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Ms. Blanca Bayo
Florida Public Services Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

Re: Docket No. 990054-WU
Application for Amendment of Certificate No. 106-W in Lake County by
Florida Water Services Corporation

Dear Ms. Bayo:

Enclosed for filing on behalf of Florida Water Services in the above-referenced docket, please find an original and seven copies of Prefiled Rebuttal Testimony of Charles L. Sweat.

Please acknowledge filing of this item by date stamping the enclosed extra copy of this letter and returning it in the postage paid envelope provided.

If you have any questions, please contact me at (407) 598-4260.

Sincerely yours,

Matthew J. Feil
Staff Attorney

MAIL ROOM
00 MAY 12 AM 11:13

Enclosures

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PREFILED REBUTTAL TESTIMONY OF CHARLES L. SWEAT
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
ON BEHALF OF
FLORIDA WATER SERVICES CORPORATION
DOCKET NO. 990054-WU

DOCUMENT NUMBER-DATE
05911 MAY 12 8
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1 Q. WHAT IS YOUR NAME AND BUSINESS ADDRESS?

2 A. My name is Charles L. Sweat and my business address
3 is 1000 Color Place, Apopka, Florida 32703

4 Q. BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR POSITION?

5 A. I am employed by Florida Water Services Corporation
6 (hereinafter referred to as "Florida Water" or the
7 "Company") as Vice President of Developer Relations
8 and Planning.

9 Q. IS THERE ANY TESTIMONY FILED BY THE OTHER PARTIES
10 TO THIS CASE THAT YOU WISH TO REBUT?

11 A. Yes, I will rebut the testimony of Mr. Johnnie
12 Overton filed on behalf of Crystal River Utilities,
13 Inc. ("Crystal River"). Crystal River is owned by
14 Aqua Source Utilities, Inc., and I note that Mr.
15 Overton is no longer employed by Aqua Source.
16 However, for now, I assume some company
17 representative may be permitted to adopt all or
18 part of Mr. Overton's prefiled testimony. Florida
19 Water has no disagreement with the testimony of Mr.
20 Gauthier of the Department of Community Affairs.

21 Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

22 A. I will address three (3) issues:

23 1. The need for service.

24 2. The Haines Creek water system's ability to

1 provide service.

2 3. Florida Water's serving outside its territory.

3 **Q. IS THERE A NEED FOR WATER SERVICE IN SECTIONS 2 AND**
4 **11?**

5 A. Contrary to Mr. Overton's statement "there is no,
6 showing of any real need for service," I believe
7 there is. First of all the requested area is
8 contiguous to the existing service territory of
9 Florida Water. We have received requests for
10 service from individual homeowners currently on
11 wells. Based on my inspection of the area, I noted
12 mostly paved roads, which is conducive to
13 development, more than 20 homes being supplied
14 water through individual wells, and vacant land.
15 If water service is made available, I believe, from
16 past experience, that existing and future home
17 owners will connect to the system. There is and
18 will be a need for service. Florida Water's
19 application is not an attempt at a land grab.
20 Florida Water is the best utility able to provide
21 service to this area.

22 **Q. WHY CAN'T THE HAINES CREEK SYSTEM PROVIDE SERVICE**
23 **TO THIS AREA?**

24 A. Mr. Overton's testimony admits the Haines Creek

1 system does not have sufficient capacity. He
2 states if there becomes a real need for service,
3 the Haines Creek water system could be expanded and
4 the customers could take advantage of the economies
5 of scale. I do not agree with this statement.
6 Haines Creek would need to build a treatment plant
7 and a distribution system and obtain a plant site.
8 Florida Water has available capacity, and it is
9 much more economical to take advantage of this
10 available capacity. All Florida Water needs to do
11 is extend the existing water lines, which have
12 ample capacity to deliver water to a pressure of 60
13 - 65 psi at the extremities of the territory, and
14 which range in size from 2-inches to 12-inches in
15 diameter. An 8-inch main serves the area to the
16 immediate north of the Haines Creek territory.
17 This area has an 8-inch line loop and fire
18 hydrants. The interconnected Silver Lakes
19 Estates/Western Shores system includes three water
20 supply wells. These wells can deliver a maximum
21 daily demand of 2,395,800 gallons per day. The
22 high service pumps located at the Silver Lakes
23 plant can deliver a peak instantaneous demand of
24 4,420 gallons per minute. The highest maximum

1 daily demand in the last 12 months was 1,849,500
2 gallons per day (5/98) for Silver Lake Estates and
3 294,000 gallons per day for Western Shores (8/98).
4 The existing water system has sufficient capacity
5 to handle the demands for the existing service
6 territory and the proposed areas in the near
7 future. If the existing and proposed areas were to
8 buildout as estimated, additional wells and high
9 service pumps would be required in the future.
10 Today, the Haines Creek system owned by Aqua Source
11 has little or no extra capacity. Indeed, the Aqua
12 Source Haines Creek treatment plant should be
13 closed down and tied into Florida Water's system.

14 **Q. WHY SHOULD AQUA SOURCE CLOSE DOWN THEIR TREATMENT**
15 **PLANT AND TIE INTO FLORIDA WATER SERVICES?**

16 A. Among other considerations, the water supply well
17 is located on a small lot, maybe less than 50 feet
18 from a home that is also located on the lot where
19 wastewater disposal is by way of a septic tank.

20 **Q. IF THE AREA FLORIDA WATER REQUESTS WAS APPROVED,**
21 **WOULD IT LANDLOCK THE HAINES CREEK SYSTEM SO THERE**
22 **WOULD BE NO FUTURE GROWTH POTENTIAL?**

23 A. Florida Water's existing service area is to the
24 north, west and east of the Haines Creek system,

1 but, the Haines Creek system as is today can not
2 serve any more customers anyway.

3

4

5 Q. DO YOU AGREE WITH MR. OVERTON'S STATEMENT ON PAGE 3
6 OF HIS TESTIMONY THAT FLORIDA WATER SHOULD BE FINED
7 FOR SERVING OUTSIDE ITS TERRITORY?

8 A. No, I do not agree, and I do not understand on what
9 basis he would make this assertion. As explained
10 in discovery and correspondence, Florida Water
11 never purposely served outside its service area
12 with the intent of circumventing Commission
13 requirements or depriving any one else of a viable
14 territory opportunity, but rather out of
15 inadvertence. Since 1994, an immense amount of
16 Florida Water's and the Commission's time and
17 energy have been devoted to regulatory endeavors
18 other than territory description corrections -
19 specifically to rate and revenue matters.
20 Therefore, an application to correct the error in
21 this case was not filed prior to the opening of the
22 instant docket. Recently, Florida Water has made
23 reasonable and practical steps to insure that
24 instances of providing service outside of its

1 territories are minimized. An improved database is
2 now used to track developer projects such that
3 projects outside of Commission-approved boundaries
4 are flagged. Further, Florida Water undertakes a
5 thorough examination of its territory legal
6 descriptions whenever circumstances dictate or
7 allow, as illustrated by several recent incidents
8 of Florida Water's filing requests for corrections
9 to various territory descriptions.

10
11 In consideration of the circumstances, I do not
12 think Florida Water or any other utility in the
13 same situation should be fined or even ordered to
14 show cause. Florida Water recognizes its
15 responsibility, and it has and will comply with
16 Commission territorial requirements as best as it
17 can. It is not at all uncommon for other utilities
18 to experience these oversights and fines or show
19 cause actions are generally inappropriate in such
20 cases.

21 **Q. DOES THAT CONCLUDE YOUR REBUTTAL TESTIMONY?**

22 **A.** Yes, it does.

23

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