to get an audit, aren't
25 you, on the cost?

1 MR. SHREVE: The Staff of the Public Service
2 Commission is doing an audit and will come out with an
3 audit report.

4 MS. JABER: The Commission Staff prepares an
5 audit report and --

6 WITNESS MR. DOYLE: Who is privy to that
7 particular report? Could we get a copy of that report?

8 MS. JABER: Yes, sir, we can provide you a
9 copy if you would give Brenda Monroe your address. I
10 think she already has it, right?

11 WITNESS MR. DOYLE: Do you have my address?
12 I would appreciate it if you would do that.

13 CHAIRMAN BEARD: Yeah.

14 MS. JABER: It was just issued last week, I
15 believe, so we'll be glad to get you a copy.

16 WITNESS MR. DOYLE: Thank you very much.

17 MR. SHREVE: I'm sorry, it was issued last
18 week?

19 MS. JABER: Ms. Merchant told me she just got
20 it Monday.

21 MR. SHREVE: Oh, it is out, then?

22 MS. JABER: Apparently so. I haven't seen a
23 copy --

24 MR. SHREVE: Okay. It's my understanding it
25 was going to be ready just before the hearing; it must

1 have come out early, then. Already come up. Good.

2 WITNESS MR. DOYLE: Thank you very much.

3 CHAIRMAN BEARD: Brenda, if you would make a
4 note that he needs to get a copy of the Leisure Lakes
5 audit report. AND that way, as President of the
6 Organization, you can help us get that information out.

7 Okay. Again, thank you for coming and
8 participating, we truly appreciate it.

9 MR. SHREVE: Thank you a lot.

10 (Hearing concluded at 7:30 p.m.)

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


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

6 DO HEREBY CERTIFY that the Sebring Service
7 Hearing in the captioned matter, Docket No. 910637-WS, was
8 heard by the Florida Public Service Commission at the time
9 and place herein stated; it is further

10 CERTIFIED that I reported in shorthand the said
11 proceedings; that the same has been transcribed under my
12 direct supervision, and that this transcript, consisting
13 of 38 pages, inclusive, constitutes a true and accurate
14 transcription of my notes of said proceedings; it is
15 further

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

19 IN WITNESS WHEREOF, I have hereunto set my hand
20 at Tallahassee, Leon County, Florida, this 29th day of
21 September, A.D., 1992.

22 
23 SYDNEY C. SILVA, CSR, RPR
24 Official Commission Reporter
25 FPSC Bureau of Reporting
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