

Cypress & Oak Villages Association, Inc.

91 CYPRESS BOULEVARD WEST • SUGARMILL WOODS • HOMOSASSA, FLORIDA 32846

October 12, 1992

Mr. Steve C. Tribble, Director  
Division of Records and Reporting  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, Florida 32301

Re: Application for a rate increase in Citrus, Nassau,  
Seminole, Osceola, Duval, Putnam, Charlotte, Lee, Lake,  
Orange, Marion, Volusia, Martin, Clay, Brevard, Highlands,  
Collier, Pasco, Hernando, and Washington Counties by  
Southern States Utilities Inc. and Deltona Utilities  
Inc. Docket No. 920199-WS

Dear Mr. Tribble:

Enclosed is the original and sixteen copies of the Testimony  
of Harry C. Jones to be filed on behalf of Cypress and Oak  
Villages Association (COVA) in the above referenced docket.

If you have any questions, please let me know.

Sincerely,

*Harry C. Jones*

Harry C. Jones, President

X PREHEARING STATEMENT

DOCUMENT NUMBER-DATE

12043 OCT 14 1992

FPSC-RECORDS/REPORTING

801

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of Southern )  
States Utilities, Inc. and Deltona )  
Utilities, Inc. for Increased )  
Water and Wastewater Rates in )  
Citrus, Nassau, Seminole, Osceola, )  
Duval, Putnam, Charlotte, Lee, )  
Lake, Orange, Marion, Volusia, )  
Martin, Clay, Brevard, Highlands, )  
Collier, Pasco, Hernando, and )  
Washington Counties. )

Docket No. 920199-WS  
Filed: October 12, 1992

INTERVENOR'S PREHEARING STATEMENT

Pursuant to Order No. PSC-92-0906-PCO-WS issued 09-01-92  
COVA files its prehearing statement as follows:

A. All Known Witnesses

COVA intends to call Harry C. Jones as a witness. He will testify as to the effect the inaccuracies in this filing will have on the residents of Sugarmill Woods.

B. All Known Exhibits

Cova has previously identified the exhibits it will use.

C. COVA's Statement of Its Basic Position

The uniqueness of Sugar mill Woods is what drew its residents to settle there. These same qualities are what make it impossible to arbitrarily include this development in any combined rate case filing for water and sewer services.

ISSUE NO. 1

Should the utility be permitted to use the smallest meter size as one ERC regardless of the actual meters that serve customers.

POSITION:

No. In the 1990 rate case Docket No. 900329-WS it was determined that Sugarmill Woods had a potential of 9054 ERC's based upon the premise that each residence, almost all of which are single family, is being served by 1" meters. Using SSU's logic the potential number of ERC's would be 22635. Since this is illogical it is mandatory that in cases like SMW ERC's be based upon residences instead of meter sizes. The previous rate cases substantiated this issue.

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ISSUE No. 2

Do the majority of SMW homes have wells.

POSITION

No. While the homes on very large golf course lots may have private irrigation wells, most homes in SMW are on lots of less than one third acre. While all lots have automatic sprinkler systems only the largest can justify drilling private wells. The vast majority use SSU supplied water for irrigation which causes SMW water usage to far exceed SSU's other customers. If it were not mandatory because of SMW's deed restrictions to have well landscaped lot 1" meters would not be required.

ISSUE NO. 3

Does SSU's approach of using the smallest meter as one ERC and the number of lots as the maximum number of ERC's overstate used and useful percentages.

POSITION

Yes. As COVA points out in its intervening testimony filed on October 5, 1992 and its request for intervention filed August 17 1992 the water distribution system is at 22% used and useful including margin reserve. The water plant is at 73% used and useful. Similarly the sewer collection system is at 21% used and useful.

ISSUE NO. 4

Should the utility be permitted to charge a base facility charge for sewer by meter size.

POSITION

No. As pointed out in the analogy for water, most of SMW's residents only require large (1")meters for lawn irrigation. In fact when the developer owned the utility it was to his advantage to oversize the water meters, so many residents could now reduce their meter sizes. With adequate water pressure smaller meters would handle satisfactory irrigation flows for most residences. Similar logic may prevail for other systems.

ISSUE NO. 5

Should the Utility be allowed to increase the gallonage cap for wastewater.

**POSITION**

No. SMW is primarily a residential community. In the 1985 rate case it was proven that the residents with private irrigation wells used less than 6000 gallons of water per month for domestic purposes. The cap was lowered to that level then. In the 1990 rate case it was documented that the measured effluent for 1989 was 170 GPD/ERC which would be 5100 gallons per month. The current measured effluent is 150 gallons per day per residence or 4500 gallons per month. Because of the aging of our population with more single person households you would expect our usage would diminish. Using the incorrect figure for ERC's shows sewer usage of 60 GPD/ERC.

**ISSUE NO. 6**

Should the Utility be allowed to require deposits from all its customers.

**POSITION**

No. Deposits should only be required from new customers or those with a history of late or delinquent payments. After one year of satisfactory payment schedules the deposits should be returned with interest. In the last rate case of all the customers who were listed as being delinquent not one was from SMW.

**ISSUE NO. 7**

Why would SSU propose to eliminate the 20% differential between residential and general service wastewater customers.

**Position**

Since general service wastewater customers have very minimum irrigation requirements and since most of them use at least 10000 gallons of water it would seem to be a false argument in favor of a higher sewer cap.

**ISSUE NO. 8**

Why would SSU use a higher figure (2500 GPM) for fire protection than that provided to their engineering consultant by the Citrus County Fire Marshall.

**POSITION**

It incorrectly increases the water plant used and useful above where it should be.

ISSUE NO. 9

Is that also the reason they deducted two 600 GPM wells instead of one.

POSITION

It would appear so.

ISSUE NO. 10

Is it realistic to combine all systems regardless of their historical evolvement.

POSITION

No. Even SSU states that CIAC is only relevant to Sugarmill Woods and Burnt Store, both part of the Twin County Utilities Acquisition. Yet all prepaid CIAC is lumped into one account penalizing all those SMW customers who have invested and are still investing more than \$2000 each in their utility.

ISSUE NO. 11

Is the amount for customer notification excessive.

POSITION

Yes. Through most of 1992 only \$43000 has been spent.

ISSUE NO. 12

Can the substantial increases in property taxes in Citrus County in 1990 and 1991 be justified.

POSITION

It appears they cannot but more importantly SSU did not challenge this excessive increase.

This ends the prehearing statement.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing was sent by U.S. Postal Service to the following parties this 12th day of October, 1992.

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By:   
HARRY C. JONES