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May 10, 1996

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ORIGINAL
FILE COPY

Blanca Bayo, Director
Department of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Building, Room 110
Tallahassee, Florida 32399-0850

Re: Docket No. 960192-WU
In Re: Application for a limited proceeding to include
ground water development and protection costs in rates
in Martin County by Hobe Sound Water Company
Our File: 4893\10354

Dear Ms. Bayo:

In connection with the above-referenced docket, please find enclosed for filing an original and seven copies of a Motion to Intervene by the Town of Jupiter Island. Please file the originals and distribute the copies in accordance with your usual procedures.

If you have any questions regarding this matter, please feel free to contact me.

Very truly yours,

NASON, GILDAN, YEAGER, GERSON
& WHITE, P.A.

Herbert L. Gildan

ACK _____

AFA _____

AFP _____

CFE _____

CMH _____

CMH _____ Enclosures

EAG _____

EG 1 _____

LIN 5 _____

CFE _____

RCF _____

SEC 1 _____

WAS _____

OTH _____

cc: Mayor Russell Simpson,
Town of Jupiter Island
James R. Spurgeon, Town Manager
Mr. Howard C. Osterman

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DOCUMENT NUMBER-DATE

05384 MAY 13 96

FPSC-RECORDS/REPORTING

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MAY 13 1996
MARTIN COUNTY
FLORIDA

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OTH *Darcy*

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for a limited)
proceeding to include ground water)
development and protection costs)
in rates in Martin County)
by Hobe Sound Water Company)

Docket No. 960192-WU
Date Submitted for Filing:
May 10, 1996

MOTION TO INTERVENE

Petitioner, Town of Jupiter Island, a Florida Municipal Corporation, petitions the Florida Public Service Commission for leave to intervene in the above styled limited rate proceeding, Docket No. 960912-WU and states;

1. The Petitioner's name is the Town of Jupiter Island, Florida. It is a Florida municipal corporation and its address is Bunker Hill Road, Jupiter Island, Florida 33475.

Its substantial interest will be affected by the above styled proceeding in that it is a customer of the Hobe Sound Water Company, which is petitioning this Commission for a substantial water rate increase, and the actions of this Commission in ruling upon said petition will directly affect its costs as a customer of the utility. Additionally, the bulk of the customers of the utility are residents and taxpayers in the Town of Jupiter Island and look to this applicant to represent their interests in matters such as this thereby increasing Applicant's interest in this rate proceeding.

2. Applicant does not yet know all disputed issues of material fact until it has the opportunity to fully review the records in this proceeding. Applicant does believe that at least the following are disputed issues of material fact:

DOCUMENT NUMBER-DATE

05384 MAY 13 1996

FPSC-RECORDS/REPORTING

a) Petitioner "gambled" that it could overpump its raw water supply field without taking the reasonable and prudent steps necessary to protect such water supply, such that it caused salt water to intrude into the public water supply. This led to its being cited by the South Florida Water Management District, to its being fined by that agency for its practices, and to an increase in the cost of solving that bad practice on its part. It now seeks to increase the water rates to the customers for the errors it made, rather than visiting the ill effects of its gamble on the Petitioner's owners.

b) Petitioner seeks to add the nonrecurring cost of Consent Order compliance through amortization of such cost over a three-year period. The Town believes that these costs should either be borne by the Petitioner's stockholders or, if such costs are allowed, they should be amortized over the life of the corresponding assets.

c) Petitioner's requested amount for rate case expense appears excessive given the limited nature of the proceeding before the Commission.

d) Petitioner is requesting an increased rate of return and the determination of the cost of capital without taking into consideration changes in capital structure as a result of depreciation, retirements or other circumstances.

3. This petitioner is entitled to intervene herein pursuant to Section 25-22.039, F.A.C., Fla. Stat. 120.53, and Chapter 367, Fla. Stat.

4. Petitioner's demand for relief is to be granted the right to intervene in the above styled docket.

WHEREFORE, Petitioner requests that it be granted status in the above styled matter as an intervenor, and that it be permitted to participate therein and to receive copies of all pleadings and filings in the matter.

TOWN OF JUPITER ISLAND, FLORIDA

Respectfully submitted,

NASON, GILDAN, YEAGER, GERSON
& WHITE, P.A.
1645 Palm Beach Lakes Boulevard
Suite 1200
West Palm Beach, FL 33401
Attorneys for Town of Jupiter Island

By: 

HERBERT L. GILDAN, FBN: 28719

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original and seven copies of the above and foregoing instrument has been furnished by Federal Express to Blanca Bayo, Director, Department of Records and Reporting, Florida Public Service Commission, 2540 Shumard Oak Boulevard, Betty Easley Building, Room 110, Tallahassee, Florida 32399-0850, with a copy to Attorney Richard D. Melson, Attorney for Applicant Hobe Sound Water Company, 123 South Calhoun Street, Tallahassee, Florida, 32301, this 10th day of May, 1996.



Attorney