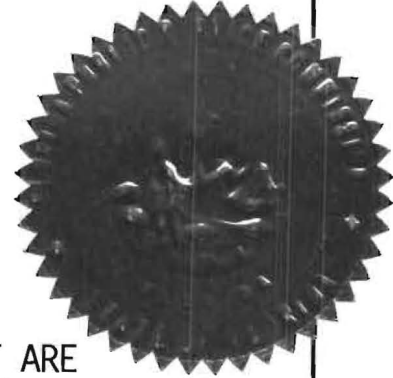


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 020010-WS

In the Matter of

APPLICATION FOR STAFF-ASSISTED
RATE CASE IN HIGHLANDS COUNTY
BY THE WOODLANDS OF LAKE
PLACID, L.P.



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PROCEEDINGS: SERVICE HEARING

BEFORE: COMMISSIONER J. TERRY DEASON
COMMISSIONER RUDOLPH BRADLEY
COMMISSIONER CHARLES DAVIDSON

DATE: Wednesday, May 28, 2003

TIME: Commenced at 10:00 a.m.
Concluded at 10:45 a.m.

PLACE: Sebring Civic Center
355 W. Center Avenue
Sebring, Florida

REPORTED BY: JANE FAUROT, RPR
Chief, Office of Hearing Reporter Services
FPSC Division of Commission Clerk and
Administrative Services
(850) 413-6732

DOCUMENT NUMBER-DATE

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1 APPEARANCES:

2 MARTIN S. FRIEDMAN, ESQUIRE, Rose, Sundstrom &
3 Bentley, LLP, 600 S. North Lake Boulevard, Suite 160, Altamonte
4 Springs, Florida 32701, appearing on behalf of Highvest
5 Corporation and L.P. Utilities Corporation.

6 STEPHEN C. BURGESS, ESQUIRE, Office of Public Counsel,
7 c/o The Florida Legislature, 111 West Madison Street, Room 812,
8 Tallahassee, Florida, 32399-1400, appearing on behalf of the
9 Office of Public Counsel.

10 LARRY HARRIS, ESQUIRE, and KATHERINE
11 FLEMING, FPSC General Counsel's Office, 2540 Shumard
12 Oak Boulevard, Tallahassee, Florida 32399-0850,
13 appearing on behalf of the Commission Staff.

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I N D E X

WITNESSES

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NAME:

PAGE NO.

Robert Clifford

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Sara S. Keller

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Judy Pernod

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Evelyn Clough

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P R O C E E D I N G S

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COMMISSIONER DEASON: Call the hearing to order.

Could I have the notice read, please.

MS. FLEMING: Pursuant to notice issued by the Clerk of the Commission on April 25th, 2003, this time and place has been scheduled for a hearing in the application for a staff-assisted rate case for the Woodlands of Lake Placid, L.P. in Highlands County.

Specifically 10:00 a.m. and 6:00 p.m. today have been set aside for customers to present their testimony. Today has been set aside for the technical portion of the hearing, as well.

COMMISSIONER DEASON: Thank you. Take appearances.

MR. BURGESS: Commissioners, my name is Steve Burgess. I'm here for the Office of Public Counsel representing the Citizens of the State of Florida.

COMMISSIONER DEASON: Mr. Burgess, if you don't mind, if you'll just stand. Probably most of the customers know you anyway, but your back is to them, so they will know who is talking.

MR. BURGESS: Commissioner, I appreciate that, and I have tried to introduce myself to the customers. I'm Steve Burgess, I'm here for the Office of Public Counsel on behalf of Jack Shreve representing the Citizens of the State of Florida.

COMMISSIONER DEASON: Mr. Friedman, you may want to

1 introduce yourself, as well.

2 MR. FRIEDMAN: Thank you, Commissioners. My name is
3 Martin Friedman of the law firm of Rose, Sundstrom and Bentley.
4 We represent Highvest Corporation and L.P. Utilities
5 Corporation.

6 COMMISSIONER DEASON: Mr. Friedman is to my far
7 right, just so that the people in the audience knows who was
8 speaking at that time.

9 MR. HARRIS: Commissioner, Lawrence Harris on behalf
10 of the Commission.

11 MS. FLEMING: Katherine Fleming on behalf of the
12 Commission.

13 COMMISSIONER DEASON: Mr. Willis, why don't you
14 introduce yourself, as well, so the customers know who you are,
15 and you may also wish to introduce some of your staff
16 personnel, as well.

17 MR. WILLIS: Thank you, Commissioner. I'm Marshall
18 Willis of the Florida Public Service Commission. With me are
19 part of my staff back here, Mr. Troy Rendell on the end, Ms.
20 Sally Moniz next to him. And Mr. Dick Durbin, I'll introduce
21 him back there, also.

22 COMMISSIONER DEASON: Thank you. Let me follow my
23 own advice and stand and let you know who I am. I'm Terry
24 Deason, a member of the Florida Public Service Commission.
25 Seated to my left is Commissioner Chuck Davidson.

1 Commissioner Bradley I just communicated with via telephone, he
2 is en route, he should be joining us momentarily. He asked
3 that we go ahead and begin the hearing, and he just wanted me
4 to advise everyone that he should be here shortly.

5 I want to take this opportunity to welcome everyone
6 to this hearing. As it has been noticed, the beginning of this
7 hearing is designed to hear customer testimony. It is an
8 opportunity for the customers of this utility to present
9 testimony to the Commission concerning the matters pending
10 before the Commission. We appreciate you being here.

11 I want to take just a moment to review the procedure
12 we will follow. In just a few minutes, when we begin the
13 customer testimony phase of the hearing, I will ask all members
14 of the public who wish to testify to stand and raise their
15 right hand so that you can be sworn in. This is necessary so
16 that your statement will become evidence. It will be sworn
17 testimony, it will become part of the record in this
18 proceeding.

19 This is an official hearing of the Public Service
20 Commission. What is being said here today is being recorded by
21 our court reporter and it will become part of the record in
22 this proceeding. Mr. Burgess, who introduced himself earlier,
23 he will be calling members of the public. When you hear your
24 name, we ask that you come forward. Come forward to the table
25 to my right, which is the same table where the court reporter

1 is seated. You may wish to speak directly into the microphone.
2 And if you will begin by giving us your name and your address.
3 And if you think it would be helpful to the court reporter, you
4 may wish to spell your name so that it is recorded accurately
5 in the record, and then you may proceed with your statement.
6 At the conclusion, we ask that you stay seated for just a
7 moment, because there may be some clarifying questions, either
8 from Mr. Burgess, or Mr. Friedman, or from the Commission
9 staff.

10 After we conclude all of the customer testimony
11 today, we will then enter into what we refer to as the
12 technical phase of the hearing. That is where we will take
13 sworn testimony from expert witnesses, representatives of the
14 company, Public Counsel, and you are invited to stay for that
15 phase of the hearing, as well. But at that phase of the
16 hearing, customer testimony is not permitted, but there will be
17 another phase for customer testimony this evening beginning at
18 6:00 p.m.

19 I believe I have covered the preliminaries. I think
20 there may be some preliminary matters that we need to address
21 at the beginning of the technical phase of the hearing. But if
22 there are preliminary matters we need to address at this
23 time -- Mr. Harris, anything?

24 MR. HARRIS: I don't believe there are any,
25 Commissioner.

1 COMMISSIONER DEASON: Mr. Burgess?

2 MR. BURGESS: No, sir.

3 COMMISSIONER DEASON: Mr. Friedman?

4 MR. FRIEDMAN: No, sir.

5 COMMISSIONER DEASON: Commissioner, anything you need
6 at this point?

7 COMMISSIONER DAVIDSON: No.

8 COMMISSIONER DEASON: All right. I think that we
9 have pretty much covered things at this point.

10 Mr. Burgess, I understand you have a list of
11 customers who wish to make a statement, is that correct?

12 MR. BURGESS: I do.

13 COMMISSIONER DEASON: Okay. At this point I'm going
14 to ask all members of the public who wish to make a statement
15 at the Commission today to please stand and raise your right
16 hand.

17 (Witnesses sworn collectively.)

18 COMMISSIONER DEASON: Thank you. Please be seated.
19 Mr. Burgess, you may call your first witness.

20 MR. BURGESS: Thank you, Commissioner. Robert
21 Clifford, please. Mr. Clifford, would you step up and take a
22 seat at that microphone.

23 COMMISSIONER DEASON: While Mr. Clifford is
24 approaching, let me take just a moment to mention one other
25 thing to the customers. You should have been presented a

1 special report, I believe it is printed on pale yellow paper.
2 I would encourage you to review this report, and I would bring
3 to your attention the last page of the report, which is
4 designed to be taken apart and folded and sent to the
5 Commission. This is a means for customers who do not wish to
6 make a formal statement here today but who wish to communicate
7 with the Commission, this is a means for you to do that.

8 I would also encourage you that if you have friends
9 or neighbors who could not be here today, that you may wish to
10 take a few extra copies and disseminate to your friends and
11 neighbors. So having said that, you may proceed, Mr. Burgess.

12 ROBERT W. CLIFFORD

13 appeared as a witness and, swearing to tell the truth,
14 testified as follows:

15 DIRECT STATEMENT

16 MR. BURGESS: Mr. Clifford, would you please give
17 your name and address for the record.

18 MR. CLIFFORD: I'm Robert Clifford, C-L-I-F-F-O-R-D,
19 50 Windward Drive, Lake Placid, Florida 33582.

20 MR. BURGESS: Thank you, Mr. Clifford. At this stage
21 of the hearing, basically I'm just going to ask you to present
22 to the Commissioners the areas in which you have concerns with
23 the proposed agency action at this point.

24 MR. CLIFFORD: Well, my concern was the customer
25 base, the numbers that are shown. For example, on the brochure

1 that you just sent out, you said there is 151 residential
2 customers. In fact, there is more than that. So I don't know
3 where the difference comes from. In June of last year there
4 was a customer --

5 MR. FRIEDMAN: Commissioner, if I might interpose an
6 objection. If I understand correctly what this gentleman said
7 he was going to testify to, he has completed what he said he
8 was going to testify to, which is to address the customer base.
9 And I would remind the Commission that customer base is not one
10 of the issues included in the prehearing order upon which we
11 are going to take testimony or consider.

12 And I believe to allow any testimony on that issue
13 would violate our due process rights by expanding the scope of
14 the hearing to address and determine matters not noticed for
15 hearing. I can cite the Commission to some case law for that,
16 if you would like.

17 Further, the order on procedure clearly sets forth
18 that if an issue is not set forth in the prehearing order as an
19 issue, that such issue is waived. And I would suggest then
20 that any testimony that this witness is going to provide on the
21 issue of the number of the customer base is therefore not
22 appropriate to be considered. Thank you.

23 MR. BURGESS: Commissioner, may I respond?

24 COMMISSIONER DEASON: Please, Mr. Burgess.

25 MR. BURGESS: I would start by saying basically what

1 Mr. Friedman is saying is, Commission, ignore the customers,
2 don't listen to a word the customers say. And I would say that
3 that is counter to the procedure that the Commission has
4 followed in the 25 years that I have been -- or the 20-plus
5 years that I have been practicing before the Commission. The
6 Commission always considers the testimony of the customers.
7 This is where they get the customer input. To now say that,
8 well, they can testify maybe on an issue, but the Commission
9 can't consider it is absurd. It is saying we want to hear --
10 the company is saying listen to our case, but don't listen to
11 the customers' side.

12 And what I would say is that this is the time and the
13 process that the Commission in its procedures has set aside to
14 hear what the customers have to say. And to say that it would
15 have no bearing on the case would be a sham. And I know that
16 is not what we are about. And so, therefore, what I would
17 suggest is that since this is the time that the Commission in
18 its hearing process has set for hearing the customers that that
19 is exactly what we do.

20 COMMISSIONER DEASON: Any closing comments, Mr.
21 Friedman?

22 MR. FRIEDMAN: As a lawyer from a due process
23 standpoint, I find that very hard to fathom. From a practical
24 standpoint, in this case the customers, including this
25 gentleman, are adequately represented by the Office of Public

1 Counsel and have been in this proceeding for a long time. To
2 allow the customers to not raise an issue through their
3 counsel, and then show up at the hearing and start testifying
4 about issues clearly violates the company's right to notice and
5 due process. I don't know any other way around it.

6 COMMISSIONER DEASON: Mr. Harris, do you have any
7 comments to the objection?

8 MR. HARRIS: I'm not sure the Staff has anything to
9 add, Commissioner.

10 COMMISSIONER DEASON: Mr. Friedman, I'm going to
11 overrule the objection, I'm going to allow the testimony. As
12 is customary before the Commission, we go to great expense and
13 effort to have hearings in the service area of our utilities
14 designed to present -- give an opportunity for customers to
15 present their testimony. I think it is too restrictive to
16 expect customers to obey by the strict list of issues in the
17 prehearing statement. I want to hear what the customers have
18 to say.

19 Mr. Friedman, though I am conscious and aware of your
20 due process rights, to the extent that there are issues raised
21 that the Commission feels need to be further explored, we will
22 make sure that you have the opportunity to address those
23 issues, even if that means delaying a decision and giving you
24 the opportunity to present some type of rebuttal testimony. I
25 hope it does not go to that extent, but I will allow you the

1 opportunity, if you think your case has been prejudiced to that
2 extent, to request that. And I will reserve ruling on that,
3 depending upon the particulars at that time. But at this time
4 I'm not going to restrict the customer testimony to the issues
5 which are listed in the prehearing order.

6 There may be matters which customers need to bring to
7 our attention, it may or may not have bearing on the final
8 outcome of this case, that is for the Commission to decide, but
9 we need the information in front of us.

10 So, that is the ruling. Mr. Clifford, you may
11 continue with your statement.

12 MR. FRIEDMAN: Commissioner, might I ask a question
13 before he starts? I would guess that I am going to have the
14 same type of objection to any other testimony. Would you
15 prefer that I make a standing objection now on all of that, or
16 would you prefer that I raise it as each customer testifies and
17 make the same argument? I'm trying to save us time and effort,
18 but I do expect that there are going to be other customers
19 testifying outside the scope of the issues raised in the
20 prehearing order. And I want to make sure that I preserve for
21 the record and for an appeal our objection to all such
22 testimony.

23 COMMISSIONER DEASON: Your objection is noted, and I
24 appreciate your desire to expedite matters. And I will allow
25 you the flexibility to just have a standing objection. If you

1 wish to point that out in the record when that occurs, that is
2 up to you. But I don't think we need to actually make a formal
3 ruling each time, because the ruling is going to be the same,
4 Mr. Friedman.

5 MR. FRIEDMAN: I understand. I will just point it
6 out at that point. Thank you.

7 COMMISSIONER DEASON: Very well.

8 Mr. Clifford, you may continue.

9 MR. CLIFFORD: In June of last year there was a
10 customer hearing at Lake Placid in the Woodlands Clubhouse. We
11 spent the day and the following day -- I spent a major portion
12 of the day with the engineer, Ted Davis, going through Camp
13 Florida in all the sites. And he was questioning, and so I
14 worked with him. There was a question that started out where
15 there were 70 sites or lots supposedly not available for
16 renting. I questioned that. And as I went around with the
17 engineer, Davis, he saw the water connections, the sewer
18 connections, the electrical connections, and he said he would
19 sit down with the utility to go through where that 70 count
20 was.

21 Now, there is 397 sites in Camp Florida, 151 as you
22 note here in the paper are residential customers. There are 15
23 unitized lots, meaning they were some people have two lots or
24 one and a half lots. And then there is -- Highvest has homes
25 in the site, I think there is 20 or 30, and then the others are

1 padded.

2 The last count I made there were 23 sites that did
3 not have electrical connections. So if you start adding up,
4 there is between 209 and 204 sites belonging to Highvest at
5 this point, 151 customers, 15 unitized lots, that is 375.
6 Subtract that from 397, there is about 18 to 20 that are not
7 usable because they don't have the electrical connections.

8 Now, Ted Davis expressed -- he did not care whether
9 it had an electrical connection, as long as it had a water
10 connection and sewer connection it should be counted. Now
11 maybe you ask why I am bringing this up. It makes a big
12 difference in revenue. What is the percentage? 150 over, say,
13 209, that is 50 or 60 percent short on revenue.

14 I don't know what the Commission has done on loading
15 that end. I understand that it was a choice made by the
16 utility not to charge Camp Florida L.P., or not to charge them
17 at this point Highvest, but that should be in their
18 calculations. What that would do, say I understand that there
19 was a last revenue -- that they had a revenue of \$4,800, that
20 should be almost \$10,000 if you put these. Now, it's their
21 choice not to collect it, but it should be in their
22 calculations.

23 So what I am questioning, how do we come up with the
24 count that they have presented? It does not add. There should
25 be approximately 375 customers. Whether they collect the

1 revenue on all of them, that is another matter, I have no
2 knowledge of that. But I don't feel that I, as an owner,
3 should be trying to make up for any shortage that they are not
4 collecting.

5 I think that is my statement.

6 COMMISSIONER DEASON: Thank you. I will ask Mr.
7 Friedman, do you have questions?

8 MR. FRIEDMAN: No, I don't. I haven't had an
9 adequate opportunity to investigate this gentleman's claims,
10 since that wasn't an issue, and, therefore, I don't feel that I
11 can cross-examine him. Thank you.

12 COMMISSIONER DEASON: Staff, do you have any
13 questions?

14 MR. HARRIS: No questions.

15 COMMISSIONER DEASON: I guess you have no redirect,
16 then do you, Mr. Burgess?

17 MR. BURGESS: I do have -- that is correct,
18 Commissioner. I would like to respond to Mr. Friedman's
19 comment. It has been -- the issue of how much revenue to
20 impute for the rental lots was an issue through the prehearing,
21 and so Mr. Friedman has had an opportunity to address that
22 issue. And, in fact, has addressed the issue. So the
23 suggestion that somehow he has been blind-sided by this is
24 incorrect.

25 MR. FRIEDMAN: Well, the question of the number of

1 lots has never been in dispute in any of the documentation up
2 through the prehearing order.

3 COMMISSIONER DEASON: Okay. Thank you. Mr.
4 Clifford, thank you for your statement. I appreciate you being
5 here today.

6 I may have failed -- before we started taking
7 customer testimony, Mr. Burgess, did you wish to make an
8 opening statement at this phase of the hearing?

9 MR. BURGESS: Thank you, Commissioner. I believe, if
10 it is acceptable to the Commission, I would withhold opening
11 statement until the customers had finished testifying, and then
12 before we begin our case.

13 COMMISSIONER DEASON: So we will just wait until the
14 technical phase.

15 Mr. Friedman, do you wish to make an opening
16 statement now or at the technical phase of the hearing?

17 MR. FRIEDMAN: I will wait, along with Mr. Burgess,
18 and do it at the technical phase.

19 COMMISSIONER DEASON: Very well. Staff, I assume you
20 have no opening statement?

21 MR. HARRIS: No.

22 COMMISSIONER DEASON: Okay. Mr. Burgess, you may
23 call your next witness.

24 MR. BURGESS: Thank you, Commissioner. We would call
25 Sara S. Keller, please. Ms. Keller, if you would step forward

1 and take a seat at the microphone.

2 SARA S. KELLER

3 appeared as a witness and, swearing to tell the truth,
4 testified as follows:

5 DIRECT STATEMENT

6 MS. KELLER: Good morning.

7 COMMISSIONER DEASON: Good morning.

8 MR. BURGESS: Ms. Keller, if you would, please, give
9 your name and address for the record.

10 MS. KELLER: I'm Sara Keller, 5 Freedom Way, Lake
11 Placid, Florida. I am a resident, resident/owner.

12 MR. BURGESS: Thank you, Ms. Keller. Now, you heard
13 Mr. Clifford's testimony where we simply began and just gave
14 the freedom for the witness to begin addressing the Commission
15 on the areas of concern that they had, and so I would ask you
16 the same generalized question. What is it that you have that
17 you would like to present to the Public Service Commission?

18 MS. KELLER: I have several concerns that have been
19 expressed to me by other residents that could not -- who could
20 not come down. And I would like to -- I have those pretty well
21 consolidated, and I have copies of them also if you would like
22 for me to give those to those concerned.

23 COMMISSIONER DEASON: If you can just do that orally.
24 And if you have any copies you wish to provide to Mr. Burgess,
25 and at a break he can look at that, and if he feels like he

1 needs to introduce that as an exhibit, we'll allow him to do
2 that at a later time.

3 MR. BURGESS: Thank you, Commissioner.

4 MS. KELLER: Okay. As I had previously stated, this
5 is an accumulation of concerns by persons, residents who could
6 not be here, so it is not just my own concern. Understood?
7 One of the first things that we want -- that they are concerned
8 about is the Water Plant Number 1, and I would like to read an
9 excerpt from a final judgment.

10 MR. FRIEDMAN: Your Honor, this is one of those
11 points that I have a different objection. In addition to --
12 she is mentioning about an issue that is not -- she is getting
13 ready to talk about a water plant issue that is not an issue we
14 identified. She is also testifying about concerns that are not
15 hers, but are somebody else's, and I think that --

16 COMMISSIONER DEASON: Well, now, if I understand, I
17 think she said that all of these are her concerns, but they are
18 also shared by others. So let me ask a clarifying question.
19 Are these your concerns, or are these just concerns that other
20 people have told you about?

21 MS. KELLER: These are my concerns, also.

22 COMMISSIONER DEASON: Okay.

23 MR. FRIEDMAN: Then I would just object to the
24 breadth of the issues, to the extent she is going to address
25 issues that are not covered by the prehearing order.

1 COMMISSIONER DEASON: And your objection is duly
2 noted. Ms. Keller, you may continue.

3 MS. KELLER: Water Plant Number 1 has been used in
4 the PSC study with a value determined or assigned to it as I
5 could understand. I am quoting from a court judgment that says
6 that the court finds that the common area for Camp Florida
7 Resort is as defined in the plat and replat of that
8 subdivision. Specifically, the court finds that all property
9 not designated as lots on the plat and replat are to be owned
10 by the homeowner's association as common elements.

11 Water Plant Number 1 is located on the common
12 property. When the PSC did the study, they found that the
13 Water Plant 1 did not belong to Woodlands. John Lovelette in
14 December, acting as president of the POA, executed a document
15 that conveyed Water Plant 1, our common property, to Woodlands
16 without cost, without the knowledge or the approval of any of
17 the resident owners. I can't say of any of the individually
18 owned lots.

19 John Lovelette works for Mr. Cozier, he works for
20 Woodlands, he works for Highvest. He took this action as the
21 president of our property owners association to give away our
22 property. I feel that that amount of money that has been
23 assigned to that should be removed from any computations.

24 Any questions?

25 COMMISSIONER DEASON: Ms. Keller, do you have further

1 concerns you wish to address?

2 MS. KELLER: Yes, I do.

3 COMMISSIONER DEASON: Why don't you go ahead and
4 address all of your concerns and then we will entertain
5 questions.

6 MS. KELLER: All right. The rent for the office
7 space in the front building. At the time that the study was
8 conducted, the office building up front belonged to the
9 property owners. From the time that it was purchased in 1995
10 until it was sold by Mr. Lovelette to Mr. Cozier, there was no
11 rental income indicated anywhere in any of the budgets.

12 To count rent from Woodlands, to use a portion of our
13 building would be faulty. That should not be considered. Our
14 concern, my concern and others are concerned that the legal
15 fees which are being incurred in this study, this protest will
16 in some manner be passed through to us as consumers. We do not
17 feel that is appropriate. We feel that to protest the very
18 lenient findings of the Commission was ridiculous. We did not
19 make any protests. There were several items that we could have
20 questioned at the time, but we were so relieved to have
21 something done about the excess costs that we chose not to do
22 that.

23 But we are concerned. We have a past history of Mr.
24 Cozier and his team, the Lovelettes, passing legal fees through
25 to us, the individual resident owners. We have past experience

1 in the court case. We are also concerned that the installation
2 of meters on the rental lots might be passed through as if they
3 are an asset or a cost for Woodlands as plant property, and may
4 be amortized and in some way have those costs come through to
5 us. Again, it is a common practice for this to be done and we
6 do not feel that we should be responsible for those. Those
7 meters would be put on lots belonging to Camp Florida -- not
8 Camp Florida, it is now Highvest, not Woodlands.

9 It may seem very strange to you for us to be so
10 concerned but, again, I am speaking from past experience. The
11 court described their actions, the team of Lovelette and
12 Cozier, as suspect, underhanded, unethical, and bad faith
13 tactics that were self-dealing and which unjustly enriched Mr.
14 Cozier. This is where we are coming from. We have been there,
15 we have been hit hard.

16 Another subject are the reserve monies in dispute.
17 In February we were directed to pay our water/sewer bills to a
18 company called L.P. Utilities. Now, Woodlands was under the
19 direction from the Public Service Commission to put the
20 disputed revenue into a reserve account. L.P. Utilities is not
21 under that direction. We are paying to L.P. Utilities \$35 a
22 month.

23 The monthly report for April that was submitted by
24 Mr. Lovelette showed an income of \$4,900, maybe it was 48 or
25 49, from 138 customers. That is completely ignoring the rental

1 lots. There have been rentals in April, there were rentals in
2 previous months. The total number of active customers that he
3 has reported is 149. We have an income, again, a monthly
4 income of 4,900 for April, I believe it was 48 or 49. Now, he
5 is not showing any income from the rental lots.

6 The warranty deed and the mortgage and a promissory
7 note from Highvest to L.P. Utilities requires a monthly payment
8 against that mortgage of \$5,417. Now, with an income of 4,900
9 that they are reporting, and a mortgage payment of 5,400, it
10 would not appear that there is any reserve in L.P. Utilities to
11 refund to us the overcharges. That being the case, we would
12 like to ask the Commission to authorize us to put the monies in
13 dispute into an account which you can hold. I don't care who
14 holds it, but we are -- we have no security, no certainty that
15 the money will be there if and when you determine that there is
16 a refund due us.

17 The only way that we were able to get any money out
18 of the previous court judgment was for a group of us to put our
19 monies in the court registry. And we who did that are the only
20 ones who got any money back. So we are very, very concerned.
21 We know that Highvest foreclosed on Woodlands; we know that
22 L.P. Utilities is not of their own management decision
23 collecting on the rental lots; and we feel that we are
24 vulnerable in that regard. I think that covers everything.

25 MR. BURGESS: Commissioner, before cross-examination,

1 would you allow me to ask questions clarifying the issues that
2 were raised?

3 COMMISSIONER DEASON: Yes, you may. You may proceed.

4 MR. BURGESS: Thank you, Commissioner.

5 Ms. Keller, your first issue was about Water Plant
6 Number 1, and you indicated that -- you read from a document, I
7 believe, that indicated that common elements were owned by the
8 POA. Would you tell me first, when you use the acronym POA,
9 what that refers to?

10 MS. KELLER: Property owners association.

11 MR. BURGESS: Thank you. And what was the document
12 that you read from that arrived at that determination?

13 MS. KELLER: That was the court decision out of the
14 Highlands County Court by Judge Durantz (phonetic) in August of
15 2000.

16 MR. BURGESS: And so that jurisdiction was county
17 court, or do you know whether that jurisdiction county court or
18 circuit court?

19 MS. KELLER: Circuit court. And they validated the
20 fact that anything on the plat that was not indicated as being
21 lots was common property.

22 MR. BURGESS: And you indicated that the Water Plant
23 Number 1 was one such of those common elements?

24 MS. KELLER: It is a part of the common property,
25 that is correct, on both the plat and the replat.

1 MR. BURGESS: Then you indicated, I believe, that Mr.
2 Lovelette, as president of the POA, conveyed the property to
3 whom?

4 MS. KELLER: To Woodlands.

5 MR. BURGESS: To the utility?

6 MS. KELLER: To the utility for which he works, and
7 which belongs to Cozier.

8 MR. BURGESS: So would I be correct in understanding
9 that Mr. Lovelette was president of the POA?

10 MS. KELLER: Mr. Lovelette, his wife, his sister were
11 put on the board by Mr. Cozier's majority votes. So they
12 really have no option except to do what Mr. Cozier says. They
13 are employees.

14 MR. BURGESS: I'm going to need to back up. You say
15 they were put on by majority votes. Is it correct then that
16 the president is elected by a majority of the votes of the
17 property owners association?

18 MS. KELLER: No, sir. The president is a board
19 decision. Those on the board decide who will be president.

20 MR. BURGESS: How is the board membership determined?

21 MS. KELLER: By the vote of all members. And Mr.
22 Cozier has the majority vote because he has 240-some, plus or
23 minus, lots. Each member who has a lot has the right to vote.

24 MR. BURGESS: Okay. And then the deed was conveyed
25 by the property owners association whereby Mr. Lovelette acted

1 on behalf of the property owners association in the capacity
2 you have described.

3 Do you know how much the property owners association
4 received as a purchase price for this particular piece of
5 property?

6 MS. KELLER: Nothing.

7 MR. BURGESS: The second issue that you raised, you
8 spoke of past experience and concern of the legal cost being
9 passed on to the property owners, the private property owners,
10 and you read from a document. What document is that, please?

11 MS. KELLER: A document on that? Other than our past
12 experience of the court judgment?

13 MR. BURGESS: Yes. You read a finding about,
14 describing business practices.

15 MS. KELLER: Oh. That was from the final judgment in
16 the Highlands County court case.

17 MR. BURGESS: Is that the same document that you
18 referred to when we were discussing the previous issue with
19 regard to the common areas being owned by the property owners?

20 MS. KELLER: That is correct. That was contained in
21 the decision of the court, that description of the actions that
22 we were exposed to.

23 MR. BURGESS: And you indicated that that was a final
24 judgment.

25 MS. KELLER: That is correct.

1 MR. BURGESS: You spoke of the meters that were
2 installed, and some concerns you had about the meters. Has
3 your property had a meter installed to measure the gallonage
4 used in your home?

5 MS. KELLER: Yes. In July of 2000 we were directed
6 to prepay for meter installations of \$189, and I think some odd
7 cents. That included a \$10 fee for the developer to locate the
8 water lines. Of course we object to that, but that doesn't
9 seem to matter much. We felt the \$10 was a developer's cost,
10 because he is the one that put the water lines in to start
11 with. But at any rate, yes, we were directed to prepay for the
12 meters, installation of meters. There are no meters on
13 property owned by Highvest, other than the properties that they
14 have bought from previous owners.

15 MR. BURGESS: Well, you as an individual property
16 owner had meters installed. Do you know whether meters were
17 installed for the lots of the other individual privately owned
18 lots?

19 MS. KELLER: Yes, sir.

20 MR. BURGESS: Do you know whether a connection fee or
21 a contribution fee was collected from those other lot owners?

22 MS. KELLER: \$189. Several people paid half of it,
23 you know, waiting, you know, pending the full installation
24 rather than paying ahead of time. And I'm sure that there are
25 many variable amounts that were paid, some may not have paid at

1 all. We paid half.

2 MR. BURGESS: Now, you indicated, though, that there
3 are some number of lots that have not had meters installed, is
4 that correct?

5 MS. KELLER: That is correct.

6 MR. BURGESS: And what lots are those?

7 MS. KELLER: Those are the rental lots. They include
8 the open spaces, pads, and homes. The only houses -- the only
9 park models that have meters on them are those that have been
10 previously owned by individuals and were bought by Highvest.

11 MR. BURGESS: So those lots are owned by Highvest?

12 MS. KELLER: That is correct, 200 and some.

13 MR. BURGESS: With regard to your concern on the
14 escrow, I'm afraid that I missed your concern on that. And so
15 if you would -- well, let me just ask specific questions. Your
16 concern is that there is not adequate security on the amount of
17 money that may end up being required to be refunded, is that
18 correct?

19 MS. KELLER: That is absolutely correct.

20 MR. BURGESS: And your concern is that an inadequate
21 amount of funds are being put into this escrow account?

22 MS. KELLER: Mr. Burgess, if they choose not to
23 collect from the rental lots, the lots that are owned by
24 Highvest, that is their management decision, but we should not
25 lose out because of that. They are only reflecting the income

1 from the individually owned lots. That is not enough to cover
2 the mortgage that they have entered into with Highvest, and, of
3 course, all of them being Cozier corporations. And so there
4 obviously cannot be any reserve in the event we are refunded.

5 MR. BURGESS: Thank you, Ms. Keller.

6 MS. KELLER: Let me continue.

7 MR. BURGESS: Please.

8 MS. KELLER: We would very much like to be able to
9 put the disputed amount into a reserve ourselves directly,
10 which we had done in the court case, and that was the only way
11 we got any money back.

12 MR. BURGESS: So what you are suggesting is that that
13 portion of your rates that is in dispute and may be refundable,
14 you would like to be able to deposit that directly into an
15 account to gain the security you are concerned about?

16 MS. KELLER: Correct.

17 MR. BURGESS: Thank you, Ms. Keller. That's all I
18 have. Thank you, Commissioners, for allowing me those
19 questions.

20 COMMISSIONER DEASON: Mr. Friedman.

21 MR. FRIEDMAN: Yes. Commissioners, with regard to
22 the first issue about the water plant, again, that is an issue
23 that wasn't noticed and so I am obviously not prepared to
24 cross-examine on that question.

25 Ms. Keller, what entity owns that office building

1 today?

2 MS. KELLER: Today? John Lovelette sold that
3 building to Mr. Cozier.

4 MR. FRIEDMAN: Do you know what entity owns that
5 office building today, what entity, what company?

6 MS. KELLER: It is either Highvest or Wachula Bank,
7 probably.

8 MR. FRIEDMAN: So it is not the POA?

9 MS. KELLER: No, sir.

10 MR. FRIEDMAN: You mentioned that you thought -- you
11 complained about your excessive water and sewer bills. Is it
12 your opinion, then, that \$35 a month for water and sewer, all
13 the water you want and sewer of \$35 is excessive?

14 MS. KELLER: Of course. We don't use any when we're
15 not here, and that is true for the majority of the people. We
16 are snowbirds.

17 MR. FRIEDMAN: And so as a snowbird, you don't think
18 you ought to have to pay for the time of the year that you're
19 not here?

20 MS. KELLER: And don't use any of it, yes. We should
21 pay a base figure, yes, but not \$35.

22 MR. FRIEDMAN: You talked about escrow. You
23 obviously have looked at something that showed how much -- a
24 monthly report, I guess, from --

25 MS. KELLER: From John.

1 MR. FRIEDMAN: From L.P. Utilities?

2 MS. KELLER: From Mr. Lovelette.

3 MR. FRIEDMAN: Okay. And where did you get that
4 monthly report?

5 MS. KELLER: Off the computer.

6 MR. FRIEDMAN: Off the Internet?

7 MS. KELLER: Uh-huh.

8 MR. FRIEDMAN: Did you also notice on the Internet
9 site that there is an escrow agreement with Wachula Bank by
10 which the utility is putting money into an escrow account?

11 MS. KELLER: No.

12 MR. FRIEDMAN: You didn't see that, you just saw the
13 one document that --

14 MS. KELLER: I just saw the report that Mr. Lovelette
15 submitted to the Commission.

16 MR. FRIEDMAN: Well, you may want to check the
17 Internet again and be more thorough in your research, ma'am.

18 MS. KELLER: Are you telling that me that there is a
19 reserve, that they are putting money in reserve beyond the
20 4,900 that he reported?

21 MR. FRIEDMAN: Ma'am, luckily I'm the one that gets
22 to ask the questions.

23 MS. KELLER: I'm sorry.

24 COMMISSIONER DEASON: Excuse me just a second. I'm
25 going to allow you to continue, Mr. Friedman, but I'm going to

1 ask staff if they have any information on the escrow account
2 and any security that the Commission has required for any
3 potential refund. Just be prepared to make a statement so all
4 the customers will know what the Commission has done at this
5 point. So we will try to get that clarified for you, Ms.
6 Keller.

7 MR. FRIEDMAN: Ms. Keller, am I correct that you
8 stated that you paid half of your meter installation fee?

9 MS. KELLER: That is correct.

10 MR. FRIEDMAN: And you have not paid the other half?

11 MS. KELLER: No, sir.

12 MR. FRIEDMAN: I have no further questions.

13 COMMISSIONER DEASON: Thank you. First of all, do
14 you have any questions for the witness?

15 MR. HARRIS: We have no questions.

16 COMMISSIONER DEASON: Okay. Mr. Harris, will either
17 you or Mr. Willis, someone just explain what the -- if you have
18 that information available. If you need some time, we can
19 address it later.

20 MR. WILLIS: We need some time.

21 MR. HARRIS: We are looking for the actual document,
22 and then we'll present that when we find it.

23 COMMISSIONER DEASON: What we will do is, Mr.
24 Burgess, we'll go to your next witness, and at a convenient
25 time we will allow staff to get that information and share it

1 with the customers.

2 MR. BURGESS: Thank you, Commissioner. I know that
3 will be helpful, because that is a concern that the customers
4 have.

5 COMMISSIONER DAVIDSON: Commissioner?

6 COMMISSIONER DEASON: Yes.

7 COMMISSIONER DAVIDSON: One comment I had, if all the
8 parties and staff can address at appropriate times throughout
9 the hearing. I would like to know if there are issues in this
10 case that the utility is estopped from relitigating here by
11 virtue of that August 2000 decision. I don't know if there
12 are, but if there are any that have been addressed and finally
13 adjudicated by that decision, if staff and the parties could
14 address those where appropriate.

15 MR. BURGESS: Thank you, Commissioner. Chairman
16 Deason, I would --

17 COMMISSIONER DEASON: First of all -- Ms. Keller,
18 thank you for your testimony. We appreciate you being here.
19 You may be excused.

20 MR. HARRIS: Commissioner -- Mr. Burgess, excuse me.
21 We do have the document, the escrow document, we can present
22 that at this point.

23 COMMISSIONER DEASON: Okay. Please proceed with
24 that, Mr. Harris.

25 MR. HARRIS: The Commission when -- and I'll explain

1 it to the customers. When the PAA order came out, the order
2 establishing the refund got protested, it is the Commission's
3 practice to require the utility to put a portion of your bill
4 every month into a separate account to fund that refund, and
5 this is called an escrow account.

6 In this case there is an escrow agreement with
7 Wachula State Bank, and that was established on -- let me see,
8 I'm looking for the exact date here. It was opened by Order
9 PSC-02-1739-PAA-WS, and we can give you the numbers afterwards
10 so you can write them down and pull them off the Internet. But
11 it is essentially an agreement with Wachula State Bank, the
12 Florida Public Service Commission, meaning the Public Service
13 Commission is a party to the agreement and has power with this
14 agreement, and then the utility company.

15 And what it basically says is the utility shall open
16 a joint interest-bearing escrow account. Funds shall be
17 deposited by the utility in the amount equal to 33.77 percent
18 of each payment received within 7 days of receipt. That means
19 as soon as your payments go in, within 7 days 33.7 percent of
20 that payment has to be deposited into this account. The
21 interest rate is 0 percent. The bank shall disburse funds only
22 upon order of the Florida Public Service Commission issued in
23 this docket. The bank shall make monthly statements. The
24 account is established for the benefit of the utility's
25 customers. All information on the escrow account shall be

1 available from the bank to the Public Service Commission or its
2 representatives at all times.

3 So there is a document in place between the utility,
4 the Commission, and this bank that puts 33.77 percent of your
5 payments into a separate account, an interest bearing account,
6 although the interest rate is zero, but it is a separate
7 account that is being held to secure those refunds, if the
8 Commission orders that as a result of these procedures.

9 MS. KELLER: (Inaudible.)

10 COMMISSIONER DEASON: I'm sorry. Ms. Keller, I hate
11 to ask you, but if you can come back to the microphone, because
12 the court reporter needs to be able to take down everything
13 that is said. So if you could come back to a microphone, that
14 would be greatly appreciated.

15 MS. KELLER: Our concern is that this requirement
16 related to Woodlands as opposed to L.P. Utilities.

17 MR. HARRIS: This agreement is with L.P. Utilities
18 Corporation.

19 MS. KELLER: How about Woodlands? Is it also with
20 Woodlands for the previous -- since 1998, January of '98?

21 MR. HARRIS: I believe Woodlands was holding money
22 subject to refund as a result of the prior proceedings. This
23 escrow account is for the L.P. Utilities that we have today. I
24 believe there is a separate agreement for the Woodlands.

25 MS. KELLER: Woodlands was foreclosed on by Highvest.

1 MR. HARRIS: That is one of the issues in this case,
2 who is going to be responsible for the refund from the
3 Woodlands.

4 MS. KELLER: We are concerned.

5 MR. HARRIS: I understand that, and that will be one
6 of the issues that we are going to get to later. There is some
7 testimony that is going to be presented later during the
8 technical portion relating to those refunds due from Woodlands.

9 MS. KELLER: Well, we are primarily concerned with
10 where is the money. Bottomline, you know, is it going to be
11 available.

12 MR. HARRIS: Right. We understand that.

13 MS. KELLER: Thank you.

14 COMMISSIONER DEASON: Thank you, Ms. Keller.

15 Mr. Burgess, you may call your next witness.

16 MR. BURGESS: Thank you, Commissioner.

17 Judy Pernod.

18 JUDY PERNOD

19 appeared as a witness and, swearing to tell the truth,
20 testified as follows:

21 DIRECT STATEMENT

22 MS. PERNOD: My name is Judy Pernod, P-E-R-N-O-D, and
23 I live at 18 Hidden Cove, Lake Placid, Florida.

24 MR. BURGESS: Thank you. And just to make certain,
25 you were sworn in, you were one the customers who stood and

1 were sworn in?

2 MS. PERNOD: Yes.

3 MR. BURGESS: Thank you, Ms. Pernod. Like the
4 previous witnesses, I would just ask you to address the
5 Commissioners with the concerns that you have.

6 MS. PERNOD: The main concern that I have is that,
7 you know, we heard that there were 70 unrentable lots in Camp
8 Florida Resort, and that was just a little bit hard for me to
9 believe, you know, just knowing how the park is.

10 MR. FRIEDMAN: Commissioner, if I might interpose
11 that this is one of those issues that she is addressing that is
12 not an issue in the prehearing statement.

13 COMMISSIONER DEASON: Very well. Your objection is
14 noted.

15 MS. PERNOD: Okay. There are seven circles and there
16 are 40 lots in each circle, so that would be like two circles,
17 almost, that really were unrentable. So Mr. Jack Shreve was at
18 Camp Florida Resort in February, and he stopped by our house
19 and was talking about different things. And he asked me and my
20 husband if we would check the unrented lots and how many water
21 meters were, you know, in the park, because they were supposed
22 to have water meters and we knew they hadn't been putting them
23 in. So we came up with -- they are all rentable, really. I
24 didn't see any lots that were not rentable.

25 But I have been there for 11 years, 11 seasons, and

1 we walk the park and drive the park a lot, so I know just about
2 any lot that wasn't rented. And during our survey we came up
3 with the maximum amount that have not been rented would be 28.
4 And we showed that they rent 196, and maybe, possibly, 28 have
5 not been rented. And we only found three water meters, and
6 that like Ms. Keller said, they were on property that had been
7 previously owned.

8 COMMISSIONER DEASON: Does that conclude your
9 statement?

10 MS. PERNOD: Yes. On that, yes.

11 MR. BURGESS: May I ask a clarifying?

12 COMMISSIONER DEASON: Please.

13 MR. BURGESS: Thank you, Commissioner.

14 Ms. Pernod, do I understand, then, your testimony to
15 be that of all of the lots in the entire park, that you believe
16 at a maximum only 28 are not rentable?

17 MS. PERNOD: Have not been rented, uh-huh.

18 MR. BURGESS: Thank you.

19 COMMISSIONER DEASON: Mr. Friedman.

20 MR. FRIEDMAN: Commissioners, this not being an issue
21 that was noticed and us being prepared to address, I'm not
22 adequately prepared to cross-examine on that issue.

23 COMMISSIONER DEASON: Staff.

24 MR. HARRIS: No questions.

25 COMMISSIONER DEASON: Commissioners, any questions?

1 COMMISSIONER BRADLEY: Yes, I have a question. Can
2 someone clear up what the difference is between not rentable
3 and nonrentable might be? Not rented and nonrentable.

4 COMMISSIONER DEASON: Staff, do you have a response
5 for the Commissioner?

6 MR. HARRIS: I can try to explain it. Let's have Mr.
7 Willis do that, though. I believe he is probably more able to
8 do so.

9 MR. WILLIS: Commissioners, it might be helpful if I
10 could just ask the company if they have one of the brochures
11 that shows the area, just for visual purposes for the
12 Commission, not as an exhibit.

13 MS. PERNOD: Like this?

14 MR. WILLIS: Yes. That is one right there.

15 MS. PERNOD: I have more. Those are marked with the
16 28.

17 COMMISSIONER DEASON: Mr. Friedman, do you need one
18 of these? We'll share with you.

19 MR. FRIEDMAN: No, I've got one. Thank you.

20 MR. WILLIS: Commissioners, if I could just briefly
21 kind of summarize what this is about. There was a previous
22 issue which right now Mr. Friedman is saying is a nonissue,
23 because it was not protested, over how many lots within the
24 park are rented versus sold. Of the rented lots, now, getting
25 back here for a minute, part of the lots have been sold to

1 owners and they are individually owned, as Ms. Keller before
2 has owned her own lot, and several of the residents own their
3 own lots. Other lots are actually rented as part of a rental
4 business for RV people who want to come in and park their RV
5 and stay here for awhile. They rent the lots.

6 One of the issues, previous issues in the case which
7 is not an issue at this point in time was that the Staff had
8 determined and the Commission agreed, or actually no one
9 objected to it, that 70 lots were determined not to be rentable
10 at that point in time, meaning they had not proper connections
11 to be rented. That is the issue that Ms. Keller brought up and
12 the current customer is bringing up as to whether or not there
13 truly were 70 lots not rentable.

14 And by not rentable we mean there were no available
15 connections to put any kind of customer on. They were unable
16 to rent for revenue purposes and therefore would not be there
17 as customers of the utility company. That kind of, in summary,
18 is what this is about, between rentable and nonrentable.

19 COMMISSIONER DEASON: Mr. Burgess, Mr. Friedman, do
20 you have anything to add?

21 MR. BURGESS: That is correct, what Mr. Willis said,
22 and if I could just add that it came down to a determination of
23 how much revenue to impute to the rental lots because the
24 utility company was not actually charging the rental lots a fee
25 for the water and wastewater service. And so the question was

1 how much to impute. And the methodology involved how many lots
2 are actually rentable. And the reverse of that was, well, the
3 total amount minus those which are unrentable or nonrentable.
4 And, Commissioner, to answer your question, to the best of my
5 understanding the two are synonymous, not rentable or
6 nonrentable. There was not an intent for there to be a
7 distinction for purposes of this issue. It is just a question
8 of if you did charge a fee to the people who are using or who
9 own these lots, or to the people that are getting this service,
10 how many lots would you charge it to? And the issue was, well,
11 all but those that cannot be rented or are not rented.

12 COMMISSIONER DEASON: Mr. Friedman, do you have
13 anything to add or clarify?

14 MR. FRIEDMAN: No, I think that clearly articulates
15 that prior issue.

16 COMMISSIONER DEASON: Thank you. Any other
17 questions, Commissioners?

18 Mr. Burgess, you may call your next witness.

19 MS. PERNOD: I have another concern or statement that
20 I wanted to make.

21 COMMISSIONER DEASON: I apologize.

22 MS. PERNOD: I just wanted people to realize that we
23 may be senior citizens, but we just don't let someone tell us
24 something and not question it. Because when they increased
25 their water rates to \$35, I refused to pay it. And I refused

1 to pay it for quite sometime. And I got a letter from Mr.
2 Lovelette about he was going to shut my water off. And I
3 talked to him and asked him if he could show me proof that he
4 had the authority to increase our water fees, I would pay it.
5 And, of course, he didn't, because he still doesn't. And one
6 day in February we went home, and this was on our door, that if
7 we didn't pay our water, pay up what we owed, they were going
8 to shut our water off. Let's see, I'm not sure what date here,
9 and then they were going to charge me \$15 to reconnect it. So,
10 of course, I went ahead and paid it because I had no choice.
11 But I did pay it under protest.

12 COMMISSIONER BRADLEY: What date was that sent to
13 you?

14 MS. PERNOD: This was -- it says on February 19th,
15 2001.

16 COMMISSIONER DEASON: You may continue, ma'am.

17 MS. PERNOD: Well, that is really all I have to say
18 about this unless you have any questions about it.

19 MR. FRIEDMAN: No questions.

20 COMMISSIONER DEASON: Staff, any further questions?

21 MR. HARRIS: No questions.

22 COMMISSIONER DEASON: Commissioners, any further
23 questions?

24 Thank you, ma'am, you may be excused.

25 Mr. Burgess.

1 MR. BURGESS: Commissioners, there was a fourth
2 customer who signed the list and who was waiting until the
3 others testified to decide whether she wanted to address the
4 Commission. Mrs. Evelyn Clough.

5 EVELYN CLOUGH

6 appeared as a witness and, swearing to tell the truth,
7 testified as follows:

8 DIRECT STATEMENT

9 MS. CLOUGH: I am Evelyn R. Clough, C-L-O-U-G-H. I
10 live at 22 Freedom Way, Lake Placid. And I have been there for
11 11 years in the park. The reason I questioned whether or not I
12 wanted to say anything is because it appears this is nothing
13 but a complaint or problems, and as long as I have been there I
14 haven't had any problems. I have paid my bills, and I have
15 gotten my water. The water has been perfect, it has been
16 proven that the water is very good, and I just don't have any
17 complaints. So that is the reason I question as to whether or
18 not I wanted to say anything.

19 MR. BURGESS: Thank you.

20 MR. FRIEDMAN: I have no questions.

21 COMMISSIONER DEASON: Thank you, ma'am. No
22 questions. Mr. Burgess, no questions? No questions for this
23 witness?

24 MR. BURGESS: No, I have no questions.

25 COMMISSIONER DEASON: Staff?

1 MR. HARRIS: No questions, Commissioner.

2 COMMISSIONER DEASON: Thank you for being here,
3 ma'am. You may be excused.

4 Mr. Burgess, you have exhausted your list, is that
5 correct?

6 MR. BURGESS: That is correct.

7 COMMISSIONER DEASON: Let me ask, are there other
8 members of the public who are in attendance who wish to make a
9 statement to the Commission? If you would just stand and raise
10 your hands.

11 Let the record reflect there are no other members of
12 the public who have indicated they wish to make a statement to
13 the Commission.

14 I want to take this opportunity to thank everyone for
15 being here. For those who testified, we appreciate your
16 statements. As I indicated earlier, you may wish to share this
17 special report with your friends and neighbors. There is also
18 information on this report as to how customers can contact the
19 Commission via the Internet or by our 800 number, these are
20 other means that you may utilize to communicate with the
21 Commission.

22 I believe this was noticed that we would begin with
23 customer testimony, and then at the conclusion of customer
24 testimony we would continue on with the technical phase of the
25 hearing. Is that correct, Mr. Harris?

1 MR. HARRIS: That is correct.

2 COMMISSIONER DEASON: What I would propose at this
3 point is that we take a ten-minute recess as we transition into
4 the technical phase of the hearing. And I would encourage
5 customers, you are certainly invited and welcome to stay and
6 witness the technical phase of the hearing. You are welcome to
7 do that. So at this time point we are going to recess for ten
8 minutes.

9 (Recess.)

10 (Transcript continues in Volume 1 of Technical
11 Hearing.)

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STATE OF FLORIDA)

CERTIFICATE OF REPORTER

COUNTY OF LEON)

I, JANE FAUROT, RPR, Chief, Office of Hearing Reporter Services, FPSC Division of Commission Clerk and Administrative Services, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 5th day of June, 2003.



JANE FAUROT, RPR
Chief, Office of Hearing Reporter Services
FPSC Division of Commission Clerk and
Administrative Services
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