

8/29/94
2:00pm



JACK SHREVE
PUBLIC COUNSEL

STATE OF FLORIDA
OFFICE OF THE PUBLIC COUNSEL

c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, Florida 32399-1400
904-488-9330

ORIGINAL
FILE COPY

July 25, 1994

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
101 E. Gaines Street
Tallahassee, FL 32399-0863

930256-WS

Re: Docket Nos. ~~930373-WS and 930379-WS~~

Dear Ms. Bayo:

Enclosed please find the original and fifteen (15) copies of Citizens' Prehearing Statement for filing in the above-referenced dockets. A diskette in IBM-compatible WordPerfect 5.1 is also submitted.

Please indicate receipt of filing by date-stamping the attached copy of this letter. Thank you for your assistance in this matter.

- ACK
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG D'Sullivan JRH/gmr
- LIN 3
- OPC _____
- RCH _____
- SEC 1
- WAS Chapdelaine
- OTH _____

RECEIVED & FILED
MAY 26 1994
FPSC-BUREAU OF RECORDS

Sincerely,

Stephen C. Reilly
Associate Public Counsel

DOCUMENT NUMBER-DATE
08824 AUG 26 94
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for a Rate Increase)
in Seminole County by SANLANDO UTILITIES) DOCKET NO. 930256-WS
CORPORATION) FILED: August 26, 1994

CITIZENS' PREHEARING STATEMENT

Come now the Citizens of the State of Florida (Citizens) by and through their undersigned attorney, pursuant to the provisions of Commission Rule 25-22.038(3), Florida Administrative Code, and the Commission's Order Establishing Procedure, issued March 30, 1994, and submit their prehearing statement.

A. All known witnesses

1. Kimberly H. Dismukes shall support the Citizens' position on all of the issues.

B. All known exhibits

1. Appendix I, qualifications of Kimberly H. Dismukes, attached to her testimony.

C. Statement of Basic Position:

The Sanlando Utilities Corporation (Sanlando) proposal should not be approved as submitted. If the reuse facilities are deemed necessary by the various appropriate governmental agencies, then the utility should fund its construction. The increase in the company's rate base will permit the utility to recover its investment over time from its ratepayers. Requiring the utility to make the investment is a more efficient and cost

effective method of financing and will help bring the utility into compliance with Commission Rule 25-30.580, Florida Administrative Code.

If the Commission does not require the utility to fund the construction of the proposed reuse facilities it should at least attempt to apportion its costs to the cost causers and beneficiaries of the proposed reuse facilities. The reuse users should pay a fair charge for the reuse water and the balance of the cost should be borne equally between the water and wastewater customers.

D.-F. Combined Issues of Fact and Law and Positions:

ISSUE 1: If Sanlando builds the proposed reuse facilities will the three golf courses voluntarily use the facilities?

Citizens' Position: There is no evidence indicating that the three golf courses will voluntarily use the reuse facilities if they are constructed.

ISSUE 2: Should the Commission be assured that the three golf courses will be required to use the reuse facilities before the Commission approves construction of the facilities?

Citizens' Position: Yes. The Commission should not approve the construction of the Sanlando reuse facilities until it has received written assurance from the St. Johns River Water Management District (SJRWMD) that the three golf courses' consumptive use permits will not be renewed if the Sanlando reuse facilities are available.

ISSUE 3: Should the Commission approve Sanlando's petition to implement the water conservation plan?

Citizens' Position: No. The Commission should not approve Sanlando's petition until it can be assured that the reuse facilities will be fully used, and not until the financing of the facilities can be more fairly and efficiently structured.

ISSUE 4: If the Commission does not require the utility to fund the construction of the reuse facilities what method of financing should be approved?

Citizens' Position: The Commission should identify the parties that are the cost causers and the beneficiaries of the proposed reuse facilities. These parties should fairly contribute to the cost of construction of the facilities. The three golf courses should pay at least \$.13 per 1,000 gallons of reuse water used for irrigation. This income could pay for the operation and maintenance expenses of supplying the reuse water to the golf courses and a portion of the costs to construct the reuse facilities. The remaining cost of the reuse facilities should be borne equally by the water and wastewater customers.

ISSUE 5: If the water conservation plan is approved, should the surcharge be subject to regulatory assessment fees?

Citizens' Position: No.

ISSUE 6: If the water conservation plan is approved, should the surcharge be used to offset underearnings that may occur as a result of decreased water consumption?

Citizens' Position: No.

ISSUE 7: If the water conservation plan is approved, how should the utility retain and utilize the funds collected under the plan?

Citizens' Position: The funds should be placed in an interest bearing account controlled by the Commission and designated solely to fund the construction of the approved reuse facilities. The company should continuously document to the Commission the amount of extra funds being collected from the ratepayers under the conservation inclined block rates.

ISSUE 8: If the water conservation plan is approved, how long should the conservation rates be implemented?

Citizens' Position: The conservation rates should be in effect only until the company has collected enough funds to build the approved reuse facilities.

ISSUE 9: If the water conservation plan is approved, how should the surcharge be booked to the utility?

Citizens' Position: If Sanlando's plan is approved, all surcharge revenues should be booked as contributions in aid of construction (CIAC).

ISSUE 10: If the Commission approves Sanlando's proposal will it cause the utility to be in greater non-compliance with Commission Rule 25-30.580, Florida Administrative Code?

Citizens' Position: Yes.

G. **Proposed Stipulations:** There are no stipulations pending at this time.

- H. Pending Matters: There is an outstanding Motion for Leave to Intervene which has not been ruled on by the Commission.
- I. Requirements that cannot be complied with: There are no requirements of Order No. PSC-94-0375-PCO-WS that cannot be complied with at this time.

Respectfully submitted,

JACK SHREVE
Public Counsel



Stephen C. Reilly
Associate Public Counsel

Office of Public Counsel
c/o The Florida Legislature
111 W. Madison Street
Room 812
Tallahassee, FL 32399-1400

(904) 488-9330

Attorneys for the Citizens
of the State of Florida

**CERTIFICATE OF SERVICE
DOCKET NO. 930256-WS**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U.S. Mail or *hand-delivery to the following parties in this 26th day of August, 1994.

JOHN F. LOWNDES, ESQUIRE
CLEATOUS J. SIMMONS, ESQUIRE
Lowndes, Drosdick, Doster, Kantor
& Reed, P.A.
215 North Eola Drive
Orlando, FL 32801

*MAGGIE O'SULLIVAN, ESQUIRE
Division of Legal Services
Fla. Public Service Commission
101 E. Gaines Street
Tallahassee, FL 32399-0863

NANCY B. BARNARD, ESQUIRE
JENNIFER L. BURDICK, ESQUIRE
Assistant General Counsel
St. Johns River Water
Management District
P.O. Box 1429
Palatka, FL 32178-1429

CHARLES LEE,
Senior Vice President
Florida Audubon Society
460 Highway 436, Suite 200
Casselberry, FL 32707

ROBERT L. TAYLOR, ESQUIRE
Curry, Taylor & Carls
1900 Summit Tower Blvd., Suite 800
Orlando, FL 32810

JACK HIATT
1816 Wingfield Drive
Longwood, FL 32779

ROBERT E. SWETT
106 Wyndham Court
Longwood, FL 32779



Stephen C. Reilly