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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:
DOCKET NO. 160101-WS

APPLICATION FOR INCREASE IN
WATER AND WASTEWATER RATES IN
CHARLOTTE, LIGHLANDS, LAKE, LEE,
MARION, ORANGE, PASKO, PINELLAS,
POLK, AND SEMINOLE COUNTIES
BY UTILITIES, INC, OF FLORIDA.

_____ /

VOLUME 8
PAGES 1298 THROUGH 1413

PROCEEDINGS: HEARING

COMMISSIONER PARTICIPATING: CHAIRMAN JULIE I. BROWN
COMMISSIONER ART GRAHAM
COMMISSIONER RONALD A. BRISÉ
COMMISSIONER JIMMY PATRONIS
COMMISSIONER DONALD J. POLMANN

DATE: Wednesday, May 10, 2017

TIME: Commenced at 4:09 p.m.
Concluded at 6:25 p.m.

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: Kairisa Magee
Court Reporter

APPEARANCES: (As heartofore noted.)

PREMIER REPORTING
114 W. 5TH AVENUE
TALLAHASSEE, FLORIDA
(850) 894-0828

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P R O C E E D I N G S

(Transcript follows in sequence from Volume 7.)

CONTINUED EXAMINATION OF MR. FLYNN

BY MR. SAYLER:

Q. And it says, "Are you sponsoring additional exhibits."

A. Yes.

Q. All right. And you would agree that all the exhibits there listed between Lines 12 -- on almost all between -- between Lines 13 and 18 are all exhibits that you have identified in your direct testimony but have since updated or amended or had new cost information that now you've provided in your rebuttal testimony; correct?

A. Yes.

Q. All right. And I took a look at Staff's Comprehensive Exhibit List, and I have -- it says PCF 5, 8, 6, 9, 12, 13, 17, 20, 22, 23, 24, 25, 26, 27, 28, 29, 33, and 34 are either new or updated; is that correct?

A. I believe that's correct.

Q. Okay. And you would agree that a number of those were excluded from the record at the conclusion of your direct testimony; correct?

A. They're excluded from my testimony?

Q. Excluded from the hearing record.

1 A. Oh, I would assume so.

2 Q. Okay. When it comes to all these large
3 proforma projects which by my count you have about 46
4 different proforma projects along with one new one with
5 the GIS System; correct, which is not necessarily
6 proforma?

7 A. The GIS mapping is a proforma.

8 Q. Okay. But it's not a renewal or replacement
9 project?

10 A. Correct. A lot of the projects are not.

11 Q. Okay. In this case, when has the Public
12 Service Commission's staff engineers come out to inspect
13 your proforma projects?

14 A. I'd have to look at my calendar. I think it
15 was in March maybe.

16 Q. In March?

17 A. Maybe January. I forgot. It was a couple of
18 days.

19 Q. And do you remember who from Staff investigated
20 those projects?

21 A. From Staff?

22 Q. Yes.

23 A. No one.

24 Q. No one? All right.

25 A. There was a visit by two auditors to one

1 system, but we had no projects in that system.

2 Q. Okay. So you had auditors come do site visits
3 but no staff engineers do site visits at the
4 proforma project?

5 A. We had two auditors for one day. At one of our
6 systems that had no projects.

7 Q. Okay. Now in prior rate cases when you had
8 proforma projects, did staff engineers come out and
9 visit the project about the same time they did the
10 customer service meeting?

11 A. I've been doing this for a long time, and it's
12 varied over the years --

13 MR. TAYLOR: Objection I think as to the
14 relevance of that.

15 CHAIRMAN BROWN: Overruled. You may answer it.

16 THE WITNESS: I've been doing this a number of
17 years, and typically engineers are assigned to the -- to
18 the case. And they schedule a convenient time on their
19 schedule to visit the facility. Sometimes that
20 corresponded with auditors visiting, sometimes
21 separately, sometimes not until the customer hearing,
22 sometimes not at all.

23 BY MR. SAYLER:

24 Q. Okay. Thank you.

25 Would you please turn to PCF-9 of your

1 testimony, Page 7 of 58?

2 A. You want the exhibit with the exact, actual PCF
3 number?

4 Q. Yes. PCF-9 of your rebuttal testimony Page 7
5 of 58.

6 A. Okay.

7 Q. And this is the Lake Groves Water Treatment
8 Facility Improvement for LUSI?

9 A. Correct.

10 Q. All right. And this is a project to address
11 the elevated levels of TTHNs within that distribution
12 system; correct?

13 A. It's -- specifically, the project's engineer
14 designs were associated with that ultimate project in
15 the future test year -- future year.

16 Q. All right. And when you go down to the
17 paragraph entitled "Technical Experience" at the bottom
18 of that page, you would agree that according to Kim Lee
19 Horn (ph) -- he said he thinks Staff does not currently
20 understand the process well; correct?

21 A. That's their characterization.

22 Q. Okay. Would you turn to the first exhibit
23 identified as the Summertree Water Quality and
24 Maintenance Programs?

25 CHAIRMAN BROWN: We're going to go ahead and

1 mark that as 326 with the title that you just stated.

2 (Whereupon Exhibit 326 was marked.)

3 MR. SAYLER: Thank you, Madam Chair.

4 CHAIRMAN BROWN: You're welcome.

5 BY MR. SAYLER:

6 Q. Okay. All right. And this is an Utilities,
7 Inc. response OPC's 13th -- request for production of
8 documents; correct?

9 A. Yes.

10 Q. All right. And I know we've gone over many,
11 many documents in this case, and I apologize in advance
12 if this ground has already been covered. Were you asked
13 questions about this document yesterday?

14 A. I've looked at the document.

15 Q. Okay. Look at the question No. 113 and the
16 response. The question is, "Provide copies of all
17 permitted and maintenance plans currently used, if any,
18 by the Utilities, Inc. of Florida systems." Do you see
19 that?

20 A. Yes.

21 Q. And you would agree that Utilities, Inc. is
22 currently lacking a structured, well-written,
23 preventative maintenance plan; correct?

24 A. Yes.

25 Q. All right. For No. 14, "Quality of Service,"

1 we asked for predictive maintenance plans, and you would
2 agree that preventative maintenance and predictive
3 maintenance are two different things; correct?

4 A. Yes.

5 Q. All right. And the response is, "Predictive
6 maintenance plans and activities will be a component of
7 the OMS system"; correct?

8 A. Yes.

9 Q. So since it didn't say that UAM is lacking
10 structured or good maintenance plan, it is true that you
11 don't have a predictive maintenance plan currently in
12 place; correct?

13 A. That's correct. It's one of the attributes
14 we're incorporating into our asset management plan.

15 Q. All right. And I believe the question about
16 sewer system overflows was asked yesterday. Currently
17 it's a paper method, and you're going to transition to a
18 computerized method; correct?

19 A. Correct.

20 Q. Again, under "Quality of Service," I believe in
21 testimony -- on rebuttal testimony Mr. Hoy says that the
22 Commission should look at not only just what happened in
23 the test year but most current things, but here in this
24 response to No. 117, when we asked for wastewater field
25 reports in 2017, basically since March 1st, since the

1 time Ms. Vandever (ph) filed their testimony, your
2 response was that it's outside the test year and not
3 material to this case.

4 Is it your understanding that the Commission
5 should not know about the most recent things even if it
6 was, say, a major spill?

7 A. Well, we haven't had a major spill, first of
8 all.

9 Q. Thank God.

10 A. At least -- I haven't been back at the office
11 for a week; so who knows? But the point of the response
12 was it's a historical test year. That's what the focus
13 ought to be.

14 Q. All right. So the focus for quality of service
15 should be on a historical test year; correct?

16 A. Right. That's where the information is common
17 across all the different attributes of the case.

18 Q. Okay. Thank you.

19 We had asked you a question about providing
20 boiled water notices and get the same response. And
21 your answer would be the same for this question?

22 A. Yes. I think we probably had some boiled water
23 advisories for selected areas, but --

24 Q. All right. Was there one for Summertree on or
25 about February 14?

1 A. I believe so. There was an outage caused by a
2 fitting that blew off.

3 **Q. A fitting blew off a joint or something?**

4 A. A water -- during the process of disconnecting,
5 one of the -- one of our wells in the decommissioning
6 process -- the contractor erred to not properly execute
7 the plan. So he caused a low water advisory to be
8 issued because of that outage condition.

9 **Q. Okay. And with respect to Quality of Service,**
10 **"Provide" -- "provide copies of current system**
11 **maintenance schedules for 2017 and 2018. The Company's**
12 **response was they're beyond the 2017-2018 test year.**
13 **That's material. But the question is do you have those?**
14 **Do you have current maintenance systems schedules for**
15 **those years?**

16 A. Well, as I said earlier, we had ad hoc tools in
17 place. We don't have comprehensive plans that have
18 comprehensive enumeration of all the different schedules
19 across all of our 41 systems.

20 **Q. And are those ad hoc tools written down**
21 **anywhere?**

22 A. They are in some cases written down. In some
23 cases they're simply just an accumulation of operations
24 manuals or equipment manufacturer -- manufacturer's
25 equipment information --

1 Q. Okay.

2 A. -- log sheets and so on.

3 Q. Now, under No. 20 the question was -- there was
4 a question regarding Mr. Hoy's rebuttal testimony. And
5 I believe your testimony yesterday was that you reviewed
6 or assisted in the preparation of Summertree Resource
7 Flushing Announcement; is that correct?

8 A. Yes.

9 Q. All right. And if we turn a couple pages into
10 the packet, you see a document that's labeled "draft."
11 Do you see that?

12 A. Yes.

13 Q. And again for the record, at the very top of
14 the page, Public Counsel put the header on it, OPC
15 POD-120, because there weren't any Bates stamped pages.

16 A. Right.

17 Q. And to your knowledge was this draft ever sent
18 to the customers?

19 A. Yes.

20 Q. In this form, or was it amended?

21 A. I believe it was in this form.

22 Q. All right. Now, the No. 1.1 said, "What
23 instructions were provided by you asking the Summertree
24 customers to prepare for their interconnection?"

25 Do you see that in the questions?

1 A. I'm sorry. Where are you?

2 Q. POD-121.

3 A. Oh, going back?

4 Q. Yes. My apologies?

5 A. Okay.

6 Q. So in POD No. 121, Public Counsel requested any
7 instructions prior -- provided by Utilities, Inc. to
8 Summertree customers in order to prepare for their
9 interconnection in December. Do you see that?

10 A. Yes.

11 Q. All right. And now going back to that letter,
12 are there any instructions on what customers need to do
13 to minimize it? "Minimize" such as running their taps,
14 not running their taps during certain points when you're
15 doing the scouring the system, things of that nature?

16 A. No.

17 Q. Okay.

18 A. We did identify in the fourth paragraph some
19 advisory that you may have some sediment in your tap
20 water immediately after the water main has been flushed.

21 Q. Okay. But there's no -- it would be a good
22 idea not to run your -- your water or your water
23 filtration system during certain hours to avoid them
24 getting clogged up by any sediment flushed out by the
25 system?

1 A. Correct. And we didn't really expect a huge
2 amount of sediment to be evident in this flushing
3 effort.

4 **Q. Would it surprise you that a number of**
5 **customers have complained of having their water**
6 **filtration systems or things clogged up as a result of**
7 **this following the interconnection?**

8 A. Would it surprise me that there was -- how
9 many?

10 **Q. Some customers that experienced water issues**
11 **such as their whole house filter system was clogged up**
12 **as a result of sediment that happened after this**
13 **interconnection?**

14 A. I would -- whatever is evident in the
15 complaints that might have been registered in our
16 customer billing system -- customer care system would be
17 what information I would know.

18 **Q. All right. That's a good segue to No. --**
19 **Question No. 122, Quality of Service, "Please provide**
20 **copies of quality of service complaints since**
21 **December 2016. Do you see that?**

22 A. Yes.

23 **Q. You would agree that that is outside the test**
24 **year; correct?**

25 A. Yes.

1 Q. But yet you provided it?

2 A. Yes.

3 Q. Okay. Now keep your finger here in 122 and
4 flip forward to a few pages forward. There's an excerpt
5 from a spreadsheet that Utilities, Inc. provided.

6 A. Okay.

7 Q. Again, Public Counsel added the headers to it
8 that says OPC 13 POD No. 22 -- 122.

9 A. Yes.

10 Q. All right. Now on that first page, if you
11 scroll down one, two, three, four, you see in the
12 comments Mr. Bob Robita (ph) called complaining about
13 extremely low pressure; do you see that?

14 A. Yes.

15 Q. And the complaint was that the pressure has
16 been -- since 12:30; correct?

17 A. Yes.

18 Q. And the statement that you're -- that I believe
19 Brook captured said that he's very frustrated and that
20 there's some other issues; correct?

21 A. Yes.

22 Q. All right. Now flip to the next page. If you
23 go down to the date where it's February 14, do you see
24 that?

25 A. Yes.

1 Q. All right. And -- and I didn't include all the
2 remainder of the pages to save a few trees, but there
3 were a number of calls related to the outage on
4 Valentine's Day; correct?

5 A. Yes.

6 Q. All right.

7 A. That was a function of the day the contractor
8 disconnected the well from the system and inadvertently
9 caused an outage to occur.

10 Q. All right. Now when the contractor causes an
11 outage to occur, is that covered by the contractor's
12 insurance, or is that something that the Utility has to
13 pay for?

14 A. If it's the contractor's negligence or fault,
15 then the contractor is responsible for those costs
16 associated with making the repair.

17 Q. Okay. And when you turn to the final page --
18 at the bottom it says Page 7 of 7 -- you would agree
19 that there's some reports of low water pressure;
20 correct?

21 A. Yes.

22 Q. And then on 4/12 Ms. Paterson calls to report
23 that the serviceman said they aren't getting any
24 chlorine, and that's a result of their reverse osmosis
25 system; is that right?

1 A. Yes. And you wouldn't expect any. All our
2 systems' are going to take chlorine out of the water.

3 Q. Okay. Would you turn back to the letter that
4 was sent to the Summertree customers, the one that says
5 "draft"?

6 A. Yes.

7 Q. And then would you turn to the last -- second
8 to last page in this packet?

9 A. Okay.

10 Q. All right. Take a moment to compare those two.
11 Do you think those are very similar?

12 A. Yeah, similar.

13 Q. All right. I'll represent to you that
14 Mr. Robita from Summertree looks like he took a photo of
15 it and e-mailed it to me.

16 A. Okay.

17 Q. At the very bottom of that page, do you see the
18 line that was underlined that says, "With the switch in
19 water source to PUC Disinfection will once again return
20 to chlorination"?

21 A. Yeah.

22 Q. Is that an accurate statement?

23 A. No. It's a -- it's a typo.

24 Q. And this was what was sent to the customers;
25 correct?

1 A. Yes.

2 Q. All right.

3 CHAIRMAN BROWN: Mr. Saylor, just for clarity
4 of the record, which one was sent to customers?

5 MR. SAYLER: Oh, the one that --

6 CHAIRMAN BROWN: It's underlined?

7 MR. SAYLER: -- second to last page. It's
8 underlined.

9 CHAIRMAN BROWN: Okay.

10 MR. SAYLER: The one that says, "From Mr. Lee
11 Robita (ph).

12 CHAIRMAN BROWN: Thank you.

13 BY MR. SAYLER:

14 Q. And then the last question relates to the
15 Question 123, Quality of Service. "Please provide a
16 copy of the written procedures that Utilities, Inc.
17 followed to clean, flush, and/or prepare the Summertree
18 water distribution system prior to commission to the
19 water supply." Do you see that?

20 A. Yes.

21 Q. All right. Now, that third to last page, this
22 one, at the top of it, it says, again, OPC -- OPC
23 POD-123 Unit Directional Flush. This is what was -- the
24 notice that was presented to the customers; is that
25 correct?

1 A. Yes.

2 Q. And do you know when any of these notices were
3 sent to the customers because I don't see any date
4 showing that they were sent out prior to December 21st?

5 A. I don't have a date on here obviously, but I do
6 know that we mailed this out roughly 10 days ahead of
7 the 21st.

8 Q. So it is your testimony that this was mailed
9 out about 10 days ahead of the 21st?

10 A. Approximately, yeah.

11 Q. But you can't guarantee that; can you?

12 A. I could -- I could verify it through my
13 customer service and billing code system what the date
14 was.

15 Q. All right. And it's per your procedure for
16 customers who have signed up for telephone callbacks
17 that, if they've signed up for it, they would get a call
18 from the Utility saying that is -- these changes are
19 occurring; is that correct?

20 A. That's usually our procedure.

21 Q. Okay. Now, if someone has a voicemail system,
22 do they get a message on their answering machining, or
23 does it hang up?

24 A. It's up to the machine and how it's instructed
25 or designed or works. But it's a robo call if you will.

1 It's sent out by the equipment and delivers the message
2 to whoever answers the phone.

3 **Q. All right. And does that also go to mobile**
4 **phones as people put the mobile phone on there?**

5 A. It goes to whatever attached phone number
6 attached -- attached phone number is on -- registered
7 as -- on the account as the active primary phone number.

8 **Q. And you would agree that a number of the**
9 **Summertree customers are seasonal; correct? Some**
10 **aren't?**

11 A. Some are, certainly.

12 **Q. All right. For the seasonal customers who have**
13 **their northern abode listed as the telephone number of**
14 **record, the robo call would go to that telephone number;**
15 **correct?**

16 A. They could if they would have an active number
17 in their account as one that they can access information
18 where their -- where their Summertree residence.

19 **Q. All right. Thank you.**

20 **Now, in your rebuttal testimony on about**
21 **Page 3, you start talking about some of the plans that**
22 **Utilities, Inc. is going for in the future; correct?**
23 **It's in the preventatives and predictive maintenance**
24 **activities; correct?**

25 A. Yes.

1 Q. All right. And on Line 6 through 12, you
2 mentioned a critical need to address preventative --
3 preventative and predictive maintenance activity for the
4 Mid-County, LUSI, and Sanlando systems in order to
5 improve delivery of service and extend the life of
6 existing assets as well as reduce interruptions caused
7 by equipment failures.

8 What are these current, preventative, and
9 predictive maintenance activities for these three
10 systems? And when was that implemented?

11 A. As I said earlier, our predictive and
12 preventative maintenance programs will be an outcome of
13 our asset management system being implemented.

14 Q. So you would agree that there are current
15 problems meeting the delivery of services to customers
16 in these three systems?

17 A. As I said earlier, there's a means to
18 accomplish our work on an ad hoc basis consisting of a
19 comprehensive way to maximize the benefit.

20 Q. All right. Yes or no? You would agree that
21 there's currently problems meeting the delivery service
22 to these customers?

23 A. Oh, absolutely. That's why we wanted to add
24 staff.

25 Q. And you agree that the services lives of

1 these -- as in these three systems -- have been
2 shortened since Utilities, Inc. has not
3 historically been performing these activities that
4 are critical; correct?

5 A. No. I can't say that. The comment of my
6 testimony says it offers an opportunity to extend
7 the life of existing assets.

8 Q. In general, if a utility is providing a
9 reactive maintenance, you would expect the service
10 lives of those assets to be shorter than if a
11 preventative and predictive maintenance plan is in
12 place; correct, barring accidents?

13 A. If the reactive -- I mean to answer it
14 this way. I don't know for any specific asset if
15 that's the case. In general, that would be true.

16 Q. My next question was: Describe
17 Utilities, Inc.'s historical approach in
18 preventative and predictive maintenance programs
19 and how it's evolved to its current state. But
20 you've already testified you don't have one; so
21 I'm going to move to the next one.

22 Now, if I were to ask you the same
23 questions for the remainder of Utilities, Inc.
24 systems, regarding preventative and predictive
25 maintenance activities, you don't have anything in

1 place for those other systems; correct?

2 A. Correct. Not in a written, comprehensive
3 way.

4 Q. And it would be ad hoc as well for those
5 systems?

6 A. That's what I mean, yes.

7 Q. Okay. On Page 3, Line 17 through 20, you
8 state that, "In the absence of the new field
9 technicians, the Utility will rely on the inactive
10 maintenance which negatively impacts the delivery
11 of water to a services in a reliable way";
12 correct?

13 A. I'm sorry. Where are you? Lines?

14 Q. Lines 17 through 20.

15 A. Yes.

16 Q. All right. And how long have you been in
17 Utilities -- with the Utilities, Inc. of Florida?

18 A. Since 1998.

19 Q. And since the time you started with
20 Utilities, Inc. of Florida, Utilities, Inc. has
21 operated this -- the systems in a reactive manner?

22 A. Correct.

23 Q. And is that how it was operated before
24 you got there to your knowledge?

25 A. Yes. And, again, we have some sporadic

1 or ad hoc preventative maintenance activities
2 undergoing -- underway and have for a long time.
3 But the goal of the asset management plan and the
4 tools that we're going to establish is to have a
5 comprehensive game plan for executing that plan
6 across all the systems in a very effective way.

7 **Q. All right. And in your testimony you**
8 **talk about a computerized maintenance**
9 **management system -- or CMS -- CMMS; do you see**
10 **that?**

11 A. Yes.

12 **Q. All right. How long has a CMMS system**
13 **been an industry standard for water and wastewater**
14 **utilities?**

15 A. I can't answer that. I don't know if it
16 is an industry standard.

17 **Q. All right. And were you here yesterday**
18 **when Mr. Woodcock testified?**

19 A. Yes.

20 **Q. And he described an asset management**
21 **program as a discipline. Do you recall him saying**
22 **that?**

23 A. Yes.

24 **Q. When they say "asset management is a**
25 **discipline," what -- what does that mean?**

1 A. Asset management program is overarching
2 philosophy or policy that encompasses the tool set
3 that allows for the execution of that policy.

4 **Q. All right. And that is a philosophy that**
5 **you are diligently working towards sometime in the**
6 **second half of 2017; correct?**

7 A. We've been developing the asset
8 management plan as a starting point over the last
9 couple of years. You know, the outcome of that
10 will be the implementation of a pilot test of our
11 CMMS and GIS in the second half of this year.

12 **Q. All right. So starting back maybe**
13 **sometime in 2015 you started that?**

14 A. In 2014, I believe, we initiated the
15 first discussion.

16 **Q. And in your direct case, in your original**
17 **testimony and exhibits that were filed, you made**
18 **no mention of this future conversion towards an**
19 **asset management that planned discipline; correct?**

20 A. Correct.

21 **Q. Now, you would agree that CoreX, your**
22 **parent, has -- has that -- has implemented the**
23 **asset management program and all the tool box that**
24 **Mr. Ander -- or Mr. Armstrong previously**
25 **referenced; correct?**

1 A. They -- one of the subsidiaries has a
2 plan in place. It's the University of Oklahoma.
3 They don't have one globally across all their
4 systems --

5 **Q. All right.**

6 A. -- and entities.

7 **Q. And --**

8 A. And it's a system that they acquired when
9 they began operations at that location, as I
10 understand it.

11 **Q. So CoreX -- essentially when you bought**
12 **that operation you bought the asset management**
13 **program; correct?**

14 A. Actually, they don't own that system.
15 They -- they manage it.

16 **Q. Okay. When they started managing that**
17 **system, there was already some form of asset**
18 **management program that they --**

19 A. That's my -- that's my understanding, but
20 that's peripheral.

21 **Q. All right. And I believe earlier you**
22 **testified that there you've experienced five to 10**
23 **percent year over year decreases in O & M**
24 **expenses; correct?**

25 A. That's what was quoted. Correct.

1 Q. And you would agree that having five to
2 10 percent decreases in O & M year over year is a
3 good thing for the Utility; correct?

4 A. Certainly.

5 Q. And it's a good thing for customers
6 because it keeps rates down; correct?

7 A. Certainly.

8 Q. And isn't it true that utilities --
9 excuse me -- that CoreX is requiring its
10 subsidiary, Utilities, Inc., to implement this
11 discipline; correct?

12 A. It's CoreX's policy and goal to have this
13 implemented. That's correct.

14 Q. And so it is not just a Florida operation
15 but every subsidiary in the country; correct?

16 A. It's a -- as an management plan this
17 encompasses -- yes. It encompasses the whole of
18 all of our Utilities, Inc. operations.

19 Q. All right. And Florida is going to be on
20 the cutting edge for the roll-out of that plan;
21 correct?

22 A. That's correct.

23 Q. And so Florida is the pilot, and
24 Mid-County, LUSI, and Sanlando is the pilot for
25 the pilot; correct?

1 A. No.

2 **Q. No?**

3 A. Mid-County, LUSI, and Sanlando are
4 locations where we've identified a need for
5 additional staffing to execute our maintenance
6 activities that I referenced elsewhere in my
7 testimony --

8 **Q. Sir --**

9 A. -- for those assets that are requiring
10 certain cyclical routine activities that we don't
11 accomplish in a -- in a comprehensive way.

12 **Q. Okay. So you don't need these employees**
13 **for the asset management program?**

14 A. The existing workforce will be the
15 executors of the CMMS plan as well as GIS plan --
16 platform. So there's an integrated effort among
17 all of our field staff to be participating in the
18 execution of that effort. The addition of three
19 field technicians on a crew does designing to
20 execute specific maintenance -- recurring
21 maintenance activities is the goal of those three
22 individuals.

23 **Q. All right. So when it comes to those**
24 **maintenance activities, you need those employees**
25 **because you're currently not doing those**

1 **maintenance activities; correct?**

2 A. We're doing sporadically as I've said
3 before.

4 **Q. All right.**

5 I have another exhibit, Madam Chair.

6 **CHAIRMAN BROWN:** Sure. We're at 327 now.

7 **And what would you like to title this as?**

8 **MR. SAYLER:** Asset Management Maintenance
9 Guidelines -- Asset Maintenance Guidelines.

10 **CHAIRMAN BROWN:** All right. We will go
11 ahead and identify that as 327.

12 (Whereupon Exhibit 327 was marked.)

13 **BY MR. SAYLER:**

14 **Q. Would you take a look at this response to**
15 **Staff's Request For Production of Documents**
16 **No. 121? And would you agree that the attached**
17 **document with the exception of the last page is**
18 **a -- a presentation on Utility, Inc. of Florida's**
19 **asset management --**

20 **CHAIRMAN BROWN:** Speak up a little bit,
21 **Mr. Saylor.**

22 **MR. SAYLER:** Certainly.

23 **BY MR. SAYLER:**

24 **Q. You would agree that -- take a look at**
25 **this document. You would agree that is a**

1 presentation on asset maintenance guidelines,
2 everything except for the very last page; correct?

3 A. Yes.

4 Q. All right. And would you please explain
5 what is this document and when it was created?

6 A. Yeah. This is an -- I believe it's a
7 Power Point presentation essentially that reflects
8 the development over time with the -- at the
9 corporate level to identify policy and guidelines
10 on maintaining these particular asset classes.

11 Q. Okay. And -- and to whom was this
12 presentation made?

13 A. I believe it was made to all of the --
14 the business units, the upper management of
15 business units.

16 Q. This presentation was -- in your
17 deposition you represented this was a -- a
18 presentation made to Mr. Hoy related to the
19 justification for the three employees. Do you
20 recall that in your deposition?

21 A. It may have been. I look at this table
22 numerous times for different purposes. So that
23 may be also the case.

24 Q. All right. And I didn't hear your
25 answer. Do you know when this presentation was

1 made?

2 A. I don't without doing some research.

3 Q. All right. And would it be accurate to
4 say that Mr. Carver produced this presentation for
5 Mr. Hoy?

6 A. Let me look. I believe so, yes.

7 Q. All right. And you don't recall who was
8 in the room when it was made to Mr. Hoy; is that
9 correct?

10 A. I don't. I recall this -- yeah. I
11 recall this effort by Mr. Carver to put this
12 together.

13 Q. All right. And you would agree that this
14 was produced to Commission Staff on or about
15 April 19th; correct?

16 A. I believe so, yes.

17 Q. And that was the -- the last -- the
18 discovery cut-off day if you were familiar with
19 those deadlines?

20 A. Yes.

21 Q. And the last page is a screenshot of the
22 properties of this document provided to Staff, and
23 it says that the creation date of this document
24 from PDF -- or from Word to PDF was April 18th.
25 Do you see that? It's tiny print.

1 A. Oh, wrong page. Okay.

2 Q. All right. But according to your
3 testimony, you don't recall exactly when this
4 document was created?

5 A. Not originally, no.

6 Q. Okay. All right.

7 MR. SAYLER: The next exhibit, Madame
8 Chair, is entitled "Facilities Not Being
9 Maintained in a Programmatic Way."

10 CHAIRMAN BROWN: Okay. We are going to
11 go ahead and identify that as Exhibit No. 328 with
12 the title you just stated.

13 (Whereupon Exhibit 328 was marked.)

14 BY MR. SAYLER:

15 Q. Mr. Flynn, would you look to the response
16 to Staff Interrogatory 285?

17 A. Okay.

18 Q. And on the top of Page 22, this is your
19 explanation and justification for those three
20 employees; correct?

21 A. Yes.

22 Q. And this is the -- we've heard the phrase
23 many, many times that not maintained in a
24 programmatic way due to lack of manpower and
25 resources; correct?

1 A. Yes.

2 Q. You would agree that Utilities, Inc.
3 could have requested approval on rates for this
4 additional manpower a long time ago; correct?

5 A. Yes.

6 Q. And you chose not to?

7 A. I'm sorry? Say that again.

8 Q. And Utilities, Inc. chose not to ask for
9 this additional manpower for these three systems?

10 A. We didn't identify the need for it until
11 recently.

12 Q. But you would agree that for a long time
13 you had issues maintaining the systems exercising
14 those valves, checking under fire hydrants, et
15 cetera?

16 A. Yes, for awhile. That's correct.

17 Q. So that's been going on for awhile, and
18 how did you not identify a need for that personnel
19 earlier?

20 A. Because we identified it for a need in
21 this time period.

22 Q. While preparing for this rate case?

23 A. While preparing a game plan to address
24 those -- those needs.

25 Q. Okay. Now, you would agree that a

1 prudently managed utility would have -- if they
2 knew that they were having issues maintaining
3 their system properly, would have requested
4 additional manpower a long time ago; correct?

5 A. We identified need in this time period to
6 address those deficiencies, and that's -- that's
7 the goal or the driver for these additional head
8 count.

9 Q. Okay. I had asked you a yes or no
10 question. Is that yes or no?

11 A. I couldn't answer yes or no. Ask it
12 again, please?

13 Q. And you would agree a prudently managed
14 utility who was aware that it has systemic issues
15 with properly maintaining its system would have
16 requested employees earlier than waiting until
17 now; correct?

18 A. No. It depends on when the issue rises
19 to the -- to the threshold point where it's
20 evident that the current workforce is
21 insufficiently sized to accomplish the goal.

22 Q. All right.

23 The next exhibit is entitled --

24 MR. SAYLER: Madam Chair, the next
25 exhibit is entitled "Maintenance Tasks Performed

1 on a Sporadic Basis."

2 CHAIRMAN BROWN: Okay. We will go ahead
3 and give that Exhibit No. 329 with the title you
4 just stated.

5 (Whereupon Exhibit 329 was marked.)

6 BY MR. SAYLER:

7 Q. If you'll take a moment to look at that
8 response, please?

9 All right. And you would agree that this
10 is a response to Office of Public Counsel's
11 Interrogatory No. 299; correct?

12 A. Yes.

13 Q. And the response states, "Utility, Inc.
14 does not have manpower available to complete these
15 tasks other than on a sporadic basis, certainly
16 not in a comprehensive programmatic way; correct?"

17 A. Yes.

18 Q. And this response is the origin of the
19 phrase we've heard many times, "supported basis";
20 correct?

21 A. It's an example of that same phrase being
22 provided, yes.

23 Q. And you would agree that sporadic means
24 occasional or irregular intervals, only in a few
25 places, scattered or isolated? That's one of the

1 definitions of sporadic?

2 A. Sporadic means it's not consistently got
3 accomplished.

4 Q. And you would agree that those responses,
5 the last exhibits, discuss that Utility had
6 identified five assets classes: Hydrants,
7 distribution and production systems, lift
8 stations, manholes, and mains of all types, and
9 that those are all critical to the delivery of
10 water and wastewater services to the Utilities,
11 Inc. customer; correct?

12 A. Yes.

13 Q. And you would agree that critical has
14 many different definitions, but in the context of
15 this -- of a situation or problem, if it's
16 critical, then there's a potential of it becoming
17 disastrous or a point of crisis; correct?

18 A. Could be, yes.

19 Q. Would you classify your current
20 maintenance prior to starting to hire these
21 people, these new personnel, as a point of crisis?

22 A. No.

23 Q. But you would agree that in these
24 responses Utilities, Inc. is essentially admitting
25 that it's failed to properly maintain these five

1 **asset classes necessary and critical to the**
2 **delivery of water and wastewater services; is that**
3 **correct?**

4 A. No.

5 **Q. All right. We're going to move to a**
6 **different line of questions, Mr. Flynn.**

7 MR. SAYLER: The next exhibit, Madam
8 Chair, is -- excuse me. I don't mean to go to the
9 next Exhibit yet.

10 BY MR. SAYLER:

11 **Q. Exhibit 50, PCF 50 as attached to your**
12 **testimony, that's related to the -- this OMS**
13 **program; correct?**

14 A. Yes.

15 **Q. And it is your testimony that the**
16 **roll-out of this OMS program has nothing to do**
17 **with those three employees; correct, that you're**
18 **seeking to hire for LUSI, Sanlando, and**
19 **Mid-County; correct?**

20 A. Correct. They're interwoven.
21 Essentially they're meaning to accomplish certain
22 tasks that are all -- all a component of our asset
23 management plan or program.

24 MR. SAYLER: Okay. Now, let's identify
25 the exhibit, Madam Chair.

1 CHAIRMAN BROWN: So the next one is the
2 composite exhibit; is that correct?

3 MR. SAYLER: Yes, ma'am.

4 CHAIRMAN BROWN: All right. We'll go
5 ahead and identify that as Exhibit 330. Give us
6 the title.

7 MR. SAYLER: How about OPC Composite
8 Exhibit?

9 CHAIRMAN BROWN: OPC Composite Exhibit.
10 Gators think alike.

11 (Whereupon Exhibit 330 was marked.)

12 MR. SAYLER: Go Gators.

13 BY MR. SAYLER:

14 Q. All right. Mr. Flynn, this is a
15 collection of the various responses to Staff
16 Interrogatories, OPC Interrogatories, a few of
17 your MFR pages from Sandalhaven, and a Commission
18 order. And we will ask you questions about those
19 as soon as I can find my questions. They got
20 buried under -- among my pages.

21 All right. Please look at your response
22 to Interrogatory No. 309 from Staff.

23 A. Okay.

24 Q. You would agree that this interrogatory
25 references Page 5 of your rebuttal testimony,

1 Lines 3 through 16, in which you discuss the
2 purchase power credit you received from SECO that
3 you have received during your test year?

4 A. Yes.

5 Q. And SECO is a -- is a Seminole Electric
6 Cooperative, or what does SECO stand for?

7 A. Sumter Electric Cooperative.

8 Q. Sumter. Okay.

9 But your power company; correct?

10 A. For that location, yes.

11 Q. Yes.

12 And the Company included an adjustment in
13 the latest utility services MFRs to reflect
14 increased purchase power since resulting from the
15 loss of the SECO credit; correct?

16 A. That's correct.

17 Q. And that loss occurred outside of the
18 test year? The loss of the credit?

19 A. I believe -- I believe so. Yeah.

20 Q. All right. And in the response to
21 Staff's Interrogatory, you provided that two-page
22 attachment which is referenced in sub-part G of
23 the responses called "The SECO Cancellation
24 Notice". Do you recall that?

25 A. Yes.

1 Q. All right. And I've attached that e-mail
2 which was that two-page response. Do you see
3 that?

4 A. Yes.

5 Q. All right. And to save paper, I did not
6 include the address block of Mr. Hank Bolbec (ph)
7 so -- but you're familiar with Mr. Bolbec?

8 A. I'm familiar with him, yes. I've talked
9 to him many times.

10 Q. Would you please read aloud the first
11 paragraph of your e-mail from Mr. Bolbec?

12 A. "Hank, after completing our internal
13 analysis of the value of continuing to participate
14 in SECO's load-shedding program through the use of
15 our emergency generators at three of our
16 facilities, it has become apparent that we can no
17 longer justify the costs associated with your
18 interruptible tariff. Because SECO does not offer
19 remote start functionality, my staff must be
20 responsible on a frequent basis to manually start
21 our generators at the beginning of each load-
22 shedding event, transfer the load to our
23 generators, and then reverse the process when the
24 event ends. The project cost savings in our SECO
25 bills is outweighed by the negative impact in our

1 staff schedules. Additionally, the cost of fuel
2 maintenance to run the generators so frequently is
3 significant.

4 "Therefore, please let this serve as
5 notice that Lake Utility Service, Inc., formally
6 requests cancellation of its participation in
7 this SECO load-shedding program effective
8 immediately."

9 **Q. Okay. In your e-mail you said that the**
10 **cost of fuel and maintenance to run the generators**
11 **frequently is significant. Can you quantify what**
12 **you mean by "a significant cost of fuel and**
13 **maintenance associated with the generators"?**

14 A. The three generators are very sizeable
15 units that burn diesel fuel at a significant
16 number of gallons -- gallons per hour, and these
17 generators were being utilized for the
18 load-shedding purposes on an almost daily basis --
19 or at least a frequent basis, multiple times a
20 week during the shoulder seasons or even the peak
21 seasons. And, therefore, the dollars associated
22 with purchasing diesel fuel was significant.

23 **Q. And that -- those dollars outweighed the**
24 **benefits of that credit, the dollars and expenses**
25 **to maintain --**

1 A. That was -- that was one attribute, one
2 factor that was contributing to the cancellation
3 of the service.

4 **Q. All right. Now, in our investigation of**
5 **the case, Public Counsel was able to find in the**
6 **LUSI MFRs where you had the cost from the loss of**
7 **the SECO purchase power credits, but we don't see**
8 **where you reflected the "significant reduction of**
9 **maintenance and fuel costs" associated with**
10 **running the generators for the plant. Can you**
11 **identify where in your filing you reflected those**
12 **fuel and maintenance cost savings?**

13 A. We did not.

14 **Q. You did not.**

15 **And specifically what fuel and**
16 **maintenance costs were included by the Company**
17 **during the test year to run and maintain the**
18 **generators as a result of the SECO load shedding**
19 **program that Utilities, Inc. participated in**
20 **during the test year?**

21 A. Those costs are included in the MFR
22 documentation associated with the fuel cost
23 purchases made in our LUSI schedule.

24 **Q. And you would agree it's not an**
25 **insignificant amount; correct?**

1 A. I don't believe so, no. I believe it's
2 significant.

3 Q. Now, in your e-mail you talked about how
4 your staff had to frequently manually start the
5 generators, transfer the load to the generator,
6 reverse the process, and on and on and on, and
7 that the projected cost savings in the SECO bills
8 is outweighed by the negative impact.

9 How many employees were impacted during
10 the test year as a result of having to manually
11 restart or manually start generators -- transfer
12 those generators, and subsequently reverse the
13 process?

14 A. The operators who are responsible for
15 operating the Lake Groves and other LUSI
16 facilities.

17 Q. All right. Is that one operator that is
18 required to do all that --

19 A. There's about -- about half a dozen
20 individuals.

21 Q. About half --

22 A. About half a dozen.

23 Q. All right. Is that an all-day event or
24 short term event to do all that. When you're --
25 when you're transferring the loads, starting the

1 generators, and reversing the process, do those
2 employees need to be on hand the entire time, or
3 can they transfer, go do something else, and then
4 have to come back?

5 A. It required that they be scheduled to be
6 on-site earlier than the normal business hours or
7 later than normal business hours. And, therefore,
8 their schedule was aligned with SECO's activation
9 of the load-shedding activity, but not in
10 alignment with our need for staffing for the
11 other, many tasks that those operators accomplish
12 daily.

13 Q. All right. And did those employees have
14 to stay with the generators to monitor them the
15 entire time there was a load-shedding event?

16 A. No. They had to be -- responded to turn
17 on the generators and then go about other
18 activities associated with their responsibilities.

19 Q. And if they started earlier or ended
20 later, did they get overtime for that?

21 A. Yes.

22 Q. All right. Now, given the cancellation
23 of the SECO Load Generating -- Load Shedding
24 Program, will labor productivities lose the
25 increases in the labor productivities as a result?

1 I mean, more effective and efficient use of your
2 staff time?

3 A. Yes. Essentially, we can avoid having to
4 add staff by virtue of reallocating resources to
5 current needs that aren't in conflict with the
6 requirement to be on-site to activate the
7 generators simply for load-shedding purposes.

8 Q. All right. With the amount of staff time
9 that you're saving, could you have transferred one
10 of those staff to -- to do the activities and LUSI
11 that Utilities, Inc, hasn't been able to do, such
12 as doing the proper maintenance?

13 A. No.

14 Q. So in addition to your current employees,
15 you still need another employee even though now
16 you have -- those employees have more time to do
17 their jobs; correct?

18 A. We essentially identified that an
19 individual had to be on-site earlier than
20 otherwise would be typical. Instead of 8:00 start
21 time, he had to be there at 6:00 in the morning,
22 and then somebody else had to be available on
23 those times when the load-shedding event would end
24 after normal business hours which is 5:00. They
25 have to be actually on-site around 7:00 to turn

1 the generators off at these locations --

2 **Q. Okay.**

3 A. -- and, therefore, other individuals
4 would not be fully supporting the normal work-day
5 activities.

6 **Q. All right. And returning to your e-mail**
7 **that says, "After completing our internal analysis**
8 **of the value." Did your internal analysis**
9 **determine there was a net cost benefit to**
10 **cancelling the contract. And if so, when did you**
11 **adjust those increased costs for cancelling the**
12 **contract?**

13 A. We cancelled the contract in July of '16.

14 **Q. Okay. And did you provide that written**
15 **analysis, that internal analysis and response to**
16 **the discovery to the Public Counsel or Staff?**

17 A. It wasn't a written analysis.

18 **Q. Okay. Describe the process of your**
19 **analysis.**

20 A. I met with my staff to discuss the issues
21 that they were encountering. We had some
22 discussion about it.

23 **Q. And is that a common practice to just**
24 **orally discuss cost benefit savings and then make**
25 **decisions?**

1 A. It can be. Depends on the situation.

2 Q. All right. And in the second paragraph
3 of your e-mail, you tell -- tell Hank, "I
4 appreciate you providing me with the analysis of
5 three applicable account histories in 2015. That
6 was helpful in forming our decision."

7 Do you see that?

8 A. Yes.

9 Q. Can you explain why you chose not to
10 provide those account histories in supporting your
11 proforma purchase power adjustment for the LUSI
12 system?

13 A. I believe I provided that as an exhibit
14 in one of my response, rebuttal testimony.

15 Q. Okay. Now returning back to Page 6 of
16 your rebuttal testimony, but keep it -- hang on to
17 the exhibit. We're going to get back to that.

18 On Lines 2 through 14 of your testimony,
19 here you address Ms. Ramas's recommendation that
20 the November and December bills from the Inglewood
21 Water District be removed from the test year
22 purchase sewer expenses in the Sandalhaven case.
23 Do you see that?

24 A. Yes.

25 Q. And on Lines 3 through 6, you indicate

1 that while Ms. Ramas's condition that the test
2 year included November, December 2014 bills, you
3 indicate that it is, "Immaterial to the
4 captivation of purchased sewer expense on annual
5 basis following the decommissioning of the
6 Sandalhaven Waste Water Treatment Plant; is that
7 correct?

8 A. Yes.

9 Q. All right. And at Line 10 through 13,
10 you assert that the amount of purchase sewer
11 expense included in the MFR file for Sandalhaven
12 is based upon the total gallons, treatments, and
13 the test year of Sandalhaven Waste Water Treatment
14 Plant, plus the total gallons treated at Inglewood
15 in the test year, plus a growth factor times the
16 unit cost of treatment and disposal of -- at
17 Inglewood Water District; is that correct?

18 A. Yes, sir.

19 Q. All right. Now, in the exhibit I
20 provided to you, we have provided to you Schedule
21 B-3 from Sandalhaven. Do you see that, Page 1
22 of 3?

23 A. Okay.

24 Q. Do you see the adjustment to purchase
25 sewage treatment and the expense, Line 21?

1 A. Yes.

2 Q. And based on this line, do you agree that
3 the adjustment made to the test year purchase
4 sewage treatment expense is based on 20,627,000
5 gallons times \$.00728 per gallon? Do you see
6 that?

7 A. Yes.

8 Q. Now turning to the next page which is
9 your -- excuse me. Turning a few pages forward to
10 Schedule F-2, Page 1 of 1. Do you see that?

11 A. Yes.

12 Q. Do you agree that the 20.6 million
13 gallons included in the adjustments on MFR
14 Schedule P-2 is the exact same amount as the one
15 shown on Schedule F-2, Column 1?

16 A. Yes.

17 Q. All right. So the adjusted test year
18 would include both the actual amount of purchased
19 sewage treatments and its books by the Company
20 during the test year for the charges from the
21 Inglewood Water District, plus the additional cost
22 calculated on your MFR Schedule B-3, Line 21,
23 associated with the usage that it's been treated
24 at the Sanlando Waste Water Treatment plant during
25 the test year; correct?

1 A. You said the Sanlando Treatment Plant?

2 I'm sorry. Could you repeat the question?

3 Q. Sure. I mean Sandalhaven.

4 A. Just if you could please repeat the
5 question?

6 Q. Certainly.

7 So the adjusted test year would include
8 both the actual line of purchased sewage treatment
9 expense booked by the Company during the test year
10 for charges from the Inglewood Water District plus
11 the additional accounts calculated on MFR Schedule
12 B-3, Line 21, associated with the usage that has
13 been treated at the Sandalhaven Waste Water
14 Treatment Plant during the test year; correct?

15 A. Right.

16 Q. And the Sandalhaven Waste Water Treatment
17 Plant was in service for 10 months out of that
18 year; correct, or 11?

19 A. Yes.

20 Q. It was decommissioned in November of that
21 year; right?

22 A. Right.

23 Q. And this would include two additional
24 months of expenses in the test year for the
25 charges from Inglewood Water District associated

1 with the 2014 charges; correct?

2 A. Correct.

3 Q. All right. Now returning to your
4 rebuttal testimony at Page 6, Lines 9 through 13,
5 you indicate that the calculation of purchase
6 sewer and MFR is -- "reflects the sum of the total
7 gallons treated in the test year, Sandalhaven
8 Waste Water Treatment Plant plus the total gallons
9 treated at Inglewood Water District in the test
10 year plus a growth factor." Do you see that?

11 A. Yes.

12 Q. Can you explain how this calculation is
13 reflected in the actual adjustment made by the
14 Company in its MFRs and MFR Schedule B-3, Line 21?

15 A. Right. So the adjustment reflects the
16 volume and dollars associated with having to send
17 additional flow to Inglewood Water District beyond
18 what Inglewood Water District was already treating
19 and disposing during the test year. My testimony
20 says the calculation of per sewer is -- the total
21 from all the gallons treated is going to be the
22 computation to identify.

23 Q. All right. So what growth factor did the
24 Company apply?

25 A. I didn't -- I don't know. We don't -- we

1 have, I think, the F-10 schedule maybe.

2 Q. All right. Where in the Company's
3 adjustment to its MFRs is the growth factor
4 reflected?

5 A. I don't see it here.

6 Q. And how was it determined?

7 A. I don't see it -- a growth factor listed.

8 Q. So did you create the growth factor?

9 A. I did not create a growth factor, no.

10 Q. Okay. Since you contend the growth
11 factor included in the adjusted test year purchase
12 sewage treatment expense, did you also increase
13 the test year's revenues for this growth factor?

14 A. I don't know if a growth factor was
15 included. My computation would have included a
16 growth factor if one was evident.

17 Q. On Line -- Page 6, Line 12, it says that
18 a growth factor was included, and now is it your
19 testimony that a growth factor wasn't included?

20 A. I don't know.

21 Q. Okay. Assume, for instance, Utilities,
22 Inc. included a growth factor. Did the --
23 meaning -- "growth factor" meaning additional
24 customers coming out of the system putting
25 additional demand; correct?

1 A. Right. Which will be very small in
2 Sandalhaven most likely for awhile.

3 **Q. All right. But if additional demand**
4 **occurs, that would mean additional revenues for**
5 **the Company; correct?**

6 A. Correct.

7 **Q. All right. But you did not -- even**
8 **though you included a growth factor, you did not**
9 **include additional revenues associated with that**
10 **projected growth; correct?**

11 A. Right. Of course I did not prepare
12 these -- these schedules. So I -- I can't
13 adequately answer that question, but --

14 **Q. All right.**

15 **All right. We're going to turn to**
16 **another line. Please also flip in the exhibit to**
17 **your response to OPC Interrogatory 300; all right?**
18 **Put your finger on 300, and we're going to go back**
19 **to your testimony, Page 2, Line 20.**

20 A. Okay.

21 **Q. Here you were asked, "Do you agree with**
22 **Ms. Ramas's adjustments with people that keep**
23 **materials and supplies as shown on B-8?" And you**
24 **answer is no.**

25 **So it is your testimony that you disagree**

1 with Ms. Ramas's recommendation that the materials
2 and supplies expense for Eagle Ridge be based upon
3 a three-year average expense amount which has been
4 her testimony?

5 A. No.

6 Q. Do you agree with her adjustment?

7 A. No.

8 Q. Okay. So which is it? Do you -- you
9 disagree with Ms. Ramas's recommendation, or do
10 you agree with it?

11 A. I'm sorry. I disagree with her -- with
12 her adjustment.

13 Q. I had a lot of double negatives in there.
14 I apologize.

15 A. Go for three.

16 Q. Okay. So -- so you -- do you see on
17 Page 2 of your testimony, Line 25 through Page 3,
18 Line 3 where you indicate that it would be, "More
19 accurate to perform a linear regression analysis
20 to project the annual cost, and that would result
21 in a greater -- in a value greater than \$74,992
22 spent in the test year." Do you see that?

23 A. Yes.

24 Q. All right. Now did you actually perform
25 a linear regression analysis?

1 A. No. That was my inference that there
2 would be some kind of a -- a mathematical
3 calculation that would quantify better that the
4 trend line was upward over the last few years for
5 that expense category, and any adjustment based on
6 averaging wasn't warranted or supported by the
7 historical trend.

8 **Q. So you didn't do the analysis, but you --**
9 **you said that -- I believe your regression**
10 **analysis would actually produce a higher number.**

11 A. I think linear regression analysis was a
12 bad phrasing. I should have said something along
13 the lines of a trend analysis would have indicated
14 an upward increase in that expense.

15 **Q. Did you do a trend analysis?**

16 A. I looked at the data and was
17 year-over-year increasing each year. Therefore,
18 anything that would reflect an averaging would
19 reflect an expectation that costs would come down
20 without that underlying support for that trend.

21 **Q. So your testimony that you performed**
22 **linear regression analysis is inaccurate; correct?**

23 A. I said it would be more accurate to
24 perform a linear regression analysis. I didn't
25 say I performed one.

1 Q. Okay. Fair enough.

2 Now, look at your response to OPC
3 Interrogatory No. 300, and this references this
4 section of your rebuttal testimony. Do you see
5 where sub-part A and the question asks, "Please
6 provide the amount of the materials and supplies
7 expense for Eagle Ridge recorded during the 2016
8 and 2017 test year to date." Is that correct?

9 A. Yes.

10 Q. Would you please read aloud your response
11 to that?

12 A. "The requested data is clearly outside
13 the test year, and thus is immaterial to incident
14 rate case."

15 Q. And this is another instance where
16 Utilities, Inc. decided not to provide something
17 that was outside the test year; correct?

18 A. Yes.

19 Q. And if this information was available for
20 this interrogatory response or any of the other
21 interrogatory discovery responses that could have
22 had the effect of lowering the revenue requirement
23 that was established by the --

24 A. Or increasing.

25 Q. Or increasing. Fair enough.

1 And do you know what the actual amount of
2 the materials and supplies and expense of Eagle
3 Ridge was in 2016?

4 A. No. I do not look at that.

5 Q. All right. Let's move on to Myrtle Lake
6 Hills Water Main Plant. Do you remember being
7 asked questions by Mr. Armstrong about the Myrtle
8 Lake Water Hill Main Plant -- I mean --

9 A. Myrtle Lake Hills Water Main Project.

10 Q. Project. All right. Thank you for the
11 correction.

12 And can you describe what exactly is that
13 project? Is this project designed to serve
14 existing customers?

15 A. No. It's designed to serve -- to serve
16 future customers in a neighborhood developed many
17 years ago using individual wells that had begun to
18 fail in that neighborhood and who had requested
19 the extension -- service to that neighborhood by
20 Sanlando in order to replace those wells and have
21 adequate service.

22 Q. All right. And I believe in the response
23 in the -- in the document Mr. Anderson asked you
24 about, it said that if you didn't receive
25 favorable response from the Commission, you

1 wouldn't proceed with that project. Do you
2 remember seeing something like that?

3 A. Do you mean Mr. Armstrong?

4 Q. Yes. Mr. Armstrong. It's been a long
5 couple days.

6 A. Yes, it has.

7 Q. But do you recall seeing something in
8 that description of the projects saying if you
9 don't get favorable treatment from the Commission
10 you wouldn't go forward with it?

11 A. Yes.

12 Q. Okay. And turn in that composite exhibit
13 to the Commission order PSC 16-0107.

14 A. Yes.

15 Q. Is that the order that gave you favorable
16 treatment of that Myrtle Lake Hills Water Main
17 Project?

18 A. I would say it's the order that
19 authorized the extension of our services area to
20 serve that community and establish -- connect --
21 service available charges specific to that
22 neighborhood.

23 Q. All right. So just to be clear, what we
24 saw earlier when you were being cross examined by
25 Mr. Armstrong it was not related to the outcome of

1 this rate case, but it was the outcome of that
2 prior case; correct?

3 A. It was -- yes. It was after one of the
4 dockets allowing us to expand our service area and
5 to serve Myrtle Lake Hills neighborhood.

6 Q. Okay. And that was a territorial or an
7 amendment to your certificate to serve that area;
8 correct?

9 A. Yes. We expanded other certificate --
10 service area -- water service area.

11 Q. All right. And on Page 6 of your
12 rebuttal testimony, Line 11, you indicate that
13 Ms. Ramos -- Ramas was correctly quoting from the
14 Commission order, PSC 16107; correct?

15 A. On which page of my testimony you've
16 referenced? You said Page 6?

17 Q. Excuse me. Page 7, Line 11.

18 A. Thank you.

19 Yes. That's the order that we just
20 mentioned that reflects authorization to serve
21 that neighborhood.

22 Q. All right. And you would agree this
23 order authorized Utilities, Inc. to extend the
24 same land of the services area, to extend water
25 services to include -- is it 116 lots in the

1 Myrtle Hills -- Myrtle Lake Hills subdivision?

2 A. Correct.

3 Q. And you agree that the order indicated
4 that the cost of construction of the new lines
5 would be reimbursed by the -- by the 116 lots to
6 be added to the system and that the remaining
7 10,172 customer -- existing customers would remain
8 unaffected by the project costs?

9 A. Correct.

10 Q. Now, Page 7 of your rebuttal testimony on
11 Lines 9 through 12, you indicated that to date 40
12 homeowners have paid the main extension charge of
13 5,526 associated with this project and "thereby a
14 reduced rate base." Do you see that?

15 A. Yes.

16 Q. Do you agree that these main extensions
17 were received and recorded by the Company after
18 the test year in this case?

19 A. Yes.

20 Q. All right. And as such, they are not
21 included as an offset to rate base in the
22 Company's filing; correct?

23 A. Correct.

24 Q. All right. And that then on Lines 21
25 and 22 of your testimony, you state, "Any

1 adjustment calculation made must take into account
2 all of the main extension charges to date for
3 those new customers."

4 A. Correct.

5 Q. You have not taken into account the main
6 extension charges received in your filing, have
7 you? In your filing that doesn't reflect those
8 main extension charges; correct?

9 A. Correct. They occurred after the test
10 year.

11 Q. So the associated revenue the Company is
12 collecting as a result of serving these new
13 customers is not included in the adjusted test
14 year revenues; correct?

15 A. Right. Nor are the expenses associated
16 with producing their water.

17 Q. All right. So the Company has included
18 the proforma main extension cost and rate base --
19 excuse me. Let me strike that.

20 So the Company has included the proforma
21 main extension costs and rate base in this filing
22 as well as the associated depression expense, but
23 it has included \$0 for offsetting the main
24 extension charge and \$0 for increasing revenues as
25 a result of serving the new customers with this

1 **proforma plant addition; correct?**

2 A. Correct. My comment at the last was
3 if -- if there's an adjustment to be made in our
4 MFRs, then it should also reflect current
5 information which is that those 40 current
6 customers have paid SAC charges, and that should
7 be the correct adjustment.

8 **Q. All right. And those service**
9 **availability charges can be calculated and**
10 **included in future rates; correct?**

11 A. They can.

12 **Q. All right. And again, this proforma**
13 **project -- or out of this order, PSC 160107, that**
14 **was the genesis for the proforma project for these**
15 **Myrtle Hill customers; correct?**

16 A. Yes. It was our opportunity to recover
17 the cost of that main extension that was not
18 currently in our rate base in any way.

19 **Q. All right.**

20 A. And it also reflected the fact that in
21 our view the current customers of Sanlando
22 benefited from the project. It wasn't a benefit
23 exclusive to the 116 future customers of Myrtle
24 Lake Hills because those current customers
25 benefited from having fire hydrants established

1 where one was not and having better hydraulic
2 profile.

3 **Q. I don't understand your response. If you**
4 **are serving brand new customers that are outside**
5 **of the Sanlando service territory and then you're**
6 **extending the line just to those customers, then**
7 **it's only those new customers that are benefiting**
8 **from that project; correct?**

9 A. That is not the case.

10 **Q. Okay.**

11 A. The design of the piping layout was such
12 that in order to provide service to that
13 neighborhood inclusive of fire flow, inclusive of
14 the fire hydrants installed in that system at
15 their request, we required two points of
16 connection to existing Sanlando distribution
17 network.

18 And by virtue of that two points of
19 connection, we established a looping effect into a
20 portion of the system that otherwise didn't have
21 it. And, therefore, those customers who were
22 previously limited to a single means of providing
23 water through a single water main now had two
24 water mains providing services, two pathways to
25 get water to the neighborhood. And in that way,

1 they benefited.

2 **Q. Okay. Is Myrtle Hills surrounded by**
3 **Sanlando?**

4 A. No. It's adjacent to and physically --
5 physically adjacent to -- in fact, we've provided
6 service to a subset of Myrtle Lake Hills
7 Subdivision previously. 116 lot portion was all
8 contiguous to Sanlando's existing service area.

9 **Q. All right. But you would agree that the**
10 **Commission's original order, PSC-160107, was**
11 **intended to apply to those -- what was it? -- 114**
12 **customers in Myrtle Hills that currently didn't**
13 **have any access to your services; correct?**

14 A. Existing 116 lot owners, not customers.

15 **Q. Okay. Lot owners.**

16 A. Yes.

17 MR. SAYLER: Okay. I have another
18 exhibit, Chairman Brisé (sic).

19 COMMISSIONER BRISÉ: All right. That
20 will take us to 331. And is that's Shamrock
21 Shores and Carol --

22 MR. SAYLER: Coral Cay.

23 COMMISSIONER BRISÉ: Coral Cay.

24 MR. SAYLER: Yes, sir.

25 COMMISSIONER BRISÉ: Okay. 331.

1 (Whereupon Exhibit 331 was marked.)

2 BY MR. SAYLER:

3 Q. All right, Mr. Flynn. We are taking
4 another virtual trip back to Sandal --
5 Sandalhaven.

6 You would agree that this exhibit
7 contains responses to Utilities, Inc.'s -- or
8 excuse me -- Utilities, Inc.'s responses to Office
9 of Public Counsel's Interrogatory 251 and 253?
10 And you would agree that it contains a color map
11 of Shamrock Shores?

12 A. Yes.

13 Q. As well as an excerpt from Schedule F-6
14 for Sandalhaven; correct?

15 A. Yes.

16 Q. And your response to Interrogatory 251
17 you would agree it's an explanation of the request
18 for admission that Public Counsel served to
19 Utilities, Inc.; correct?

20 A. Correct.

21 Q. And you would agree that Utilities, Inc.
22 does not have any record of any payment or
23 documentation to support the 56 ERCs that claim
24 that the skuing be prepaid on your Schedule F-6
25 which is attached at the back of your -- at the

1 back of this exhibit; is that correct?

2 A. Correct.

3 Q. And you would agree that a number of
4 these residents are on septic systems already?

5 A. There is a small number, yes. They're on
6 septic systems.

7 Q. And the ones that aren't on septic
8 systems, are they interconnected with Sandalhaven?

9 A. Yes.

10 Q. Now please look at the color map. The
11 red line on the map was drawn by Utilities, Inc.
12 Little identifying mark was something we added
13 just so we understood what this map related to
14 which is the Shamrock Shores Subdivision. Do you
15 see that?

16 A. Yes. I drew the map.

17 Q. All right. So you agree that's the map?

18 All right. Now if you look inside the
19 red line showing the neighborhood, you would agree
20 that the -- the long -- the road labeled 775 that
21 is -- that's Placido Road; right?

22 A. Yes.

23 Q. All right. How many from Placido Road
24 down -- I think it's Bantry Bay Boulevard. Do you
25 see that?

1 A. Yes.

2 Q. Do you see all those houses that they
3 look like they go around a small lake? Those are
4 all houses that are very compact and the lot's
5 near one another; correct?

6 A. Correct.

7 Q. And then when you go down to Spring
8 Valley Road, those are much longer lots for more
9 substantial homes; is that correct?

10 A. Yes.

11 Q. And you said some of these customers are
12 currently interconnected and others have septic
13 systems; correct?

14 A. Correct. The ones on Spring Valley Road
15 are all septic. I think all but one. And some of
16 the ones on the west end of Bantry Bay Boulevard
17 are also on septic.

18 Q. And it is according to this Schedule F-6
19 that there are still 56 ERCs remaining to
20 interconnect with Sandalhaven; correct?

21 A. Yes. That's the empty lot count that's
22 potentially a future customer.

23 Q. But you don't have any records that any
24 of this money was collected; correct?

25 A. Correct.

1 Q. All right. Now, please refer to your
2 response to OPC Interrogatory 253. And this
3 relates to a 422-unit condominium referenced --
4 which is now known as Coral Cay; is that correct?

5 A. Yes.

6 Q. Now, if you turn over to Schedule F-6,
7 Page 404, on the left-hand side of that schedule,
8 you'll see something that says 422 condos;
9 correct?

10 A. Yes.

11 Q. And that originally was called Placido
12 Commons; correct?

13 A. Yes.

14 Q. And now it's called Coral Cay. And in a
15 prior schedule that Utilities, Inc. provided it
16 was formerly known as 8401 Placido Road; correct?

17 A. Yes.

18 Q. All right. And this developer, Placido
19 Commons, back in sometime in late 2006 prepaid
20 for 422 ERCs; is that correct?

21 A. Yes.

22 Q. Or was it 418? I see two numbers.

23 A. 418 I believe it was.

24 Q. Okay. And as of the time this schedule
25 was developed, it looks like 10 ERCs were used; is

1 that correct?

2 A. Yes.

3 Q. Leaving 408 ERCs?

4 A. Yes.

5 Q. And you would agree that Placido Commons
6 went bankrupt; correct?

7 A. It did.

8 Q. All right. And when it went bankrupt,
9 did nobody --

10 A. No. I'm sorry. No. 8401 Placido went
11 bankrupt.

12 Q. Okay. Now, is Placido Commons/Coral Cay
13 the name of the new development --

14 A. Yes.

15 Q. -- or is it just Coral Cay?

16 A. Coral Cay is the current name of the
17 development of the subdivision.

18 Q. Okay. So the name of the subdivision is
19 Coral Cay, but the development company is Placido
20 Commons or something like that?

21 A. That's what they started out as, yes.
22 That's the organization I believe.

23 Q. All right. So when the developer went
24 bankrupt, a new developer bought that company out
25 of bankruptcy; is that correct?

1 A. I have no idea what they bought.

2 Q. Okay. But when they purchased this out
3 of bankruptcy, they also acquired the asset of
4 the 418 prepaid ERCs; correct?

5 A. Correct.

6 Q. And then when they went back to Charlotte
7 County to ask for a buildings permit, they
8 redeveloped this parcel from a 422-unit condo to,
9 I think, about a 100-unit development; correct?

10 A. It's 95 units and a clubhouse.

11 Q. All right. 95 plus clubhouse.

12 And doing the math roughly 495 plus --
13 how many ERCs would a clubhouse be? One? Two?
14 Five?

15 A. One.

16 Q. One?

17 So we're talking 96. So that leaves
18 roughly 322 ERCs that was originally paid for that
19 that were never used; correct?

20 A. Not by that -- not on that parcel, no.

21 Q. Not on that parcel. Okay.

22 So let me ask you this. Can that
23 developer who bought those 322 ERCs -- can that
24 developer resell those ERCs to some other
25 development?

1 A. Possibly.

2 Q. Okay. Does your tariff allow that?

3 A. It doesn't speak to it.

4 Q. Okay. And looking at Schedule F-6 -- do
5 you see that?

6 A. Yes.

7 Q. All right. You would agree that the Cay
8 Pace Marina is currently in bankruptcy; right?

9 A. No, it's not.

10 Q. Oh, it's not?

11 A. It was, but it's not now.

12 Q. All right. So --

13 A. I understand it's not.

14 Q. Okay. Is that -- and how many ERCs does
15 that represent again?

16 A. 45.

17 Q. 45.

18 So potentially 45 ERCs are going to
19 actually be used; correct?

20 A. Yes.

21 Q. And look down to Cay Pace Resort and the
22 designation says, "Under Construction"?

23 A. Right.

24 Q. You would agree that Cay Pace Resort is
25 currently not constructing Phase II; is that

1 correct?

2 A. Right. That was a phrase in that column
3 reflecting when that schedule was first built or
4 first created that it was under construction.
5 That's 2006 verbiage.

6 Q. All right. And in your conversations
7 with the agent for the developer, Mr. Clark
8 Gillespie, has he told you whether or not, if or
9 when the developer plans to build Phase II?

10 A. He has not -- not indicated one way or
11 the other. I have no idea what his schedule is.

12 Q. And they still have the remaining balance
13 of ERCs that may or may not ever be developed;
14 correct?

15 A. I have no idea again.

16 Q. And same question. Are they able to sell
17 their ERCs to some other potential developer?

18 A. Potentially. But it's essentially
19 associated with that parcel.

20 Q. So they would have to sell that parcel
21 off?

22 A. Well, the parcel has -- the parcel is
23 undeveloped. Half of the project was built; half
24 wasn't. And the parcel was empty. It has
25 infrastructure on it that is designed to serve

1 future buildings --

2 Q. Uh-huh.

3 A. -- that would utilize some of these
4 prepaid connection fees.

5 Q. So the prepaid connection fees are tied
6 to a geographic location; correct?

7 A. The developer grievant (ph) reflects or
8 references a parcel -- a legal description of a
9 parcel.

10 Q. All right. So for the Coral Cay
11 development that has about 322 ERCs that won't be
12 used, if once that goes to full build-out, nobody
13 else can add additional development to be able to
14 consume those ERCs; correct?

15 A. Most likely.

16 Q. All right. So those are essentially ERCs
17 that will never be used?

18 A. If we get to build-out, there is no use
19 of land for that purpose. We're not there yet.

20 Q. All right. Yesterday there was
21 discussion about the Wekiva Waste Water Treatment
22 Plant Lower Project have been -- that has been
23 postponed to a later date, and that was your
24 PCF 28. When was that decision made to postpone
25 this project?

1 A. Sometime last year.

2 **Q. When last year?**

3 A. Probably in the fourth quarter.

4 **Q. So after your testimony and exhibits were**
5 **initially filed; correct?**

6 A. Yes. We were doing our due diligence to
7 figure out the details of the project, and it was
8 evident to us that it was just not timely. It
9 wasn't perfect.

10 **Q. And the first time that Commission Staff**
11 **and the intervenors were aware of this was when**
12 **your responses were served to Staff's**
13 **Interrogatory 176, served on March 2nd; correct?**

14 A. I believe so.

15 **Q. All right.**

16 A. We may have -- we may have chosen to
17 postpone it in the first quarter of '17. I can't
18 tell you a specific date without looking it up.

19 **Q. All right. Now regarding PCF-27 the**
20 **Sanlando, Shadow Diversion Project, initially in**
21 **your direct case the -- according to your**
22 **testimony -- is about \$4.2 million. And then**
23 **later on it was 7.7. What is the current final**
24 **estimate?**

25 A. It turned out to have 7.7.

1 Q. 7.7?

2 A. 8.

3 Q. Okay. And in addition to the original
4 project, there was an addition to cover the
5 construction of a 2,000-square-foot field office
6 at Des Pinar. And that project's estimated
7 cost, \$962,000; is that correct?

8 A. Yes. It's actually two buildings. The
9 equipment storage building and a field office. It
10 includes all of the electrical equipment and
11 generator to support the field operations there.

12 Q. What's going to happen to the current
13 existing field office?

14 A. It will be demolished.

15 Q. It will demolished?

16 A. Yes.

17 Q. Any salvage value in that existing --

18 A. No. Zero.

19 Q. And when did Utilities, Inc. make the
20 decision to include this field office in this
21 major project?

22 A. Exact date I can't tell you, but we had
23 some analysis and -- discussion rather between
24 myself and staff about identifying a solution for
25 our lack of adequate field office space and

1 facilities to support our -- not only our existing
2 workforce there but an expanded workforce.

3 Q. All right. And you would agree that that
4 is sometime after September 1st when you made that
5 decision?

6 A. Yes.

7 Q. And was that also after October 31st?

8 A. I can't tell you exactly when that date
9 was, but it was in the general vicinity of that.

10 Q. And the first time anyone became aware of
11 that project was when Utilities, Inc. provided
12 that response to Public Counsel I think on
13 February 25th or March 2nd. Just basically late
14 February, early March when anyone learned that
15 there was a field office going in; correct?

16 A. Correct. And I reflected us having
17 received bids for the project in its entirety and
18 able to quantify what the project scope would be.

19 Q. All right. And you would agree that the
20 new field office at Des Pinar is not required for
21 the Shadows Diversion Project to be a success;
22 correct?

23 A. I think it's integral to the project.

24 Q. Meaning you can't divert the water
25 without a field office -- flows? Excuse me.

1 A. No. But we can't have people working
2 outside without some kind of a place to work from.

3 Q. Okay. On Pages 14 of your rebuttal
4 testimony, Lines 8 and 9, you discuss PCF-14. Do
5 you see that? That's your Mid-County Electric
6 Improvements Project?

7 A. Yes.

8 Q. Now, do you happen to have a copy of
9 Mr. Woodcock's Exhibit ATW-18 available? Do you
10 have a copy with you?

11 A. I can open one up.

12 Q. All right. If you would open that up,
13 that would be great.

14 A. Maybe not.

15 Q. If not, I can find a copy for you.

16 CHAIRMAN BROWN: Mr. Sayler, why don't
17 you try to find a copy for him. It's a very slow
18 computer that they have?

19 THE WITNESS: It's not the computer.
20 It's the air waves.

21 I can't open it. Do you have it handy?

22 MR. SAYLER: Yes.

23 May I approach the witness?

24 CHAIRMAN BROWN: Yes. First, show
25 Mr. Friedman what you're showing him, please.

1 THE WITNESS: Don't get too close.
2 You'll get sick.

3 MR. SAYLER: Sorry to hear that.

4 CHAIRMAN BROWN: Thank you.

5 BY MR. SAYLER:

6 Q. You're familiar with this document;
7 correct?

8 A. Yes. Yes, I am.

9 Q. All right. And now there is a bid from
10 APG. It's presented on a bid form that is
11 referenced as the project drawings specifications
12 and bid documents; is that correct?

13 A. Yes.

14 Q. All right.

15 A. Yes.

16 Q. And now the bid from EMS is submitted on
17 a plain sheet of paper that only references the
18 title of the project; is that correct?

19 A. Correct.

20 Q. All right. And does this EMS bid
21 acknowledge that it is based on the review of the
22 specifications, drawings, and documents like the
23 one from APG?

24 A. I believe so. You don't have it in here;
25 do you?

1 Q. There was only one page --

2 A. Oh, yeah. Got you. Got you. I'm sorry.

3 Yes.

4 Q. All right.

5 A. Correct.

6 Q. All right. And when you responded to OPC
7 POD No. 15, you did not provide any revised bid
8 forms for this project; correct?

9 A. This was a form that was available at the
10 time.

11 Q. Okay. And when you responded to Staff's
12 Interrogatory No. 179, you did not provide any
13 revised bid form for this -- from EMS; is that
14 correct?

15 A. Correct.

16 Q. And the only time that anyone saw
17 anything other than this one-page bid form from
18 EMS, that was in your rebuttal testimony; correct?

19 A. Correct.

20 Q. And that was after Mr. Woodcock
21 challenged the reliability of the project costs;
22 correct?

23 A. Correct. That was my -- at my request by
24 the contractor to put it in the form that was more
25 in line with what Mr. Woodcock had described with

1 the -- meeting his expectations for details.

2 Q. Okay. So --

3 A. It didn't -- it didn't -- did not in any
4 way change the dollar amount. It's a bid.

5 Q. Right. So they generated it at your
6 request after Mr. Woodcock's testimony; correct?

7 A. Yes.

8 Q. And this is one of those projects that
9 was initially estimated at \$900,000, and it went
10 over to 1.1 million?

11 A. Correct.

12 Q. All right. And in your testimony with
13 regards to PCF 14, you state that it is a form
14 that is acceptable to Mr. Woodcock; is that true?

15 A. That was my response motive to provide a
16 document from EMS of Central Florida that would be
17 in conformance or consistent with his comments.

18 Q. All right. But you don't know, in fact,
19 if you would be satisfied with that -- that
20 revised exhibit; is that correct?

21 A. Yes.

22 Q. All right. May I have my testimony back?

23 A. Yes. Absolutely. Thank you.

24 Q. Now, do I need to disinfect it,
25 Mr. Flynn?

1 A. I would.

2 Q. Well, I hope you feel better.

3 CHAIRMAN BROWN: Are you wrapping it up?

4 MR. SAYLER: Getting there, ma'am.

5 CHAIRMAN BROWN: I thought so.

6 BY MR. SAYLER:

7 Q. Mr. Flynn, whenever I do these rate
8 cases, my wife always complains that I finish it
9 and then come home sick, and then I'm out of
10 commission for a few days. So I sympathize with
11 you greatly.

12 And you would agree that yesterday we
13 established that in August when Utility filed its
14 case they were initially requesting 30 million in
15 proforma projects but now in rebuttal that cost
16 has increased to now over 36.8 million; correct?

17 A. Yes.

18 MR. SAYLER: And I have another exhibit.

19 CHAIRMAN BROWN: Okay. We don't have
20 that in front of us; do we? All right.

21 MR. SAYLER: You should. It's Proforma
22 Cost Compilations PCF-51.

23 CHAIRMAN BROWN: Okay. Yes, we do. I
24 have it. My apologies.

25 So we're going to go ahead and label

1 that 332. It will be entitled "Proforma Cost
2 Compilation from PCF-51."

3 (Whereupon Exhibit 332 was marked.)

4 CHAIRMAN BROWN: Do you have a copy of it
5 in front of you?

6 THE WITNESS: I do.

7 BY MR. SAYLER:

8 Q. Would you take a look at this exhibit and
9 compare it with your PCF-51 which is your wrap-up
10 table related to your rebuttal testimony?

11 A. Okay.

12 Q. I would represent to you through my
13 computer magic skills I was able to reconstruct
14 that table in Excel. This is to some extent, one
15 way or the other, better for worse -- and then I
16 added the two columns at the very end, Direct Cost
17 Estimate and Woodcock cost estimate.

18 I'm not going to ask you to verify that
19 everything is identical, but for sake of argument,
20 just assume I did it correctly. But take a moment
21 to see if there seems to be anything way out of
22 whack if you don't mind.

23 MR. SAYLER: And, Madam Chair, that is
24 mainly -- mainly for cross-examination purposes.
25 I'm happy to admit it to the record just for

1 clarity because here is one of few locations where
2 you see what they asked for in direct, what our
3 witness supported or recommended, and then what
4 they're requesting in their rebuttal.

5 CHAIRMAN BROWN: Thank you. I was
6 waiting to see if there was an objection to the
7 use of it. Hearing none. No.

8 THE WITNESS: Just scanning through it,
9 it seems to be reasonably correct.

10 BY MR. SAYLER:

11 Q. All right. Now, in the yellow highlight,
12 if you can see that, are a number of projects.
13 One is PCF-01. Do you see that one, Cypress Lakes
14 System?

15 A. Yes.

16 Q. It says, "Projected PIS," which is placed
17 in service date. Is that project in service?

18 A. Yes, it is.

19 Q. Going down to PCF-11, "El Benitra
20 Avenue (ph) portion and relocation in service as
21 March 30th." Is that one in service?

22 A. All the new facilities are in service.
23 The last task in a project is to remove the
24 abandoned old forts made by the City's contractor
25 which is forthcoming.

1 Q. Okay. Same question for PCF-16. Did
2 that go in on April 1st?

3 A. Yes. It's in service.

4 Q. What about the PCF-18, the methanol
5 pumps? Is that one in service?

6 A. Yes, it is.

7 Q. On PCF-29, I see two different line
8 items, and in the columns for the direct testimony
9 in Mr. Woodcock's testimony, I list it as a new
10 cost because I don't recall seeing that in his
11 testimony or the direct case. But regardless, are
12 both of those projects in service?

13 A. Yes. Just to clarify, the ones that the
14 structure costs and the second is engineering
15 support for it. And the sum of those two equals
16 the \$343,000 that's identified in the -- the new
17 columns at Row 20.

18 All right? That's the difference. It's
19 specifying the difference between the two tasks.

20 Q. Okay.

21 A. And that is -- I believe that's about 95
22 percent finished. If not, it's in service.

23 Q. Okay. You said 95 percent finished?

24 A. At least. Yeah.

25 Q. So we'll circle this one as almost

1 **complete.**

2 A. It's going to start up if it hasn't
3 already.

4 **Q. Okay. Now PCF-35, Lake Tarpid Water Main**
5 **Replacement, in service or not in service?**

6 A. Right. It's -- it's not complete. It's
7 been delayed -- it was late a little bit, but it's
8 moving along rapidly and should be finished in
9 this quarter.

10 **Q. In this quarter?**

11 A. Yeah. I would think -- I would think by
12 the end of -- end of June at the max.

13 **Q. Okay. How about PCF-36, the Jansen**
14 **Electric Improvements?**

15 A. That one I think is finished.

16 **Q. You think? You don't know?**

17 A. Let me think for a second.

18 Yes. I believe that is finished.

19 **Q. Okay. PCF-36.**

20 A. Yes. There's two lines for the PCF-36,
21 identifying engineering separate from
22 construction.

23 **Q. So you think both of those are in**
24 **service?**

25 A. Engineering is done.

1 **Q. And which line is the engineering line?**

2 A. 28. Engineering-UIF (indiscernible)

3 improvements.

4 **Q. All right. Now, PCF-40, Little --**

5 A. Little Wukiva Water Main Replacement (ph)

6 has been completed.

7 **Q. And PCF-41.**

8 A. All the piping work is done. They're
9 waiting for the clearance from DEP to put the
10 facilities operations. Would be this month.

11 **Q. And you expect that this month?**

12 A. Yeah. Easily.

13 **Q. And any of the other projects in service**
14 **as of today?**

15 A. The PCF-10 and 10-A about 99 percent of
16 that work has been completed. There's just about
17 \$3,000 worth of minor adjustments to be done in
18 the field reflecting the DOT schedule for that
19 road project.

20 **Q. You said 10 and 10-A?**

21 A. 10 -- 10 and 10-A, yeah. I think 10
22 might be completed. It's just provided that -- as
23 the record for that project.

24 **Q. And that is a project that's costing over**
25 **\$1.6 million; is that correct?**

1 A. Yes. So 99 percent of that work is done.

2 Q. So you would agree that this, like, the
3 first big ticket project on your list that you've
4 completed; correct, other than maybe the PCF-26
5 which is one 1.5 million?

6 A. Correct. Yeah. That was -- that was
7 pretty sizeable.

8 Q. All right. And you were asked some
9 questions by Mr. Armstrong earlier about the
10 percentage of projects completed as of this date.
11 You would agree that these projects that are now
12 in service are mostly your smaller, easy to finish
13 projects; correct?

14 A. Correct. The ones that were initiated
15 early enough to be completed by now as a function
16 of their size and complexity and other factors.

17 Q. Okay. And you would agree that a number
18 of these projects that were identified as your
19 direct testimony these are just cost estimates
20 that are illustrative of what you had included in
21 your -- your narrative of your testimony. But you
22 didn't actually include any supporting information
23 in your direct testimony filed on August 31st;
24 correct?

25 A. For some of us, yes.

1 Q. Right. And the Commission has declined
2 to admit those into the record as a result;
3 correct?

4 A. I'm sorry. Say that again.

5 Q. And the Commission declined to admit
6 those projects into the record; correct?

7 A. I'm not sure.

8 Q. Okay. I mean, your direct -- do you
9 remember when we were moving exhibits into the
10 record on your direct case, a number of those
11 projects identified in Staff's exhibit list were
12 not moved into the record. Do you remember that?

13 A. Yeah. Correct.

14 Q. Okay. And you would agree that if you
15 compare your rebuttal cost estimate to some of
16 Mr. Woodcock's estimates, the costs have gone up
17 for some categories and gone down for others;
18 correct?

19 A. Correct. And for identified reasons.

20 Q. All right. And for the ones that
21 increased beyond what he said was initially
22 supported, you provided new information in your
23 rebuttal testimony which Mr. Woodcock didn't have
24 an opportunity to provide supplemental
25 testimony --

1 **CHAIRMAN BROWN: Mr. Sayler, that has**
2 **been asked at least four times during this**
3 **proceeding.**

4 MR. SAYLER: I asked that on his direct,
5 not on his rebuttal, ma'am.

6 CHAIRMAN BROWN: It's already been asked.
7 The answer's in the record.

8 MR. SAYLER: All right. Sorry, ma'am.

9 BY MR. SAYLER:

10 **Q. Mr. Flynn, thank you for your candor,**
11 **your responses.**

12 MR. SAYLER: No further questions. And
13 at the appropriate time, we have various
14 objections that we need to make for rebuttal
15 exhibits.

16 CHAIRMAN BROWN: I am prepared for those.

17 All right. Staff. Again, just as a
18 reminder, please feel free to avoid duplicative
19 questions that have already been asked.

20 MR. TAYLOR: I believe on that note OPC
21 has covered a lot of the same territory we were
22 going to cover. I think that of the exhibit
23 packet that we passed out, we'll only be using the
24 second and the last exhibit in that packet.

25 CHAIRMAN BROWN: Thank you.

EXAMINATION

1
2 BY MR. TAYLOR:

3 Q. Mr. Flynn, could you turn to Page 8,
4 Lines 1 through 12, to your rebuttal testimony,
5 please?

6 A. Certainly. Okay.

7 Q. Okay. Your testimony here deals with the
8 approximation of UIF Seminole purchase water
9 operating cost to be incurred from the Crystal
10 Lake and Ravinia Park Interconnection.

11 Your testimony states it's appropriate to
12 include the purchase -- appropriate to include the
13 cost and purchase bulk water in the proforma
14 project costs.

15 Just for our clarification. You are
16 referring on the Crystal Lake and Rivinia Park
17 Interconnection Proforma Project?

18 A. Yes.

19 Q. Are you suggesting the cost to purchase
20 bulk water be capitalized with the project?

21 A. Yes.

22 Q. Could you see -- I believe it's the
23 second exhibit in that packet containing excerpt
24 from Ms. Swain's rebuttal testimony, Pages 18 and
25 19, Lines 21 through 25.

1 A. Yes.

2 CHAIRMAN BROWN: Let's go mark that
3 as 333 as Staff indicated.

4 (Whereupon Exhibit 333 was marked.)

5 BY MR. TAYLOR:

6 Q. Okay. Her testimony here states that UIF
7 will incur additional operational and maintenance
8 costs associated with the additional demand on
9 Ravinia Park. Do you see that?

10 A. Yes.

11 Q. Okay. Was the flows for UIF Seminole as
12 a whole expected to increase?

13 A. The -- increase from what? Excuse me.

14 Q. From their -- their current state.

15 A. As of today?

16 Q. Yes.

17 A. No. In the test year, yes.

18 Q. Okay.

19 A. If I can clarify, in a test year we have,
20 as part of the project, the Christina Lake Well
21 was offline, and we were purchasing water
22 initially through the inter -- interconnect to
23 provide service to those customers.

24 Upon completion of the interconnect
25 piping, we were able to provide water for Ravinia

1 Park Water Plant to the Crystal Lake customers.
2 And then we took the Ravinia Park Plant offline to
3 refurbish it, and during that time period, as part
4 of that construction project, we were purchasing
5 the water for both Ravinia Park and Crystal Lake
6 customer bases until such time as we completed our
7 water plant improvements.

8 **Q. I'm sorry. Just to clarify, as a whole**
9 **for the UIF Seminole System, are the flows**
10 **expected to increase?**

11 A. From the test year?

12 **Q. Yes, from the test year.**

13 A. Yes. Incrementally.

14 **Q. Can you please turn to -- I believe it's**
15 **the last exhibit in that packet, the second one**
16 **we'll be using. This is marked as UIF's Response**
17 **to Staff's Interrogatory No. 322?**

18 A. Yes.

19 CHAIRMAN BROWN: Wait. Okay. We are
20 going to go ahead and mark those as Exhibit 334 as
21 Staff just indicated, Mr. Taylor just indicated.
22 (Whereupon Exhibit 334 was marked.)

23 CHAIRMAN BROWN: You may proceed when
24 you're ready.

25 MR. TAYLOR: Thank you.

1 BY MR. TAYLOR:

2 Q. UIF's response to that interrogatory,
3 dates of invoices for work or for work done by Kim
4 Lee Horn; do you see where I am?

5 A. Okay.

6 Q. If the work was performed by Kim Lee
7 Horn, then why do I see invoices from CPH?

8 A. So we engaged CPH, who was already
9 familiar and had all the documentation associated
10 with that service area to provide us an update of
11 that -- of those maps, Sanlando, LUSI maps,
12 service area maps. And their water sewer system
13 infrastructure maps had been initially generated
14 by CPH Engineering, and we were able to get an
15 update from CPH Engineering very cost effectively.

16 Q. According to the precarried order, you're
17 responsible for Issue 41 as it relates to chemical
18 expense; is that right?

19 A. I believe so, yes, yes.

20 Q. Prior to the consolidation of utilities
21 into a single company, how were chemicals procured
22 by individual systems?

23 A. We have essentially identified a
24 contractor, chemical supplier, who give us -- gave
25 us a three-year rate for the chemicals we purchase

1 in terms of unit pricing, and so we've utilized
2 Hawkins for that -- that function, that chemical
3 supplier function across all of our systems except
4 for like one maybe.

5 **Q. But now that the utilities have been**
6 **consolidated into a single company have you been**
7 **able to purchase chemicals in bulk -- in bulk**
8 **statewide?**

9 A. Well, we're already doing it bulk
10 statewide.

11 **Q. Okay.**

12 A. So no significant statements from that
13 perspective is expected.

14 **Q. Okay.**

15 MR. TAYLOR: May I have an moment to
16 confer?

17 CHAIRMAN BROWN: Sure.

18 MR. TAYLOR: We have no further
19 questions.

20 CHAIRMAN BROWN: Nice job, Mr. Taylor.

21 All right. Commissioners?

22 Mr. Polmann?

23 EXAMINATION

24 BY COMMISSIONER POLMANN:

25 **Q. Hello again, Mr. Flynn.**

1 A. Hello.

2 Q. We've heard a bit of discussion on
3 proforma markets with respect to budget, schedule,
4 and expenditures, and I'm sure you recall some of
5 that.

6 A. Yes, sir.

7 Q. Can you please tell me what is the
8 responsibility of UIF on proforma projects to
9 report to the Commission on progress of the work
10 in completion?

11 A. I'm not sure what obligation we have.
12 We're certainly quite willing to provide any
13 documentation you request at whatever frequency
14 you request. We've many orders over time for --
15 for previous rate cases that identify the
16 obligations by the Company to provide reports of
17 various nature. And so we can certainly
18 accomplish that as well with this.

19 Q. Okay. If I understand you correctly,
20 you're responsive to Staff requests or
21 responsive -- project-by-project basis if there's
22 a specific requirement. Is that a fair statement?

23 A. Absolutely. Whatever it is that's the
24 wish of the Commission.

25 Q. Okay. So if there was a -- a specific

1 requirement to -- to report on plans, actual
2 schedule as projects move forward, including
3 delays, that would not be a problem for the
4 Company, would it?

5 A. No. That'd be certainly possible, and we
6 would support that.

7 Q. Okay. Thank you.

8 Now, with regard to costs and
9 expenditures, if I asked you the same question,
10 would you give the same response?

11 A. Yes. In terms of any changes in budget
12 or change order, that kind of thing? Is that what
13 you mean?

14 Q. If you were requested to -- to report to
15 the Commission on actual project costs, either as
16 they were incurred or at completion, actual costs
17 and expenditures, would the Company be able to
18 provide that information to us in a timely manner?

19 A. Yes. I would expect so.

20 Q. Thank you.

21 Now, indications were funds were
22 collected for proforma projects and not expended.
23 How is the -- how does UIF deal with those
24 leftover funds?

25 A. Do you mean if a project's finished under

1 budget? Is that what you're asking?

2 **Q. Yes, sir.**

3 A. So if the money's not spent, then it's
4 not going to go into rate base. So the proforma
5 project is calculated or estimated or quantified
6 to be in a rate base, then there obviously has to
7 be some kind of a true-up, either a subsequent
8 rate case or some other transaction, some other
9 activity.

10 **Q. Yes. Let me clarify. You have a -- a**
11 **list of projects in this case that are proforma.**
12 **So if you're requesting -- essentially, you're**
13 **requesting funds for those through this case.**
14 **That's why I'm -- you're in agreement with that,**
15 **sir?**

16 A. Yes, yes.

17 **Q. Okay. So those would be included in the**
18 **final pricing in the rate structure, and as you**
19 **implement those projects, you'll have actual**
20 **expenditures at the end. And if those don't back**
21 **up to what was anticipated, you'll have**
22 **essentially left-over money. So what happens to**
23 **that money? Does that get spent so something else**
24 **as a capital project? I'm just trying to**
25 **understand where the money goes.**

1 A. Well, in actuality, we've identified over
2 time that there is some change orders that will be
3 impacting some of those projects at some level,
4 and we could actually justify spending more than
5 the \$36.9 million that's currently quantified in
6 my exhibit because of change orders or factors
7 that have morphed. So the likelihood of actually
8 spending less is almost zero.

9 **Q. So if you're spending more, how is that**
10 **funded?**

11 A. It will get the Company funding those
12 projects to completion at that rate, and then at
13 some future rate case the evaluation of that
14 additional investment will have to be identified,
15 confirmed --

16 **Q. Okay. So you will request cost recovery**
17 **against that later?**

18 A. At a later time, correct.

19 **Q. Okay. Thank you.**

20 **On to -- Madam Chairman, just a couple**
21 **more.**

22 **CMS -- CMMS is a computerized maintenance**
23 **and management system or management maintenance**
24 **system, one of those; is that correct?**

25 A. Yes, sir.

1 **Q. Okay. Now, under -- if I understand**
2 **correctly, the operation management system is an**
3 **umbrella or -- or something within the CM --**
4 **CMMS -- I hate that.**

5 A. I do too.

6 **Q. It is within that in some sense.**

7 A. Yes.

8 **Q. Is that fair?**

9 A. Yes. If I could elaborate a little
10 bit --

11 **Q. You -- please explain it.**

12 A. So OMS is the overarching acronym we're
13 using for all of this effort and program within
14 our UIS system -- or UIF system across the whole
15 company, and so it has two key components. One is
16 the GIS platform which many of us are familiar
17 with. It's a geographical information system that
18 helps us with respect to linear assets like piping
19 and components of a piping system.

20 And the CMS is focused primarily on
21 providing maintenance support for vertical assess,
22 things that are plant related perhaps or
23 lesstation (ph) related.

24 **Q. Okay. Thank you.**

25 **Now, are you familiar with the particular**

1 type of data that are required in order to set up
2 the CMMS?

3 A. Yes, yes. We've been working diligently
4 for the last year and a half to assemble an asset
5 registry that, in fact, has been very well put
6 together and rolled into the pilot test that's now
7 going to be underway in about 45 days or so.

8 Q. So the assets over all of your physical
9 assets, every piece of plant and infrastructure
10 that you -- that you would need to maintain
11 essentially everything --

12 A. I wish. No, that's -- that's the first
13 blush effort which is a lot of work. It's an
14 ongoing process to actually have every little bit
15 of information gathered into the system, but
16 it's -- it's substantially established for many of
17 our systems and will be freshed out further over
18 time.

19 Q. So I would imagine you start with the
20 important things. It's just my words. And like
21 you said, it's an ongoing effort, and you keep
22 putting assets into a table in the computer data
23 base?

24 A. In no data base.

25 Q. Okay.

1 A. Not in there.

2 Q. And is this work being done in-house with
3 UIF staff, or is that hired out? Do you use
4 contracted work to gather this information of
5 the --

6 A. We've been gathering this information
7 with our internal to extend -- we have resources.
8 We've added a -- we tasked one of my staff, Nate
9 Carver, with asset manager responsibility, and
10 he's been marching this project through in a very
11 successful way. We just recently hired a GIS
12 technician to support him in order for this data
13 from the field that's going to be gathered by our
14 new asset maintenance team to flow into the GIS
15 database and help augment what's already in there.

16 Q. Thank you.

17 My last question is the folks you just
18 mentioned in terms of hiring, does that correlate
19 with the individuals in this docket that you're
20 asking for new staff --

21 A. Yes.

22 Q. -- are those the same people?

23 A. Yes.

24 Q. Thank you.

25 CHAIRMAN BROWN: All right.

1 Commissioner.

2 COMMISSIONER BRISÉ: Thank you, Madam
3 Chair. Just one question.

4 EXAMINATION

5 BY COMMISSIONER BRISÉ:

6 Q. Mr. Flynn, you were asked a couple of
7 questions about a letter that was sent out to the
8 Summertree customers. Who crafted that letter?

9 A. I think Mr. Hoy and I together worked on
10 that.

11 Q. So that did come from your communications
12 shop?

13 A. Commissioner, I'm sure that letter was
14 reviewed by the -- by the communications
15 contractor.

16 Q. Okay. All right. Thank you.

17 CHAIRMAN BROWN: Thank you, Mr. Brisé.

18 Okay. Redirect.

19 MR. FRIEDMAN: I just have one or two
20 questions.

21 EXAMINATION

22 BY MR. FRIEDMAN:

23 Q. Mr. Flynn, did I hear you right? Did you
24 say that you did not know of any evidence in the
25 record to support the cost of the proforma

1 projects?

2 A. I don't -- did not intend to say that.

3 Q. Other than the GIS portion of the
4 operation management system, is any other portion
5 of it included as a proforma in this case?

6 A. No. That's a future activity, future
7 project cost.

8 Q. And then you touched to this. But in a
9 response to a question from the Commission, do you
10 recall in any instance where the Commission has
11 allowed a proforma project for Utilities, Inc.
12 that -- that they had money "leftover"?

13 A. I can't think of one.

14 Q. All right. Thank you.

15 And I've no further questions.

16 CHAIRMAN BROWN: Thank you.

17 MR. FRIEDMAN: And I do have -- you
18 ready, Eric?

19 I would like to move Exhibits 207 to 248.

20 MR. SAYLER: All right. Public Counsel
21 will need to make some objections. Then I will --

22 CHAIRMAN BROWN: Could you delineate
23 which -- yes.

24 MR. SAYLER: Yes, ma'am.

25 CHAIRMAN BROWN: Thank you. Please.

1 And also, Mr. Armstrong, if you would
2 like to object, now is the time to do it.

3 MR. SAYLER: The general objection is to
4 any of the exhibits from 207 to 244 that contain
5 new information that came into the record after
6 Public Counsel filed testimony, and -- now, we
7 will note that exhibits identified at that hearing
8 of 245 through 248 are things that we're not
9 objecting to.

10 But it's the ones in 207 to 244 in
11 general because there's things that I don't know
12 if Mr. Woodcock actually had an opportunity to
13 review before he filed his testimony, but I can
14 specifically identify the ones that I know he
15 didn't. And I know that on Staff's Hearing
16 Exhibit it lists most of those projects as being
17 updated, and I presume "updated" means updated
18 from what was provided in direct testimony. So
19 all the ones that say "updated" we're objecting
20 to.

21 CHAIRMAN BROWN: All right. So I'm
22 looking at the rebuttal list, and I don't see any
23 words that say "updated." There are none from 207
24 all the way through to 248 on the comprehensive
25 list. There is nowhere in there --

1 STAFF: Madam Chairman, in the third
2 column, if you look at Exhibit No. 207 under
3 PCF-1, it says, "updated" underneath that on
4 Page 40.

5 CHAIRMAN BROWN: Oh, I see. In the ID
6 numbers --

7 STAFF: Yes, ma'am.

8 CHAIRMAN BROWN: -- not the title.

9 So anywhere that it says "updated" you're
10 objecting to it?

11 MR. SAYLER: I -- yes, ma'am.

12 CHAIRMAN BROWN: All right. 243 does not
13 say "updated." So 243, 245, 246, 247, 248 you're
14 fine with?

15 MR. SAYLER: Yes, ma'am.

16 CHAIRMAN BROWN: All right.

17 Mr. Armstrong.

18 MR. ARMSTRONG: We join in the objection
19 of public counsel.

20 CHAIRMAN BROWN: As stated?

21 MR. ARMSTRONG: As stated.

22 MR. SAYLER: And for all the reasons
23 we've stated before as our objections to why we
24 think this is not -- shouldn't be part of the
25 record. So we just renew all those objections.

1 CHAIRMAN BROWN: I'm going to hear from
2 the Utility, but I'm going to go ahead and move
3 into the record Exhibits No. 243, 245, 246, 247,
4 248.

5 (Whereupon Exhibits No. 243, 245-248 were
6 admitted.)

7 CHAIRMAN BROWN: Now -- so the only ones
8 that are outstanding are 207 through 242 and 244.

9 All right.

10 MR. FRIEDMAN: Okay. Well, I note that
11 214 don't -- 214 and 215 don't say "updated." 227
12 doesn't say "updated."

13 CHAIRMAN BROWN: You have better eyes
14 than I do. That's it? Thank you.

15 All right. So 214, 215, and 227.
16 Anything else? Can anyone else see anything?

17 MR. SAYLER: Well, 2 -- 214 we don't
18 object to, but 215 which says "PCF-10A." That's
19 amended which was actually new in rebuttal; so we
20 do object to that one.

21 CHAIRMAN BROWN: All right.

22 Mr. Armstrong.

23 MR. ARMSTRONG: We join in the
24 objection --

25 CHAIRMAN BROWN: Okay. All right. And

1 then the other one was 227 -- 225 --

2 MR. FRIEDMAN: Oh, no, no. 227.

3 CHAIRMAN BROWN: Okay.

4 MR. FRIEDMAN: Exhibit 25 but No. 227.

5 MR. SAYLER: And --

6 CHAIRMAN BROWN: Mr. Sayler, you object
7 to 225 -- I mean, 227?

8 MR. SAYLER: Hold on.

9 CHAIRMAN BROWN: While you're doing that,
10 seeing that Public Counsel and Summertree do not
11 object to 214 we will go ahead and enter that into
12 the record.

13 (Whereupon Exhibit 214 was admitted into the
14 record.)

15 CHAIRMAN BROWN: And 227 is the only one
16 left.

17 MR. SAYLER: And we don't object to 227.

18 CHAIRMAN BROWN: All right. And seeing
19 Summertree joined in with Public Counsel on the
20 objections, I assume that you don't object to it
21 either?

22 MR. ARMSTRONG: Correct.

23 CHAIRMAN BROWN: Okay. We're going to go
24 ahead and enter into the record 227.

25 (Whereupon Exhibit 227 was admitted into the

1 record.)

2 CHAIRMAN BROWN: All right. Now,
3 Mr. Friedman, you're up.

4 MR. FRIEDMAN: Now, I mean this is -- was
5 what the whole motion to strike was about. I
6 mean --

7 CHAIRMAN BROWN: I'm aware. I'm
8 entertaining your response to the objection.

9 MR. FRIEDMAN: My response to the
10 objection is that this is consistent with
11 Commission policy about the way that y'all have
12 handled evidentiary hearings in the past. And
13 you'll hear a lot about that whenever you hear the
14 argument on the motion to strike, but I think at
15 this particular point in time the motion to strike
16 has been denied.

17 And I think it's appropriate to -- to
18 introduce them and accept them in the record. And
19 obviously, if you take some different actions on
20 the motion to strike, then, obviously, it by -- by
21 that action it's going to make those -- those
22 documents move. So I don't see a problem putting
23 them in the record at this point because it will
24 come out if you change your mind.

25 CHAIRMAN BROWN: Well said.

1 I do want to just go to our general
2 counsel for little guidance on this.

3 MR. HETRICK: Thank you, Madam Chairman.

4 I think Mr. Friedman kind of summed up, I
5 think, what our view would be on this.

6 And let me also say that, when you get to
7 that motion for reconsideration down the road,
8 more specifically, to the extent that you allow
9 evidence in today is effected by flows from this
10 motion for reconsideration, as part of that
11 order, if you grant that order, then we can
12 issue -- you can -- part of that order can be
13 striking testimony and exhibits that coincide with
14 the decision that you make on the motion for
15 reconsideration. If you allow -- if you deny that
16 motion, then you simply give the evidence and the
17 exhibits the weight that they deserve in the
18 course of this hearing.

19 What I would recommended that you do in
20 moving forward or asking Mr. Saylor to rephrase
21 his objections that he has. The general due
22 process objection I don't think is before you
23 right now, and that's what the nature of their
24 motion for reconsideration is. And that's -- the
25 additional general objection he's raised in this.

1 If he wants to raise a specific evidentiary objection,
2 such as relevancy or hearsay on any specific exhibit,
3 then now is the time to do that. But all you have
4 before you is the order that's already been entered into
5 evidence that's in front of you, and that -- to the
6 extent that your motion for reconsideration effects that
7 evidence, that can be dealt with down the road.

8 CHAIRMAN BROWN: Thank you.

9 MR. SAYLER: I can respond.

10 Madam Chair --

11 CHAIRMAN BROWN: I will let you respond.

12 MR. SAYLER: Okay. Sorry. I didn't mean to
13 speak out of turn.

14 Based upon the fact that a number of the direct
15 exhibits were stricken from this record, not moved into
16 evidence, there is now no basis for the following
17 rebuttal exhibits to go into the record because that is
18 now legally new information that is now being considered
19 for the very first time on rebuttal. And I believe it
20 is Commission practice not to do that.

21 I've been doing this for eight years. I've
22 never seen an instance where a brand new project comes
23 helicoptering in, in rebuttal, that no one has really
24 seen before. And legally without the stuff on direct in
25 now, that causes a problem here. That's why we've

1 maintained this objection that there's no foundation or
2 basis for any of these on rebuttal because the projects
3 on direct are nullity.

4 CHAIRMAN BROWN: Well, sir, I -- I don't know
5 about the foundation part because you've been asking
6 this gentlemen, the witness, questions for the past two
7 hours and have had ample opportunity to cross-examine
8 with regard to foundation.

9 Responding to Mr. Hetrick's comments, I would
10 tend to agree 100 percent with everything that he said.
11 And at the juncture that we're at right now, I think
12 it's appropriate to enter into evidence all of those
13 exhibits that I just -- that we just discussed.

14 So with that if there are no further comments.

15 All right. I'm going to repeat for clarity of
16 the record -- you've already spoken, Mr. Sayler.

17 We'll go through them again for the record.
18 207, 208, 209, 210, 211, 212, 213, 215, 216 through 226,
19 228 through 242 have all been -- as well as 244 have all
20 been hearby entered into the record.

21 (Whereupon Exhibits 207-213, 215-226, 228-242, and 244
22 were admitted.)

23 MR. SAYLER: And, Madam Chair --

24 CHAIRMAN BROWN: Sure.

25 MR. SAYLER: -- consistent with the

1 requirements of the appellate record, we just renew our
2 objection at this time to the entering into the record
3 as evidence. So we don't give up any appellate rights.

4 CHAIRMAN BROWN: Thank you.

5 Mr. Armstrong, anything that you would like to
6 add?

7 MR. ARMSTRONG: I just preserve the rights of
8 Summertree as well, Madam Chair, thank you and Ms. Ryan.

9 CHAIRMAN BROWN: All right. So now would you
10 like your witness excused? Actually, we have a couple
11 more. We do have a couple more exhibits.

12 Summertree, you have 324.

13 MR. ARMSTRONG: Summertree moves 324 and 325
14 into evidence.

15 CHAIRMAN BROWN: Any objection? Seeing none,
16 we'll go ahead and moved in 324 and 325.

17 (Whereupon Exhibits 324 and 325 were admitted.)

18 CHAIRMAN BROWN: All right. Public Counsel,
19 you have 326 through 3 --

20 MR. SAYLER: 32.

21 CHAIRMAN BROWN: -- 32.

22 MR. SAYLER: We would move those into the
23 record at this time if there are no objections.

24 CHAIRMAN BROWN: Any objection? Seeing none,
25 we'll go ahead and enter into the record 328 -- 326

1 through 332.

2 (Whereupon Exhibits 326-332 were admitted.)

3 CHAIRMAN BROWN: Staff, since Wayne's rebuttal
4 testimony has not been inserted in the record, I would
5 suggest moving 333 and 334.

6 MR. TAYLOR: Staff, would like to move those
7 into the record.

8 CHAIRMAN BROWN: All right. We're going to go
9 ahead and do that seeing no objection from either
10 parties.

11 MR. FRIEDMAN: Would you move -- I'm just
12 worried about -- wondering about her rebuttal testimony
13 being admitted into the record before she's even
14 testified.

15 CHAIRMAN BROWN: He used it on
16 cross-examination.

17 MR. FRIEDMAN: I realize that, but --

18 CHAIRMAN BROWN: I think it's appropriate.

19 (Whereupon Exhibits 333 and 334 were admitted into the
20 record.)

21 CHAIRMAN BROWN: With that, would you like your
22 witness excused?

23 MR. FRIEDMAN: Yes, Madam Chairman.

24 CHAIRMAN BROWN: Mr. Flynn, I think you've
25 deserved a break.

1 THE WITNESS: I don't want to go.

2 MR. FRIEDMAN: He wants to contaminate us all.

3 CHAIRMAN BROWN: I know.

4 All right. It is 6:25. And we are going to
5 take a dinner break. We will be back here at 7:25. You
6 get a full hour.

7 (Transcript continues in sequence in Volume 9.)

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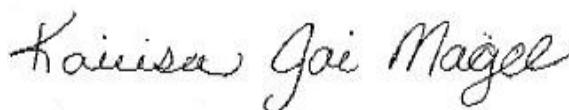
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1 CERTIFICATE OF REPORTER

2 STATE OF FLORIDA)
3 COUNTY OF LEON)4
5 I, KAIRISA JOI MAGEE, Professional Court
6 Reporter, certify that the foregoing proceedings were
7 taken before me at the time and place therein
8 designated; that my shorthand notes were thereafter
9 translated under my supervision; and the foregoing pages
10 numbered 1302 through 1412, are a true and correct record
11 of the aforesaid proceedings.12 I further certify that I am not a relative,
13 employee, attorney or counsel of any of the parties, nor
14 am I a relative or employee of any of the parties'
15 attorney or counsel connected to this action, nor am I
16 financially interested in this action.17 DATED this 15th day of May, 2017.
18
1920 21
22 _____
23 KAIRISA JOI MAGEE
24 NOTARY PUBLIC
25 COMMISSION #FF971623
EXPIRATION DATE MARCH 15, 2020