

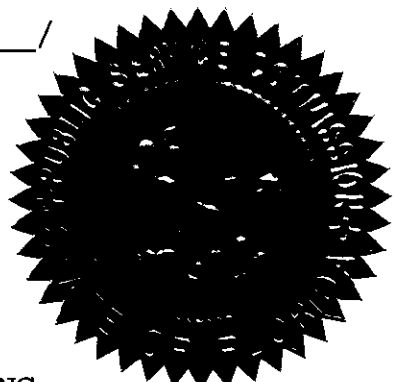
BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080121-WS

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In the Matter of:

APPLICATION FOR INCREASE IN WATER AND
WASTEWATER RATES IN ALACHUA, BREVARD,
DESOTO, HIGHLANDS, LAKE, LEE, MARION,
ORANGE, PALM BEACH, PASCO, POLK, PUTNAM,
SEMINOLE, SUMTER, VOLUSIA, AND WASHINGTON
COUNTIES BY AQUA UTILITIES FLORIDA, INC.



PROCEEDINGS: SEBRING SERVICE HEARING

BEFORE: CHAIRMAN MATTHEW M. CARTER, II
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER KATRINA J. McMURRIAN
COMMISSIONER NANCY ARGENZIANO
COMMISSIONER NATHAN A. SKOP

DATE: Monday, July 7, 2008

TIME: Commenced at 6:00 p.m.
Concluded at 7:47 p.m.

PLACE: Highlands County Administration Building
Board Chambers (Room B104)
600 South Commerce Street
Sebring, Florida

REPORTED BY: JANE FAUROT, RPR
Official FPSC Reporter
(850) 413-6732

DOCUMENT NUMBER-DATE

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FLORIDA PUBLIC SERVICE COMMISSION

FPSC-COMMISSION CLERK

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4 representing Aqua Utilities Florida, Inc.

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6 The Florida Legislature, 111 W. Madison Street, Room 812,
7 Tallahassee, Florida 32399-1400, representing the Citizens of
8 the State of Florida.

9 CAROLINE KLANCKE, ESQUIRE, TIM DEVLIN, and LYDIA
10 ROBERTS, 2540 Shumard Oak Boulevard, Tallahassee, Florida
11 32399-0850, representing the Florida Public Service Commission
12 Staff.

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P R O C E E D I N G S

1
2 **CHAIRMAN CARTER:** Good afternoon. We are on the
3 record. We want to call this service hearing to order. I want
4 to thank you all for being here this evening for this hearing.
5 And let me just kind of take a moment and -- I have got some
6 housekeeping matters to take charge, and then we will go and
7 proceed with our hearing.

8 First of all, if you've really got to go, outside the
9 door to my right are the facilities. Fortunately, we do have
10 indoor plumbing here tonight, so that's a good thing.

11 Secondly is that we have this hearing here tonight to
12 hear from you, the customers. We want to hear from you about
13 this very important issue that is before us.

14 We have got some housekeeping matters we have got to
15 do first. First of all, staff, would you please read the
16 notice.

17 **MS. KLANCKE:** By notice, this time and place has been
18 set for a customer service hearing in Docket Number 080121-WS,
19 application for increase in water and wastewater rates in
20 Alachua, Brevard, DeSoto, Highlands, Lake, Lee, Marion, Orange,
21 Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and
22 Washington Counties by Aqua Utilities Florida, Inc.

23 **CHAIRMAN CARTER:** Thank you.

24 And just before we take appearances for counsel, let
25 me just take a moment to introduce the panel. First, my name

1 is Matthew Carter, Chairman of the Florida Public Service
2 Commission. To my immediate right is Commissioner Edgar. To
3 her immediate right is Commissioner Argenziano. To my
4 immediate left, Commissioner McMurrin. To her immediate left,
5 Commissioner Skop.

6 And we'll have the parties introduce themselves in a
7 moment. First of all, let's take appearances from counsel.

8 You're recognized.

9 **MS. ROLLINI:** Thank you, Mr. Chairman. I'm Gigi
10 Rollini with the law firm of Holland and Knight. I'm appearing
11 today on behalf of Aqua Utilities Florida, Inc. My address is
12 P.O. Drawer 810, Tallahassee, Florida 32302. And with me today
13 is Mr. Chris Franklin, Southern Regional President. And at the
14 appropriate time we would like to make a very brief opening
15 statement. I also submit that notice of this hearing was
16 properly published in papers of general circulation, and we are
17 waiting on the affidavits. I'd like to request permission to
18 file those affidavits late, once received.

19 **CHAIRMAN CARTER:** Granted.

20 Next we will have Mr. Beck.

21 **MR. BECK:** Thank you, Mr. Chairman.

22 My name is Charlie Beck. I'm with the Office of
23 Public Counsel representing your interest before the Public
24 Service Commission. With me tonight also is Trisha Merchant,
25 who is a CPA in our office who is also working on the case.

1 **MS. KLANCKE:** And my name is Caroline Klancke
2 representing Commission staff. With me from Commission staff
3 is also Tim Devlin and --

4 **MS. ROBERTS:** Lydia Roberts.

5 **MS. KLANCKE:** -- Lydia Roberts.

6 **CHAIRMAN CARTER:** Thank you.

7 As I said earlier, we came because we wanted to hear
8 from you. And before we proceed, what I would like to do is
9 just kind of let you know that as we get to the point to where
10 we start to hear from you as customers, we want you to come to
11 this podium to my left here. And before we hear from you, we
12 will ask all of you to be sworn in, just take a little oath.
13 Because this is being recorded by our court reporter, to my
14 left, and she is going to take down everything that you say and
15 put it into the record.

16 This is our public hearing portion of the hearing.
17 After we complete our series of public hearings around the
18 state in all the areas that are impacted by this, then we'll
19 have a more formal hearing in Tallahassee, with lawyers and
20 experts and various and sundry other people and all. We want
21 to do that.

22 Before we do that, let's do this. Let's hear from --
23 have the opening statement from the company. And after we do
24 that, then we will have kind of a presentation. We'll have a
25 presentation by our staff to kind of set the tone for things

1 and let you see what all is involved in that.

2 Commissioners? You're fine.

3 Okay. You're recognized.

4 **MS. ROLLINI:** Thank you, Mr. Chairman.

5 Chris Franklin, the Company's Southern Regional
6 President of Public Affairs and Customer Operations is here
7 today to provide the customers and the Commission with a brief
8 statement regarding the company's filing for rate relief in
9 this proceeding.

10 **MR. FRANKLIN:** Thank you, Commissioners.

11 And thank you, customers, for giving me a few moments
12 to speak with you. I wanted to mention two housekeeping items
13 myself before I get into my formal remarks. One, out front we
14 do have customer service representatives which the Commission
15 has kindly allowed us to put there to answer any of your
16 questions should you have any concerning billing or customer
17 service.

18 The second issue, out front also we have the
19 emergency preparedness plans the company files and is required
20 to file by the state government. That has been asked for in a
21 couple of the other hearings. We wanted to make sure they were
22 available for your review, and they are also out front.

23 By the way, I'll note that our quick response in 2004
24 to the hurricanes that occurred that year were awarded by the
25 Governor because the response was so positive. So I want to

1 note that they are out there for your perusal.

2 First, just a little bit background about the
3 company. We are 100 years old. We have been a water utility
4 the entire time. We have only grown outside of Pennsylvania in
5 the last decade or so, and we entered Florida in about
6 2003/2004 with the purchase of two different companies. Both
7 companies we paid rate base for, meaning we didn't pay a
8 premium for either of those two companies. Despite the fact
9 that we didn't pay a premium -- and the reason we didn't pay a
10 premium is because the electric utilities that owned them were
11 quickly exiting the market. But despite the fact that we did
12 not pay a premium, they were in large part in disrepair, and we
13 almost had to triage where we would spend our capital
14 improvement dollars first.

15 Of course, we spent our first dollars on
16 environmental compliance and water quality standards because
17 those are obviously paramount to what we do. It was only then
18 that we could shift our attention to other spending, like
19 operational upgrades, such as meters. And since that time, the
20 early 2003/2004, we spent about \$30 million here in Florida,
21 and we have continued to operate under rates that were
22 established between 10 and 15 years ago. We have had no rate
23 increases since we've owned the company, and the last increase
24 was around ten years ago, except for the small index allowances
25 that we have been granted a couple of times during that period.

1 Now, you don't have to be a financial expert to
2 understand that costs have climbed during that period of time.
3 Think about chemicals, energy, and gasoline alone. So since we
4 were here at our last filing of a rate case, which was, you
5 know, a year ago we were here at hearings before, we have made
6 a lot of changes to the company. We've got basically a brand
7 new management team. We've got a new chief engineer and a new
8 head of environmental compliance. We've got a new chief
9 operating manager, a new area manager right here; Harry
10 Householder, who is going to be in charge of this area, is in
11 the back of the room. A new customer service manager and a new
12 chief regulatory officer. And we have made all of these
13 changes to demonstrate to the customer base that, in fact, we
14 plan and we do comply with Florida Statutes and regulations.

15 Now, we have also made improvements to our call
16 centers. Hopefully, you'll recognize that should you need to
17 call us at our call centers. We also heard in our last set of
18 hearings that the customers don't know us. And so we initiated
19 a program called Aqua Connect, which is basically town hall
20 meetings, less formal than this, where we could get to know
21 customers and they could ask the management team whatever
22 question they would like in a less formal atmosphere. We've
23 held them all around the state. We've held twelve of them, and
24 we plan to continue those every year.

25 Now, a year ago one of the biggest concerns was

1 estimated bills. So we developed and implemented a plan to
2 change out every meter regulated by the Florida Public Service
3 Commission. And we have done that last year and this year. We
4 are on the home stretch of that program. We should finish up
5 sometime in September. A lot of your meters were changed out
6 here almost a year ago.

7 Now, that plan cost about \$5 million in total to
8 change out all the meters and put radio frequency devices on
9 those meters throughout the state. Radio frequency devices
10 will allow us to drive down the street and never enter your
11 property again. We will read the meter from a vehicle.

12 Now, any time you initiate a program of this
13 magnitude, changing out every meter in the state over a short
14 period of time, there will be rough spots. And if you
15 experienced some issues associated with our ballet, as I call
16 it, that we need to undertake between our contractor installing
17 the meters, our local operations and our central billing
18 system, I certainly apologize and hope that we can rectify any
19 lingering issues even here tonight.

20 Another concern we heard from our customers was
21 around water quality. Often we hear concerns about hardness in
22 the water or calcification, that white residue on glasses. Or
23 manganese, which is the purple or black ring you get in your
24 toilet, or even a chlorine taste or odor. All of these things
25 are fairly commonly heard in the state of Florida. And I want

1 to tell you that water quality is of chief concern to us. We
2 have one of the nation's top laboratories in our central office
3 in Pennsylvania, and we take great pride in our ability to
4 diagnose water quality issues. We've spent a lot of money here
5 in Florida on water quality. And as a matter of fact, locally
6 here we spent about \$700,000 at the new plant, Lake Josephine,
7 that we are just about to open in the coming weeks.

8 Every year we take in excess of 6,300 water samples
9 for testing throughout our Florida systems. However, we do
10 realize, and I want to say this directly to you, we do realize
11 that meeting standards does not always provide you the
12 aesthetic quality that you deserve or that you desire. Yet, I
13 want to acknowledge the difficulty that many water utilities,
14 not just Aqua, have across Florida in providing water to
15 smaller communities that are serviced by wells. As you might
16 imagine, it would be extremely costly for us, and then you, to
17 provide filtration at every one of our plants. But you can
18 rest assured that we will continue to test the water supply,
19 and we will give all water quality phone calls to our call
20 center top priority when dispatched.

21 I also want to make sure that you knew that among the
22 industry, among peer companies, similar water utilities like
23 ours, we have one of the lowest cost structures, operating
24 ratios. That will be our operating expenses compared to our
25 revenues. So we really do work to keep our expenses in check.

1 So let me summarize by saying if our expenses aren't
2 out of line, and that ultimately will be the decision of the
3 folks sitting in front of the room, but if our expenses aren't
4 in line, we don't think that they -- are not out of line, and
5 we don't think that they are, and we didn't pay a premium for
6 the systems we purchased, why is it that we are actually
7 operating in the red? Why are we losing money here in Florida?
8 And I think the answer is pretty straightforward. We haven't
9 had a rate increase in more than a decade and expenses have
10 gone up and our capital investment of improvements has
11 continued.

12 So, folks, let me say this. This is the part of my
13 job I enjoy least, requesting increased rates. I work for a
14 water utility because I believe that in many ways we make a
15 difference in people's lives, providing improved water and
16 wastewater services, basic services to people. I can also tell
17 you that I don't take this part of my job lightly. We prepared
18 this rate proposal. We put our brightest people on it, and we
19 went through many iterations to attempt to find a solution that
20 was equitable and had the least impact on our customers. While
21 I can't say that the proposal is perfect and that anyone is
22 necessarily going to like it, I can say it was prepared by
23 people of great integrity and it was done considering the
24 impact to customers.

25 I do appreciate the time you have given me tonight,

1 and I would be happy after the meeting to answer any of your
2 questions, as the staff would be, as well, and I look forward
3 to hearing from each of you.

4 Thank you.

5 **CHAIRMAN CARTER:** Mr. Beck.

6 **MR. BECK:** Thank you, Mr. Chairman.

7 Good evening. My name is Charlie Beck, and thank you
8 for coming out this evening. Let me explain who our office is
9 and how we are different from the Public Service Commission,
10 and what we are doing in the case.

11 The Office of Public Counsel was created by the
12 Legislature to represent your interests before the Florida
13 Public Service Commission. We do not report to the Public
14 Service Commission. We receive our funding separately from
15 them. And we appear as a party on your behalf in front of the
16 Commission. Just as the company will be advocating their case
17 before them, we are going to be putting in a case in opposition
18 to the company's rate increase in this proceeding. We will
19 cross-examine their witnesses, put on witnesses of our own,
20 file briefs, and act just as any other party would. We also
21 have the right to appeal the Commission's decision to the
22 courts, which we occasionally do, in fact.

23 We were involved in the last rate case last year.
24 I'm sure many of you are familiar with that. In that
25 proceeding Aqua asked for a rate increase of \$7.3 million per

1 year. We sent them a lot of discovery requests, which are
2 essentially requests for them to answer questions, produce
3 their documents. We found in that case that, in our opinion,
4 at least, it was a constantly changing picture which the
5 company presented to us. They would have one set of data and
6 then we would get other data. And months into the case we felt
7 they essentially refiled it with a new filing.

8 We filed a motion to dismiss the case, which was to
9 throw the case out. The staff of the Public Service Commission
10 issued a favorable recommendation, and just before the
11 Commission was scheduled to decide that, the company withdrew
12 their case. And so they were required to refund all the money
13 they had collected in the interim, which at that point had been
14 approximately one million dollars, and they also made a \$50,000
15 contribution to plant that they funded rather than asking the
16 customers to fund.

17 Now, in this case we have intervened again. They are
18 asking for \$8.4 million per year in this case. We are going to
19 do everything we possibly can to bring the rates down that they
20 are asking, because we know these are extremely high rates and
21 a very large increase that they are asking customers to pay.

22 We have hired three outside experts who are going to
23 present testimony in this case. Briefly let me describe what
24 we expect them to do. One will be an expert on the profit
25 margins that we feel the company should be allowed. It's

1 called return on equity. We have a difference of opinion with
2 the Commission on this. We recently litigated a case with an
3 electric utility in the northern part of the state. Our
4 witness recommended a profit margin or return on equity of
5 9.15. The Commission granted them an 11 percent return on
6 equity. And they have also done that in a natural gas case, as
7 well.

8 We are going to continue to push this issue. We will
9 present a witness who will recommend a return level less than
10 the company has proposed in this case, and we will try our best
11 to get the Commission to bring the profit levels down that the
12 company is allowed, but still allow them a reasonable return.

13 We're also hiring an engineer who is going to go out
14 and visit each of the plants, inspect the plants, look at their
15 condition. He will look at the portions of the plants that are
16 actually being used to provide service, because at times when a
17 new plant is put in, its capacity is greater than needed to
18 serve the current customers. So he will be looking at that and
19 recommending what portion of the plants he feels are used and
20 useful in providing you service.

21 The third witness we are presenting will be an expert
22 in regulatory accounting and finance matters. She will be
23 looking in particular at affiliated interests, because many of
24 the costs you see -- Mr. Franklin described their costs and
25 they are losing money -- many of those costs are allocated

1 costs. They are costs in Pennsylvania, service company costs.
2 We will be looking very closely at all of that and putting on a
3 witness to critique that.

4 With regard to your service, when setting the profit
5 level of the company, one of the things the Commission looks at
6 very closely is the service that they receive. So your
7 testimony is very important here and will directly affect what
8 the Commission does. So please let us know how the service you
9 are getting is and let us know how you feel.

10 And with that, I thank you for coming tonight.

11 **CHAIRMAN CARTER:** Thank you, Mr. Beck.

12 At this point in time we will go off the record, our
13 court reporter is going to go off the record, and have our
14 staff do a brief overview of what is involved in this case.

15 (Off the record.)

16 **CHAIRMAN CARTER:** Thank you, Mr. Devlin. What we
17 wanted to do is just kind of give you a general overview.

18 Just for informational purposes there is a blue form
19 out front. Our staff has those for you. The last page there
20 is a comment form that if you think of something that you
21 didn't get a chance to say tonight, and you want to do that, or
22 if you have got some neighbors or friends that were unable to
23 attend, please feel free to take those to get their comments
24 and send those up to us, and we will make those a part of the
25 record.

1 I said initially that we came to hear from you, and
2 at this point in time, those of you that are wishing to speak,
3 would you please stand and raise your right hand so I can swear
4 you in. Please stand.

5 (Witnesses sworn.)

6 **CHAIRMAN CARTER:** Thank you. You may be seated. The
7 way we will proceed is that Mr. Beck will call you by name, and
8 as he calls you, would you come to the lecturn over here and
9 state your name and address for the record, so the court
10 reporter can record that, and then we will proceed from there.

11 Mr. Beck, you're recognized.

12 **MR. BECK:** Thank you, Mr. Chairman.

13 The first customer appearing tonight is James Burns.

14 **MR. BURNS:** Exhibit A.

15 **CHAIRMAN CARTER:** Thank you.

16 **MR. BURNS:** Somebody left their phone up here.

17 JAMES BURNS

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

20 DIRECT STATEMENT

21 **MR. BURNS:** Hi. My name is James Burns. I live in
22 the Sebring Lakes Water Development at 5312 Knight Avenue. We
23 are right across from your water treatment plant. And you
24 folks say you want to double our water bill. Well, you should
25 be paying me for drinking that. I spent \$5,000 on a water

1 filter system to get something safe enough to drink and cook
2 with.

3 I noticed the gentleman that talked here first, he
4 prefers bottled water. The company product is not good enough.
5 A lot of the neighbors feel the same way. Between the
6 chlorine, the smell, the sediment, it's quite ridiculous.
7 Usually people put a gun to your ribs when they want to hold
8 you up. This is how most of us feel.

9 Ninety percent of the people in our area are on
10 Social Security. Their Social Security check is not getting
11 doubled. So, what they want, what they bought, they knew what
12 they bought when they bought it. They knew the area they were
13 coming to. It's just a crying shame that water, water
14 everywhere, and there's not a drop fit to drink unless you pay
15 an exorbitant amount of money to have it filtered.

16 My filter is changed once a month, and that's just a
17 prefilter to get the water so it doesn't destroy the filters
18 and make the water safe enough to come into reverse osmosis
19 inside the house so we have something fit to drink and cook
20 with. Showering with it and laundering with it, well, that you
21 have got to live with.

22 This is getting ridiculous. And seeing that the
23 water line runs in front of the house, the state won't let you
24 hook up to a well, that needs to be changed, as well, because
25 that is a bunch of BS as far as a lot of us are concerned. And

1 that is rules that you folks have set down, so.

2 COMMISSIONER ARGENZIANO: Mr. Chairman.

3 CHAIRMAN CARTER: You're recognized, Commissioner
4 Argenziano.

5 COMMISSIONER ARGENZIANO: Mr. Burns, that subject you
6 just touched on has been a subject for me a long time. I
7 served in the legislative process, and I can tell you that that
8 is a legislative decision. I tried to make those changes at
9 the -- sometimes it's a county decision, also, and a city
10 decision. You have to -- and please take this the right way.
11 You have to lobby your legislators and your local elected
12 officials.

13 MR. BURNS: That's like beating a dead horse, too.

14 COMMISSIONER ARGENZIANO: I know. I know. I'm just
15 telling you where that really -- that was not a decision of
16 this Commission, and that is a decision that our Legislature,
17 our counties, and our city commissioners need to hear from the
18 people.

19 MR. BURNS: Yeah. Well, a lot of us kind feel like
20 Custer at Little Big Horn here. We have got more company
21 representatives than we do have people here. So all we can do
22 is voice our opinion and say we have had a enough.

23 COMMISSIONER ARGENZIANO: Thank you.

24 MR. BURNS: Thank you.

25 CHAIRMAN CARTER: Mr. Burns, wait.

1 Commissioners, any further questions?

2 Mr. Beck.

3 I'm assuming we can take the bottle -- the jar of
4 water?

5 **MR. BURNS:** Yeah. I would have brought the filter,
6 too, but I had just changed it two weeks ago, and the cost of
7 the filters have doubled, and I wasn't going to waste the
8 double expenditure of a filter. They think their costs are
9 double.

10 **CHAIRMAN CARTER:** Thank you.

11 Commissioners, we are on Exhibit 9, and we will just
12 mark that for identification purposes. It will be Exhibit 9,
13 and we will call it a jar of water. That makes sense to me.
14 Thank you.

15 (Exhibit Number 9 marked for identification.)

16 **CHAIRMAN CARTER:** Mr. Beck.

17 **MR. BECK:** Thank you, Mr. Chairman. The next
18 customer is Lucja Michalowtska.

19 **MR. BURNS:** She was here with me.

20 **MR. BECK:** Okay. Nancy Crooks.

21 **NANCY CROOKS**

22 appeared as a witness and, swearing to tell the truth,
23 testified as follows:

24 **DIRECT STATEMENT**

25 **MS. CROOKS:** My name is Nancy Crooks. I live at

1 4662 Sebring Lakes Boulevard. I am not a very good public
2 speaker, and I'm very nervous. But I concur completely with
3 what James has said. We just built a new house; we moved in
4 March 10th. The water is very bad. We have had two separate
5 incidents. One was where they had a chlorine spill. We are at
6 the very end of the line. We got it. I drank it. My throat
7 burned so bad I thought I was going to have to go to the
8 emergency room. But I didn't, and I'm here, so apparently it's
9 okay.

10 The second time we lost our water pressure. We had
11 to make some calls. Both happened on Saturday nights.
12 Eventually the water did come back on, but I was awakened twice
13 in the night. It was after midnight when it happened.

14 The water is bad. I know that expenses are high.
15 Things go up, up, up, but we also are on a fixed income, and
16 it's not easy paying your bills. So I just completely concur
17 with what James had to say.

18 Thank you.

19 **CHAIRMAN CARTER:** Thank you so kindly. One second.
20 Commissioner Skop, you're recognized.

21 **COMMISSIONER SKOP:** Thank you, Mr. Chairman.

22 And good evening, Ms. Crooks. I appreciate you
23 taking the time to come out and express your concerns to the
24 Commission this evening.

25 With respect the two incidents that you mentioned,

1 the chlorine and the loss of water, did you as a consumer ever
2 receive notification from the utility of either of those
3 events, either as they were happening or subsequent to them
4 happening?

5 **MS. CROOKS:** I called and I said I want to -- I
6 called customer service. This was Saturday night, like
7 probably 7:00 o'clock. And I said I want to register a
8 complaint. I want you to write down what happened with the
9 chlorine. And I took her name, but I did not bring it with me.
10 I can't tell you who it was. And then the next day Eddie came
11 by with the name of the insurance person, in case I had any
12 problems, who I was to contact.

13 The second time with the water pressure, we called.
14 They did call back. A man from, I believe, Sarasota called me,
15 and he didn't know what the problem was. And he said maybe
16 they are flushing the lines. And I said, "At 9:00 o'clock, I
17 don't think so, on a Saturday night." So he called me back
18 twice, I think, that night, and the next morning Eddie called
19 so see if we had water. That was it.

20 **COMMISSIONER SKOP:** Thank you.

21 **CHAIRMAN CARTER:** Mr. Beck.

22 **MR. BECK:** Ms. Crooks.

23 **CHAIRMAN CARTER:** Ms. Crooks, one second, please.

24 **MR. BECK:** Just a question about the first incident.
25 You mentioned it was a chlorine spill?

1 Floyd Barnard. I live at 13701 Tangelo Street, Sebring Lakes.
2 I brought some of the bills. They don't get extra money. They
3 don't get no raises. Well, we got a few raises. Back when
4 they had their last interim, we were paying \$8 and some cents
5 for a meter charge. All right. They pulled it up. Well,
6 shortly after they went to \$9 for a meter charge and they
7 raised the price of the water. Just recently they went to
8 \$10.88 for the meter, and they raised the price of water again.

9 So I don't know about you folks, but every time I
10 look at that increase on the meter, that means they got a
11 raise. It don't mean it was a deduction. They raised the
12 water, that's a raise. Maybe this is out of order. Mr.
13 Chairman, maybe you can tell me. Does Aqua Service or Aqua,
14 Inc., pay the state for the water they pull out of the ground?

15 **CHAIRMAN CARTER:** No, they do not.

16 We do have staff here to answer whatever questions.
17 It would be improper for the Commissioners to do that, but we
18 do have staff to answer, if you have any questions.

19 **MR. BARNARD:** Well, I was just wondering. You know,
20 I kind of thought the water came out of the ground free. I
21 mean, I do understand they have got a pump, they have got
22 electricity, they've got all of this, I understand that. You
23 know, they still owe me \$160 from last interim, you know, and
24 am I annoyed? Come on, folks. They had to pay me interest.
25 But, now, if I'm not mistaken, it is called a -- what do I want

1 to say?

2 UNIDENTIFIED SPEAKER: Credit.

3 MR. BARNARD: Credit. Do they pay interest on the
4 credit? Do you pay interest on the credit?

5 CHAIRMAN CARTER: Mr. Devlin, you're recognized.

6 MR. DEVLIN: If you're speaking to the interim that
7 was refunded last year?

8 MR. BARNARD: Yeah.

9 MR. DEVLIN: Yes, that was in the form of a credit, I
10 believe. Interest was applied to that.

11 MR. BARNARD: Do they apply it to what is still owed
12 there as a credit?

13 MR. DEVLIN: I am not sure, sir. I would have to
14 check and see what hasn't been paid.

15 MR. BARNARD: Okay. I understand they had to pay
16 interest on money, but once it was transferred from the interim
17 rate to a credit, do they pay interest on the credit now? My
18 understanding of the credit is this is the amount of money you
19 paid. We owe you this money back. But how many people are
20 like me that still has a \$160 credit, that the money is coming
21 out of that credit, but there is no interest going back in that
22 credit. But I guarantee you they are getting interest on the
23 money in the bank on that money.

24 You know, I'm not against it, but I think we're
25 making out pretty good there. And as far as this young lady

1 was talking about the low water pressure, this is not uncommon.
2 This is a common thing. I've turned on the faucet and it is
3 just barely drizzling out. And, if I'm not mistaken, they are
4 supposed to notify you. You're supposed to boil the water and
5 everything else when it gets down that low. I've never been
6 notified. And it's not -- I'm not going to say it is every
7 week, but I have had a week where I have it down that way two
8 or three times in the same week. No notification whatsoever.

9 I understand the company. I'm not a lawyer, and I'm
10 not a CPA, and I'm probably not a real smart person, but this
11 interim and these rate increases that they give us, this is
12 beyond me. Somebody was saying the state stops you from
13 drilling a well. Well, folks, I'm going to tell you there has
14 been a whole bunch of wells put in. We put a sprinkler well
15 put in without a permit. And you know what, there ain't nobody
16 that can stop you from drinking it, either. And that's what
17 this company wants.

18 I mean, if that -- and as far as they were saying
19 about all of this work they had to do on the plants, I
20 personally know about the plant they bought at Sebring Lakes.
21 That plant was only a year and a half, two years old, all brand
22 new, brand-spanking new. Mr. Short put that in. So they
23 didn't have to do a whole lot of work there. They might have
24 had to change the chlorine that you were using. The black
25 rings. Mr. Short had it, like I said, a year and a half, two

1 years, we never had a black ring. Once in a great while he
2 would over-chlorine a little bit. So the chlorine smell would
3 come up. We ain't had half the stuff we're getting from these
4 people.

5 I mean, I was here the last time, and we are giving
6 the same speech. I won't let my dog drink it. I do not let my
7 dog drink it. I buy bottled water for him. And maybe it's the
8 Florida water. From what I understand all of Florida's water
9 isn't really that terrific, but this is ridiculous.

10 You can't -- you have got to wash your toilet bowl
11 every day. If you don't, within two days it's black. That's
12 not water. I mean, is it the chemical you are putting in? If
13 it is, change the chemicals, because Mr. Short didn't have no
14 problem with that. Other than that, yeah, their servicemen are
15 real friendly and everything like that, but that don't help you
16 when it comes to bill paying time and drinking it. So I can't
17 see it.

18 And as far as an interim, I don't think they should
19 have even an interim. This is just another way of banking
20 money until you either say no or they pull the same game they
21 pulled last time. We'll pull it. We'll come back in eight or
22 nine months. You know, they can keep pulling this same routine
23 forever.

24 And back to the bills again, it was 0.1 --
25 .01-something back when they had the interim. Then they went

1 from that to -- oh, it was .00173. This is the bill from
2 July 24th, '07. This is a bill for -- oops. One too many
3 here. This is a bill for March 12th of '08, .00219. I believe
4 that is an increase, isn't it? All right. Now, we are going
5 to go to June 10th of this year. Now it is .00246. I believe
6 that is a rate increase, isn't it? At least -- like I say, I'm
7 not real smart, I'm not a CPA, but it sure looks to me like an
8 increase.

9 And the bills, the meter charges from eight something
10 to 9.68 to 10.88 for a meter, and this is all in one year. And
11 they are not -- they are not getting no increases? And if I'm
12 not mistaken, every November or December they automatically get
13 a three percent increase, don't they? I think that's allowed.

14 I don't want them to go broke. I can understand them
15 saying, hey, you know, it's costing me \$5 a gallon for diesel
16 fuel now. It used to be only \$2. I understand that. It costs
17 me extra for the chemicals. I understand that, too. But if
18 you break it all down, it don't come to the kind of money they
19 are talking about in this interim. I mean, that's absolutely
20 ridiculous.

21 Okay. I thank you for your time.

22 **CHAIRMAN CARTER:** One second, Mr. Barnard.

23 Commissioner Skop, you're recognized, sir.

24 **COMMISSIONER SKOP:** Thank you, Mr. Chairman.

25 Good evening, Mr. Barnard, and thank you for coming

1 out and sharing your concerns with the Commission. Again, we
2 take that very seriously.

3 With respect to the bills that you are referencing,
4 is there any way that the Commission could get a copy of those?

5 **MR. BARNARD:** You can have a copy of every one. I've
6 got more at home, and this was more or less a last-minute
7 thought. Wait a minute. You know, I know -- when I look at
8 these bills and I said, you know, I ought to get some of these
9 bills and bring them in and show them that they actually are
10 getting their increases.

11 Now, they are not getting the \$50 for a meter. Oh,
12 something else on the meter. This here is costing all this
13 money, but, you know, it costs them less money for the man to
14 go around and read that meter, too. So we saved money there,
15 didn't we? I mean, if you improve something to make your
16 business better that is called investment into a company.
17 Uncle Sam gives you a deduction on your taxes also for
18 investment. When they started that company they had a profit
19 margin marked in. That doesn't mean their profit margin has
20 got to go up. It means you charge extra for what it costs you
21 to produce this. And what they are doing here is just upping
22 their profit margin.

23 **COMMISSIONER SKOP:** And, again, I appropriate your
24 concern, and if an appropriate member of our staff could get a
25 copy, I'll work with him.

1 Thank you.

2 **CHAIRMAN CARTER:** The gentleman in the back with
3 the -- don't go yet. Don't go yet. We will have one of our
4 staff members get that for you, Commissioner Skop.

5 Commissioner McMurrin.

6 **COMMISSIONER McMURRIAN:** Thank you, Mr. Chairman.

7 My question was along the same lines, Mr. Barnard,
8 but I wanted to ask you on the bills that you brought, does it
9 show -- here I am, I'm sorry -- is there a place on there where
10 it shows the 160 that you said that they haven't credited back
11 to you yet? And you can point that out to Mr. Brown when you
12 give it to him, if you want, but I just wanted to ask you if
13 you thought the bill showed that credit.

14 **MR. BARNARD:** Well, I've got one right here. It
15 shows \$208.71, how is that? That is March 12th of '08.

16 **COMMISSIONER McMURRIAN:** But you're saying that they
17 haven't credited you back from the interim increase from last
18 year --

19 **MR. BARNARD:** Oh, no, ma'am.

20 **COMMISSIONER McMURRIAN:** -- you haven't received all
21 of that credit yet?

22 **MR. BARNARD:** No, ma'am. The credit is there.

23 **COMMISSIONER McMURRIAN:** Oh, it is there?

24 **MR. BARNARD:** Oh, yes. What I'm asking is when the
25 interim rate was denied, or when they withdrew their interim

1 rate, they had to pay us interest on the amount of money we had
2 there already, overpaid. Once you change that from an
3 overpayment to a credit, no more interest is paid on that
4 money.

5 **COMMISSIONER McMURRIAN:** Okay. And --

6 **MR. BARNARD:** I would almost bet, I might be wrong,
7 somebody said they were a CPA. I think the company itself has
8 got a CPA. And I don't think they paid interest on the credit.
9 No place else I have ever done business with pays you interest
10 on the credit you get there.

11 **COMMISSIONER McMURRIAN:** Okay. Well, I
12 misunderstood. That helped me. I'm glad I asked then.

13 **MR. BARNARD:** Oh, no, no. We have been credited.
14 Some people even got their checks back. It took an H of a time
15 to get it back, but they got it back. I didn't. I just said,
16 hey, what's the difference whether it is my pocket or I don't
17 have to pay a bill. I saved 47 cents from sending a stamp in.
18 So it don't make no difference to me. But if they get another
19 interim rate, I'm going to be dead and buried before I ever get
20 my credit back.

21 **COMMISSIONER McMURRIAN:** Thank you, Mr. Barnard.
22 That's all I have.

23 **CHAIRMAN CARTER:** Commissioner Skop.

24 **COMMISSIONER SKOP:** Thank you, Mr. Chairman. And to
25 Commissioner McMurrrian's point --

1 **CHAIRMAN CARTER:** Mr. Barnard, stay with us for a
2 moment.

3 **MR. BARNARD:** Yes, sir.

4 **COMMISSIONER SKOP:** Just a quick question to staff.
5 I guess, and I think Mr. Barnard clarified this a little bit,
6 but if the credit that has been posted to an individual
7 consumer's account is of a certain amount, do they have the
8 option of formally requesting a check, a refund check from the
9 company in lieu of just letting that credit -- I think that the
10 point he raised is a good and valid one. But, again, I think
11 he may have made an election to allow the credit to just be
12 posted to the account. But I'm wondering whether he also has
13 an election to request that that amount be refunded to him,
14 perhaps.

15 **MR. DEVLIN:** Commissioner Skop, I will have to check
16 exactly what discretion was part of that order in ordering the
17 refund. You know, I don't know the answer offhand.

18 **MR. BARNARD:** Commissioner, if I may intervene, the
19 setup on that was you either requested a return check at the
20 time of the interim or it was posted as a credit. You couldn't
21 do both.

22 **COMMISSIONER SKOP:** Thank you.

23 **CHAIRMAN CARTER:** Commissioner Argenziano.

24 **COMMISSIONER ARGENZIANO:** And just to make sure I got
25 this right, when the credit is posted to the account, if that

1 is what the customer went for, a credit rather than a check
2 ahead of time, is the credit -- does the credit reflect the
3 interest?

4 MR. DEVLIN: I believe it should.

5 MR. BARNARD: Yes, it does.

6 COMMISSIONER ARGENZIANO: Okay.

7 MR. BARNARD: What I was asking --

8 COMMISSIONER ARGENZIANO: Yeah, I know. I got what
9 you asked. I wanted to make sure that -- I got you, though.
10 Thank you.

11 MR. BARNARD: If you give me \$165, I owe you \$165.
12 If it is credit, I don't pay you no interest.

13 COMMISSIONER ARGENZIANO: Right. I've got you.
14 Thank you.

15 CHAIRMAN CARTER: Thank you.

16 Mr. Beck?

17 Thank You, Mr. Barnard. And the gentleman in the
18 back -- Todd, stand up so he can see you so -- will get a copy
19 of that.

20 Thank you, Mr. Barnard, we appreciate it.

21 MR. BARNARD: Thank you.

22 CHAIRMAN CARTER: Thank you.

23 Mr. Beck.

24 MR. BECK: Thank you, Mr. Chairman.

25 The next customer is Jane Barnard.

JANE BARNARD

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

DIRECT STATEMENT

MS. BARNARD: Ditto to everything my husband said,
but I've got to add that about twice a year we get a notice
from the company saying, in essence -- I mean, I'm not going to
quote it exactly because I don't have it here -- our water
isn't fit to drink. We advise you to use boiled water, because
we were too lazy to go and have it tested, and now we have got
to have it tested. But that is going to take a couple of
months, so in the meantime, please buy bottled water.

And bottled water -- I've got a bill right here,
72 cents a gallon. Figuring a gallon a day for each of us,
that comes to \$1.44 a day. For a month that's over \$43. We
have got to pay that on top of our water bill because the water
that we are paying for isn't fit to drink.

So I think that a company who is saying that quality
is very important to him, that is what the man said, I think
that they would at least go down and have it tested like the
state says they are supposed to, and then they wouldn't be
having to send us these reports about twice a year saying, gee,
I'm sorry, we just didn't have the time or we didn't take the
trouble, or whatever, to go and have the water tested. So
please don't drink the water, buy bottled water instead.

1 That's right on their thing. So that's my complaint.
2 We pay all this extra money and can't even drink the water.
3 That don't even make sense. So I have been urging my husband
4 to hook our well back up. And we were going to do that, but
5 then they said, okay, we're going to drop the case. So we
6 said, okay, we won't do it.

7 If we hook the well back up, we have got to put in
8 this big storage tank. It's about this big around and about
9 that high. It takes a lot of room in your house. We didn't
10 throw it away when we got off the well system. We've still got
11 it. We've still got our pump. We have still got everything
12 that we had to do it, so we can hook back up. And should this
13 go through like they want, that's what we are going to do. We
14 won't like it, because, like I said, the well makes noise, and
15 it takes up a lot of room. I'd rather do it that way, though.
16 At least I can drink that water. So there you go.

17 **CHAIRMAN CARTER:** Thank you, Ms. Barnard. Would you
18 wait for a second, please.

19 Commission Edgar.

20 **COMMISSIONER EDGAR:** Thank you.

21 Hello, ma'am. And thank you to you and your husband
22 for coming to speak with us this evening. Similar to getting
23 copies of the bills, do you have a copy of that boil water or
24 buy bottled water notice that you received?

25 **MS. BARNARD:** I have one at home, yes, but I didn't

1 bring it with me.

2 COMMISSIONER EDGAR: Okay.

3 MS. BARNARD: But I can produce it.

4 COMMISSIONER EDGAR: Well, actually, if you could
5 maybe talk to our staff.

6 Sandy, can you help get that information?

7 The woman in the green shirt in the back will help
8 you. But I just wanted to mention -- and we spoke about this
9 at the last customer meeting we had in another service area,
10 and the questions had come up about how often the water was
11 tested and what information was available to customers on that
12 point. So just to let you know that that is a question that
13 has come up and I know that our staff will be looking into.

14 Thank you.

15 MS. BARNARD: Well, you know, if they ever had it
16 corrected, they certainly never sent us a paper saying we've
17 corrected it; you can drink your water now. Which I would only
18 think would be a prudent thing to do.

19 CHAIRMAN CARTER: Thank you.

20 Commissioners.

21 Mr. Beck, any questions?

22 Thank you so much, Ms. Barnard.

23 Before we go to the next customer, let me do this,
24 Commissioners. An oversight on my part. Back up for a moment
25 to Mr. Barnard. We will make that Exhibit 10, the information

1 that he will be giving to staff. And for Mrs. Barnard that
2 will be Exhibit 11. She is going to send that in, so we will
3 make this a placeholder.

4 Sandy, just give her the address so she can send that
5 in to us, and we will make that our placeholder. So that will
6 be Exhibit 11 to kind of make sure we keep the file together.

7 (Exhibits 10 and 11 marked for identification.)

8 **CHAIRMAN CARTER:** With that, Mr. Beck, you're
9 recognized, sir.

10 **MR. BECK:** Thank you, Mr. Chairman.

11 The next customer is Violet Habel.

12 **VIOLET HABEL**

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

15 **DIRECT STATEMENT**

16 **MS. HABEL:** I don't live in Sebring Lakes, I'm on
17 Lake Josephine. I've got a question, though, from
18 Mr. Franklin. I have been on Lake Josephine for 35 years.
19 Where is the new plant on Lake Josephine?

20 **CHAIRMAN CARTER:** Well, Ms. Habel, while he's getting
21 that together, could you say your last name?

22 **MS. HABEL:** Habel, H-A-B-E-L, Violet Habel.

23 **CHAIRMAN CARTER:** Thank you. Okay.

24 **MR. FRANKLIN:** There is actually a picture of it
25 right inside the front door there on a big poster, so you can

1 actually look at what the whole plant looked like.

2 MS. HABEL: On Lake Josephine?

3 MR. FRANKLIN: Yes.

4 MS. HABEL: I would like to go find it, because I
5 haven't been able to find it. But that is neither here nor
6 there.

7 Since I don't get my water from the Sebring Lakes
8 one, all I did was I took my six months of bills, added them
9 up, and I go up north -- I'm a reverse snow bird. I go up
10 north when people are coming down here, because my family is up
11 there. So I took my six month of bills, added them up, and it
12 came to 7,800 gallons. That was because I had my family come
13 down, and they take showers, et cetera, et cetera. So it's
14 7,800 gallons. At the rate it is now I times that by \$3.80. I
15 rounded it out to 8,000 gallons timesed it by \$3.80, and that
16 came to \$30.40. Then I took the 21.92 base bill, timesed it by
17 six. That came to \$161.92 --no, I mean, 131.52, added the
18 \$30.40 for the six months difference, and I would have had a
19 difference of six months at the new rate of \$93.14 for six
20 months. For a year that would have come to \$200 and -- well,
21 190 and 90 would be 286, I believe it comes to, for a year.
22 And that is because I'm gone six months.

23 So this is only a six-month bill, and I took the
24 number of gallons I used in six months, timesed it by \$3.80 a
25 gallon, took the basic rate of 21.92, timesed it by six, added

1 the two together, subtracted what my bill had been for
2 six months, and we come to a difference of \$93.14 for six
3 months. For a year that is -- you are talking about, what,
4 280-something.

5 So since I don't get my water from Sebring Lakes, I
6 can't say I have had trouble with mine. I have been lucky, I
7 think. But that is still a big difference. A \$286-a-year
8 increase using their figures for the amount of water I used in
9 six months. That's a lot of difference. So I did it from a
10 mathematical point of view. I can't honestly say I have had
11 water problems; but then, again, I'm only there for six months.
12 And I don't have a washing machine. I don't have a dishwasher,
13 and I let the good Lord water my grass. So I don't use any
14 other water than just existence, and that's a lot of money.

15 **CHAIRMAN CARTER:** Thank you.

16 Commissioners, any questions?

17 Mr. Beck.

18 Thank you so kindly, Ms. Habel. Do you have -- just
19 one second. Do you have a copy of that that you would like to
20 leave with us or --

21 **MS. HABEL:** Yeah, I have an adding machine tape.

22 **CHAIRMAN CARTER:** It is in the record. We have got
23 in the record with the court reporter, but if you had
24 something.

25 **MS. HABEL:** I have an adding machine tape.

1 **CHAIRMAN CARTER:** Well, that's okay. We will just
2 take it from the record from the court reporter. Thank you so
3 kindly. We appreciate that, and that was very thorough, very
4 thorough.

5 **MS. HABEL:** That was my profession before I retired.

6 **CHAIRMAN CARTER:** You're very good at it, by the way.
7 Thank you.

8 Mr. Beck.

9 **MR. BECK:** Thank you, Mr. Chairman.

10 The next customer is Steve Hinesley.

11 **STEVE HINESLEY**

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

14 **DIRECT STATEMENT**

15 **MR. HINESLEY:** I'm Steve Hinesley. I'm from
16 208 Nature Lane off of Josephine. My first comment before I
17 say -- they brought something up there, it makes me wonder.
18 You know, we get a report from the water company. I don't know
19 just how often, but it gives the quality of the water and
20 doesn't it have to meet state specifications? So how can the
21 water that they are talking about here be in those guidelines?
22 If the quality of water is that bad that they are getting, how
23 can that be compared with the report that you are sending out
24 that shows that it meets the specifications? To me something
25 doesn't add up right there.

1 I'm not complaining on my part, because our water I
2 don't have a problem with. In fact, I think right now the way
3 it is, water isn't overpriced, but asking for an 83 percent or
4 82 percent increase, and you're going to get into the profit
5 margin thing. That is what I wanted to ask about, but I'm sure
6 you will be taking that into consideration. But I don't know
7 what that all entails by having that much of an increase.

8 If you have been making money, that would be a -- I
9 think the base rate was \$9.11. And if you have been making
10 money at that rate, and you want to more than double the rate,
11 it looks to me like somebody is going to be making a barrel of
12 money.

13 I know you've got costs. And just like with the
14 meter thing, I know that is going to be much less labor
15 intense. So like Mr. Barnard said, that was an investment,
16 which it is, and that eventually will pay for itself, I would
17 think. But that amount of increase I don't understand how they
18 figure that profit margin where they have to have that much to
19 make a profit. That doesn't add up to me. And I'm sure once
20 you get into that, and you probably already have, I'm sure you
21 will study that.

22 And I am wondering how much of this new cost is going
23 to consider with the influx of people coming into Florida and
24 the more demand for water. If that is part of the -- going to
25 be part of that cost, which I feel it probably is, is where

1 maybe they want some of that increase, because it costs, I
2 know, to expand this water. And in Florida it's going to have
3 a -- to me, it's going to be a big problem. That was my
4 consideration before I moved down here. I thought about that
5 long and hard. And I think it's still going to be a problem.

6 But I don't understand the guidelines that you set
7 out that the state specifies, there's no way that the water
8 that they are using out there can meet those specifications.
9 Something doesn't jibe up. And I think -- I hope you will come
10 across that as you get into it.

11 But I don't mind an increase. I don't have a problem
12 with that. But why it has to go to a double -- over a double,
13 unless in my weak thinking, maybe they're thinking, well, we
14 will ask for 83 percent, and if we get 40, we'll be tickled to
15 death. And I think that could have some bearing on it, too.
16 But, of course, that would be up to you to decide. But, anyway
17 that was my concerns.

18 And as far as the quality of water, I'm on Josephine,
19 too, and our water has been good. Of course, I put in a whole
20 house filter before it ever goes into my water softener, and
21 then I put in a reverse osmosis in the house for drinking
22 water. But I don't drink the water anyway. We use bottled
23 water to drink. But it should be okay, I guess. I don't smell
24 any chlorine because I put the filter in outside, which takes
25 care of the chlorine smell.

1 But, I guess that was my concern was why the increase
2 has to be so great. I can understand an increase, but that
3 much is just overbearing. And I think that you couldn't have
4 asked for this at a worse time. I think your timing was
5 terrible on this with the way the economy is. And if
6 everybody -- if everybody raised their rates 83 percent, where
7 would we be? It would just be like the gas is over 50 percent,
8 and look what it is doing to the economy. And this is just one
9 more thing that's hurting us.

10 I mean, we are on fixed incomes down here. When you
11 came into Florida you knew that the majority of the people down
12 here were on fixed incomes. And my Social Security check, we
13 get a small increase. They base that on the cost of living, or
14 the Gross National Product, I don't know which, maybe combined,
15 but we don't get that kind of an increase. And we can't keep
16 up with this if everybody is going to be doubling their rates
17 on everything. I mean, we're getting by now, but I don't know
18 how long it is going to continue to keep rates going up like
19 this. And so, anyway, that's my complaint.

20 **CHAIRMAN CARTER:** Don't go away. Hang on a second.
21 Commissioner Argenziano.

22 **COMMISSIONER ARGENZIANO:** Well, I think my questions
23 go to staff, and they go -- and I have to figure out when
24 Mr. Hinesley is talking about the quality issues, I'm having a
25 hard time figuring out -- from what I can determine, I would

1 like to know from staff -- I know that in Florida we have, as
2 the other gentleman said, Mr. Barnard said, there is poor
3 quality throughout certain areas of Florida, and especially
4 depending on drought conditions and what conditions there are.
5 And sometimes the standards go towards health standards rather
6 than aesthetic standards. If the water looks dark,
7 sometimes -- we have a lot of hydrogen sulfide throughout the
8 state of Florida, and it causes black staining and so on. I
9 have it. I had to put an aerator on, and I have a well.

10 But I'm wondering how much -- from staff, because
11 that's a good question. If we even look into have there been
12 times when the water may be aesthetically not pleasing. And
13 I'm not sure what the requirements are on the company for
14 aesthetics, but how many times maybe that there were real
15 bacteria problems, unhealthy as far as safe and meeting the
16 standards.

17 I know there are certain standards even for the
18 hydrogen sulfide. If they are too high it could be a problem,
19 too. But I don't know how far, and I would like staff to maybe
20 fill me in in the future as to what the standards are or how
21 many times the company didn't meet the quality standards for
22 health and safety. So I would like to be advised of that.

23 **CHAIRMAN CARTER:** And I think staff is taking copious
24 notes to make sure that when we do get their recommendation,
25 see that the other thing that Mr. Hinesley said in terms of the

1 finances, in terms of looking at the finances of the company in
2 terms of this rate, so we really want to look at that, as well.
3 I know that's -- I mean, I understood exactly what you're
4 saying in terms of looking at whether the profit is there, is
5 the company making money, is it reasonable?

6 **MR. HINESLEY:** Right.

7 **CHAIRMAN CARTER:** Yes, sir. Yes, sir. That's fine.
8 So, Staff, as you look into that make sure you kind of bring
9 that out. I think the Commissioners would like to know that,
10 as well.

11 **MR. HINESLEY:** Could I say one more thing?

12 **CHAIRMAN CARTER:** Yes, sir. Yes, sir, you may.

13 **MR. HINESLEY:** I'm thinking if you go to the trouble
14 to go to your well water, I would suggest that you have that
15 water tested, whatever, before you do that, the first thing,
16 you go to all that expense to put that system in to find out
17 that water is not any better than what you are getting, you
18 know.

19 **COMMISSIONER ARGENZIANO:** Well, you still -- Mr.
20 Chairman, if I may. I think you still have to pay the base
21 rates. So you would be paying -- am I correct, Staff? You
22 would still be paying the base rates to Aqua if you used
23 your --

24 **MR. BARNARD:** Not if you remove the meter.

25 **MRS. BARNARD:** They can't charge you for something

1 you are not getting.

2 **COMMISSIONER ARGENZIANO:** I don't know. It depends
3 on what your county has set up, if they mandate that you use
4 that or not. Just find out.

5 **CHAIRMAN CARTER:** Yeah, before you use self-help as a
6 remedy, make sure you get some professional advice, legal or
7 otherwise.

8 **MR. BARNARD:** They said you could disconnect the
9 meter and that would be the end of it.

10 **CHAIRMAN CARTER:** Commissioner Skop, do you have any
11 questions?

12 Thank you.

13 Mr. Beck, any questions?

14 Thank you so very much, Mr. Hinesley.

15 Mr. Beck.

16 **MR. BECK:** Thank you, Mr. Chairman.

17 The next customer is Dr. David Tardiff.

18 **DAVID TARDIFF**

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

21 **DIRECT STATEMENT**

22 **DR. TARDIFF:** I didn't even check to speak, but I'm
23 glad I did -- I'm glad I got to speak. Yes. I think the last
24 time I told you, I'm from Maine originally. Gosh, you can
25 drink the water up there.

1 **CHAIRMAN CARTER:** State your name again.

2 **DR. TARDIFF:** David Tardiff.

3 **CHAIRMAN CARTER:** Thank you.

4 **DR. TARDIFF:** I am a retired physician from Maine.

5 **CHAIRMAN CARTER:** Would you help me with the
6 spelling, please?

7 **DR. TARDIFF:** Tardiff, T-A-R-D-I-F-F.

8 **CHAIRMAN CARTER:** Thank you.

9 **DR. TARDIFF:** I am not a very good public speaker
10 myself. I should be. I have spoken at a lot of symposiums and
11 such, but I'm shaking the same way, too. I have MS, multiple
12 sclerosis. I live at 13705 Sebring Avenue. And, of course, I
13 am retired now, retired for many years. I'm on a fixed income,
14 as well. I feel for everybody in my area. We are going
15 through this struggle with the water rates going up and such.
16 They are ridiculous. I can't even reiterate enough what people
17 are saying. James, Floyd, these people are so right. I agree
18 with them all.

19 My objections, I don't have -- I just, you know, feel
20 this is not fair to our community to raise the water rates and
21 the base charge such ridiculously. I can see a fair -- I can
22 see a fair percentage, 3, 4, 5 percent, but I have never seen
23 this up in Maine, I'll be honest with you. I laugh when I
24 think about this. This is totally ludicrous. But as the last
25 person that just spoke that said maybe they are looking --

1 going high and looking for low. You know, maybe that may be
2 the case.

3 But I live in this community. I love the people
4 around me. I think a fair amount of consideration should be
5 taken in these matters. And I wanted to mention one thing.
6 They said that they were sending letters out to everyone. I
7 didn't get a letter about this meeting. I found out from my
8 neighbor. I don't know why. And I know a lot of other people
9 didn't either, as well.

10 And the other question is why do they do this a
11 certain time of year where all or most of our people are up
12 north and we can't object to it? That is a question that has
13 arisen. Every time we come to these meetings we have 40 or 50
14 people, not even that. That is not -- that is not a very good
15 turn out. I mean, there is a lot more people -- and then the
16 time of day, like 6:00 o'clock at night. Most people eat at
17 that time of night. Just getting home from work.

18 So, I don't know, I think a lot of thought goes into
19 this, the time of day when they think about putting these
20 meetings on. I don't know who's at fault, but I do know that I
21 support all of my neighbors and myself, as well. I mean, I'm
22 involved, as well, so I appreciate anything that you can do for
23 all of us, okay?

24 Thank you very much.

25 **CHAIRMAN CARTER:** Commissioners.

1 Mr. Beck.

2 MR. BECK: Thank you.

3 Elaine Panozzo.

4 CHAIRMAN CARTER: Say again, Mr. Beck.

5 MR. BECK: Elaine Panozzo.

6 MS. PANOZZO: I have some of the notices if you want
7 copies of them.

8 CHAIRMAN CARTER: Yes, ma'am. This will be --
9 Commissioners, this would be Exhibit 12.

10 ELAINE PANOZZO

11 appeared as a witness and, swearing to tell the truth,
12 testified as follows:

13 DIRECT STATEMENT

14 MS. PANOZZO: I'm Elaine Panozzo. I live at
15 13305 Byrd Street, Sebring Lakes Estates. I have a question
16 for Aqua. Why is Sebring Lakes Estates going to be charged so
17 much for a base rate compared to the other 81 counties?

18 CHAIRMAN CARTER: You're recognized.

19 MR. FRANKLIN: Ma'am, we're proposing the same rate
20 for all the counties and all the customers. We are proposing a
21 standard tariff across all customers in Florida that are served
22 by Aqua.

23 MS. PANEZZO: Meanwhile, the interim rate is much
24 higher for Sebring Lakes than any other county. I can read.

25 MR. FRANKLIN: We are proposing a cap to our interim

1 rate no higher than the proposed final rate would be, and then
2 recover that, anything over the cap, in a deferred mechanism.
3 But the actual interim rates are calculated on a formula that
4 is prescribed.

5 **MS. PANOZZO:** Who prescribes that?

6 **MR. FRANKLIN:** I believe it is prescribed by the
7 Commission.

8 **CHAIRMAN CARTER:** Mr. Devlin.

9 **MR. DEVLIN:** Excuse me, ma'am, are we talking about
10 the formula for the interim?

11 **CHAIRMAN CARTER:** Yes.

12 **MR. DEVLIN:** That is basically prescribed by statute.
13 The statute is very prescriptive in the definition of how the
14 calculations work.

15 **MS. PANOZZO:** Okay. Then like a mile down the road
16 Josephine is much less than ours.

17 **MR. DEVLIN:** Ma'am, we are in the process -- should I
18 speak to this?

19 **CHAIRMAN CARTER:** You're recognized.

20 **MR. DEVLIN:** We are in the process of evaluating the
21 company's request of an interim as we speak. People in
22 Tallahassee are looking at it right now. But each system at
23 this juncture is evaluated on its own individual cost basis. I
24 don't have the detail in front of me right now, but there could
25 be cost differentials between Josephine and Sebring Lakes.

1 **MS. PANOZZO:** It just doesn't make sense. We're from
2 the same plant.

3 **CHAIRMAN CARTER:** One second.
4 Commissioner McMurrrian.

5 **COMMISSIONER McMURRIAN:** Thank you, Chairman. I just
6 wanted to ask. I think, and maybe I'm off base, and
7 Ms. Panozzo can correct me if I'm wrong, but on the charts I
8 think that -- I think she is looking at on the blue sheets,
9 there's a column for unlimited interim rates and then a column
10 for limited interim rates. And, perhaps, Mr. Devlin might
11 explain -- the way I understand it, and, again, someone can
12 correct me, but I think that the limited interim rates is the
13 actual column that the company is proposing. The unlimited
14 interim rates is what they feel like they would be entitled to
15 under the statute. That is the way I understand it, but it is
16 the limited -- Mr. Beck is shaking his head, so please -- this
17 came up in a prior meeting, and that was my understanding, so
18 if Mr. Devlin or someone could help us understand.

19 **MR. DEVLIN:** I'll take a stab at that, Commissioner
20 McMurrrian.

21 **COMMISSIONER McMURRIAN:** Okay.

22 **MR. DEVLIN:** That's my understanding is that if --
23 the unlimited interim rates, which is a very high number for
24 Sebring Lakes, is not what they are requesting. That's what
25 they would be asking if they went per statute in a very, you

1 know, organized fashion. They propose to limit what they could
2 otherwise ask for under the interim statute and set up like a
3 deferral account, if you will.

4 So what they are asking for in this interim case will
5 be decided July 29th, somebody correct me if I'm wrong, Sebring
6 Lakes is the third column, limited interim rates. For
7 3,000 gallons it would be \$32.22, as opposed to if they didn't
8 limit the amount, it would be \$85. Let me get my glasses here,
9 \$86.52.

10 **CHAIRMAN CARTER:** Mr. Beck, you're recognized, sir.

11 **MR. BECK:** I'm going to give it a go of what my
12 understanding is. The company is asking for an interim revenue
13 increase of \$5.9 million, and they have put forward two
14 different ways that that could be collected. One is this
15 limited proceeding where they are taking one and a half million
16 off of that, so it would be 4.4 million to the interim rates
17 now, then they want to defer the remaining one and a half
18 million dollars to later when the final rates are approved as a
19 bump up in that for two years.

20 If the Commission doesn't do that, they are asking
21 for the full unlimited interim rates. So either way they are
22 asking for \$5.9 million. One way they would defer part of it
23 and bump up the final rates by that for two years. But the
24 other way, if the Commission doesn't do that, is they are
25 asking for the full amount. That is my understanding.

1 **MS. PANOZZO:** So we could either get screwed once or
2 twice.

3 **CHAIRMAN CARTER:** That's a technical term, right?

4 **MS. PANOZZO:** And I have a notice here from Aqua
5 Utilities. It was on my door. It says to call immediately.
6 There is nothing checked on it. I called. This was on
7 April 16th. My husband happened to be home dying of cancer and
8 I get this notice on the door. I called immediately. I talked
9 to Fonda. She had no idea why this notice was on my door.

10 Aqua had a customer service meeting on May 20th, and
11 I spoke either to the vice-president or the president, I don't
12 remember which. He took my name and phone number and said he
13 would get back to me. I'm still waiting. Do you want these
14 notices?

15 **CHAIRMAN CARTER:** I beg your pardon?

16 **MS. PANOZZO:** I have these notices if you want them.

17 **CHAIRMAN CARTER:** Yes, ma'am, we do want those. That
18 will be Exhibit 12. It will be Composite Exhibit Number 12.

19 (Composite Exhibit Number 12 marked for
20 identification.)

21 **MS. PANOZZO:** Do you want this yellow tag?

22 **CHAIRMAN CARTER:** Yes, ma'am.

23 Commissioner Argenziano.

24 **COMMISSIONER ARGENZIANO:** Yes, ma'am. Did you ever
25 find out what the notice was about?

1 **MS. PANOZZO:** No, ma'am.

2 **COMMISSIONER ARGENZIANO:** Thank you.

3 **MS. PANOZZO:** But this is only July 7th.

4 **CHAIRMAN CARTER:** Commissioners, anything further?

5 **COMMISSIONER EDGAR:** I would like to note that a lot
6 of people have taken down her name and address and phone
7 number, I'm sure that somebody will get in touch with you.

8 **CHAIRMAN CARTER:** And we will get the -- those are
9 the only copies? Those are your originals, though, aren't
10 they?

11 **MS. PANOZZO:** Yes, sir.

12 **CHAIRMAN CARTER:** Todd, is there a way we can get a
13 copy of that?

14 **MR. BROWN:** We don't have access to --

15 **CHAIRMAN CARTER:** We don't have access to it? Well,
16 maybe you can coordinate with her and she could send those in
17 to us later, and we will get that for the record. And,
18 Commissioners, as a placeholder we will let that be Exhibit
19 Number 12.

20 Thank you, Ms. Panozzo.

21 **MS. PANOZZO:** You're welcome.

22 **CHAIRMAN CARTER:** Mr. Beck.

23 **MR. BECK:** Thank you, Mr. Chairman.

24 The next customer is Norma Kylen.

25 There are two other customers who signed up but

1 didn't check the box to speak.

2 **CHAIRMAN CARTER:** Well, let's give them a shot.

3 **MR. BECK:** Everett Finney or Michael O'Meara.

4 **MR. O'MEARA:** That's me.

5 **MR. BECK:** Would you like to speak?

6 **MR. O'MEARA:** I didn't check what?

7 **MR. BECK:** There was a box there, but if you would
8 like to speak, this would be the time.

9 **MR. O'MEARA:** I thought I signed up to do that.

10 **MR. BECK:** Come on up.

11 **COMMISSIONER ARGENZIANO:** Which one is he?

12 **CHAIRMAN CARTER:** Which one --

13 **MR. O'MEARA:** I didn't have my glasses on.

14 **CHAIRMAN CARTER:** That's all right.

15 **MR. BECK:** Mr. O'Meara.

16 **CHAIRMAN CARTER:** When you get to the podium, just
17 please identify yourself for the record for the court reporter.

18 **MICHAEL O'MEARA**

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

21 **MR. O'MEARA:** My name is Michael O'Meara at
22 5225 Sebring Lakes Boulevard in the Sebring Lakes water
23 district down there. I'm probably going to make half the
24 people mad here because I really don't have any complaint about
25 my water. I guess because I crop dusted for 20 years and spent

1 lot of time in Mexico. I guess I can drink anything that
2 tastes pretty good. (Laughter.)

3 The thing that -- the main concern I have is ever
4 since they had the rate increase last year, I had such a big
5 problem getting my bill straightened out. And my bill was
6 absolutely miserable. They were charging me for
7 22,000 gallons, and I was using around 1,200 or 800, and it
8 took me months to get it straightened out. And finally I just
9 got -- I think I got it straightened out, and they have given
10 me a credit for a lot of money that they overcharged me over a
11 few months. And after that interim rate last year, after they
12 turned down the increase, it took awhile to get that. And it
13 was my understanding back then that they were supposed to give
14 us a refund, but they did credit us with it. And so I'm like
15 some other people, I guess I am happy enough with that. But
16 some of the people that really wanted their money back had to
17 really fight tooth and nail to get them to send them a check.

18 I kind of wonder why Aqua Utilities even came to
19 Florida, because they came into an area that there is not that
20 many customers to start with. And the plant was originally
21 built and paid for pretty much by the state because the well
22 water was so bad from the orange grooves. It had some
23 chemicals. And so sometimes I wonder why Aqua even came down
24 here, because it is so hard to get ahold of them up there to
25 get things straightened away, especially on these billing

1 things.

2 I don't know. My meter was reading
3 100-something-thousand, when it was only ten or 12,000. I
4 guess they were adding zeros or something. But my big
5 concern -- I'll just talk about the increase, because this
6 really affects a lot of people. This interim rate is what
7 hurts worse than anything, because we are talking about at
8 least a \$40 a month increase in our bill. And I can probably
9 take any of the Commissioners here, or any of the Aqua people
10 where you live, if they wanted to raise your water bill like
11 that, I'm sure there would be some pretty loud outcry. Because
12 that's just like having a car payment or something for that
13 kind of an increase in your water.

14 I don't use but 1,000 gallons a month, so when you
15 are on an income, and yet you have -- that's a set increase.
16 You don't have any choice over that. If gas goes up, maybe you
17 can cut back. If food goes up, maybe you can cut back. But
18 this interim rate thing is a big set increase for everybody.
19 And that concerns me more than anything else.

20 And I guess with these interim rates, I can't
21 understand why they are so much higher than the proposed final
22 rates. You would think that the proposed rate would maybe be
23 the same as the final rate because that's what it's going to be
24 anyway. So why jab everybody so hard for these few months?
25 That is really a big increase and a big raise for us all. I

1 don't quite understand. I didn't understand it last year.

2 I think the company needs a price increase. I think
3 they may be too low for the amount of people we have in our
4 area, and everything has gone up, and I thought they needed an
5 increase last year, but not what they were asking for, and
6 especially not what they have the interim rates set at.

7 I don't think anybody is going to complain about a
8 small increase here and there. My well water is good. I drink
9 it right out of the pump. So, I mean, I can always go back to
10 well water, too, but it's more convenient to have the city
11 water. That's all I have to say.

12 Thank you.

13 **CHAIRMAN CARTER:** Commissioner Argenziano.

14 **COMMISSIONER ARGENZIANO:** Yes. Are you also in
15 Sebring Lakes Estates?

16 **MR. O'MEARA:** Yes, I am in Sebring Lakes.

17 **COMMISSIONER ARGENZIANO:** Over here. I'm sorry.

18 **MR. O'MEARA:** Yeah.

19 **CHAIRMAN CARTER:** She's over here.

20 **COMMISSIONER ARGENZIANO:** That's all right. He can
21 hear me. That's all that matters.

22 **MR. O'MEARA:** Okay.

23 **CHAIRMAN CARTER:** Wait a minute. Wait.

24 **COMMISSIONER ARGENZIANO:** No, no. He answered my
25 question. I was just curious now with staff if there is a, you

1 know, if there is a -- we are hearing quite a difference from
2 maybe one part of the community to the next. And I wonder if
3 DEP or staff could figure out what that difference may be.

4 **MR. O'MEARA:** Well, my water has some stuff floating
5 around it, but I drink it right out of the tap. I don't buy
6 bottled water. I eat the fish with mercury out of the creek,
7 too, so --

8 **COMMISSIONER ARGENZIANO:** I noticed that rosy glow.

9 **MR. O'MEARA:** I've already had cancer, too, by the
10 way. But it's not a big concern for me. Even in the City of
11 Sebring and different places I have lived, from time to time
12 they have some trouble with their water systems with the
13 chlorine not getting mixed quite right or because of the way
14 they do things. So, basically, over the years I really haven't
15 had any complaints about the quality of the water for my part.
16 I know some people have, but I drink it and make coffee with
17 it. But the price thing really concerns me.

18 **COMMISSIONER ARGENZIANO:** Got you. Thank you.

19 **THE WITNESS:** I can always go back to my well water,
20 because it is pretty good, but I won't do it unless I have to.

21 **CHAIRMAN CARTER:** One second, Mr. O'Meara.

22 Commissioner Skop.

23 **COMMISSIONER SKOP:** Thank you, Mr. Chairman.

24 And I thank you again, Mr. O'Meara, for taking your
25 time to come out and speak to us this evening.

1 I guess with respect to your concern about the
2 interim rates and the disparity between the interim and the
3 final rates, I guess, you know, I have had similar concerns. I
4 just don't understand, frankly, the wisdom behind it. I guess
5 it's driven by statute, but it just kind of -- in my mind, I
6 think, as shared by your concerns, leads to a counter-intuitive
7 result if you have an interim that's higher than the final.
8 And maybe staff has an explanation for that, or is that --

9 MR. O'MEARA: Well, when I actually look at the final
10 rate increase, I think I might could eat that, but this interim
11 rate is going to hurt.

12 COMMISSIONER SKOP: And that seems to be a common
13 concern, at least through last time and moving forward. I
14 think I've heard that more than once. If Mr. Devlin might be
15 able to just elaborate. I think it's pursuant to statute,
16 which gives us no flexibility, but that doesn't necessarily
17 mean that it's right.

18 MR. O'MEARA: I haven't heard anybody else speak
19 about it here today, but I personally know other people that
20 have had the same problem, and that has been overbilling on the
21 meters. And it has been a real problem getting the bills
22 adjusted. And you talk to somebody up there, and the person
23 says you must have a water leak. And I said, well, I might
24 have, except I was gone for three weeks, and I had to shut the
25 water off at my meter, and it couldn't have been leaking,

1 because it was shut off at the meter while I was gone. And it
2 took me months to get this straightened away.

3 **CHAIRMAN CARTER:** Commissioner Skop.

4 **COMMISSIONER SKOP:** Thank you, Mr. Chair.

5 Again, Mr. O'Meara, thank you again for bringing that
6 concern up. Is there anything in your mind that would -- it
7 seems to be a common complaint amongst customers in terms of
8 addressing billing issues. And I was wondering if you had any,
9 perhaps, suggestions you would like to share on what might
10 be able to facilitate --

11 **MR. O'MEARA:** I don't know, but the hard problem has
12 been trying to get ahold of somebody that can actually
13 straighten it out. The lady that usually answers the phone, I
14 think she just answers the phone and that's about it. And the
15 employees that work for Aqua Utilities are great, but all they
16 can do is read the meter and say I don't know what to do. All
17 we can do is turn it in and see what happens.

18 **COMMISSIONER SKOP:** So do you think -- to that point,
19 do you think a facilitator or a consumer advocate is necessary
20 to be able to resolve these issues?

21 **MR. O'MEARA:** I don't know. I was very close to
22 calling the State Utilities Commission, because I went a lot of
23 months without really getting it straightened out, but --

24 **COMMISSIONER SKOP:** Certainly you have that avenue
25 available to you.

1 **MR. O'MEARA:** I was just beginning to feel good again
2 when I got this notice of the rate increase.

3 **CHAIRMAN CARTER:** Mr. O'Meara, once second.

4 **COMMISSIONER ARGENZIANO:** One more.

5 **CHAIRMAN CARTER:** One more second.

6 Commissioner Argenziano.

7 **COMMISSIONER ARGENZIANO:** Now, I understand you
8 have -- thank you, Mr. Chairman -- that you had the problem
9 through service, getting them to rectify the problem. Since
10 then has the added zeros stopped?

11 **MR. O'MEARA:** Yeah. They finally got the right
12 reading back on my bill.

13 **COMMISSIONER ARGENZIANO:** Okay.

14 **MR. O'MEARA:** But it was only like 100,000 gallons
15 off or something like that. It was a lot.

16 **COMMISSIONER ARGENZIANO:** Okay. But that part has
17 been resolved?

18 **MR. O'MEARA:** Yeah. I finally got that resolved.
19 I've got a pretty big credit right now, so --

20 **COMMISSIONER ARGENZIANO:** And when you called -- when
21 you call, what number -- are you calling the out-of-state
22 number?

23 **MR. O'MEARA:** I have been calling the customer
24 service number they've got on my bill, and I'm not sure what
25 that is. That is probably out of state, I would imagine.

1 **COMMISSIONER ARGENZIANO:** Okay. That's where the
2 company --

3 **MR. O'MEARA:** They have got a number on their bill to
4 call.

5 **COMMISSIONER ARGENZIANO:** Thank you.

6 **CHAIRMAN CARTER:** Commissioner Skop.

7 **COMMISSIONER SKOP:** Thank you, Mr. Chairman. I
8 forgot to ask this previous question to Mr. O'Meara. You
9 mentioned two credits. One credit that was resulting from the
10 refund of the interim rates, but you also mentioned a credit
11 that was due to the --

12 **MR. O'MEARA:** Overbilling.

13 **COMMISSIONER SKOP:** Overbilling, yes, sir. Can
14 you -- I mean, you mentioned that that's a big amount, but can
15 you specify --

16 **MR. O'MEARA:** It was a lot.

17 **COMMISSIONER SKOP:** I mean, can you quantify that
18 with a little bit more --

19 **MR. O'MEARA:** I don't know. Right now it's -- I've
20 still got a \$370 credit.

21 **COMMISSIONER SKOP:** And that is money that you had
22 previously paid due to the overbilling?

23 **MR. O'MEARA:** I paid out of my pocket. And it was
24 running like -- some of them were 60, \$70 a month, and I am
25 gone quite a bit. So rather than take the chance on getting my

1 credit ruined and not paying it, I just kept paying it hoping
2 they would straighten it out. It was a big aggravation.

3 **COMMISSIONER SKOP:** Thank you, sir.

4 **CHAIRMAN CARTER:** Mr. Beck.

5 Mr. O'Meara, one second.

6 **MR. BECK:** Thank you, Mr. Chairman. Just a couple of
7 questions. Do you have the new radio frequency meters
8 installed at your --

9 **MR. O'MEARA:** Yes. But that's kind of when the
10 problem started, I think. But we kept reading it and giving
11 them the meter reading, but it just took a long time for
12 somebody to actually take a hold of it and do something with
13 it, even though we were giving them the correct reading.

14 **MR. BECK:** So did the problem start with the
15 installation of the new meters?

16 **MR. O'MEARA:** Yes.

17 **MR. BECK:** Okay. And about when was that?

18 **MR. O'MEARA:** I have got all of my bills back there
19 when I was having that problem, but it must have been in about
20 maybe -- let's see. Okay. December I got charged
21 23,000 gallons. October was 22,000 gallons. It must have been
22 about -- let's see, August. It must have been somewhere
23 around -- I don't know. I don't know when they put the meters
24 in. This goes back -- I've got stuff here that goes back -- it
25 must have went back to about August of last year it looks like,

1 about a year ago.

2 **MR. BECK:** So were most of these problems in the
3 second half of 2007?

4 **MR. O'MEARA:** Starting in about August 2007, but I
5 didn't get it straightened out until about February of this
6 year when they finally give me a credit. So it took me maybe
7 six months to get it straightened out.

8 **MR. BECK:** Thank you. That's helpful. Thank you
9 very much.

10 **CHAIRMAN CARTER:** Thank you, Mr. O'Meara. Thank you.
11 Mr. Beck.

12 **MR. BECK:** Chairman, that completes the customers.

13 **CHAIRMAN CARTER:** One other. There was one other --
14 was there one other person?

15 **UNIDENTIFIED SPEAKER:** I pass.

16 **MR. BECK:** Mr. Chairman, I think we have one other
17 customer who is raising his hand that would like to speak.

18 **CHAIRMAN CARTER:** That's Mr. Barnard.

19 Mr. Barnard, you have to come to the mike for the
20 court reporter.

21 While he is coming here, let me just ask this. Is
22 there anyone else that wanted to speak today that didn't get a
23 chance to speak? We want to hear from you because it's
24 important to us. Is there anyone here today that wanted to
25 speak, but did not get a chance to speak?

1 Okay. Mr. Barnard, you're recognized.

2 **MR. BARNARD:** Okay. I'd ask the company a question
3 if it is okay. Being you're losing money, are you interested
4 in selling the well at Sebring Lakes?

5 **MR. FRANKLIN:** We don't have it for sale, sir, but I
6 guess if we had somebody that was interested, we would
7 certainly entertain a discussion.

8 **MR. BARNARD:** Okay. Is there some way of contacting
9 you?

10 **MR. FRANKLIN:** Certainly. I will give you my card
11 after the meeting.

12 **MR. BARNARD:** Okay. Because the line from there to
13 Josephine Creek can be disconnected. That would be a personal
14 community well is the reason I was asking you the question.

15 Thank you.

16 **CHAIRMAN CARTER:** Thank you so much, Mr. Barnard.

17 Again, is there anyone that wanted to speak that is
18 here today that did not get a chance to speak? We came here
19 because we wanted to hear from the customers.

20 Hearing none, Commissioners, let me start to my right
21 and do our final review.

22 Commissioner Argenziano, you're recognized.

23 **COMMISSIONER ARGENZIANO:** Well, I just appreciate the
24 consumers, the customers, the people of the community coming
25 out and letting us know firsthand what you're experiencing. It

1 really does mean a lot. As the Chairman said, it is why we are
2 here. And remember that nothing is in stone here. We are
3 going to review this, staff is going to review it. The company
4 has a right to come up and be heard. And your comments today
5 will go on record, and we will take those into serious
6 consideration. So thank you for being here.

7 Thank you, Mr. Chairman.

8 **CHAIRMAN CARTER:** Commissioner Edgar.

9 **COMMISSIONER EDGAR:** Thank you, Mr. Chairman.

10 Thank you all for coming. Thank you for sharing your
11 thoughts with us. And I would repeat the comments of the
12 Chairman earlier. As Dr. Tardiff told us not everybody can
13 come when we schedule these, and we understand that there,
14 unfortunately, is just never a time or a place that is good for
15 everybody. So if you know of friends or family who would like
16 to share their thoughts with us that could not be here this
17 evening, I would remind you to please take some of those blue
18 sheets that are at the front, they are also available on the
19 website, and they can fill those out and just drop them in the
20 mail and that will be a part of the record for us for
21 consideration.

22 Thank you again for your participation.

23 **CHAIRMAN CARTER:** Thank you.

24 Commissioner Skop.

25 **COMMISSIONER SKOP:** Thank you.

1 Again, I just wanted to echo the comments of my
2 colleagues. I do appreciate all the customers coming out
3 again. I see many familiar faces that I saw last time that we
4 went through this process. But those that came out from
5 Sebring Lakes and also from Lake Josephine, we are really
6 appreciative that you took the time and effort to come out and
7 share your comments with the Commission. And we will take
8 those under consideration and look forward to receiving any of
9 the late-filed exhibits that some of the customers will be
10 sending to us.

11 Thank you.

12 **CHAIRMAN CARTER:** Commissioner McMurrian.

13 **COMMISSIONER McMURRIAN:** Thank you. I also echo the
14 comments of the other Commissioners that spoke. I thank you
15 all for coming. It was good to hear from you. And I just
16 wanted to assure you there is a lot more people back in
17 Tallahassee that are looking into this case and will be
18 analyzing the things. We have a lot of auditors, engineers and
19 attorneys back there, besides the ones that you see here today
20 that are looking into the concerns that you all have raised.
21 And, again, we appreciate you coming out and taking your time
22 to be here at 6:00 p.m.

23 Thank you.

24 **CHAIRMAN CARTER:** Thank you, Commissioners.

25 I also would like to thank the good people in

1 Highlands County for allowing us to use this facility. We're
2 getting feedback here. I'd like to thank the good people in
3 Highlands County for allowing us to use this facility that is
4 centrally located so people can come to. And as a government
5 organization, we try as much as possible to be responsible
6 stewards of the resources, but, also, we want to be in the
7 community where people can come and talk to us. So if you see
8 your county commissioners, and all like that, tell them thank
9 you for allowing us to use the building.

10 I also want to thank you for coming out. Those of
11 you who came on behalf of your neighbors. Mr. O'Meara, Mr.
12 Barnard, those of you who came on behalf of your neighbors that
13 could not come today, we appreciate that. And please, ma'am,
14 please, sir, on these blue forms here, the last page is a
15 tear-away to put in comments. If there is something that
16 you -- when you get home you forgot it, please put it on there.
17 Feel free to make copies of it and send it in to us.

18 We want to hear from you. It is very important for
19 us. We want to hear from you. And the main reason we want to
20 hear from you is, basically, in our review we are looking at
21 quality of service provided. Secondly, we're looking at the
22 utility's interaction with the customers. A lot of the
23 questions we are getting from the bench here from my colleagues
24 have been how did they respond to you when you contacted them?
25 How long did it take them to get back to you?

1 And then on the rate increase. I haven't heard
2 anyone tonight, you know, championing the rate increase, or
3 anything like that, but we do want to hear about your opinion
4 on that. So with that, we thank you so kindly for being here
5 tonight. Thank you for your time. Thank you for --

6 **MS. KLANCKE:** Mr. Chairman.

7 **CHAIRMAN CARTER:** Yes, ma'am.

8 **MS. KLANCKE:** Before we --

9 **CHAIRMAN CARTER:** That's right. We've got to move
10 the exhibits. Very good. Very good, as Captain Kirk would
11 say.

12 **COMMISSIONER ARGENZIANO:** I like, Mr. Chairman, what
13 Scotty would say, beam me up.

14 **CHAIRMAN CARTER:** Beam me up.

15 So without objection, show it done. And also the
16 placeholders that were put in there.

17 (Exhibits 9-12 admitted into the record.)

18 Any final thoughts, Mr. Beck?

19 **MR. BECK:** No.

20 **CHAIRMAN CARTER:** Hearing none, thank you. We are
21 adjourned.

22 (The service hearing concluded at 7:47 p.m.)
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STATE OF FLORIDA)
 :
COUNTY OF LEON)

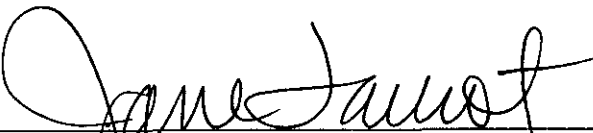
CERTIFICATE OF REPORTER

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

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

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

DATED THIS 24th day of July, 2008.



JANE FAUROT, RPR
Official FPSC Hearings Reporter
FPSC Division of Commission Clerk
(850) 413-6732

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080121-WS EXHIBIT 9

COMPANY Citizen on behalf of the State of FL

WITNESS James Burns - Jar of Fulater

DATE 7/07/08



Service To:
FLOYD BARNARD
13701 TANGELO ST
SEBRING, FL 33875-9545

Account Number
000887455 0630835
 SEBRING LAKES

Aqua Utilities Florida, Inc.
 762 W. Lancaster Avenue
 Bryn Mawr, PA 19010-3489

Tel: **877.987.2782**
 Fax: **866.780.8292**
 e Mail: **custserv@aquaaamerica.com**

Questions about your water service?... Contact us before the due date.

Bill Date **June 29, 2007** Total Amount Due **\$ 80.63** Due Date **July 24, 2007**

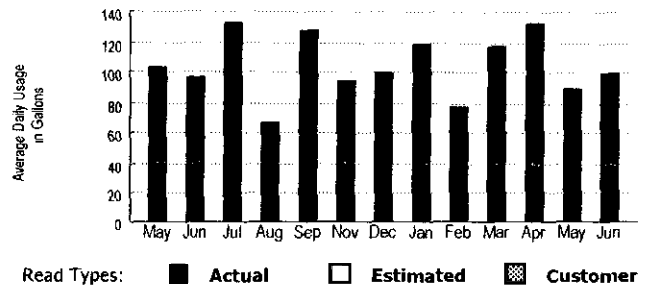
Meter Data

Meter	Size	Billing Period	Days	Read Type	Meter Readings	Usage	Units
45041574	5/8	06/18/07	31	Actual	326100	3,100	Gallons
		05/18/07		Actual	323000		
Average Daily Usage = 100 Gallons		Total Days: 31		Total Usage:		3,100	Gallons

Billing Detail

Amount Owed from Last Bill	\$ 76.34
Total Payments Received	76.34
Balance	0.00
Water Base Facility Charge	47.37
3,100 gallons @ \$0.01073 per gallon	33.26
Total Water Charges	80.63
Amount Due 07/24/07	\$ 80.63

Water Usage History



Message Center

- Please note your account number is a 16-digit number. The full 16-digits must be provided to ensure correct posting of your Aqua payment.

paid
7-11-07
3182

1336933

IMPORTANT NOTICE: SEE REVERSE SIDE FOR OTHER INFORMATION

FL5284137PAP.515-A.C
 REV 01/07

EXH. 10
-Citizen copy to
customer - GIVE
copies to Todd Brown

FLORIDA PUBLIC SERVICE COMMISSION
 DOCKET NO. 080121-WS EXHIBIT 10
 COMPANY Floyd & Bernard - Citizen
 WITNESS copy of invoices
 DATE 07/07/08



Service To:
FLOYD BARNARD
 13701 TANGELO ST
 SEBRING, FL 33875-9545

Account Number
000887455 0630835
 SEBRING LAKES

Aqua Utilities Florida, Inc.
 762 W. Lancaster Avenue
 Bryn Mawr, PA 19010-3489

Tel: **877.987.2782**
 Fax: **866.780.8292**
 e Mail: **custserv@aquaaamerica.com**

Questions about your water service?... Contact us before the due date.

Bill Date **March 12, 2008**
 Credit Balance **(\$ 193.55)**

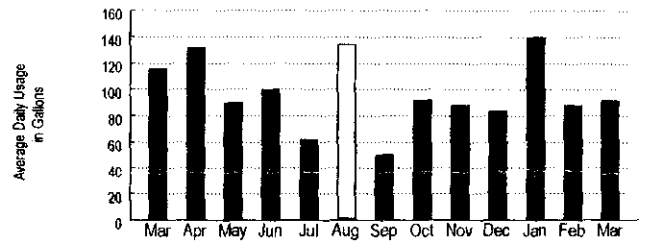
Meter Data

Meter	Size	Billing Period	Days	Read Type	Meter Readings	Usage	Units
56584421	5/8	03/05/08	27	Actual	21400	2,500	Gallons
		02/07/08		Actual	18900		
Average Daily Usage = 92 Gallons		Total Days: 27		Total Usage:		2,500	Gallons

Billing Detail

Amount Owed from Last Bill \$ 208.71 Credit
 Total Payments Received..... 0.00
Balance..... 208.71 Credit
 Water Base Facility Charge 9.68
 2,500 gallons @ \$0.00219 per gallon 5.48
 Total Water Charges 15.16
Amount Due 04/03/08 \$ 193.55 Credit

Water Usage History



Read Types: ■ Actual □ Estimated ▣ Customer

Message Center

- Please note your account number is a 16-digit number. The full 16-digits must be provided to ensure correct posting of your Aqua payment.

1336933

IMPORTANT NOTICE: SEE REVERSE SIDE FOR OTHER INFORMATION

FL5284137

AQUA Water Bill

Aqua Utilities Florida, Inc.
 762 W. Lancaster Avenue • Bryn Mawr, PA 19010-3489

Service To:
FLOYD BARNARD
 13701 TANGELO ST
 SEBRING, FL 33875-9545

Account Number
000887455 0630835
 Credit Balance
(\$ 193.55)

Do Not Pay

You have a credit balance on your account.

Seq=571 Cyc=33HI 1up=585388

AUTOSCH 5-DIGIT 33872 C 2 P 4
 FLOYD BARNARD
 13701 TANGELO ST
 SEBRING FL 33875-9744



00088745506308350000000193550



FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 080121-WS EXHIBIT 11
COMPANY Latefiled Exhibit
WITNESS J. Bernard
DATE 07/07/08

FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 080121-45 EXHIBIT 12

COMPANY Gonzalez - Late Filed exhibit

WITNESS Notices + Tag

DATE 7/02/08