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January 9, 2001

Ms. Blanca S. Bayo, Director
Division of Records and Reporting
Florida Public Service Commission
2540 Shumard Oak Boulevard
Betty Easley Conference Center, Room 110
Tallahassee, Florida 32399-0850

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RECORDS AND REPORTING

Re: Docket No. 991666-WU

Dear Ms. Bayo:

Enclosed herewith for filing in the above-referenced docket on behalf of Florida Water Services Corporation ("Florida Water") are the original and fifteen copies of Florida Water's Supplemental Rebuttal Testimony of John L. Tillman, Jr.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the same to me. Thank you for your assistance with this filing.

Sincerely,

J. Stephen Menton
J. Stephen Menton

JSM/knb
Enclosures

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DOCUMENT NUMBER-DATE
00366 JAN-90
FPSC-RECORDS/REPORTING

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

IN RE: Application for amendment of)
Certificate No. 106-W to add territory)
in Lake County by Florida Water Services)
Corporation.)
_____ /

Docket No. 991666-WU

Filed: January 9, 2001

SUPPLEMENTAL REBUTTAL TESTIMONY OF

JOHN L. TILLMAN, JR.

ON BEHALF OF

FLORIDA WATER SERVICES CORPORATION

DOCKET NO. 991666-WU

DOCUMENT NUMBER-DATE

00366 JAN-98

FPSC-RECORDS/REPORTING

1 **Q. WHAT IS YOUR NAME AND BUSINESS ADDRESS?**

2 A. My name is John L. Tillman, Jr. and my business address is 1000 Color
3 Place, Apopka, Florida 32703.

4 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN THIS**
5 **DOCKET?**

6 A. Yes. On November 30, 2000, I submitted rebuttal testimony in this docket
7 on behalf of Florida Water Service Corporation (“Florida Water”). In that
8 testimony, I adopted the prefiled direct testimony of Charles L. Sweat which
9 was previously submitted on behalf of Florida Water. I also presented
10 rebuttal testimony on certain of the issues raised in the prefiled direct
11 testimony filed on behalf of the Intervenor City of Groveland (“Intervenor”).

12 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL REBUTTAL**
13 **TESTIMONY?**

14 A. As noted in Florida Water Service Corporation’s Motion to Strike and
15 Motion for Extension of Time to File Rebuttal Testimony on Wastewater
16 Service filed on November 28, 2000, the application filed by Florida Water
17 in this docket is for an extension of its existing service area in Lake County
18 to provide water service to a planned unit development known as the Summit.
19 The prefiled direct testimony submitted by the Intervenor raised a number of
20 issues dealing with wastewater service to the area. Florida Water sought to
21 strike that testimony and limit the issues in this docket to matters related to
22 water service. By Order PSC-00-2464-PCO-WU, the request to strike the
23 Intervenor’s testimony was denied, but Florida Water was granted an
24 opportunity to submit additional rebuttal testimony to address the wastewater
25 issues raised by Intervenor. In this supplemental rebuttal testimony, I intend
26 to address three issues not covered in my earlier testimony: (1) Florida Water

1 did not include wastewater service in its application because there is no need
2 for such service. The developer has not requested wastewater service from
3 Florida Water and plans have apparently already been approved authorizing
4 development of the requested territory to proceed using septic tanks; (2)
5 Florida Water is able to provide wastewater service to the requested territory
6 if the developer needs it and Florida Water could provide such service in a
7 cost effective manner; and (3) the Intervenor's estimate of its cost to provide
8 wastewater service to the requested territory appears to be dramatically
9 understated.

10 **Q. WHY DOES FLORIDA WATER'S APPLICATION IN THIS DOCKET**
11 **NOT INCLUDE A REQUEST FOR AUTHORIZATION TO PROVIDE**
12 **WASTEWATER SERVICE TO THE REQUESTED TERRITORY?**

13 A. Florida Water has no information indicating that there is a need for
14 wastewater service to the requested territory. Absent such a need, there was
15 no reason to seek or address wastewater service in the application. Florida
16 Water's existing service area in Lake County includes territory developed by
17 entities related or affiliated with the developer of the Summit. Florida Water
18 has been working closely with the developer of the Summit to meet the needs
19 of the development. Based upon our conversations with the developer, there
20 is no need for wastewater service to this requested territory. The Summit is
21 a very low density development with approximately one dwelling unit
22 planned per five acres. The Developer has received preliminary plat approval
23 from Lake County to proceed with development using septic tanks. The
24 developer has also obtained approval from the Department of Environmental
25 Protection for its utility plan, Permit #WD 35-008-0593-010. To our

1 knowledge, there is no government mandate prohibiting or limiting the
2 developer's planned use of septic tanks for the development. Florida Water's
3 application seeks authorization to provide the only service needed in the
4 requested area.

5 **Q. COULD FLORIDA WATER PROVIDE WASTEWATER SERVICE**
6 **TO THE REQUESTED TERRITORY?**

7 A. Yes. If the developer of the Summit requested Florida Water to provide
8 wastewater service, there are several possible options. Without a specific
9 request, it is speculative as to what the best method of providing wastewater
10 service would be. However, based upon the number of units and the
11 projected water flows, one feasible approach would be to install a package
12 plant capable of providing reuse quality water. Florida Water would be able
13 to install such a plant in close proximity to the existing Florida Water
14 facilities and could meet the projected wastewater needs of the Summit at a
15 cost of approximately \$500,000. By placing the facility close to the
16 development, we would significantly minimize the piping costs.

17 **Q. HAVE YOU REVIEWED THE CITY OF GROVELAND'S**
18 **ESTIMATED COST TO PROVIDE WASTEWATER SERVICE TO**
19 **THE SUMMIT?**

20 A. Yes. Mr. Mittauer, the Intervenor's engineer, states that the cost for the
21 Intervenor to provide wastewater service to the Summit would be
22 approximately \$500,000. This figure appears to be significantly understated.
23 From the testimony, it appears that the Intervenor would have to extend its
24 lines an additional 2.5 miles to provide wastewater service to the Summit.
25 The 2.5 mile route would include bridge crossings and other difficult and

1 costly placements. Even at a conservative cost of \$25 a square foot for
2 piping alone, Mr. Mittauer's estimate seems low. In addition to the piping
3 cost, there would likely be additional costs involved with respect to lift
4 stations as well as significant engineering and permitting costs. These figures
5 do not appear to be included in Mr. Mittauer's estimate.

6 **Q. WOULD FLORIDA WATER BE ABLE TO PROVIDE**
7 **WASTEWATER SERVICE TO THE SUMMIT AT A LOWER COST**
8 **THAN THE CITY OF GROVELAND?**

9 A. Yes. There is no feasible way for the City to provide comparable wastewater
10 service to the Summit with 2.5 mile extensions at a cost that would be lower
11 than what Florida Water could provide.

12 **Q. ARE THERE ANY OTHER ISSUES WITH RESPECT TO THE**
13 **CITY'S PROPOSED WASTEWATER SERVICE?**

14 A. Yes. From the information available to us, it does not appear that the City of
15 Groveland would be able to provide reuse capability to the Summit. By
16 contrast, if Florida Water were to provide wastewater service, we would be
17 able to implement a system that would be able to provide reuse water to the
18 development.

19 **Q. DOES THAT CONCLUDE YOUR SUPPLEMENTAL REBUTTAL**
20 **TESTIMONY?**

21 A. Yes.

22