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April 3, 1996

HAND DELIVERY

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Florida 32399-0850

RE: Docket No. 950387-SU
Application of Florida Cities Water Company, North Ft. Myers Division,
for an Increase in Wastewater Rates in Lee County, Florida

Dear Ms. Bayo:

Enclosed for filing are an original and fifteen copies of our Certificate of Service and Rebuttal Testimony with Exhibits of the following persons:

- 1) Michael Acosta; 03833-96
- 2) Julie L. Karleskint with the following exhibit: 03834-96
Exhibit ___ (JLK-4) Letter to Jim Bishop, Lochmoor Country Club, with signed Reuse Agreement;
- 3) Robert Dick; 03835-96
- 4) Douglas R. Young; 03836-96
- 5) Larry N. Coel, with the following exhibits: 03837-96
Exhibit ___ (LC-3) Affiliate Transactions Audit Report
Exhibit ___ (LC-4) Letter from Charles Hill dated May 23, 1995 establishing the MFRs filing date
Exhibit ___ (LC-5) Rate Case Expenses (Through HEARING); and
- 6) Joseph Schifano; 03838-96
- 7) Thomas A. Cummings, with the following exhibit: 03839-96
Exhibit ___ (TAC-1) Notification of completion of construction

ACK ✓
 AFA 2
 APP _____
 CAF _____
 CMU _____
 CTR _____
 EAG _____
 LEG 1
 LIN 3
 OPC _____
 RCH _____
 SEC _____
 WAS Willis
 OTH _____

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[Signature]
FPSC-BUREAU OF RECORDS

Letter to Blanca S. Bayo, Director
April 3, 1996
Page 2 of 2

Please acknowledge receipt of foregoing by stamping the enclosed extra copy of this letter and returning same to my attention.

Very truly yours,

A handwritten signature in cursive script that reads "B. Kenneth Gatlin". The signature is written in dark ink and is positioned above the printed name.

B. Kenneth Gatlin

BKG/met
Enclosures

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Re: Application of Florida Cities Water)
Company, North Ft. Myers Division,)
for an increase in wastewater rates in)
Lee County, Florida)

Docket No. 950387-SU

Filed: April 3, 1996

CERTIFICATE OF SERVICE

I HERBY CERTIFY that a true and correct copy of the following Rebuttal Testimony and Exhibit:

- 1) Michael Acosta;
- 2) Julie L. Karleskint with the following exhibit:
Exhibit ___ (JLK-4) Letter to Jim Bishop, Lochmoor Country Club, with signed Reuse Agreement;
- 3) Robert Dick;
- 4) Douglas R. Young;
- 5) Larry N. Coel, with the following exhibits:
Exhibit ___ (LC-3) Affiliate Transactions Audit Report
Exhibit ___ (LC-4) Letter from Charles Hill dated May 23, 1995 establishing the MFRs filing date
Exhibit ___ (LC-5) Rate Case Expenses (Through HEARING)
- 6) Joseph Schifano;
- 7) Thomas A. Cummings, with the following exhibit:
Exhibit ___ (TAC-1) Notification of completion of construction

has been furnished by hand delivery to Mr. Ralph Jaeger, Esquire, Division of Legal Services, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, and to Harold McLean, Esquire, Office of Public Counsel, 111 W. Madison Street, Room 812, Claude Pepper Building, Tallahassee, Florida 32399-1400, and by regular U.S. Mail on this 3rd day of April, 1996 to:

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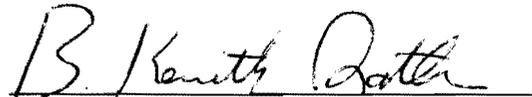
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Respectfully submitted



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FLORIDA CITIES WATER COMPANY

1 FLORIDA CITIES WATER COMPANY
2 NORTH FORT MYERS DIVISION
3 WASTEWATER OPERATIONS
4 REBUTTAL TESTIMONY OF DOUGLAS R. YOUNG
5 TO
6 DIRECT TESTIMONIES
7 OF
8 KIMBERLY H. DISMUKES
9 AND
10 CHERYL WALLA
11 DOCKET NO. 951387-SU

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12 Q. Please state your name.

13 A. Douglas R. Young.

14 Q. Have you prefiled direct testimony in this docket?

15 A. Yes.

16 Q. What is the purpose of this rebuttal testimony?

17 A. It is the purpose of this testimony to refute the
18 positions of OPC witness Dismukes regarding used and
19 useful wastewater treatment plant, infiltration and
20 inflow issues, and margin reserve. This testimony
21 also refutes intervenor Walla's position regarding
22 infiltration and inflow.

23 Q. On page 19 of her testimony, witness Dismukes used a
24 plant capacity of 1.50 MGD in her proposed used and
25 useful calculation. Is 1.50 MGD the correct capacity

1 of the Waterway Estates Advanced Wastewater Treatment
2 Plant (WWEAWTP)?

3 A. No. The correct maximum capacity is 1.25 MGD as
4 certified to the Florida Department of Environmental
5 Protection on the Notification of Completion of
6 Construction by the engineer of record (see Exhibit
7 ____ (TAC-1)).

8 Q. Are you an engineer?

9 A. Yes, I am a professional engineer licensed to practice
10 in Florida. My license number is 44204.

11 Q. When addressing her used and useful calculations
12 (pages 19 of her testimony), witness Dismukes reduced
13 the peak month average daily flow to the WWEAWTP due
14 to excessive infiltration and inflow (I&I). On pages
15 2 through 6 of her testimony, intervenor Walla stated
16 that I&I are excessive. In your professional opinion,
17 are I&I excessive?

18 A. No.

19 Q. Please explain.

20 A. The Water Pollution Control Federation Manual of
21 Practice No. 9 (WPCF MOP-9) is the accepted reference
22 in the industry for determination of acceptable I&I.
23 The Commission has also accepted WPCF MOP-9 as
24 reliable reference and authority (Docket No.910756-
25 SU). The standard for the North Fort Myers wastewater

1 collection system is found on page 31 of WPCF MOP-9
2 which provides the following:

3 "For small to medium-sized sewers (24 in.
4 and smaller) it is common to allow 30,000
5 gpd/mile for the total length of main
6 sewers, laterals, and house connections,
7 without regard to sewer size."

8 Q. On page 21 of her testimony, witness Dismukes cited
9 WPCF MOP-9 as her source for allowable I&I. Why does
10 her allowable I&I differ from FCWC's when citing the
11 same source? Which is correct?

12 A. The allowable I&I of 5,000 gpd/mile of pipe 8" or less
13 in diameter, 6,000 gpd/mile of pipe 9" to 12", and
14 12,000 gpd/mile of pipe for 13" to 24" presented in
15 witness Dismukes' testimony are taken from Table VII on
16 page 30 of WPCF MOP-9. Table VII refers to allowable
17 infiltration into newly constructed extensions to
18 existing wastewater collection systems, and is the
19 wrong reference. The extensions would be constructed
20 of new pipe and compression type joints. The third
21 paragraph on page 30 of WPCF MOP-9 states:

22 "Existing sewerage systems frequently
23 are very leaky. Infiltration rates
24 as high as 60,000 gpd/mile of sewer
25 have been recorded for systems below

1 ground water, with rates up to and
2 exceeding 1 mgd/mile for short
3 stretches."

4 The following appears on page 31 of WPCF MOP-9:

5 "With non-compression type joints it is
6 possible to meet the average specification
7 allowance of 500 gpd/in. diam/mile in
8 workmanship, but this low infiltration rate
9 is not likely to be maintained where the
10 system is in groundwater."

11 Allowances for infiltration into old systems are
12 greater than infiltration test allowances for new
13 pipe. The pipe in the North Fort Myers wastewater
14 collection system is below ground water.
15 Approximately 80% of the gravity collection system was
16 constructed using non-compression type joints. The
17 system has been in service in excess of 20 years. The
18 allowances chosen by witness Dismukes are totally
19 incorrect for the North Fort Myers wastewater
20 collection system and should be rejected. She has
21 incorrectly applied engineering criteria. The
22 allowance of 30,000 gpd/mile of sewer used by FCWC is
23 correct.

24 Q. Intervenor Walla and FDEP witness Barienbrock referred
25 to an allowable I&I of 5% to 10% of the WWEAWTP

1 capacity. Should allowable I&I be based on a
2 percentage of a WWTP's permitted capacity?

3 A. No. Allowable I&I should be based on the length of
4 the wastewater collection system. Basing allowable
5 I&I on plant capacity is totally without justification
6 for utilities with a large service area and small
7 plant capacity.

8 Q. On page 24 of her testimony, witness Dismukes stated
9 that she multiplied water sold by 70.89% to determine
10 the amount of water that would be treated by the
11 WWEAWTP. That quantity was compared with the quantity
12 of wastewater actually treated to determine I&I. She
13 also used peak month wastewater flows in her
14 calculations. Does FCWC agree with her approach to
15 calculating I&I?

16 A. No. The 70.89% factor understates the amount of water
17 sold that is treated by the WWEAWTP. Per capita water
18 usage has dropped each year for at least the last 7
19 years. Currently, the average per capita water
20 consumption is only 90 gpd. FCWC also disagrees with
21 using the peak month wastewater flows to determine
22 I&I. The maximum capacity of the WWEAWTP is based on
23 the annual average daily flow, not the peak month
24 average daily flow. The WWEAWTP is designed to
25 hydraulically handle peak flows based on factors in

1 *Recommended Standards for Wastewater Facilities* (Ten
2 States Standards). Those factors are based on
3 population, not on I&I. The biological treatment
4 process is not designed to consistently treat peak
5 flows. The WWEAWTP is, therefore, not oversized due
6 to excessive I&I.

7 Q. On page 25 of her testimony, witness Dismukes stated
8 that the standard for allowable I&I used by FCWC was
9 greater than the standard used and accepted by the
10 Commission in the last rate case. Is this true?

11 A. No. The standard used by FCWC is the same as that
12 approved in the last wastewater rate case in North
13 Fort Myers. The Commission's Order No. PSC-92-0594-
14 FOF-SU states the following:

15 "According to Mr. Grigg's testimony, the
16 utility's goal is to maintain a volume of
17 I&I at the low end of the acceptable
18 allowable limits set forth by the Water
19 Pollution Control Federation (WPCF), which
20 is 10,000 gpd per mile of pipe. The utility
21 has 29 miles of pipe, or 290,000 gpd of
22 allowable infiltration. The high end of the
23 range would be 30,000 gpd per mile of pipe,
24 or 870,000 gpd, where the majority of pipe
25 exists in the water table. Mr. Griggs

1 further testified that using 290,000 gpd as
2 the low end of acceptable limits for
3 infiltration, the amount of infiltration is
4 a little less than 22 percent of the water
5 sold. Considerable testimony was offered
6 addressing the amount of infiltration
7 experienced by this system, a range of
8 acceptable limits set forth by the WPCF, and
9 the program the utility has in place to
10 monitor the amount of infiltration it has.
11 Upon consideration of the testimony and
12 based on the foregoing, we find that the
13 infiltration experienced by this system is
14 not excessive."

15 The criteria for evaluating I&I have not changed.
16 FCWC's goal remains to maintain infiltration at the low
17 end of the acceptable range of 10,000 gpd per mile of
18 pipe to 30,000 gpd per mile of pipe. The I&I of
19 234,000 gpd presented in Robert Dick's direct testimony
20 is less than 290,000 gpd, which is at the low end of
21 the acceptable range.

22 Q. Does FCWC take steps to reduce I&I?

23 A. Yes. Although I&I are not excessive, FCWC has an
24 ongoing I&I control program. Sources of infiltration
25 are identified by televising and videotaping

1 wastewater collection mains. The video tapes clearly
2 show the location and extent of deterioration or damage.
3 After the sources of infiltration are identified, repairs
4 are made using the most cost effective method.

5 Q. On page 19 of her testimony, witness Dismukes determined
6 the WWEAWTP to be 49.34% used and useful. Three
7 alternative recommendations of 59.21%, 60.42%, and 72.51%
8 were also presented. What percent used and useful is the
9 WWEAWTP?

10 A. Witness Dismukes arbitrarily reduced plant used and
11 useful without justification. She used the wrong plant
12 capacity, subtracted alleged excessive I&I from
13 wastewater flows, and incorrectly omitted margin reserve
14 in her used and useful calculations. Whether used singly
15 or in combination, the methods she used to reduce plant
16 used and useful are totally without merit and should be
17 rejected. As stated in my direct testimony, and shown in
18 the MFR (Exhibit ____ (LC-1), Section F, Schedules F-6
19 and F-7, the WWEAWTP is 100% used and useful. The
20 maximum month average daily flow of 1.1753 MGD plus a
21 margin reserve of 0.0573 MGD for the test year equals
22 1.2326 MGD. A 0.25 MGD expansion is the most prudent and
23 economical way to increase the WWEAWTP capacity from 1.0
24 MGD and meet customer demand requirements.

25 Q. Does this conclude your rebuttal testimony?

1 A. Yes, it does.

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