

STATE OF FLORIDA  
OFFICE OF THE PUBLIC COUNSEL



JACK SHREVE  
PUBLIC COUNSEL

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

October 28, 1996

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

Re: Docket Nos. 960235-WS  
960283-WS

Dear Ms. Bayo:

Enclosed for filing in the above-referenced docket are the original and 15 copies of Citizens' Petition for \$120.57(1) Hearing and Protest of Proposed Agency Action.

Please indicate the time and date of receipt on the enclosed duplicate of this letter and return it to our office.

Sincerely,

*Charles J. Beck*  
Charles J. Beck  
Deputy Public Counsel

- ACK
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_ CB:bsr
- CMU \_\_\_\_\_ Enclosure
- CTR \_\_\_\_\_ Enclosures
- EAG \_\_\_\_\_
- LEG 1
- LIN 5
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC 1
- WAS Walsh
- OTH \_\_\_\_\_

RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

11437 OCT 28 96

FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Application for Transfer )  
of Certificate Nos. 404-W and )  
341-S in Orange County From Econ )  
Utilities Corporation to )  
Wedgefield Utilities, Inc. )

Docket No. 960235-WS  
Filed: October 28, 1996

In Re: Application for )  
Amendment of Certificates Nos. )  
404-W and 341-S in Orange County )  
by Wedgefield Utilities, Inc. )

Docket No. 960283-WS  
Filed: October 28, 1996

**PETITION FOR §120.57(1) HEARING AND  
PROTEST OF PROPOSED AGENCY ACTION**

The Citizens of Florida ("Citizens"), by and through Jack Shreve, Public Counsel, file this protest of proposed agency action and petition for a §120.57(1) hearing.

1. Section 350.0611, Florida Statutes (1995) authorizes the Public Counsel to appear, in the name of the state or its citizens, in any proceeding or action before the Commission and to urge therein any position which he deems to be in the public interest.

2. Order No. PSC-96-1241-FOF-WS issued October 7, 1996<sup>1</sup>, adversely

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<sup>1</sup> The Citizens received the Commission's order on October 8, 1996.

affects the substantial interests of the Citizens by granting Wedgefield Utilities, Inc. ("Wedgefield"), a rate base far in excess of the amount paid by Wedgefield for the utility's assets. If allowed to stand, this decision by the Commission will inevitably require customers to pay rates to Wedgefield for a return on -- and return of -- investments never made by the company.

3. Approximately one year before Econ Utilities Corporation ("Econ") sold its assets to Wedgefield, Econ entered into discussions with the Orange County Public Utilities Division about a possible purchase of Econ. An analysis by the Orange County Public Utilities Division conducted in January, 1995, shows why the assets of Econ are worth much less than value at which Econ carried the assets on its books.

4. That analysis showed that Econ had no regular preventative maintenance program in effect and conducted repairs and maintenance only on an emergency basis. One effect of this lack of maintenance was shown by the condition of the wastewater treatment facility's steel structure. This structure showed severe corrosion along the water line and at the base of the chlorine contact tank. A host of repairs and improvements would have been necessary to bring this and other facilities up to the standards of the Orange County Public Utilities Division, according to the analysis. It is no wonder that Wedgefield only paid Econ a portion of the book value of the assets, because that is all the assets were worth.

5. Wedgefield plans to spend a substantial amount of money to bring the utility up to standards, and customers will ultimately bear the cost of these expenditures. It would be extremely unfair to require customers to pay for these improvements, brought on by years of neglect, and to also pay Wedgefield an amount in excess of its purchase price for the utility. In effect, it would wrongly require customers to pay for the same thing twice.

6. The Citizens submit the following issues of fact, law, and policy for resolution by the Commission in a hearing held pursuant to §120.57(1), Florida Statutes:

- (a) Did Econ Utilities Corporation have in place and practice an adequate preventative maintenance program?
- (b) What was the condition of the assets sold to Wedgefield Utilities, Inc?
- (c) Should Wedgefield Utilities, Inc., have the burden of justifying why its actual purchase price should not be utilized in setting rates?
- (d) How should the Commission treat the contingent portion of the purchase price in computing the negative acquisition adjustment?

- (e) What is the amount of the negative acquisition adjustment from the sale of assets to Wedgefield Utilities, Inc.?
- (f) Should the Commission recognize a negative acquisition adjustment for the assets purchased by Wedgefield Utilities, Inc.?
- (g) What is the initial rate base of Wedgefield Utilities, Inc., for regulatory purposes?

These are the issues identified at this time. Additional issues may be identified as the case progresses.

7. The Citizens do not contest the sale and transfer of assets from Econ Utilities Corporation to Wedgefield Utilities, Inc., or the transfer of certificates 404-W and 341-S to Wedgefield Utilities, Inc, which was approved by the Commission as final agency action and is not subject to protest.

WHEREFORE, the Citizens file this protest of the proposed agency action contained in order no. PSC-96-1241-FOF-WS and request a hearing pursuant to §120.57(1), Florida Statutes (1995).

Respectfully submitted,

*Jack Shreve*  
JACK SHREVE  
Public Counsel

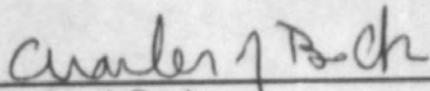
*Charles J. Beck*  
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Attorney for the Citizens  
of the State of Florida

**CERTIFICATE OF SERVICE**  
**DOCKET NOS. 960235-WS and 960283-WS**

I HEREBY CERTIFY that a copy of the foregoing has been furnished by  
U.S. Mail or hand-delivery to the following parties on this 28th day of October, 1996.

  
\_\_\_\_\_  
Charles J. Beck

Alice Crosby  
Fla. Public Service Commission  
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Tallahassee, FL 32399-0850

Econ Utilities Corporation  
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Deerfield Beach, FL  
33442-3023

Ben Girtman  
1020 E. Lafayette St., #207  
Tallahassee, FL 32301-4542

Utilities, Inc. Of Florida  
200 Weathersfield Avenue  
Altamonte Springs, FL  
32714-4099

Wedgefield Utilities, Inc.  
200 Weathersfield Avenue  
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