

ORIGINAL

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of Rainbow Springs Utilities, L.C. for amendment of water and wastewater certificates in Marion County, Florida

DOCKET NO. 971621-WS
FILED: Feb. 24, 1998

PETITION OF VILLAGE OF RAINBOW SPRINGS HOMEOWNERS ASSOCIATION FOR LEAVE TO INTERVENE

The Village of Rainbow Springs Homeowners Association, by and through its undersigned attorney, pursuant to Section 120.52(12)(c), 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:

Village of Rainbow Springs Homeowners Association
c/o Thomas G. Donovan
19333 S.W. 91 Loop
Dunnellon, Florida 34432

Documents relating to this proceeding should be served on:

Michael B. Twomey, Esquire
Post Office Box 5652
Tallahassee, Florida 32314-5652
Telephone: (850) 421-9530
Fax: (850) 421-8543

and

Thomas G. Donovan
President
Village of Rainbow Springs Homeowners Association
19333 S.W. 91 Loop
Dunnellon, Florida 34432

ACK
AFA _____
APP _____
CAF _____
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CTR _____
EAG _____
LEG 1
LIN 3
OPC _____
RCH _____
SEC 1
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[Signature]
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE
02581 FEB 24 98
FPSC-RECORDS/REPORTING

2. The Village of Rainbow Springs Homeowners Association is a homeowners' association representing residents and households in the Rainbow Springs subdivision in Marion County, Florida. Members ("Members") of the Village of Rainbow Springs Homeowners Association belong to either of two broad classifications. Those in the first class either take their regulated water and wastewater service from Rainbow Springs Utilities, L.C. (the "Utility"), which is the applicant in the above-styled docket, or are building on lots that currently have available to them the Utility's centralized service. Members in the second class own or are building residences on lots of one acre or more ("large residential parcels") that: (1) are part of the Rainbow Springs subdivision; (2) are not provided with centralized water or wastewater service by the Utility; and (3) are not within the current certificated area of the Utility; but which (4) are within the area sought to be added to the Utility's expanded certificated service area through the instant proceeding.

3. The Members of the Village of Rainbow Springs Homeowners Association who occupy residences on large residential parcels were not offered centralized water and wastewater service by the Utility or any other centralized water and wastewater utility at the time their homes were constructed. Accordingly, in order to build and occupy their residences, those Members of the Village of Rainbow Springs Homeowners Association owning large residential parcels and not served by the Utility had to install their own individual potable water wells and septic tank wastewater systems at historical costs estimated to range from \$5,000 to \$10,000 or more per home, depending upon the grade and elevation of the individual lot.

4. The residential areas of the Rainbow Springs subdivision consisting of large residential parcels do not need either centralized water or wastewater service since all such existing homes, or those currently under construction, in these areas have their own potable water wells and septic tank wastewater systems. Furthermore, because of the relatively low housing density per acre, there are no environmental conditions or statutory requirements for removing

these residences from their private systems and requiring them to connect to a centralized system operated by the Utility. Installing centralized water and wastewater services in those portions of the Rainbow Springs subdivision consisting of large residential parcels and requiring the owners of homes there to connect to the central systems would cause the complete economic loss of the Members' investments in their potable water well and septic tank wastewater systems which they were earlier compelled to install by the lack of centralized services. Lastly, in addition to the economic loss of their existing wells and septic tank systems, the compelled connection to the Utility's centralized systems would result in additional and unnecessary Member expenditures in the form of "service availability" or other "connection" charges that would have to be paid to the Utility.

5. There are no economic, environmental or other reasons to require the owners of large residential parcels to make the unnecessary and wasteful expenditures that would result from their parcels being included in the amended certificated service territory of the Utility. Accordingly, those Members of the Village of Rainbow Springs Homeowners Association either occupying or owning Rainbow Springs subdivision large residential parcels 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.

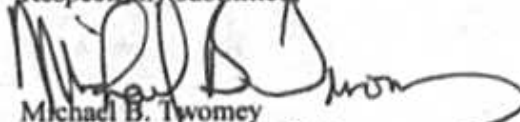
6. The Village of Rainbow Springs Homeowners Association is also opposed to merely "grandfathering" existing large residential parcels with individual well and septic tank systems, while requiring "new" residences in the large residential parcel areas to take centralized utility services. Including the large residential parcels in the amended certificate, and requiring only "new" residences there to take centralized service would be economically unsound because the resulting low customer density would be less than optimal to financially support the capital facilities that would have to be installed. The resulting "excess" rate base under this scenario would either serve to the economic detriment of the Utility if the investment were found "non-

used and useful" or, alternatively, to the economic detriment of the customers of the Utility if the investment were found "used and useful." Accordingly, Members of the first class of Village of Rainbow Springs Homeowners Association who are currently served by the Utility also have a "substantial interest" that will be determined in this proceeding and are entitled to party status.

7. The Village of Rainbow Springs Homeowners Association objects to any territory being added to the Utility's certificated service area that includes residential lots of one acre or larger in size, specifically including those portions of the Rainbow Springs subdivision known as the "Woodlands" and "the Forest."

WHEREFORE, the Village of Rainbow Springs Homeowner Association requests (1) that it be granted leave to intervene and be permitted to participate in this proceeding with full rights as a party, (2) that no territory including residential lots of one acre or larger be added to Rainbow Springs Utility, L.C.'s certificated service area; and (3) that Rainbow Springs Utility, L.C., the PSC staff and other parties to this case be directed to serve upon the Village of Rainbow Springs Homeowners Association and its undersigned attorney copies of all documents either filed with the PSC or served upon other parties up to, and including, the date of the Order Granting Intervention.

Respectfully submitted,

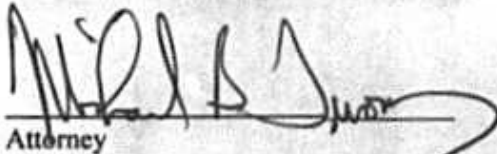

Michael B. Twomey
Attorney for Rainbow Springs
Homeowners Association, Inc.
(850) 421-9530

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and accurate copy of the foregoing has been furnished by
U.S. Mail this 24th day of February, 1998 to the following persons:

F. Marshall Deterding, Esquire
ROSE, SUNDSTROM & BENTLEY
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Tallahassee, Florida 32301

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2540 Shumard Oak Boulevard
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Attorney