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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Application for rate increase for Orange-)
Osceola Utilities, Inc. in Osceola County,)
and in Bradford, Brevard, Charlotte, Citrus,)
Clay, Collier, Duval, Highlands, Lake, Lee,)
Marion, Martin, Nassau, Orange, Osceola,)
Pasco, Putnam, Seminole, St. Johns, St. Lucie,)
Volusia, and Washington Counties, by)
Southern States Utilities, Inc.)

DOCKET NO. 950495-WS
FILED: August 8, 1995

ORIGINAL
FILE COPY

PETITION OF SPRING HILL CIVIC
ASSOCIATION, INC. FOR LEAVE TO INTERVENE

The Spring Hill Civic Association, Inc., by and through its undersigned attorney, pursuant to Section 120.53, Florida Statutes, and Rules 25-22.036(7)(a) and 25-22.039, Florida Administrative Code, petitions for leave to intervene in the above-styled proceeding, and in support thereof states:

- 1. The name and address of petitioner is as follows:

Spring Hill Civic Association, Inc.
P.O. Box 3092
Spring Hill, Florida 34606

Documents relating to this proceeding should be served on:

Michael B. Twomey, Esquire
Route 28, Box 1264
Tallahassee, Florida 32310
Telephone: (904) 421-9530
Fax: (904) 421-8543

and

Morty Miller
President
Spring Hill Civic Association, Inc.
P.O. Box 3092
Spring Hill, Florida 34606
Telephone: (904) 683-4923

- 2. Spring Hill Civic Association, Inc. is a homeowners' association representing the

interests of the some 60,000 residents living in approximately 25,000 households in the Spring Hill

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FPSC BUREAU OF RECORDS

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FPSC-RECORDS/REPORTING

community in Hernando County, Florida. Members of the Spring Hill Civic Association, Inc. and virtually all residents of the Spring Hill community receive their regulated water and wastewater service from Southern States Utilities, Inc.'s ("SSU") Spring Hill water and wastewater plants, which are located solely in Hernando County, Florida.

3. In the instant docket SSU has requested a permanent increase in its annual revenues exceeding \$18.6 million and an interim revenue increase exceeding \$12 million annually. The Florida Public Service Commission ("PSC") is vested with the statutory authority and the responsibility pursuant to Chapter 367, Florida Statutes, for setting "fair, just and reasonable" rates for SSU and its customers in this docket. SSU's Amended and Restated rate petition requests that the sought-after revenue increases be applied to numerous SSU systems in Florida, specifically including the water and wastewater plants serving the members of Spring Hill Civic Association, Inc. and their neighbors in the Spring Hill community. Accordingly, Spring Hill Civic Association, Inc. and its members are persons "whose substantial interests are being determined in [this] proceeding" within the definition of Section 120.52(12), Florida Statutes, and who are per se entitled to status as "parties" in this proceeding.

4. The PSC is currently allowing SSU to continue to charge its customers illegal uniform rates in direct contravention of the Decision and Mandate of the First District Court of Appeal in Citrus County, Florida and Cypress & Oaks Villages Association, Appellants vs. Southern States Utilities and The Florida Public Service Commission, Appellees, Case No. 93-3324. It is the position of the Spring Hill Civic Association, Inc. that the PSC should have already acted on its own motion to both reduce the rates of Spring Hill customers to legal, stand-alone levels and require SSU to make appropriate refunds reflecting the difference between the illegal uniform rates and the legal stand-alone rates, with interest. SSU is obligated to make refunds pursuant to the commit made by its counsel Kenneth Hoffman at the PSC proceeding at which Citrus County's automatic governmental stay was

lifted, as well as, and more importantly, by the PSC's order requiring SSU to obtain an appeal bond.¹

5. The Spring Hill Civic Association, Inc. disputes, among other material factual disputes that will be developed after SSU makes its complete and revised filing available to petitioners and its other customers, that SSU's legitimate used and useful rate base and reasonable and necessary expenses, when compared to the revenues derived from its current rates and the opportunity to earn a reasonable return on its capital, warrant any current increase in its revenues, either on an interim or permanent basis. More specifically, it is Spring Hill Civic Association, Inc.'s position that the PSC and SSU owe Spring Hill residents refunds and rate reductions, not rate increases pursuant to an illegal rate structure.

6. Lastly, the Spring Hill Civic Association, Inc. disputes the existence of PSC jurisdiction to either adjust SSU's revenue requirement for the Spring Hill operations or to increase rates. That authority rests solely with Hernando County, notwithstanding the wishful opinions of PSC staff and the orders of the PSC to the contrary. Until such time as an appellate court upholds the PSC's usurpation of county regulatory authority, it is the position of the Spring Hill Civic Association, Inc. that the PSC lacks authority to compel SSU's inclusion of its Hernando County systems in this proceeding.²

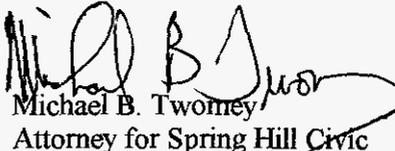
¹ Order No. PSC-93-1788-FOF-WS. This order required that SSU maintain and renew the \$5.8 million bond originally obtained as security for the interim rate increase. It appears, however, that SSU currently has only a \$3 million bond as security during the pendency of the appeal. Spring Hill Civic Association, Inc. has calculated that the refunds, including the period during which interim rates were charged under a defacto "uniform" methodology, owing solely to customers of SSU's Spring Hill facility exceed \$5.6 million, not counting the payment of interest. Spring Hill Civic Association, Inc. has calculated that SSU's total refund liability, to date, is approximately \$10 million dollars, not including an allowance for interest. Clearly, the security provided by the \$3 million appellate bond, standing alone, is inadequate. Furthermore, the total liability is increasing by approximately \$12,000 for each day that the illegal rates continue to be charged. Obviously "good money is following bad" and the tenuous and inadequate security for funding customer refunds is exacerbated each day the PSC delays changing rates and ordering refunds.

² SSU is correct that it is inadvisable to include systems in the three Counties pending appeal of the order usurping jurisdiction. This order is every bit as farfetched and faulty as the original "uniform" rate order and should suffer the same fate at the hands of the First District Court of Appeals.

Furthermore, the PSC's August 1, 1995 determination that SSU be compelled to include in the instant rate case its systems located in Hernando, Hillsborough and Polk Counties was a "determination of the substantial interests of Hernando, Hillsborough and Polk Counties, as well as the interests of the Spring Hill Civic Association, Inc, and its members. This determination by an agency of the State of Florida was made without the benefit of the even the most fundamental notice to the affected persons and, thus, denied them a "point of entry" from which they could attempt to protect their interests.

WHEREFORE, the Spring Hill Civic Association, Inc. requests (a) that it be granted leave to intervene and be permitted to participate in this proceeding with full rights as a party, (2) that the Order Granting Intervention direct SSU to immediately serve Spring Hill Civic Association, Inc. with a full and complete copy of its amended petition, testimony and all supporting documentation filed with the PSC, its staff and other parties, and (3) that PSC staff and other parties to this case be directed to serve upon Spring Hill Civic Association, Inc. copies of all documents the PSC staff or other parties have served upon other parties to this proceeding up to, and including, the date of the Order Granting Intervention to the Spring Hill Civic Association, Inc.

Respectfully submitted,


Michael B. Twomey
Attorney for Spring Hill Civic
Association, Inc.
(904) 421-9530

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and accurate copy of the foregoing has been furnished by U.S.

Mail this 24 day of August, 1995 to the following persons:

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