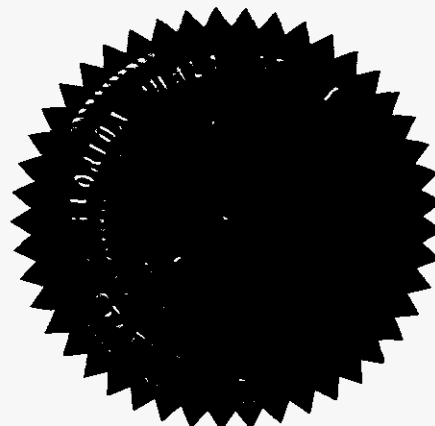


BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

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 In the Matter of : DOCKET NO. 950495-WS
 :
 Application for a rate increase :
 and increase in service :
 availability charges by SOUTHERN :
 STATES UTILITIES, INC. for :
 Orange-Osceola Utilities, Inc. :
 in Osceola County, and in :
 Bradford, Brevard, Charlotte, :
 Citrus, Clay, Collier, Duval, :
 Hernando, Highlands, :
 Hillsborough, Lake, Lee, Marion, :
 Martin, Nassau, Orange, Osceola, :
 Pasco, Polk, Putnam, Seminole, :
 St. Johns, St. Lucie, Volusia and :
 Washington Counties. :



PROCEEDINGS: FORT MYERS SERVICE HEARING

BEFORE: CHAIRMAN SUSAN F. CLARK
 COMMISSION J. TERRY DEASON
 COMMISSIONER JULIA L. JOHNSON
 COMMISSIONER DIANE K. KIESLING
 COMMISSIONER JOE GARCIA

DATE: Tuesday, November 28, 1995

TIME: Commenced at 6:00 p.m.
 Concluded at 9:05 p.m.

PLACE: Sheraton Harbor Place
 Ballroom
 2500 Edwards Drive
 Ft. Myers, Florida 33901.

REPORTED BY: JOY KELLY, CSR, RPR
 Chief Bureau of Reporting
 Official Commission Reporter

DOCUMENT NUMBER-DATE

FLORIDA PUBLIC SERVICE COMMISSION | 2216 DEC-7 95

FPSC-RECORDS/REPORTING
 4045

1 **APPEARANCES:**

2 **BRIAN P. ARMSTRONG**, 1000 Color Place,
3 Apopka, Florida, 32703, Telephone No. (407) 880-0058,
4 appearing on behalf of **Southern States Utilities, Inc.**

5 **MICHAEL B. TWOMEY**, Route 28, Box 1264,
6 Tallahassee, Florida 32310, Telephone No. (904)
7 421-3586, appearing on behalf of **Sugarmill Woods Civic**
8 **Association, Inc., Spring Hill Civic Association and**
9 **Marco Island Fair Water Rate Defense Fund Committee,**
10 **and the Concered Citizens of Lehigh Acres.**

11 **SCOTT EDMONDS**, Florida Public Service
12 Commission, Division of Legal Services, 2540 Shumard
13 Oak Boulevard, Tallahassee, Florida, 32399-0870,
14 Telephone No. (904) 413-6199, appearing on behalf of
15 the **Commission Staff.**

16 **JACK SHREVE**, Public Counsel, and **CHARLES J.**
17 **BECK**, Associate Public Counsel, Office of Public
18 Counsel, 111 West Madison Street, Room 812,
19 Tallahassee, Florida 32399-1400, Telephone No. (904)
20 488-9330, appearing on behalf of the **Citizens of the**
21 **State of Florida.**

22

23 **ALSO PRESENT:**

24 **TROY RENDELL** and **MARSHALL WILLIS**, FPSC
25 Division of Water and Wastewater.

EXHIBITS			
NUMBER		ID.	ADMTD.
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27	Notice of Publication for the city of Fort Myers	24	

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P R O C E E D I N G S

(Hearing convened at 6:00 p.m.)

CHAIRMAN CLARK: Can you all see me and hear me?

THE AUDIENCE: Yes.

CHAIRMAN CLARK: I'm going to call the hearing to order. One of the first things we have to do is have the notice read and that's what we're going to do right now. Would you please read the notice.

MS. JABER: Pursuant to notice this time and place has been designated for a customer service hearing in Docket No. 950495, application for a rate increase by Southern States Utilities.

CHAIRMAN CLARK: I'd like to take appearances of the attorneys, starting with you, Mr. Armstrong.

MR. ARMSTRONG: Thank you, Madam Chairman. For Southern States Utilities, Brian P. Armstrong, 1000 Color Place, Apopka, Florida 32703.

CHAIRMAN CLARK: Mr. Twomey.

MR. TWOMEY: Yes, ma'am. I'm Mike Twomey, Route 28, Box 1264, Tallahassee, Florida 32310. I'm appearing on behalf of Sugarmill Woods Civic Association, Spring Hill Civic Association, the Marco Island Civic Association, and this morning I filed in

1 Tallahassee a petition for leave to intervene on
2 behalf of the Concerned Citizens of Lehigh Acres.

3 CHAIRMAN CLARK: Thank you, Mr. Shreve.

4 MR. SHREVE: Jack Shreve and Charlie Beck
5 Office of Public Counsel, Claude Pepper Building
6 Tallahassee, Florida, appearing on behalf of the
7 customers in opposition of the rate increase.

8 MS. JABER: Lila Jaber on behalf of
9 Commission Staff.

10 CHAIRMAN CLARK: Thank you. My name is
11 Susan Clark. I'm the Chairman of the Public Service
12 Commission, and today we have all of the Public
13 Service Commissioners here to conduct this service
14 hearing.

15 To my right is Commissioner Terry Deason.
16 To his right is Commissioner Diane Kiesling, to my
17 left is Commissioner Julia Johnson, and to her left is
18 Commissioner Joe Garcia.

19 We are here to hear your comments regarding
20 the proposed rate increase. We're particularly
21 interested in hearing your comments about the quality
22 of service rendered by this utility. Your comments
23 today will be recorded by the official court reporter,
24 and they will be used by us, along with other
25 evidence, to make our decision regarding the requested

1 rate increase of this utility.

2 To give you some background information on
3 how the Commission processes a rate request, the
4 process takes about eight months. It begins
5 officially when the utility files a petition and
6 states the reasons it needs a rate increase. Its
7 petition is accompanied by a compilation of
8 engineering and rate information that supports their
9 request.

10 This case began when Southern States filed
11 an application with the Commission for a rate increase
12 for both water and wastewater. The Utility has
13 requested a two-tier uniform water rate along with a
14 uniform wastewater rate. The Utility has requested a
15 final rate increase of up to 45.9% for water and
16 30.21% for wastewater. The Utility also requested
17 interim rates. We denied their initial request for
18 interim rates. They have filed a new request for
19 interim rates and the Commission has approximately 60
20 days to act on that subsequent request for uniform
21 rates.

22 During the pendency of the proceeding,
23 parties who have intervened in the proceeding may
24 present further information about the utility through
25 the use of interrogatories and depositions and through

1 sponsoring witnesses. Intervenors -- the testimony
2 will be given at what is called the technical hearing.
3 That is scheduled to be held in Tallahassee. It was
4 previously scheduled for January and February of this
5 year. However, at our last agenda conference the
6 Commission voted to require the Utility to send out a
7 supplemental notice regarding these proceedings
8 because the intervenors raised concern that customers
9 may not understand the full exposure they have for
10 their final rates.

11 Because we would like to hear from as many
12 customers as possible, we have required the Utility to
13 issue that supplemental notice and we will be
14 reconducting these service hearings.

15 For your information, our second service
16 hearing for this territory area will be held February
17 8th, 1996, and it will begin at 10 a.m. We have just
18 sent out an order to that effect, and the Utility will
19 subsequently send out the supplemental notice giving
20 you more information about that.

21 The customer hearings, such as this one, are
22 designed to gather information about the quality of
23 service delivered by this utility, and to get
24 information from you about the requested increase.

25 After we have conducted the customer

1 hearings and the technical hearings, we will reconvene
2 again in what is called an agenda conference and we
3 will make our decision regarding the requested
4 increase.

5 During all of these public hearings, both
6 the service hearings and technical hearing, the
7 parties are represented by their attorneys, and you
8 just heard who they are when they made their
9 appearances. We also have Staff with us here today
10 and Staff functions to make sure that the record of
11 this proceeding is as complete as possible, and that
12 all aspects of the case are explored thoroughly.

13 I'd like to introduce to you the Staff we
14 have here today. I'd like to start with
15 Mr. Marshall Willis, who is a bureau chief in the
16 Water and Wastewater Department; Ms. Lila Jaber, who
17 is bureau chief in our Legal Department. With them
18 are Troy Rendell, who is a rate supervisor in our
19 Water and Wastewater Department; Bob Crouch who is an
20 engineering supervisor. The two ladies you met coming
21 in today are with our Consumer Affairs Division. They
22 are Ms. Bev DeMello and Ms. Margaret Ring. Also we
23 have other individuals from our Staff, Mr. Chuck Hill,
24 who is director of our Water and Wastewater
25 Department. I think he's probably stepped outside for

1 a minute;, Ms. Blanca Bayo', who is our clerk. Joy
2 Kelly right here is our court reporter. She will be
3 taking down the testimony today. I'd like to also
4 introduce my aide, Billy Stiles, who is in the back of
5 the room waving his hands.

6 If you have specific questions you don't
7 want to ask in a public arena, or if you just want to
8 talk to our Staff about any problems you may be
9 having, please contact any one of these people that
10 are here tonight.

11 Also, you can use the sheet on the back of
12 the blue sheets of paper that you got and mail it to
13 our Consumer Affairs Department. If you forgot
14 something after you leave here that you wanted to say,
15 you can use that form again and mail it to us.

16 I'd like to emphasize that our purpose here
17 tonight is to hear from you. We want to hear what you
18 have to say about this rate increase and this utility.
19 However, we will allow the parties present this
20 evening to make very brief opening statements
21 regarding their positions in this rate case. After
22 that I will swear in those people who have signed up
23 to give testimony and we will begin hearing from you.

24 Okay, with that, Mr. Armstrong, do you wish
25 to make a brief opening statement?

1 MR. ARMSTRONG: Yes, please, Madam Chairman.

2 Thank you, Madam Chairman, Commissioners.

3 Good evening ladies and gentlemen, my name is
4 Brian Armstrong. I am from Southern States. I have
5 had the opportunity to speak with many of you in the
6 past, in the past several years, in similar
7 proceedings as well as some of your homeowners groups.

8 I guess we're here again tonight to consider
9 Southern States' rates, and there are just a few facts
10 that I'd just like to try and present to you with the
11 knowledge that the facts that I will present will be
12 provided under sworn oath in testimony by witnesses in
13 this proceeding.

14 The primary reason Southern States has had
15 to file for a rate increase is because we have placed
16 approximately \$100 million of additional plant in
17 service since the time the rates were last established
18 for our facilities across the state of Florida. That
19 \$100 million of plant has been placed in service and
20 Southern States has not been able to earn any return
21 whatsoever on that \$100 million. Now, it is the
22 equivalent of taking your money, millions of dollars
23 and putting into a bank and not receiving any interest
24 on your money invested. I think we all can see the
25 problem there and why Southern States would be

1 required to come in and ask for a rate increase as a
2 result of such investment.

3 Now, why are the investments being made?

4 Southern States has presented evidence that will show
5 that those investments are required because of
6 environmental rules and regulations primarily, and
7 those rules and regulations are becoming more and more
8 strict, more numerous and more thoroughly enforced,
9 both by state agencies and federal agencies. And I
10 know you're all aware of the water and the water
11 issues down here in Lee County as well as Charlotte
12 County. If you look in your newspapers, I know you
13 see the articles everyday about those issues.

14 It's something Southern States has tried to
15 bring some reasonableness to in terms of the number of
16 laws out there and the strictness of those laws.
17 However, what is law is law; what is a rule is a rule
18 and we have to comply. And that's the primary reason
19 why we invested so much money and that's the primary
20 reason why we're here tonight.

21 Again, I'd like to emphasize, things I say
22 tonight, any issues that you might have tonight or
23 might think of in the future and want to raise to the
24 Commission, it will be thoroughly investigated. Those
25 issues as well as hundreds of others will be thoroughly

1 investigated in this case under sworn testimony. So
2 it's not what you hear from myself or other lawyers
3 that is going to count, but what is said under sworn
4 oath.

5 One of the claims that has been made to date
6 is that Southern States is primarily in here asking
7 for increases because we acquire dilapidated
8 facilities and invested in significant amounts of
9 money in those facilities to bring them up to par and
10 make everybody else pay for it. Well, under oath our
11 witnesses will -- have already provided testimony and
12 they will swear to that testimony that shows that our
13 investments we're making in plant are not going to
14 dilapidated facilities serving small areas, but
15 rather, they are proportional to the size of the
16 customer base in the different areas.

17 A significant fact: Approximately 76% of
18 the investments we've made that I've just talked about
19 have been in areas that constitute 67% of our customer
20 base. I think that proves up the fact that we're not
21 making the big investments in the small facilities
22 that are dilapidated facilities, but rather it's
23 proportional to the larger areas; the larger areas
24 getting larger investment.

25 I'm very much aware, and we had a generic

1 uniform rate investigation about a year ago and many
2 of you were there at that time I'm sure, too. At the
3 end of that hearing we had a lot of discussion. We
4 had a lot of calls. I spoke to a few of you about
5 what is this uniform rate. Will my rates come down,
6 will they go up? What would be the impact? And there
7 we said we can't tell you exactly what would happen in
8 a future rate case, but it would look like you'd come
9 out even, you'd do a little better. It's too tough to
10 tell. But we know the rate structure is going to be a
11 very significant issue in this case.

12 If we have what is called a stand-alone rate
13 structure where every service area is looked at
14 individually, the three service areas that are
15 represented here tonight, that being Burnt Store in
16 Charlotte County, Deep Creek in Charlotte County,
17 Lehigh in Lee County will pay higher rates than if we
18 have a uniform rate structure in place. I'll give you
19 a for instance. Lehigh facilities combine water and
20 wastewater rates on a monthly basis. If Southern
21 States received all that we're asking for in rate
22 relief, it would be approximately \$61 for water and
23 wastewater combined on a monthly basis. If the
24 uniform rate structure is approved, that combined rate
25 would be approximately \$50, so there's an \$11

1 difference.

2 To give you a little bit of a feel of where
3 that stands, your current rates right now, at your
4 average use, the average use of our Lehigh customers,
5 which is very, very low, it's approximately 3500
6 gallons and we thank you for that. That's good use of
7 water. But that is your average use right now. Your
8 current bill is \$45.44 at your average use. And
9 average use which is, again, about 3500 gallons a
10 month. So you go from 45.44 up 49 if 100% of our
11 request is granted, and we hope it will be.

12 I've heard a great deal, and I've discussed
13 this with many of you over time about the comparative
14 cost of our water and wastewater service versus other
15 providers. And, again, for your edification, Lee
16 County Utilities has been used as a comparison to
17 Southern States and the combined bill of Lee County
18 Utilities is very, very close to our bill right now.
19 And even if 100% of what we are asking for is granted,
20 we'd still be within a couple dollars, or several
21 dollars -- I think it's \$4 or \$5 of what the Lee
22 County rate is on a monthly basis at the same level of
23 use. So it is very, very comparative. Actually right
24 now I think we're a bit lower than the Lee County
25 Authority. Charlotte County, we have a similar

1 situation. You Charlotte County customers, again
2 very, very close to Charlotte County rates; on a
3 combined water and wastewater basis at your average
4 use we're talking \$62.99 versus \$62.40.

5 CHAIRMAN CLARK: Mr. Armstrong, would you
6 please wrap it up?

7 MR. ARMSTRONG: Yes, I will. Thank you,
8 Madam Chairman.

9 We just want to present some facts. I just
10 want to reiterate your input tonight is very valuable
11 to the Company, as well as the Commissioners. Please
12 understand it will be sworn testimony that will make
13 the decisions in this case, not what I have to say or
14 other attorneys have to say, and we value very much
15 your input. Thank you.

16 CHAIRMAN CLARK: Mr. Twomey.

17 MR. TWOMEY: Thank you, Madam Chairman,
18 Commissioners. Ladies and gentlemen, SSU was here two
19 years ago in 1993 with their hand out for a rate
20 increase. I suspect most of you were aware at that
21 time because SSU was probably telling you, "Well,
22 we're a large utility. You're going to see economies
23 of scale -- having your Lehigh Acres system, Burnt
24 Store, whatever, you're going to have fewer rate
25 cases; you're going to have lower rate case expenses.

1 Everything is going to be just fine." Okay. In that
2 case what they do, they near doubled your rates,
3 right?

4 THE AUDIENCE: Right.

5 MR. TWOMEY: They almost doubled your rates
6 two years ago in 1993. And they are back here again,
7 ladies and gentlemen; got their hand out, okay? They
8 were going to help you back then because they were so
9 big and they were so good and everything; not going to
10 see them as often. They are back here now. Well, let
11 me say one thing about your case two years ago. As
12 many of you are probably aware, SSU's parent
13 corporation and their subsidiaries and affiliates
14 bought the Lehigh Acres outfit lock, stock and barrel
15 through Resolution Trust Corporation. They paid about
16 40 cents on the dollar. Now, did your rate case, did
17 your utility go into -- that is the investment that
18 you have to pay rates on, did it go into the rate base
19 at 40 cents on the dollar? No way. Dollar for dollar
20 just about you got that. That meant that the
21 affiliates got even a better deal on the real state,
22 golf course, et cetera, part of which they sold.

23 We're going to try and revisit that, ladies
24 and gentlemen, because that was a mistake, I think.
25 You shouldn't have had to pay dollar for dollar. They

1 didn't invest dollar for dollar in that utility and
2 the Florida law is, and should be, that you only have
3 to pay rates on what they invest. And it should have
4 only been 40, 50 cents on the dollar, not dollar for
5 dollar. And then their subsidiaries, affiliates went
6 out -- did the land go down? Anybody lost land value?
7 There's growth here, right, 8, 9, 10% per year. They
8 made more money on the land.

9 Now, let's talk about this rate case
10 briefly. Let's get the uniform rates out on the
11 table. I represent other civic associations who were
12 paying subsidies under the uniform rates. We thought
13 it was a form of socialism, essentially. We thought,
14 and do think, it is illegal, it is unconstitutional,
15 in addition to being just flat unfair, okay.

16 Now, my clients and I were successful in
17 getting the District Court of Appeals in Tallahassee
18 to reverse the Public Service Commission's decision on
19 uniform rates. They think they are going to get it
20 revived. The PSC Staff, they think it's going to get
21 it revived. I'm here to tell you, ladies and
22 gentlemen, it's a dead issue. If it comes up again
23 we're going to knock it down. It's dead. That's my
24 view. Not under oath. I'm just telling you what I
25 think. It's a dead issue, it's a form of socialism;

1 it's wrong. And you shouldn't get sucked into having
2 Mr. Armstrong tell you that you ought to be in favor
3 with socialism because it benefits you for \$11 a
4 month. The answer to that is to knock their rate
5 increase down \$15 so that you come out \$4 ahead.
6 That's a red herring. Don't get sucked into it.

7 Now, the PSC knocked down their interim
8 rates and have given them another chance. They were
9 correct in knocking down the interim rates. It was a
10 messy filing. It didn't stand a chance the day it was
11 filed. The PSC is making a mistake, in my opinion, in
12 giving them a second change; shouldn't have two bites
13 at the apple in the middle of the case. They are
14 going to do it anyways. Maybe they won't approve it,
15 but they are giving them a second chance.

16 They've asked for -- Mr. Armstrong tells you
17 all this sworn testimony stuff, okay? Well, if these
18 are all sworn doesn't mean a whole lot, it means they
19 are under oath.

20 Now, they've asked for huge increases in
21 your rates now, \$18.1 million per year collectively;
22 \$18 million, ladies and gentlemen, more they want
23 annually because they spent all of this money they
24 say, right? Their test year is based upon projected
25 data, ladies and gentlemen, through December 31, 1996.

1 We are now in November of 1995. They want to raise
2 your rates now on expenses and utility plant they
3 swear they are going to spend and install next year,
4 okay? Don't count on it. It doesn't work that way.

5 CHAIRMAN CLARK: Mr. Twomey, would you
6 please wrap it up?

7 MR. TWOMEY: I will. Yes, ma'am.

8 They also say they want to have a guaranteed
9 revenue adjustment. Mr. Shreve will probably tell you
10 about this. They want to make sure they get
11 guaranteed revenues from you. They say that because
12 your rates are going to go up, you'll use less water
13 and they want more out of you for that.

14 Lastly, ladies and gentlemen, if you're not
15 a member of Lehigh Acres and you're not a member of
16 the Concerned Citizens organization, I would urge you
17 to sign up. Thank you very much. (Applause)

18 CHAIRMAN CLARK: Thank you, Mr. Twomey. Mr.
19 Shreve.

20 MR. SHREVE: Thank you, Madam Chairman.

21 I can't say I'm really happy to be here
22 tonight. I think we have been here too many times
23 already. We've always had good meetings. We welcome
24 the opportunity to hear from you tonight, and we will
25 have another opportunity a little bit later to hear

1 from everyone, as the Chairman told you when you
2 receive a new notice. The new notice -- would it be
3 better if I stood up?

4 THE AUDIENCE: Yeah.

5 MR. SHREVE: The new notice is going to tell
6 you that probably the notice you have already received
7 does not really advise you to the extent of your
8 exposure in this rate case. The Public Service
9 Commission has ordered Southern States put out a new
10 notice and we're going to have another hearing later.
11 I think it's in February. I will be brief because
12 we're here to hear from you tonight. Mr. Twomey
13 touched on a lot of the points.

14 One of the things that really bothers me,
15 Southern States, Minnesota Power, talks about their
16 low return. They're receiving a return on money at
17 Lehigh Acres that they never invested. Mr. Armstrong
18 talks about it's like putting money in the bank and
19 they should get a return on it. Well, what they are
20 doing is putting 40 cents in the bank and wanting a
21 return on a dollar. When they purchased the whole kit
22 and caboodle out here they wrote everything down but
23 the utility so that you'd have to pick up those
24 expenses. That is not fair. They should not be
25 entitled to a return on anything that they have not

1 actually invested. They did the same thing when they
2 purchased Deltona, the entire Deltona system. They
3 have in their rate base about \$9 million that they did
4 not pay for Deltona. They should be accountable for
5 that. They made a \$6 million profit when they sold
6 St. Augustine Shores, which was a part of the Deltona
7 system. They have not been accountable for that, but
8 it's a gain on sale of a system that has been
9 supported by the customers of the state of Florida,
10 then the customers should receive the benefit of that.
11 They just sold a system in Sarasota County and made
12 about \$18 million on it. Now, we're going to be
13 insisting that that be given as credit to the
14 customers. Bring the rate base down by that amount
15 and not just talk about their so-called investment
16 which either is or is not made. A very large part of
17 that investment, as Mr. Twomey mentioned, is projected
18 for this year and next year.

19 They've also asked for a change in policy by
20 the Public Service Commission, which the policy, I
21 think, went too far in the first place. That is a
22 margin of reserve which would have you paying a part
23 of the expenses of future customers coming on line.
24 That is not right. Let the future growth take care of
25 itself and not have you paying for part of that.

1 I'll go ahead and close it out because I
2 know you have some excellent speakers. You always do.
3 We do not feel that Southern States is entitled to any
4 rate increase in this case. You can't take much more
5 of the benefit of the excellent management coming in
6 from Minnesota Power which is going to keep all your
7 rates down. So let's go ahead and accept the fact
8 that they have the management, that they can run the
9 systems without increasing the rates, and then show
10 some of the benefit down here in the state of Florida.
11 Not just let them walk away with the money at your
12 expense. They are not entitled to any rate increase
13 whatsoever. Thank you. (Applause)

14 CHAIRMAN CLARK: Thank you, Mr. Shreve.

15 Before I swear in the witnesses, there are
16 two housekeeping matters we have to take care of. We
17 have to identify some Notices of Publication as
18 exhibits in this proceeding. Mr. Armstrong, do you
19 have the Notice of Publication for Sebring and for
20 Fort Myers?

21 MR. ARMSTRONG: Yes, I do, Madam Chair.

22 CHAIRMAN CLARK: The Notice of Publication
23 for Sebring will be marked for identification as
24 Exhibit 26, and the Notice of Publication for
25 Fort Myers will be marked as Exhibit 27.

1 MR. ARMSTRONG: Thank you.

2 CHAIRMAN CLARK: Thank you.

3 (Exhibit Nos. 26 and 27 marked for
4 identification.)

5 CHAIRMAN CLARK: At this point we're going
6 to swear in those people who have signed up in this
7 proceeding. Mr. Shreve has the yellow cards that you
8 signed up for testifying. We'll take them in order.

9 It's my understanding we have at least 56 of
10 you who would like to give testimony. (Applause) So
11 we're prepared to stay here as long as it takes to
12 hear from everyone who wants to say something. But I
13 want to tell you two things: If somebody has
14 testified and you agree with what they say, you may
15 simply come up and give your name and address and say,
16 "I agree with the previous speaker on such and such,"
17 or you can defer to somebody who is coming later if
18 you know they are going to cover your points. But I
19 want to emphasize we'll be here as long as we need to
20 hear from you. I should also tell you we will be
21 holding a second public hearing. If you testify in
22 this hearing, you don't need to testify in the next
23 one because this hearing is still going to be part of
24 the record. The hearing in February will be
25 supplemental. You don't have to repeat what you have

1 said in that second hearing.

2 With that, I'd like all of those people who
3 have signed up to provide testimony to stand up so I
4 can swear you in.

5 (Witnesses sworn collectively.)

6 CHAIRMAN CLARK: Thank you. You may be
7 seated.

8 I'd like to request that you do one other
9 thing: When you come up here, will you please give us
10 your name and address and indicate the plant from
11 which you receive service, such as Lehigh, Burnt Store
12 or Deep Creek. It would also be helpful if you
13 spelled your last name for us. Okay?

14 Mr. Shreve, will you call your first
15 witness.

16 MR. SHREVE: Yes, ma'am. Pat Vondran. Pat
17 V-O-N-D-R-A-N.

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PAT VONDRAN

1
2 was called as a witness on behalf of the Citizens of
3 the State of Florida and, having been duly sworn,
4 testified as follows:

5 WITNESS VONDRAN: My name is Pat Vondran. I
6 live in Deep Creek.

7 I previously spoke with Troy Rendell and
8 Marshall Willis about the rates that we have -- rate
9 increases that we have been given in Deep Creek. And
10 I really think since we are getting pass-through rates
11 from Charlotte County Utilities, who, I believe, are
12 presently one of the highest utility costs in the
13 state, I really think we ought to be dropped out of
14 any uniform rate thing. Because in February of '95 we
15 received a letter from SSU that we were getting an
16 increase of 115.55% in our water rates, and 129.96% in
17 our wastewater charge. Now, I think that's enough of
18 an increase without being thrown into this.

19 Now, according to what I read in the
20 newspaper and a conversation, I called Mr. Shreve and
21 spoke with him on the phone a while back, in September
22 there was an article in our paper that Mr. Twomey had
23 spoke about, saying that they had gotten two of the
24 utilities pulled out from the uniform rates because
25 they were so disparit from the others. And I truly

1 believe our situation in Charlotte County is the same,
2 because we're tied in completely.

3 Southern States buys from Charlotte County
4 Utilities. Our county bought the utility by -- took
5 the utility, quick-take; we paid too much money for
6 it. We have a tremendous indebtedness that all of the
7 customers are paying for, including Southern States.
8 I cannot fault them for this increase. I'm aware that
9 it is a legitimate pass-through increase, so I don't
10 fault them for it, but I don't think we ought to be
11 included in the rest of this rate case to have
12 additional costs passed through to us. And I really
13 don't see why some other utility, Southern States
14 Utilities, in the state should be paying for our rate
15 increases in Charlotte County. I don't think that's
16 fair to them either, and I don't want to pay theirs
17 and I don't want them paying mine. Thank you.

18 CHAIRMAN CLARK: Thank you. Mr. Vondran,
19 would you just wait a minute. Sometimes there are
20 questions from the parties. Any questions? Thank you
21 very much.

22 WITNESS VONDRAN: Thank you.

23 MR. SHREVE: V.E. Blake.

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BUEHL BLAKE

1
2 was called as a witness on behalf of the Citizens of
3 the State of Florida and, having been duly sworn,
4 testified as follows:

5 WITNESS BLAKE: My name is Buehl Blake.
6 B-L-A-K-E. I'm from Deep Creek and the previous
7 speaker certainly outlined many of the problems we
8 have in Deep Creek right now. I live here seven or
9 eight months out of the year and while I'm gone I find
10 that rate increases have taken place, not only just
11 for the water rate but with the sewer rate. The
12 service, as I see it, is satisfactory. I see no
13 reason for an increase just because of the service.

14 We recently paid, or the Charlotte County
15 Commissioners paid \$110 million for a water plant
16 service for Charlotte County Utilities. This has
17 wreaked great havoc on those of us who have to come up
18 with the additional money, that during the time I was
19 gone my rate, just basic rate, for water to the meter,
20 without turning a tap, cost me \$33.09 and I wasn't
21 even around. This is exorbitant in my estimation.
22 The \$110 million we paid General Development, who went
23 belly up as you recall, certainly helped to bail them
24 out. The utility probably was not worth more than
25 65 million as requested at one time. They threatened

1 to say it would be worth 180 million if we did buy it
2 at 110. Now, we're footing the bill for this. Deep
3 Creek, whoever else is tapping off of SSU, we're all
4 footing this bill. And I, for one, even though I'm
5 from somewhere up north and about 65 or 70% of us are,
6 we're coming down here thinking it is going to be
7 cheaper. It is not cheaper living down here. I hate
8 to say this, but that's why my home is up for sale
9 right now. Thank you.

10 CHAIRMAN CLARK: Thank you, Mr. Blake. Are
11 there any questions?

12 WITNESS BLAKE: Any questions at all?

13 MR. SHREVE: Thank you, sir. Ruth
14 Anleitner.

15 - - - - -

16 **RUTH ALEITNER**

17 was called as a witness on behalf of the Citizens of
18 the State of Florida and, having been duly sworn,
19 testified as follows:

20 WITNESS ANLEITNER: I'm Ruth Anleitner.

21 A-N-L-E-I-T-N-E-R. And my bill has more than doubled
22 and I would like to have Frank Kane take the time I'm
23 allotted. Thank you.

24 CHAIRMAN CLARK: Thank you very much.

25 (Applause)

1 MR. SHREVE: Mr. Anleiter.

2 MR. ANLEITER: I'd like to give my time to
3 Frank.

4 CHAIRMAN CLARK: Thank you.

5 MR. SHREVE: Mr. Schlosstein.

6 - - - - -

7 **FRED SCHLOSSTEIN**

8 was called as a witness on behalf of the Citizens of
9 the State of Florida and, having been duly sworn,
10 testified as follows:

11 WITNESS SCHLOSSTEIN: Thank you. Madam
12 Chairman, members of the Public Service Commission, my
13 name is Fred Schlosstein, S-C-H-L-O-S-S-T-E-I-N. I
14 live at 1411 Irondale Street in Lehigh Acres, Florida.
15 I'm the vice chairman of the Concerned Citizens of
16 Lehigh Acres. And I appear here this evening in
17 opposition to any proposed increase in water and sewer
18 rates by Southern States Utilities for the same
19 reasons that I appeared in opposition to the present
20 rates at a hearing conducted in October 1992 and held
21 in the auditorium at Lehigh Acres and at which hearing
22 I so stated my reasons.

23 Madam Chairman, at that time I stated that
24 the Public Service Commission could not use its long
25 established procedures for auditing and analyzing a

1 huge multistate corporation, engaged in a unitary
2 business, as is Minnesota Power & Light, conducting
3 operations in various states under different taxing
4 jurisdictions, through a series of related
5 corporations, all controlled and substantially owned
6 by the parent.

7 When the old Lehigh Utilities, Inc. was the
8 subject of your audits and analysis, the parent
9 corporation was, with its sister operations, a Lee
10 County, Florida institution, even though it was later
11 acquired by Land Resources Corporation. You had no
12 such problem in those days. However, with the
13 purchase from the Resolution Trust Corporation by a
14 wholly-owned subsidiary corporation of Minnesota Power
15 through Lehigh Acquisition Corporation, and two
16 Florida businessmen, for a total purchase price of
17 \$40 million in a package deal, more than just
18 \$100 million worth of property was acquired. I want
19 to repeat that: More than \$100 million worth of
20 property was acquired. That excess has not been
21 acknowledged by the Public Service Commission,
22 unfortunately, in its rate-setting determination.

23 In its zeal to unload Lehigh, many of us
24 feel that the RTC acted with too much haste and failed
25 to recognize the bonus in its appraised value by the

1 experts. The bonus, of course, being the existence of
2 the East County Water Control District. This district
3 the Lehigh Corporation exercised total control from
4 1958 until a massive land reclamation project was
5 approved by the Court in 1987. And the Florida
6 Legislature changed the method of electing the
7 district's supervisors. Changed it from the land
8 owners to the elected.

9 The East County Water Control District,
10 being a public body, with taxing and bonding powers,
11 of course, could not actually be considered a sister
12 corporation to Lehigh Corporation, but for all intents
13 and purposes, it acted exactly like one. Its officers
14 were also the officers or employees of Lehigh
15 Corporation throughout its history, and its last
16 Lehigh elected president was also the superintendant
17 of Lehigh Utilities, Inc.

18 During its history the records will show
19 that in addition to draining the land, the District
20 was engaged in the development of Lehigh and was used
21 as a development tool, even though organized under
22 Florida Statutes Chapter 298, a drainage district, and
23 also with the substantial changes having been made by
24 the court and by the legislature. Lehigh Acres could
25 never have advanced to the stage that it has without

1 the East County Water Control District and the taxes
2 levied on the lands in Lehigh Acres. Certain lands
3 have been so much increased in value in Lehigh Acres
4 by this District, that it now has become very
5 profitable to extend water and sewer lines to new
6 sections.

7 To be specific, the District has constructed
8 very expensive bridges and culverts in recent years
9 and drained lakes that have created very expensive
10 building lots, all of which will need new sewer and
11 water services.

12 Let me show you the 1987 plan now underway
13 and the original plot plans for the Mirror Lakes
14 project which are recorded with Lee County land
15 records, but which had to be altered eventually to a
16 smaller scale. With your permission, Madam Chairman,
17 I would like to pass before you the map of the East
18 County Water Control District, which I hope you will
19 recognize as practically the plot plan for Lehigh
20 Acres. (Shows document to Commissioners.)

21 In that plot plan you will notice at the
22 lower left-hand corner, the plan of reclamation calls
23 for the installation of bridges and culvert crossings
24 and the huge excavation in Sections 16, 17, 18 known
25 as Mirror Lakes. I also would like to show you the

1 plot plan for Mirror Lakes that has been recorded with
2 the Lee County records June 13th, 1993, in Book 27,
3 Pages 83 through 129. (Hands document to
4 Commissioners.)

5 CHAIRMAN CLARK: Just so we're going the
6 right way, this plat you've given us here, is that
7 what is Mirror Lakes?

8 WITNESS SCHLOSSTEIN: That is the plot of
9 Mirror Lakes.

10 CHAIRMAN CLARK: Okay.

11 WITNESS SCHLOSSTEIN: Let me also read to
12 you, Madam Chairman and members, a section of the Lee
13 County Code, Article 6 Section 12-107, Extension of
14 the Boundaries of the District. I have it here. I
15 won't read it all except to say "The government
16 easement line of the Caloosahatchee River, thence
17 north 0 degrees 33.8 minutes west. 90 feet more or
18 less to the actual shoreline of the Caloosahatchee
19 River, then southerly and westerly along the meanders
20 of the said river to a point which lies 0 degrees
21 33.48 west of the point on the south boundary of said
22 Section 19."

23 I'm quoting that increase in the boundary
24 lines of the district for a specific reason, Madam
25 Chairman. And that reason being to show you that

1 there was planned in this section a yacht club to be
2 constructed with drainage canals that were to be
3 navigable. I also submit to you a 1965 vintage map
4 that will show you the location of that yacht club.

5 The yacht club, Madam Chairman, was to be
6 the northern terminus of navigable canals, and I would
7 like to read to you on Pages 774 and 775, Section
8 12-17 of the Lehigh Acres -- rather the Lee County
9 Code. "Additional Powers of the District. The East
10 County Water Control District shall have, in addition
11 to the power provided in Chapter 298 Florida Statutes
12 at Chapter 63-1549 of the Florida Act of 1963, the
13 power to construct and maintain navigational and
14 boating facilities in its canals, including, but not
15 limited to locks and dams, to widen and deepen its
16 canals, to make them usable for navigation and boating
17 and to regulate in all respects the use of its canals
18 for navigational and boating, including but not
19 limited to, the size of boats, their speed and hours
20 of use."

21 Of course, Madam Chairman, no such language
22 appears in the 1913 drainage law under which the East
23 County Water Control District operates. And several
24 years later the legislature did repeal this section of
25 the code. It does serve, however, to demonstrate to

1 you more evidence that the drainage district was being
2 used as a development tool, Lehigh Acres Development
3 Corporation now controlled by Minnesota Power, the
4 parent of Southern States Utilities, and the
5 beneficiary of the district largess. While we're
6 speaking of that largess, the East County Water
7 Control District raises yearly approximately
8 \$5.4 million in land taxes from the area you see on
9 the map of the district, in comparison to a \$4 million
10 levy by Lee County for its operating and capital
11 outlay budget. That's a pretty big difference.

12 Let me also read to you, Madam Chairman and
13 members, Page 21 of the bond offering document for
14 \$22,270,000 of East County Water Control District's
15 consolidated refunding bonds Series 1994. The bond
16 document states that Lehigh Corporation was the
17 primary developer of the land within the district and
18 remains a major landowner in the district,
19 approximately 4425 acres of land, and approximately
20 12,651 of the 120,209 land parcels in the district are
21 owned by Lehigh Corporation.

22 It makes as further comment that "Lehigh
23 Corporation's business plan are expanding the rate of
24 growth of the community by extending utilities and
25 making service lots available at modest prices to a

1 large group of builders. Similarly, commercial land
2 in the community is generally available to meet the
3 demand of the users." That's in the bond offering.

4 CHAIRMAN CLARK: Those are the bonds issued
5 by the East County Water --

6 WITNESS SCHLOSSTEIN: Water Control District
7 for these particular improvements, which we maintain
8 are development costs, not land reclamation costs.

9 CHAIRMAN CLARK: Okay. For the improvements
10 made in what area, the Mirror Lake area?

11 WITNESS SCHLOSSTEIN: Mirror Lakes area,
12 bridge crossings and culvert crossings which were not
13 installed until 35 years after the District was
14 formed.

15 CHAIRMAN CLARK: Okay.

16 WITNESS SCHLOSSTEIN: Finally, Madam
17 Chairman, let me read to you a section from the 1993
18 Annual Report to the stockholders of Minnesota Power.
19 "Investments also include real estate holdings in
20 Southwest Florida. The company acquired the real
21 estate in 1991 along with the utility system it
22 purchased in a package deal. Initially our Topeka
23 Group subsidiary owned two-thirds of Lehigh
24 Acquisition Corporation with the remainder owned by
25 two Florida businessmen experienced in real estate.

1 In June 1993 Topeka Group increased its ownership to
2 80%. Lehigh's real estate consists of 7,000
3 undeveloped home sites and 55 acres of unimproved
4 property, including commercial, residential and
5 agricultural land. The plan is to sell Lehigh
6 property over the next several years as profitable
7 opportunities arise. Lehigh's income comes mainly
8 from the sale of real estate property and interest
9 income related to installment lot sales. Selling
10 Lehigh's property dovetails with expansion goals for
11 our Florida utilities which serve the Lehigh
12 properties. In addition to profit on each lot sale we
13 gain another utility customer." (Applause)

14 We go back to our argument, Madam Chairman.
15 There is much more documented evidence, such as the
16 role of the Utility Company and the developer in Case
17 No. 85-5843-CAEOF, 20th Circuit Judicial Court, a
18 stipulation agreement in a case brought by Lehigh
19 Corporation against Lee County. There is also a
20 second stipulation agreement in Case No. 91-2482-CA.
21 These deal with the obligations of the corporation
22 relative to the extending of public utilities in
23 Lehigh Acres. There is also an agreement between the
24 Department of Health and Rehabilitative Services for
25 the State of Florida, District 8 and Lehigh

1 Corporation, dated January 20th, 1983, and later
2 amended to include SSU, which should not be ignored
3 with reference to the installation of sewers in Lehigh
4 acres.

5 Surely, Madam Chairman, this is a unique
6 rate case period, as we claim. The evidence clearly
7 demonstrates that the purchase price paid for
8 properties in Lehigh Acres were not allocated
9 correctly between the land, the buildings and the
10 utility plant. The value attached to Lehigh
11 Utilities, Inc. was much too high and certainly did
12 not reflect an arms-length transaction. It was an
13 allocation of cost devised by lawyers and accountants
14 in a attempt to defer the profits from the combination
15 perceived by the city of Winter Springs versus
16 Seminole Utilities, and the subsequent exchange for
17 assets of another sister corporation, namely Southern
18 States Utilities. The provisions of the Internal
19 Revenue quote should not be allowed by the Public
20 Service Commission to depreciate an inflated asset or
21 to allow to increase an asset basis to reflect a
22 proper percentage based on imaginative accounting and
23 incomplete appraisals. In justice and equity the
24 Public Service Commission, if it is to protect the
25 public, must in this case look to the new picture.

1 The unitary business of Minnesota Power & Light, which
2 meets the criteria established decades ago by the
3 multistate tax Commission."

4 I'd be happy to answer any questions. Thank
5 you.

6 CHAIRMAN CLARK: Thank you, Mr. Schlosstein.
7 (Applause) As I understand your presentation, you
8 believe Lehigh Acres benefitted from being on the
9 board of the East County Water Control District
10 because they could control where the infrastructure
11 went in with respect to district activities, and those
12 activities benefitted the development and they were
13 developers.

14 WITNESS SCHLOSSTEIN: Exactly.

15 CHAIRMAN CLARK: And now that Southern
16 States has taken over from the Resolution Trust
17 Corporation, we should be looking at not only their
18 utility operations but their development operations to
19 see if some of the profits from that development
20 operation should be taken into account in setting the
21 utility rates.

22 WITNESS SCHLOSSTEIN: Let me say this --

23 CHAIRMAN CLARK: You agree with that.

24 WITNESS SCHLOSSTEIN: Yes, I agree with
25 that. That's the purpose of the testimony.

1 Madam Chairman, the petitioners for the
2 creation of the East County Water Control District
3 were none other than Mr. Lee Ratner (ph), who owned
4 the 33,000 acres to start with, and the predecessor of
5 Lehigh Corporation, which was the Lee County Land and
6 Title Company. They were the petitioners and they ran
7 it. They ran it up until 1987 when the legislature
8 stepped in and said, "No, you better hold public
9 elections."

10 CHAIRMAN CLARK: Okay. That's what I wanted
11 to ask you. Now, the members of the board of the
12 water control district are elected by people within
13 the district.

14 WITNESS SCHLOSSTEIN: Yes, ma'am.

15 CHAIRMAN CLARK: Does anyone from Southern
16 States currently sit on that board?

17 WITNESS SCHLOSSTEIN: No, ma'am.

18 CHAIRMAN CLARK: Let me ask you another
19 question. With regard to this information you have
20 given us, do we need to give that back to you?

21 WITNESS SCHLOSSTEIN: Those are hard to come
22 by, Madam Chairman. I'll try to get other copies.

23 CHAIRMAN CLARK: All right. I just wanted
24 to know if you wanted us to keep them or if we needed
25 to give them back.

1 Commissioners, is there anyone who needs
2 copies of this?

3 WITNESS SCHLOSSTEIN: Let me say there is
4 only one thing I would like back and that is the
5 colored map which is practically disappearing from
6 existence.

7 CHAIRMAN CLARK: I'm going to give you all
8 of this information back. I've noted the information
9 and the transcript has a description of what you've
10 shown to us. If we need to see it again, we'll get in
11 touch with you.

12 WITNESS SCHLOSSTEIN: Thank you very much.

13 CHAIRMAN CLARK: Thank you, Mr. Schlosstein.
14 (Applause)

15 MR. SHREVE: Mr. Frank Kane. (Applause)

16 CHAIRMAN CLARK: Go ahead Mr. Kane.

17 - - - - -

18 **FRANK KANE**

19 was called as a witness on behalf of the Citizens of
20 the State of Florida and, having been duly sworn,
21 testified as follows:

22 WITNESS KANE: Madam Chairman, members of
23 the board, my name is Frank Kane, K-A-N-E. I live at
24 1208 East Third Street in Lehigh Acres. I am the
25 Chairman of the Concerned Citizens, and I'm also the

1 president of the East County Water Control District.
2 I was just elected, though, in November, so I cannot
3 defend the allegations that Mr. Schlosstein outlined
4 to you earlier. However, I will be happy to answer
5 any questions.

6 Concerned Citizens came about as a result of
7 what the citizens of Lehigh Acres perceived to be a
8 lack of response from the Public Services Commission.
9 The only reason that the Concerned Citizens exist is
10 because the people of Lehigh Acres felt they were not
11 given a fair hearing before the rates were increased
12 in 1992.

13 We're a little organization. We have in our
14 treasury approximately \$590 and we're fighting
15 Minnesota Power, \$1.8 billion corporation, so it's
16 truly like the David and Goliath. I don't know how
17 many people we have here from Lehigh. Would the
18 people from Lehigh please stand. (Audience complies)

19 Madam Chairman -- thank you -- I think
20 that's an impressive group. And you and I have
21 corresponded over the past two and a half years
22 probably on a monthly basis. As a result of our
23 efforts, Senator Rossin, whose aide is here today
24 because of his interest in the citizens of Lehigh
25 Acres getting a fair shake; Senator Rossin, Senator

1 Dudley, Representative Arnold all requested, as I did
2 and many of our citizens, that you hold this hearing
3 in Lehigh so that our citizens would have an
4 opportunity to be in our home ground. And I'm begging
5 you now in this next hearing to reconsider your
6 decision and have this next hearing in Lehigh Acres.

7 (Applause)

8 I promise to be brief because we'll get
9 another shot at you, you said, in February.

10 (Laughter)

11 I have a question, though, and I hope you
12 can answer it. As I said earlier, we feel that the
13 Public Services Commission has not been responsive to
14 the consumers in Lehigh Acres. And I read about a
15 reasonable rate of return.

16 Now, I have a portfolio and I have an idea
17 what a reasonable rate is. And I know from experience
18 in other places that a reasonable rate -- what if we
19 owned a supermarket, a reasonable rate is maybe a
20 quarter and an eighth, or a quarter, one and one
21 quarter percent. If you make a percent-and-a-half in
22 a supermarket, you're in hog heaven. You're making a
23 lot of money. But what is a reasonable rate for a
24 regulated company?

25 Well, I know in a previous experience I had,

1 I was the battalion commander for a tank unit in Red
2 Bank, New Jersey and nearby was Homedell (ph), New
3 Jersey, where AT&T had their labs, Bell Telephone, of
4 course, of New Jersey. And one of my master sergeants
5 said, "Colonel, we have some new furniture for you."
6 I said, "You're kidding?" "No." So they brought in
7 this beautiful furniture, carrel, big desk, and a
8 entertainment center. I said, "What's the scoop? How
9 did you get it?" He said, "Well, Bell Telephone is
10 going in for a rate increase and every five years they
11 get rid of all of the furniture whether it's in good
12 shape or bad shape. They don't know what to do with
13 it so they are giving it to the National Guard."
14 Well, that was the way it was up there in New Jersey.
15 I don't know how it works here in Florida, but that is
16 a question I have for you. What's a reasonable rate
17 of return for a regulated company?

18 Now, I read your order approving the
19 transfer, and I'll try to make this as brief as I can.

20 What the order -- when Lehigh Utilities went
21 to Minnesota Power, what you said was Seminole is a
22 wholly-owned subsidiary of the Topeka Group. Seminole
23 acquired the stock of Lehigh with funding provided by
24 Topeka. It's getting confusing. Topeka also owns
25 Southern States Utilities. Then your Staff says to

1 you, and it's in your report, according to Topeka,
2 Lehigh was acquired through Seminole rather than SSU
3 for federal income tax purposes, and that's fine.

4 Well, I don't like the people that are
5 representing the consumer to be saying "according to
6 Topeka." I think that you should have definitive
7 knowledge. It shouldn't be "according to Minnesota
8 Power" or Topeka or SSU. Then it says a little later,
9 "Thus it appears that Seminole has the technical and
10 financial ability to provide Lehigh's customers with
11 quality service." Well, that's a matter of opinion
12 some four years later, but again it's "thus it
13 appears." And again I would like the Commissioners to
14 have something more definitive than that. Today's
15 newspaper, Fort Myers News Press, it quotes Tracy
16 Smith, a spokesman for Southern States. Tracy says,
17 "The increase was needed to pay for upgrades it has
18 made to several systems it now owns." He says, "Most
19 of the improvements were made in compliance with the
20 government safety mandates and water quality
21 standards. Well, this same report that you received,
22 and it's dated 11-25-91, that's when it was issued, it
23 says "In addition, the Department of Environmental
24 Regulation, DER, has no outstanding notices of
25 violation against Lehigh's water system. However,

1 there is a consent order against the wastewater
2 system. According to the vice president of Lehigh the
3 new wastewater plant, which is being constructed, is
4 99% complete. When the new plant is on line, Lehigh
5 will be in compliance with DER requirements." So
6 Lehigh was in compliance with DER requirements in '91
7 and yet we have a spokesman for Southern States
8 Utilities, Minnesota Power, saying because of money
9 they have expended, they deserve this unconscionable
10 increase.

11 Will you answer my question about reasonable
12 rates when I finish?

13 CHAIRMAN CLARK: Yes.

14 WITNESS KANE: Okay. Thank you. In reading
15 through one of your dockets, it's Order No. 25729, in
16 this case there were two Commissioners who
17 participated in the disposition of the matter, Thomas
18 Beard and Betty Easley, 2-17-92.

19 At this point you disagree with Public
20 Counsel and I have been working with Public Counsel
21 for two and a half years and I can tell you that
22 Public Counsel will agree that we have requested
23 information from Minnesota Power/SSU that would
24 further help us in our case and we haven't been able
25 to receive this information. But what the Public

1 Service Commission is saying on the point of statutory
2 interpretations, "We disagree with Public Counsel. We
3 do not think the Florida Statutes limits us from
4 including in rate base only that which an acquiring
5 utility has invested in the system." And that was
6 touched on earlier. What you're saying is "We don't
7 care what it costs Minnesota Power to acquire that
8 utility. If they got it at a bargain basement price
9 of 6 million, we don't care. We're going to consider
10 it as 10, 20 or whatever million." We don't think
11 that -- and I think the Public Service Commission is
12 supposed to be a consumer advocate, is it not? We
13 don't think really that you are looking out for the
14 consumer when you completely disregard the acquisition
15 price and go with book value.

16 You also say that we believe our current
17 policy provides a much needed incentive for
18 acquisition. And I didn't know that the Public
19 Service Commission is in the business of setting
20 policy to have little companies be acquired by big
21 companies. And big isn't always best. And I think
22 that's proven here.

23 I have a statement that I would like to read
24 into the record, but I have one other question. April
25 14th, 1993, the water basic charge was \$4.32. The

1 sewer basic charge was \$7.18. The next month, April
2 the 15th, the second bill it went up to 8.89 and then
3 14.65. That was an increase of \$4.57 on water, \$7.47
4 on wastewater. At the present time it's up to 9.03
5 and 15.45. So that's three increases from April of
6 1993 in the base rate.

7 When Minnesota Power acquired all of these
8 assets, it wasn't only the utility, but that was their
9 primary objective to get the utility, they acquired
10 two golf courses, they acquired a motel, they acquired
11 a hardware store and Mr. Schlosstein told you about
12 all of the land they acquired. They also acquired a
13 newspaper, our weekly paper, The Lehigh News Star.
14 They own 60% of this newspaper.

15 After I was elected to the East County Water
16 Control District I said in passing that it might be in
17 the best interest of the citizens of Lehigh if we
18 looked into the statutes to see whether or not East
19 County Water Control District could acquire the
20 utility through negotiations or eminent domain. And I
21 was attacked in this newspaper for suggesting that we
22 look into it. I didn't say we should do it. I just
23 said we ought to investigate. So I wonder is this
24 Sandy Sample from Deluth, Minnesota, writing these
25 editorials? I mean, why would anybody be opposed to

1 us just investigating? (Applause)

2 I don't want to forget, and I think you are
3 aware, and I know how many of you read the annual
4 report of Minnesota Power, but in their report of
5 1994, it is something we knew about, they say "In 1994
6 Lehigh" -- they're talking about their utility --
7 "Lehigh formalized procedures to begin constructing
8 5.2 million in water and wastewater facilities in
9 Lehigh Acres using funds held in escrow." Now, these
10 funds were held in escrow for citizens of New York and
11 Michigan who bought from the original developer, and
12 the money has been there for many, many years. As
13 they say in this report they were trying to determine
14 how they could get their hands on this \$5.2 million.

15 This year's report, they done got it.

16 (Laughter)

17 And I guess my question to the Public
18 Services Commission, what they say, is was that legal
19 on their part to take those funds that were in escrow
20 for the residents from Michigan and New York whose
21 states had the foresight to make sure their citizens
22 didn't get raped when they had to put in water and
23 wastewater pipes?

24 CHAIRMAN CLARK: Mr. Kane, refresh my
25 memory, is that what the escrow funds were for or were

1 they having to do with some representations made in
2 development brochures?

3 WITNESS KANE: No. In the Due Diligence
4 Report that was done by one of the big brokerage
5 houses in New York City, they did advise both
6 Minnesota Power and the PSC did receive a copy of that
7 report, that there was money escrowed and as they
8 say, they were trying to determine how they can get
9 their hands on it.

10 CHAIRMAN CLARK: For what purpose was it
11 escrowed?

12 WITNESS KANE: Here's what they say in their
13 annual report. LAC, that's Lehigh Acquisition
14 Corporation, that's a subsidiary in Lehigh that
15 operates at arms length with SSU, the utility. They
16 say they have "5.1 million held in escrow under terms
17 of certain escrow trust agreements. The escrow funds
18 were required by the states of New York and Michigan
19 in order for Lehigh Corporation to sell lots to
20 residents in those states. The purpose of the funds
21 is to pay for future water and sewer line
22 installation. The funds have not been recorded in the
23 Company's consolidated financial statement. Lehigh
24 Acquisition Corporation is currently required by
25 procedures to access those funds." And in their

1 latest report they have accessed them.

2 Southern States Utilities is one of many
3 subsidiaries of Minnesota Power. In 1991 Minnesota
4 Power acquired the assets of Land Resources, the
5 parent company of Lehigh, from Resolution Trust
6 Corporation after its acquisition from the Security
7 Savings & Loan Association, Phoenix, Arizona. They
8 paid \$39 million when it had a book value of \$100
9 million.

10 At that time in 1991 the Utility had a
11 double-digit return. September 30th, 1990, and I took
12 this from the Due Diligence Report, they had service
13 revenues for water of \$1,400,000. They had a net
14 income of almost \$232,000, or 15.8% return of net
15 income on service revenues. In wastewater, they have
16 service revenue of \$1.98 million; they had a net
17 income of \$211,937,000, or approximately \$212,000 or a
18 19.2% return.

19 After they went before the Commission to get
20 this rate increase, they had February 25th, '93,
21 service income of 1.8 million; net income of 395,000
22 or 27% return. On wastewater they had a service
23 revenue of 2.1 million; they had a net income of over
24 a million or 100% return.

25 It is our contention, and we believe

1 strongly -- and we may not prove it to you tonight but
2 we will the next time we meet -- that the Public
3 Service Commission did not have the facts before them
4 when they granted this tremendous increase. Lehigh
5 Utilities was making a fair return prior to the
6 bargain basement acquisition, and Public Counsel
7 agrees with us.

8 As you know, two of the five Commissioners
9 voted for the unconscionable increase. Two of the
10 Commissioners who voted this increase have a history
11 of going along with Staff or the utility. If we, the
12 ratepayers, in Lehigh Acres had a choice, we would not
13 have selected these two to hear the case, but we
14 didn't have that choice, and I understand the work
15 requirements that you have.

16 We believe strongly that the Staff did not
17 accurately portray the real figures. In a letter to
18 Representative Keith Harmon from your director,
19 William Talbott, he states the following: "other
20 information considered, Lehigh Utilities, Inc. 1992,
21 PSC annual report unaudited, the Commission does not
22 have a copy of the Lehigh Utility, Inc. independently
23 audited financial statements or outside auditors'
24 report. The Commissioner Staff auditors, however, did
25 perform an audit of the minimum filing requirements

1 and the books and records of the utility for
2 regulatory purposes which was incorporated in the
3 official record of the case."

4 Public Service Commission did not hear us,
5 did not research the record as thoroughly, and
6 convinced two Commissioners to grant an increase that
7 doubled the rate for the users in Lehigh Acres. Many
8 of our residents are paying more to SSU than they pay
9 in taxes.

10 The Public Service Commission did not hear
11 us. Director Talbott's rationale that they did not
12 have a rate increase since 1981 -- that what he said,
13 there was no rate increase since 1981 -- has no
14 relevancy and projects a perception that the utility
15 lobbyist prevails over the interest of our citizens.
16 They did receive an increase through indexing, and I
17 don't think I have to go through that with you.

18 Topeka Group/SSU began lobbying the PSC long
19 before the acquisition. Donnie R. Crandell, Director
20 of Business Development, Topeka Group, wrote to
21 Charles Hill, Director of Water and Sewer, on 24
22 August 1990, to establish a relationship.
23 Mr. Crandell had already met with John Williams and
24 Noreen Davis from the PSC Staff to expedite the
25 takeover in the subsequent rape of the ratepayers in

1 Lehigh.

2 How badly are we in Lehigh Acres being
3 impacted by the Public Service decision? The rates in
4 the rest of Lehigh County (sic) are much lower. The
5 city in which we meet today pays 50% less than what
6 the citizen of Lehigh Acres are paying.

7 In the Due Diligence Report prepared for
8 Minnesota Power by Raymond James Associates, on 19
9 August '91, outlines where the utility would not be
10 operating at arms length with their sister
11 corporations. It also pointed out the liabilities
12 they would assume upon the acquisition. Raymond James
13 state the following: "One, Lehigh Utilities has an
14 exclusive franchise to provide water, sewer, gas and
15 garbage and recycle in Lehigh Acres. Two, the company
16 had been consistently profitable with the pretax
17 earnings in the \$1 million range over the last several
18 years. Three, the outlook for Lehigh Utilities is
19 favorable. Revenue growth has averaged 7% per year
20 over the last five years and is anticipated to grow at
21 least this fast into the foreseeable future. Its
22 growth has continued at a much high rate. The 1990
23 Census lists the Lehigh Acres population at 20,000
24 people. In December 1994 the Lee County Economic
25 Development Commission estimated the population at

1 35,000 people, or 19% average yearly increase.

2 The Public Service Commission refused to
3 give Lehigh ratepayers some relief when they receive
4 \$4.2 million from the condemnation by St. Johns County
5 for the St. Augustine Shores utility. In past
6 proceedings, with a neutral PSC Staff, the Commission
7 required utilities to share with the ratepayers the
8 gain on the sale of utility properties. At the PSC
9 hearing Docket No. 911188-WS William Sugar, the
10 Utility misrepresented the ownership of the golf
11 course. As I said earlier, when all of these assets
12 were acquired they acquired two golf courses. The
13 orders states "The contract between Lehigh Utilities
14 and the Lehigh Properties and Cliffside Properties,
15 Inc., owners of the golf course, requires the golf
16 course to take a minimum of 400,000 gallons of
17 effluent a day at 10.6 cents per thousand gallons.

18 Now, when Minnesota Power acquired this
19 utility they acquired the golf courses. They were
20 giving the golf courses treated effluent at a reduced
21 rate.

22 I have a photocopy, which I will be happy to
23 share with you, of real estate deeds that were
24 transferred during the week ending 4 October 1992.
25 Lehigh Corporation, then under the umbrella of

1 Minnesota Power, transferred to Cliffside Properties a
2 a California corporation, the two golf courses and
3 motel for \$1,650,000. The next day Cliffside
4 Properties sold that property to Admiral Lehigh for
5 \$5.5 million. The same week. They had a \$3.9 million
6 flip in one day. Now, the officers of Cliffside
7 Properties are the same officers of Lehigh
8 Acquisition.

9 There may have been some federal tax
10 implications there. There may have been some reason
11 to withhold income earnings, assets from the Public
12 Services Commission to justify rate increases. I
13 don't know. But these are things that we're going to
14 have to check.

15 We contend, as Public Counsel, that the
16 minimum price for that effluent on the golf course
17 should have been 25 cents per thousand gallons, not
18 10.6 cents. In our judgment this is a clear violation
19 of the statute guiding arms-length transactions
20 between sister corporations and regulated companies.

21 We contend and believe we can prove that
22 figures were inflated or deflated to the advantage of
23 the Utility to benefit their case. We further contend
24 the Public Service Commission made no effort to
25 document the figures that were presented.

1 To further illustrate the arrogance of the
2 Utility and how they perceive us as being either
3 stupid or grossly ineffective, they recently completed
4 a 30-acre community. I won't point to Mirror Lakes.
5 I think you all have an understanding. But the basic
6 question is if we're running lines 8, 10 miles out to
7 Mirror Lakes to benefit a sister corporation, should
8 the ratepayers that are now paying for their water and
9 sewer be assessed for that expenditure?

10 THE AUDIENCE: No.

11 WITNESS KANE: Madam Chairman, and members
12 of the Commission, we are reasonable people. We
13 believe in the American way and support a reasonable
14 return on investments for Minnesota Power. We cannot
15 accept the cavalier approach the Public Service
16 Commission has taken to their responsibilities. We've
17 written to the Governor; they referred us to the
18 legislature. They are trying to help but they, too,
19 are sometimes given a snow job or are stonewalled.

20 We're looking for help. We're pleading with
21 you. I'm convinced beyond any reasonable doubt that
22 an appointed board, appointed Public Service
23 Commission, is not responsive to the ratepayers. And
24 I'm going to urge, and when we meet our legislative
25 delegation in January, that the Public Service

1 Commission be elected like it was some 20 years ago.

2 (Applause)

3 I have much more that I can say, but as I
4 say we're getting another hit and we'll save that for
5 the next time.

6 Are there any questions you'd like to ask of
7 me? If I appear angry, I guess I am.

8 COMMISSIONER GARCIA: You intimated at some
9 point that you thought that the Staff was prejudiced
10 by some of your transacting with them. Have you found
11 that to be the case?

12 WITNESS KANE: Well, as I say in the
13 document I read --

14 COMMISSIONER GARCIA: Not speaking
15 historically. I'm saying in this case, have you
16 communicated with the Staff at any point?

17 WITNESS KANE: I have been in communication
18 with Chairman Clark and prior to her, Chairman Deason
19 and to Mr. Talbott, and to many other people. I
20 understand that you have a Staff of 400 people. I may
21 be wrong but that's my understanding. I certainly
22 think we have been severely shortchanged by the lack
23 of homework that your Staff did because I don't think
24 you would have made the decision that was made if your
25 Staff had done the proper job. (Applause)

1 COMMISSIONER GARCIA: Let me just ask of you
2 something. As you go through this case, our Staff
3 people are here and if you think there is information
4 that is pertinent for them to have in putting together
5 this rate case -- I know you have discussed it with
6 the Public Counsel's office and I'm sure Mr. Twomey,
7 if he's representing you, will bring that out -- but I
8 would suggest to you that anything you feel is
9 necessary for us to have in this case, or areas that
10 you wish us to look into, to please contact our Staff
11 directly. And if you have any problem with them, I'm
12 sure that the Chairman or my office or any of the
13 Commissioners will be helpful in that. But I would
14 request that of you. Because this is a whole new ball
15 game. I think Mr. Twomey stated that when we began.
16 And we have the opportunity to look at everything that
17 is pertinent to this case and this rate increase.

18 So I would request, whether you are angry at
19 us or not, whether you feel our Staff is prejudiced or
20 not, that you contact and communicate with them on
21 things that you feel are necessary in us coming up
22 with a fair and equitable rate in this case.

23 WITNESS KANE: I appreciate that,
24 Mr. Garcia.

25 As I said earlier, the Concerned Citizens

1 have about \$509 in their budget. I have been running
2 around like a chicken with my head off for the last
3 three years trying to gather data. It has not been
4 easy. I said to you, and said under oath, we could
5 not get information from SSU. Jack Shreve could not
6 get information. There have been times when we have
7 been stonewalled.

8 COMMISSIONER GARCIA: I'm sorry, I was
9 negligent to not ask you what information precisely is
10 it that you have requested? I'm sure Mr. Shreve will
11 probably request that at some point from the full
12 Commission, but what precisely is it that you are
13 looking for that you have been not been --

14 WITNESS KANE: Well, Commissioner, if we all
15 agree, and it's a fact, that when Minnesota acquired
16 all of the assets of the Lehigh Corporation, including
17 that golf course and the -- two golf courses and the
18 motel, then they spun that sale, does that determine
19 any question from you? The Cliffside Properties, the
20 same officers in Cliffside are the same as Lehigh
21 Acquisition Corporation, and Lehigh Acquisition sells
22 it to Cliffside for 1.5 million, whatever I said.
23 Then the next day they turn around and sell it to
24 Admiral Lehigh for 5.6 -- \$3.9 million difference.
25 Does that trigger any questions in your minds as

1 Commissioners, who sit in judgment and determine what
2 water and wastewater rates these folks are going to
3 pay?

4 COMMISSIONER GARCIA: That wasn't the
5 question I asked you. Clearly things are triggered.
6 But what I'm asking you, what precisely have you
7 requested that has not been provided or made part of
8 the record?

9 WITNESS KANE: I guess we want the finite
10 details of what exactly was the value of the two golf
11 courses? What was the value of the motel? What was
12 the value of the hardware store? What was the value
13 of all of the land?

14 We think that this deal was rotten from the
15 beginning and certainly you can't answer for the
16 Resolution Trust Corporation. That's not within your
17 province. You're concerned with what has happened
18 here with the rate case.

19 But, yeah, I can get you specifics. I don't
20 have them at the tip of my tongue and I'm sure Jack
21 could get you specifics about when we were stonewalled
22 and seeking information. I'm talking Jack Shreve,
23 Public Counsel.

24 COMMISSIONER GARCIA: If you want some
25 additional information, could you request it of Staff

1 in a letter just so we know it has been requested.

2 WITNESS KANE: Be happy to, yes, sir.

3 COMMISSIONER GARCIA: I want to make sure
4 that perhaps in the past you felt Staff acted in a
5 certain way or didn't act in a certain way, or that
6 Commissioners were right or wrong in what they did.
7 But at least I am convinced by the fact that we have a
8 fair and impartial Staff, and I think the
9 Commissioners I sit with on this Commission are fair
10 and impartial.

11 If you will provide us what you need in your
12 determination, clearly we will also try to be as
13 forthcoming as possible within the legal limits of our
14 job, but we will try to make sure that our Staff
15 accommodates your information request if they are not
16 being provided directly by the Company.

17 I want to assure you -- I don't know of it,
18 but if there was any impropriety in the past, I don't
19 know of it. But I do know in this case I think Staff
20 has been, continues to be, and these Commissioners
21 that sit with me are trying to be as impartial and as
22 forthcoming as possible, and that we are trying to
23 give you as much process as possible for you to
24 participate in these hearing. That is why we're
25 having a second hearing here. It's not that it is

1 required, it's that we want to to make sure that we do
2 everything possible to allow the ratepayers to
3 participate.

4 I understand you are angry but let's try to
5 be effective in your anger and try to get to the
6 bottom line.

7 WITNESS KANE: Commissioner Garcia, as I
8 said, in this report to you -- and you may not have
9 been on the Commission at this time. I don't think
10 you were. But what Staff says to you, "according to
11 Topeka," well, if I were a Commissioner that wouldn't
12 satisfy me. I don't really care what Topeka says.

13 COMMISSIONER GARCIA: If Topeka stated it
14 under oath, Topeka would be in violation of law and
15 that's a serious accusation you are stating.

16 When our Staff prepares a report, clearly we
17 have to rely on information given to us as being
18 truthful, just like we rely on the fact that the
19 information that you testified to today, and that some
20 you've alluded to and some that you have stated very
21 directly, is truthful. And we have to take that on
22 face value. If you're coming up here and perjuring
23 yourself -- I don't want to say that --

24 WITNESS KANE: You may say anything you
25 like.

1 COMMISSIONER GARCIA: I'd like to be as
2 accurate as possible.

3 WITNESS KANE: I've not perjured myself and
4 as I say --

5 COMMISSIONER GARCIA: No, no, I didn't
6 allude to that. What I'm saying is that our Staff,
7 when they do the report, have to rely on people being
8 truthful just as we rely on you being truthful to put
9 together this information.

10 WITNESS KANE: As a Commissioner, I would
11 not accept language from Staff when they say "thus it
12 appears that Seminole has the technical and financial
13 ability to provide Lehigh customers with quality
14 service." That sounds like legal mumbo-jumbo you get
15 from attorneys. I'd want something more definitive.
16 Okay, sorry, Madam Chairman, I was answering a
17 question.

18 CHAIRMAN CLARK: We do look at the
19 information that you give us. We ask questions
20 through depositions and interrogatories. All of those
21 things are provided under oath, and we do rely on the
22 information that they give us, but we also investigate
23 it to make sure that it is accurate, as does Public
24 Counsel. If we didn't use wording in our order that
25 makes you feel more comfortable, I'm sorry for that.

1 But we looked into the transaction with respect to the
2 acquisition from the Resolution Trust Company. And
3 there were limits to what we could do based on what
4 was done as a result of the dealings with the
5 Resolution Trust.

6 WITNESS KANE: I thought it was your
7 philosophy you did not look at acquisition prices
8 because you wanted to encourage big corporations to
9 swallow up little ones. That's what I thought I --

10 CHAIRMAN CLARK: That's not totally
11 accurate. What we have done in the past is we have
12 looked at what's the book value and carried the book
13 value forward, whether they paid more or whether they
14 paid less, and there have been instances where they
15 have paid more and they don't get the benefit of that
16 price that they have paid in excess.

17 You asked me about the return on equity.

18 WITNESS KANE: Reasonable rate.

19 CHAIRMAN CLARK: I'm not sure what they have
20 asked for in this case. Let me ask Staff. What have
21 they have asked for in terms of their return on
22 equity?

23 MR. SHREVE: 12.5 or 12.25.

24 CHAIRMAN CLARK: What's the overall rate of
25 return?

1 MR. SHREVE: Commissioner, their return on
2 equity they requested was either 12.5 or 12.25. Their
3 overall rate of return on average what their debt cost
4 might be different but what I think what their return
5 on equity and what their return would be --

6 CHAIRMAN CLARK: They have asked for that
7 amount in this case. That is subject to competing
8 testimony from Mr. Shreve and intervenors as to
9 whether that is the appropriate return on equity to
10 give them and that is always an issue in a rate case.

11 WITNESS KANE: I have a rather extensive
12 portfolio that I manage myself. I'll give them my
13 portfolio to get 10%. I'd be happy to get a 10%
14 return let alone a 12%.

15 Any other questions? Thank you, Madam
16 Chairman.

17 CHAIRMAN CLARK: Thank you, Mr. Kane.

18 (Applause)

19 MR. SHREVE: Raczkowski?

20 - - - - -

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1 **LETTY RACZKOWSKI**

2 was called as a witness on behalf of the Citizens of
3 the State of Florida and, having been duly sworn,
4 testified as follows:

5 WITNESS RACZKOWSKI: My name is Letty,
6 R-A-C-Z-K-O-W-S-K-I. My address is 1515 Medford
7 Place, Lehigh Acres.

8 I just wanted to backup what Mr. Kane said
9 in regards to rates. This is my personal rate. I
10 have my bills to back up what I have here.

11 We bought property in Lehigh in June of '92.
12 My first water bill was \$4.36. My second month, the
13 first full month was \$9.72 total. 4-19 was water and
14 5.53 was sewer.

15 In October of '92 it changed. The water,
16 basic rate for water was 4.32 and for sewer was 7.18.
17 In November of '93 it practically doubled. It was
18 8.87 for water and 15.28 for sewer. In January of '94
19 it was 9.02 for water, and 19.44 for sewer. February
20 of '92 it was 9.03, and 15.45. You've got a whole
21 penny on each of those. And it's remained the same
22 since then. But in that span of time, has any of us
23 had that kind of increase in what we earn or what we
24 have for a living?

25 I've only lived in Florida five months out

1 of the year, so I now pay 24.46 for nothing.

2 (Applause) Every month that I'm not there I still pay
3 that amount of money. And that's complete profit for
4 the utility company. And I'm sure there's quite a few
5 people that's in the same circumstances I am because
6 they just have a hard time doing it. We're looking
7 forward hoping we'll be able to afford to live full
8 time here eventually.

9 CHAIRMAN CLARK: Thank you. (Applause)

10 MR. SHREVE: Mr. Willard Baker.

11 - - - - -

12 **WILLARD BAKER**

13 was called as a witness on behalf of the Citizens of
14 the State of Florida and, having been duly sworn,
15 testified as follows:

16 WITNESS BAKER: Madam Chairman, for the
17 record, my name is Willard Baker and I'm a resident of
18 Lehigh Acres Community Council, and I'm speaking for
19 the majority of the citizens of Lehigh Acres.

20 (Laughter) I'm not going to tell you that the rates --

21 (Simultaneous conversation)

22 CHAIRMAN CLARK: Ladies and gentlemen, we
23 can't hear him if you make too much noise and we can't
24 get any of your comments on the record, so please --

25 WITNESS BAKER: I'm going to tell you that

1 the rates for the water and sewage rates are unjust,
2 as you are going to hear from the citizens that are
3 here. I'm going to ask you to come to Lehigh Acres
4 for your second hearing -- we ought to get some
5 cheering there -- so that the rest of the citizens of
6 Lehigh Acres can be heard. Right now the citizens of
7 Lehigh Acres feel betrayed, deceived and unfair
8 advantage taken of them by this unfair rate increase
9 by having the hearing in Fort Myers.

10 This hearing is being held in a another city
11 20 miles away from here where it is difficult for
12 senior citizens, which is 50% of our population, to
13 attend, as most of them do not drive at night and
14 there's no public transportation for them to get here.

15 We, the citizens of Lehigh Acres, ask you to
16 please come out to Lehigh Acres where the citizens of
17 Lehigh Acres can be heard. I can get you a place to
18 hold this meeting at Lehigh Acres. It will be big
19 enough to hold the citizens of Lehigh Acres and I can
20 probably get this place free of charge. Let me know
21 when you would like to come to Lehigh Acres and I will
22 do the rest. Please do not turn us down on this
23 invitation. (Applause)

24 CHAIRMAN CLARK: Thank you.

25 We have been going for over a hour and a

1 half. We have one court reporter. We need to give
2 her about a ten-minute break and we're going to take a
3 break until quarter to 8.

4 (Brief recess taken.)

5 CHAIRMAN CLARK: Ladies and gentlemen, we
6 need to call the hearing back to order. If you'll
7 take your seats, if you need to converse some more,
8 you can go back outside and come back on in.

9 Mr. Beck, are you going to read --

10 MR. BECK: Our next witness is Mr. Joseph
11 Ferrante.

12 - - - - -

13 **JOSEPH FERRANTE**

14 was called as a witness on behalf of the Citizens of
15 the State of Florida and, having been duly sworn,
16 testified as follows:

17 WITNESS FERRANTE: Good evening. Members
18 of the PSC and the attorneys that represent the
19 citizens, my name is Joseph R. Ferrante,
20 F-E-R-R-A-N-T-E, and I live at -- (someone sneezes)
21 God bless you -- (recites Italian phrase) -- I said
22 "You should live hundred years."

23 CHAIRMAN CLARK: Thank you.

24 WITNESS FERRANTE: I called you Madam. That
25 was Italian with an accent.

1 I'm here opposed to the case. Frank Kane
2 and Fred Schlosstein are members of the East County
3 Water Drainage District, our elected officials. I was
4 a member of the East County Water Drainage District
5 and I want to tell you, everything they told you was
6 true about the relationship between Lehigh Corporation
7 and East County Water District and SSU.

8 I withdrew from this current race because of
9 cardiac bypass surgery, but these two men beat these
10 two losers over here, both of them. (Laughter) They
11 both lost to them and they'll never win another
12 election in Lehigh Acres no matter what they do.
13 Offering you a free hall -- Frank already offered you
14 the free hall months ago and everybody there knows
15 what Frank Kane offered you.

16 Now, when I was a little boy my father --

17 THE AUDIENCE: We have 48 more speakers.

18 (Simultaneous conversation)

19 CHAIRMAN CLARK: Ladies and gentlemen, we
20 do -- please extend the same courtesy to this witness
21 as we have done to the other witnesses. We'll get
22 through this a lot faster. My experience is it does
23 speed up. But, Mr. Ferrante, if you would get to the
24 point you want to make.

25 WITNESS FERRANTE: I will get to the point

1 as quickly as possible. I won't tell you about my
2 childhood then and about people that used to stick up
3 places in the neighborhood when I was a little boy; my
4 parents said they were stupid because what they should
5 have done was owned a utility company and then they
6 didn't have to use a gun and they would have made a
7 lot of money on it. (Laughter)

8 The fact that you held the meeting here is
9 quite demeaning and insulting to the residents of this
10 community, of our beloved community. And, sincerely,
11 I know now Frank Kane offered you a free hall out in
12 Lehigh Acres. You can have -- you can believe
13 whatever he tells you. As far as anybody being under
14 oath, John Gotti was under oath. He's a convicted
15 murderer. He said he never did it.

16 COMMISSIONER GARCIA: Just for the record,
17 he never testified. Just so you know.

18 WITNESS FERRANTE: Oh, I know Mr. Gotti. I
19 knew him, let me put it that way.

20 By the way, what's the location of this
21 place? Is this the Harborside or Sheraton Harborside?

22 CHAIRMAN CLARK: It's called the Sheraton
23 Harbor Place.

24 WITNESS FERRANTE: The reporter for this rag
25 said the Harborside Convention. This is the reporter

1 sitting right over here. (Indicating) He is
2 misleading all of the people in the community. He's a
3 lacky and a stooge for SSU and Lehigh Corporation.
4 His name is Tom Watson.

5 THE AUDIENCE: That's unnecessary.

6 CHAIRMAN CLARK: Could you tell us what your
7 concerns are with the rate increase and the service
8 from SSU?

9 WITNESS FERRANTE: Yes. Okay. The paper
10 says they will receive by -- Mr. Watson -- 10.3
11 interest, percentage increase. It's closer to 19%. I
12 have all of this written down. I've done my homework
13 two, three -- not as well as Mr. Kane or Mr.
14 Schlosstein -- so they are receiving better than a
15 fair rate of return on their money, and that's why I'm
16 here. That they should not get an increase of any
17 type and you should really look into what they
18 presented to you.

19 And by the way, if you can find nothing
20 wrong with what their presentation is to you, I
21 strongly suggest that you get a better investigator
22 and you should have an independent audit of SSU for
23 what they presented to you, for the simple reason that
24 Mr. Kane and Mr. Schlosstein raised some very
25 important issues which seemed to have rattled

1 Mr. Garcia, that he had to come back with a reply, and
2 rightfully so, because maybe he wasn't on the board at
3 that time. But I don't think Mr. Kane will move to
4 anything but the truth of what has been occurring here
5 with SSU and the residents of the community.

6 By the way, when Bram Stoker wrote "Dracula"
7 I'm sure he had SSU in mind because they are the
8 financial bloodsuckers of our community. Thank you
9 very much. (Applause)

10 CHAIRMAN CLARK: Mr. Beck.

11 MR. BECK: David Morton.

12 - - - - -

13 **DAVID MORTON**

14 was called as a witness on behalf of the Citizens of
15 the State of Florida and, having been duly sworn,
16 testified as follows:

17 WITNESS MORTON: Madam Chairman and ladies
18 and gentlemen of the Public Service Commission, my
19 name is David Morton. I'm the manager of Marina South
20 Shore Condominiums, a development of 123 living units,
21 comprised of nine buildings. This development is in
22 Lee County near the Charlotte County border and we're
23 served by the Burnt Store service area for SSU, not
24 from Lehigh Acres. This is a completely different
25 community. And we understand why you hold the

1 meetings here, because it's centrally located and we
2 have to travel 25 miles and Lehigh Acres has to travel
3 and so does Marco Island, so we all have a burden on
4 us.

5 I'm here to register our objections to a
6 rate proposal filed by SSU Docket No. 950495-WS on the
7 following grounds: The proposal states that over
8 \$100 million of plant improvements have been or will
9 be completed -- we believe statewide because the
10 application didn't say that -- from 1992 to the end of
11 1996. They also state that the majority of these
12 improvements were required by environmental laws,
13 rules or regulations.

14 We would suggest to you that the vast
15 majority of the plant improvements in our area were
16 driven by the raising of the density of homeowners in
17 the Burnt Store Marina development, due to rapid
18 development by Florida Design Communities, beginning
19 in the early 1990s. This raised the residential
20 living units from around 325 units back in the early
21 '90s to over 900 at the present time.

22 This placed stress on the water delivery
23 system then in place. In late 1994 Florida Design
24 Communities announced a plan to build a 100-unit
25 motel, and the addition of approximately 450

1 additional units within the area of Burnt Store known
2 as Platinum Point.

3 A number of unit owners within Burnt Store
4 Marina, a number of which were South Shore owners,
5 appeared before the Cape Coral City Council and
6 Planning Board to protest the hotel development, which
7 fell within the city limits of Cape Coral, with the
8 major objection being the shortage of potable water
9 available. This objection was supported by a study
10 made by CA Wonder Engineers, which showed that the
11 capacity of the current SSU water plant would not
12 provide enough water to the hotel, as well as the
13 rapidly increasing number of single family homes being
14 built by Florida Design Communities. The Cape Coral
15 City Council then put a hold on any permits for that
16 development, the hotel, until such time a Florida
17 Design Community could prove that SSU could provide
18 adequate water supply and pressure.

19 SSU has been working toward that end at the
20 behest of Florida Design Communities. They, SSU, are
21 now unfairly attempting, through this rate hike, to
22 recoup monies spent on plant improvements and force
23 this payment upon residents of the community, many of
24 which have been here since 1979 and later, instead of
25 of the developers, FDC, who not only benefit from

1 these improvements but are the cause of the
2 improvements being needed in the first place.

3 So here we have a rate case paying the bills
4 for a development that is causing the rate increase to
5 begin with. We feel that is unfair.

6 The aim of FDC, Florida Design Communities,
7 is to push the density of Burn Store's communities to
8 well over 1600 living units within the next two or
9 three years. This will effectively double the living
10 unit total from its present level, and again force the
11 water provider, SSU, to enhance its capacity once
12 again. Do you then tax the then current owners and
13 owners who have lived in this community for 15 years
14 or more through raising the water and sewage rates to
15 drive the profits and development of FDC.

16 I have a worksheet showing how the proposed
17 increase affects just one building out of our nine in
18 our complex showing that the one building shows a
19 monthly increase, based on the new rates, of \$421.70.
20 We say that is a little high and we look at it
21 conservatively and say that the average may be \$325
22 per month per building. Extrapolating that, we show
23 an increase in one year of \$35,000 for the entire
24 complex. One year. That would effectively double our
25 water and sewage bills at the present time to a total

1 of \$60,000 plus.

2 We're not here to vilify the Public Service
3 Commission. We're here to ask your help. We do not
4 feel we're being treated fairly. And if you look at
5 Page 8 of your book you will notice that our basic
6 water rates for one and a half-inch meter jumped from
7 \$27 to \$118; that's more than a 20, 30%. Two-inch
8 meters run from \$40 some odd dollars up to \$188 is the
9 increase. The gallonage rates triples, it goes
10 \$1.23 -- and I'm working from memory -- to \$3.27.
11 I've looked at this so many times. What that does is
12 it effectively doubles our water bill.

13 Now, in a condominium development you plan
14 your budget six months in advance of it taking effect.
15 What effect do you think this has on the owners?
16 Special assessments? How would you feel?

17 I did not know that this hearing was to talk
18 about quality of service but I'm going to give you a
19 little insight into the quality of service that we
20 receive.

21 We have an average of a break in the main
22 lines about once a month. It may be every once a
23 month and a half. We have turn-offs on the system
24 without being notified, and the only reason we're
25 notified at all is because we raised the devil with

1 the DEP, and the DEP stepped on them and now they are
2 trying to notify us before they cut the water off.
3 Every time the water is cut off, there is intrusion in
4 the lines of foreign matter. What does that mean? We
5 have to boil water. Here we are in the 20th century
6 boiling water before we can use it. Not very nice.
7 We have to do that in 24 to 48 hours. Today, let's
8 use an example, we had a man to check a meter.
9 Arbitrarily they decided to flush the lines which
10 they probably haven't done for six months, maybe a
11 year. What happened? Well, muddy and rusty water
12 backed up into every unit, and into every water system
13 and every building. They should get the calls I get
14 as a manager. "Why is my laundry brown?" It's no fun.

15 All we ask is to be fairly treated. We
16 expect reasonable rate increases. We know there will
17 be rate increases. We expect to get service that we
18 don't have to worry about the water we drink.

19 The next point I want to raise just briefly
20 is the matter of impact fees. That hasn't been
21 broached at all today. And in my ignorance I would
22 like to broach these following questions to the Public
23 Service Commission: We have been told that there are
24 impact fees that are imposed both by governmental --
25 let's say governmental agency, Lee County in this

1 case, for every new piece of construction that is put
2 up. We were also told that impact fees were to pay
3 for infrastructure. Are not utilities part of
4 infrastructure?

5 We realize that SSU is a private company, so
6 I'd like to ask these few questions. In Lee County,
7 to whom do we pay impact fees? Can they be used to
8 defray the cost for a private utility for every
9 infrastructure? Can a private utility charge an
10 impact fee if the government agency is not going to do
11 it? Have they collected this development and by who?
12 SSU provides water and sewage service to this area
13 that straddles the Charlotte and Lee County lines, and
14 we want to know if that's a problem with jurisdiction
15 as far as impact fees are concerned.

16 Many of our residents are retired and such
17 cavalier action to raising the rates to the level they
18 have been raised, to benefit a development company, is
19 not a fair treatment for residents, both part time and
20 full time, in this or any other community.

21 Thank you for your attention. (Applause)

22 CHAIRMAN CLARK: You asked several questions
23 and I can answer them in general but I can tell you
24 you can also get in touch with our Staff.

25 There is no ability, as I understand it, for

1 a public agency to charge impact fees and then turn
2 those fees over to a private company. But we do --
3 private companies do have what they call service
4 availability charges. When you first hook up to a
5 system, you are sometimes charged service availability
6 charges. I'm fairly certain that Burnt Store has
7 service availability charges.

8 I don't know if there are any difficulties
9 caused to the Burnt Store area because it straddles
10 the county line. Again, I think our Staff could help
11 you sort that out or direct you to people who can help
12 you sort it out. Have I answered all of the
13 questions?

14 WITNESS MORTON: I believe you've answered
15 them to the best of your ability, and probably the
16 best thing to do is check with your Staff to see
17 whether, number one, there haven't been any impact
18 fees or service charges collected. And number two,
19 why the development company isn't defraying the costs
20 of the development that they are creating. If you
21 lived in a housing unit for 15 years and somebody
22 built a \$500,000 home next door and you were charged
23 for their utilities being installed, you wouldn't be a
24 very happy person.

25 CHAIRMAN CLARK: Some of that does go on in

1 all infrastructures. I mean it happens in your
2 electric utilities.

3 WITNESS MORTON: I understand that some
4 does. But if you look at those fees that you see are
5 charged to both Burnt Store and to Marco Island, they
6 don't bear any resemblance to reality.

7 CHAIRMAN CLARK: We will be looking at
8 service availability charges in this case. Let me
9 also point out that I think -- isn't Burnt Store one
10 of the reverse osmosis plants?

11 WITNESS MORTON: Yes, it is.

12 CHAIRMAN CLARK: As I understand it, the
13 utility has requested a different rate level where an
14 area is served by a reverse osmosis plant.

15 WITNESS MORTON: Is there a valid reason for
16 that?

17 CHAIRMAN CLARK: Well, we're going to look
18 at that as part of this rate case.

19 WITNESS MORTON: Thank you.

20 CHAIRMAN CLARK: Mr. Morton, one other
21 thing. I think our Staff has --

22 MS. JABER: A very short question. You said
23 you managed Marina --

24 WITNESS MORTON: South Shore Condominium.

25 MS. JABER: Are they master metered or

1 individual metered?

2 WITNESS MORTON: One meter per building.

3 MS. JABER: Thank you.

4 CHAIRMAN CLARK: Thank you very much. Mr.
5 Shreve.

6 MR. SHREVE: John Zimmerman.

7 - - - - -

8 JOHN ZIMMERMAN

9 was called as a witness on behalf of the Citizens of
10 the State of Florida and, having been duly sworn,
11 testified as follows:

12 WITNESS JOHN ZIMMERMAN: My name is John
13 Zimmerman, Z-I-M-M-E-R-M-A-N. 3210-12A South Shore
14 Drive, Punta Gorda.

15 I have been involved with water companies in
16 the past, and I can assure the Commission it's very
17 difficult to lose money when you run a water company,
18 or you run a sanitary collection system. It's very
19 hard. There are two things we have to do: You have
20 to drink and we have to have sewage. It always works.
21 And for these people to tell us that -- their problem
22 it's difficult to understand.

23 In just looking at the numbers that were
24 given to us, and I think it was brave they put the
25 numbers down that way, for South Shore they said that

1 our rate of increase would be 265%.

2 CHAIRMAN CLARK: Mr. Zimmerman, can I
3 interrupt you just for a minute? What plant are you
4 served from?

5 WITNESS JOHN ZIMMERMAN: South Shore Burnt
6 Store.

7 CHAIRMAN CLARK: Thank you.

8 WITNESS JOHN ZIMMERMAN: It's an eye opener.
9 265%. Now, if somebody wanted to get my attention,
10 that would do it. This goes on forever. It doesn't
11 just happen one month or one year. It goes on
12 forever. That's an outrageous request for anyone in
13 the PUC to even consider. I presume they did this as
14 a shock value to see if maybe they can get 10% of it.
15 But this just doesn't make any sense.

16 Now, you asked for comments relative to the
17 service of this company. I will tell you they have a
18 group of people here who do not know how to run a
19 water system well. Whether they run their plant well,
20 I do not know.

21 The water is of satisfactory quality most of
22 the time. There is insufficient pressure at a
23 majority of times of high occupancy in our area.
24 Understand that when Mr. Morton talked to you about
25 the down time of this particular utility, we're

1 talking about an area that has a six-story high-rise
2 building. Now, when you have a break or a fault in
3 the water system, water pressure is off, you can have
4 a high-rise building, you have a great possibility of
5 reverse infiltration. And with that in this
6 particular region every time the water is off there
7 should be a notification to the people involved that
8 there is a danger involved. One time this water as
9 off for half a day. There was no public announcement,
10 nothing on the radio, nothing on the television,
11 nothing to tell people who don't know that there's a
12 complication here that affects your health. This is
13 irresponsible on the part of the water utility who
14 puts themselves out as a water utility. This is just
15 not correct.

16 The water utility in general owns water
17 lines up to the meters at which they charge, which
18 they use to make their charges. Now, in Burnt Store
19 Marina this water line runs through a long line of
20 residential and condominium areas. It services a
21 number of fire hydrants. I have been in five years.
22 I have never seen a fire hydrant flushed, which is a
23 normal process for any water company to do. Now
24 whether it's a complication that exists between the
25 fire company and the water company, I don't know that,

1 but I do know this entire region is at risk because
2 these things are not checked. They are not checked;
3 it means you don't know whether somebody came along
4 from the water company and closed the valve to the
5 hydrant or not. These are just things that have been
6 observed.

7 Now, the other items that I have have been
8 covered admirably by former speakers and I won't cover
9 anything else. Are there any questions?

10 COMMISSIONER DEASON: I have one question.
11 Do you know if there are backflow prevention devices
12 for those high-rise developments?

13 WITNESS JOHN ZIMMERMAN: There are.

14 CHAIRMAN CLARK: Thank you, Mr. Zimmerman.

15 WITNESS JOHN ZIMMERMAN: You're welcome.

16 (Applause)

17 MR. SHREVE: Mr. Zimmerman.

18 - - - - -

19 **HANS ZIMMERMANN**

20 was called as a witness on behalf of the Citizens of
21 the State of Florida and, having been duly sworn,
22 testified as follows:

23 WITNESS HANS ZIMMERMANN: Hans Zimmermann.

24 Z-I-double-M-E-R-M-A-double-N.

25 I'm retired. I live in Burnt Store Marina

1 on 2051 King Tarpon Drive. I have been a full time
2 resident here in Florida for the last two years. And
3 I'm here on behalf of myself, my neighbors and the our
4 local King Tarpon Condominium Owners Association.

5 I do appreciate being able to be here today
6 and to comment in the public meeting. I have lived in
7 many other states where that was not possible. I do
8 have very little comments on the service because I
9 have been here for only a short time, so I'm actually
10 dropping this subject, but I do know that I have never
11 paid ever as much money for water, as well as for
12 sewer, as here in Florida.

13 The proposed increase by SSU, I feel, is way
14 too steep, and I do agree when some people call it
15 outrageous. The amortization time, in order to
16 recover this \$100 million which the company says is
17 being invested I think is far too short.

18 SSU received an increase in rate, and it was
19 a modest one in 1994. I do assume that that increase
20 at that time seemed to be adequate. However, the
21 notice of May 12 states that the nine-month increase
22 from 10-1, or now December 6th, would generate
23 \$21.5 million. If you add to that the annual increase
24 after that of \$28 million, round figures, and you do
25 this, and you add these increases together for three

1 years and nine months, you arrive at \$105.5 million.
2 The Company has an outlay of \$100 million and recovers
3 in three years and nine months \$150.5 million. I
4 believe that is outrageous.

5 I do realize that things cost more and that
6 there will be rate increases. What I truly object to
7 is the size of the increase.

8 I took the pain of actually calculating a
9 rate increase for 6,000 gallons per month consumption
10 in my house. The increase in water and waste -- on
11 water alone will be more than three times of what it
12 was -- what it is now. The increase of the total
13 waste fees will be about 1.5 times, for a total of
14 almost two times what we're paying now. And just as
15 some of your former speakers, commentators, said, that
16 will be forever, probably. I do object. It's my
17 perception it's an unjustified high increase in the
18 rate structure. Thank you.

19 CHAIRMAN CLARK: Thank you, Mr. Zimmermann.
20 (Applause)

21 Mr. Shreve, let me make an announcement. I
22 have been asked to announce that the Assembly of God
23 bus is leaving for Lehigh at 8:30. Go ahead, Mr.
24 Shreve.

25 MR. SHREVE: Elsie Rice.

1 CHAIRMAN CLARK: Is there an Elsie Rice?
2 Can you wait just a minute? The Goodwill
3 bus is leaving at 8:30 for Lehigh. Please exit as
4 quietly as possible and we'll be able to continue with
5 the hearing. Go ahead, Ms. Rice.

6 - - - - -

7 **ELSIE RICE**

8 was called as a witness on behalf of the Citizens of
9 the State of Florida and, having been duly sworn,
10 testified as follows:

11 WITNESS RICE: Mr. Chairman and the board,
12 Elsie Rice, R-I-C-E, 48 Heath Aster Lane, Lehigh
13 Acres.

14 I'm on a little different crusade tonight.
15 I have four months --

16 THE AUDIENCE: Use the mike.

17 WITNESS RICE: I have the last four months
18 statements here from one of our residents, and they, I
19 guess, decided -- there's a number on a fixed income,
20 decided they could never fight SSU, so instead they
21 took it upon themselves to just cut back. And I
22 learned this about two months ago. They are bathing
23 like once in ten days, and on these invoices I want to
24 read the amount of water they have been using; for
25 September, 390 gallons; October, 590; November, 510

1 and December, 490. And if you figure -- I have read
2 that it takes approximately six gallons to flush a
3 toilet once, that in 30 days to a month they would be
4 using half of that water, but they have said they
5 flush it once a day. And my thing is if they are
6 doing this at the rates we are paying now, and if the
7 new rates are approved, we are going to be turning
8 some of our seniors into a third-country situation.

9 Would you like to see these invoices or -- I
10 couldn't believe my eyes that -- this does not even
11 average 17 gallons of water a day for bathing and
12 everything.

13 CHAIRMAN CLARK: Ms. Rice, you do not need
14 to give us those figures, I'm sure you're accurate.

15 WITNESS RICE: I brought one of the lady's
16 invoice.

17 CHAIRMAN CLARK: Did she tell you that you
18 could give them to us or does she need them back?

19 WITNESS RICE: No. She needs them back.

20 CHAIRMAN CLARK: I'm sure you read them
21 accurately. Thank you. Are there any questions?

22 MR. SHREVE: Thank you.

23 CHAIRMAN CLARK: Thank you, Ms. Rice.

24 MR. SHREVE: Audrey Seay.

25 - - - - -

AUDREY SEAY

1
2 was called as a witness on behalf of the Citizens of
3 the State of Florida and, having been duly sworn,
4 testified as follows:

5 WITNESS SEAY: Good evening, Commissioners
6 and other friends, my name is Audrey Seay, S-E-A-Y,
7 and I come from the Port Charlotte-Deep Creek area and
8 I'm here representing the Deep Creek Civic
9 Association, which represents in the neighborhood of
10 4,000 residents in Deep Creek.

11 I guess I am the lone salmon swimming
12 upstream in this area, and our issues are a little
13 different than the issues discussed by Lehigh Acres
14 and the Burnt Store facility, whatever the problems
15 there.

16 We have witnessed a sizeable increase in our
17 water rates. By the way, the two speakers who spoke
18 in the beginning from Deep Creek were not truly
19 complaining so much about Southern States as they were
20 about Charlotte County Utilities in Charlotte County.
21 And that, again, is not your concern at this time. We
22 are talking about what Southern States has requested
23 for the uniform rates and the rate increase that goes
24 into that, and about the quality of service from
25 Southern States Utilities.

1 Southern States Utilities has basically
2 provided a good service for Deep Creek. We have not
3 had -- I don't say we haven't had any complaints. We
4 have, we've talked to them and they have begun making
5 the corrections by providing a little bit more water
6 to our area because our area has grown. They have
7 been seeking getting to get a permit to install a
8 second meter in Deep Creek, and bring the water from
9 Charlotte County into Deep Creek, and apparently that
10 has been approved.

11 What I would like to say is that we have
12 been investigating the issues of this interim rate of
13 the uniform rate increases, and we had the benefit of
14 a rate consultant to help us look at the issues. We
15 have our attorney to help us look at the issues. We
16 had friends at Deep Creek to help us look at the
17 issues. We talked to Southern States. We talked to
18 Charlotte County and we came to the conclusion that in
19 the interest of Deep Creek that we supported -- as I
20 said, I'm sitting here all by myself and I know that.
21 Please be kind to those people -- I'm glad that group
22 left. It makes it a lot easier. I can run faster
23 than the rest.

24 But we do support their request. Currently
25 our water rates and the lady -- amazing that those

1 water bills were so low -- but our current bills in
2 Deep Creek based on a 5,000-gallon usage has been \$72
3 a month. That's high. But, fortunately, for Southern
4 States it wasn't all their fault. And I can't blame
5 them for that because as in Mr. Vondran and Mr. Baker
6 said in the very beginning, we had the luxury of
7 buying General Development Utilities in Deep Creek for
8 \$110 million.

9 In addition, once that interim rate goes
10 through, the interim period, we don't like that. But
11 I don't believe there's a whole lot of choice in that
12 one and that goes up to \$95 per month. But then --
13 and this is presuming it's going to be approved. Then
14 after the end of this it is estimated -- I mean if all
15 of these companies that are services are involved in
16 the state we will drop down and we're happy about
17 that, because we're going from \$73 per month to \$61.

18 Still, I come from Michigan and let me tell
19 you, I never have seen such water rates as we have had
20 in Florida. But that again is not the concern of the
21 Public Service Commission of Florida and is no longer
22 my concern. I don't live in Michigan, I live in
23 Florida and will work with what we have.

24 Is there any questions anyone would like to
25 ask me?

1 CHAIRMAN CLARK: As I understand it, you
2 support the uniform rates but you still encourage us
3 to investigate whether or not they need that.

4 WITNESS SEAY: It's a little steep \$30, it's
5 a little high.

6 CHAIRMAN CLARK: Thank you. Are there any
7 questions? Thank you very much. (Applause)

8 MR. SHREVE: Mr. Bill Tourjee.

9

- - - - -

10

BILL TOURJEE

11 was called as a witness on behalf of the Citizens of
12 the State of Florida and, having been duly sworn,
13 testified as follows:

14 WITNESS TOURJEE: My name is Bill Tourjee,
15 T-O-U-R-J-E-E. I won't take up much of your time.

16 I bought a house in Lehigh Acres in 1985 and
17 our water and sewer bill then was between \$12 and \$14
18 a month. This last month -- this is to show you how
19 it has grown from then -- was \$46 and some change, I
20 don't recall just what. But that's how much I want
21 has gone up in ten years. I'll defer the rest of my
22 time to Mr. Kane and Mr. Schlosstein.

23 CHAIRMAN CLARK: Thank you. Mr. Shreve.

24 MR. SHREVE: Mr. Robert Bollenbach.

25 Mr. Bollenbach?

1 Mr. Edward Uhlan? Mr. Uhlan? I believe it's
2 U-H-L-A-N.

3 CHAIRMAN CLARK: Mr. Shreve, have you had
4 the opportunity to sort out people who have said they
5 were leaving?

6 MR. SHREVE: The ones that told us they were
7 leaving, yes. I haven't gotten to the other ones yet.

8 Mr. Jack Whitham? And I think some of the
9 people signed up that really had not intended to speak
10 but signed up to speak presently. Mr. William
11 Rolling? Mr. William Rolling?

12 Augustine Castro? Mr. Castro? Rosa Castro?
13 Rosa Castro. Reta Burnside? Reta Burnside? R. W.
14 Burnside. R. W. Burnside.

15 Dolores Frehner. Dolores Frehner.

16 Charles Caetano, Charles Caetano? Orlo
17 Coutcher.

18 - - - - -

19 **ORLO COUTCHER**

20 was called as a witness on behalf of the Citizens of
21 the State of Florida and, having been duly sworn,
22 testified as follows:

23 WITNESS COUTCHER: My name is Orlo Coutcher.
24 My first name is spelled O-R-L-O; last name is spelled
25 C-O-U-T-C-H-E-R. I live at 21 Michigan Road in Lehigh

1 Acres.

2 I think that probably the folks that
3 preceded me probably said most -- but I have two or
4 three things.

5 And number one is I don't think that we
6 should be on a blanket increase thing, hearing or
7 anything else, with communities or areas that are not
8 even our general area. I think that it should relate
9 to probably Marco Island and probably what you've got
10 here, but not be included in everything that's
11 covering the state.

12 The second thing is the recurring charges
13 that are charged for the sake of having your water
14 meter to the house and your sewer line out. A short
15 time ago it was \$11.50 a month that a person in Lehigh
16 Acres -- I'm a year-round resident, by the way. It
17 doesn't apply to me but it could apply to me if I were
18 a part-time resident -- it was \$11.50 a month. Those
19 charges do not come down when you're away from here
20 for six months. The charges today are \$24.48, for
21 round figures, which is short of \$150 a year for
22 nothing. Now, the telephone company -- and that's a
23 public utility also -- they set your rating back down
24 to one-half of the basic rate or at least given a
25 break. But not SSU; straight up, 24.48 a month. And

1 then when they averaged their 3200 gallons, I wonder
2 if they could describe to me, is that taking into
3 effect the total units that tie into the system; is
4 that the way they get the 3200? Or was that based on
5 the actual units that are being used? And the interim
6 rates, I don't think there should be such a thing as
7 an interim rate. I don't see the justification for
8 it. I think that the only thing you should be looking
9 for a rate change, looking down the road, not for this
10 year to make a lot of income and then try to settle it
11 back down, I think it should be done all at one time.
12 And I'm certainly not in favor of a rate increase for
13 now when the rate, for the sake of going up and having
14 your unit tied in, has gone up so. On top of that is
15 the usage of the sewer and the water.

16 Does anybody have any questions? Can they
17 answer my question that I put to them?

18 CHAIRMAN CLARK: Mr. Coutcher, you mentioned
19 32 something units?

20 WITNESS COUTCHER: 3200 gallons, I believe
21 the gentlemen over here said at the very beginning of
22 this, that the rates were based on 3200 gallons as an
23 average usage. Now, I want to know where that -- how
24 that was arrived at. I understand the accountants --
25 when you speak with them they will ask you, "How do

1 you want those numbers to read?" Well, that's what
2 I'm looking for. I want to know how they are read.

3 CHAIRMAN CLARK: Let me see if I can answer
4 part of your question. There is a base facilities
5 charge that is charged to customers no matter how much
6 water they use or don't use, and that's why you find
7 that they are charged every month whether you are
8 there or not.

9 COMMISSIONER DEASON: Ms. Chairman, I
10 believe his question is the 3200 average, is that
11 based upon all customers or just the customers that
12 are living and using water during that period of time?

13 WITNESS COUTCHER: There is a vast
14 difference, sir, between the water usage in January,
15 February, March of the year than there is in July,
16 August and September.

17 COMMISSIONER DEASON: I think that's the
18 basis of your question, correct? Perhaps
19 Mr. Armstrong --

20 CHAIRMAN CLARK: I'm trying to get
21 clarification. Are you asking on the water or
22 wastewater?

23 WITNESS COUTCHER: On the water.

24 MR. ARMSTRONG: The average I was using was
25 3500 gallons a month and that's based on the

1 residential customers here in Lehigh and that averaged
2 monthly use over a year. So if people are gone for
3 pieces of the year, I would assume that would help
4 lower that average down to 3500 gallons a month.

5 WITNESS COUTCHER: I just wanted to know
6 where it came from. But the basic charge, I think, is
7 outrageous when you're not here. I don't say there
8 shouldn't be a charge, but I think the charge should
9 be prorated. In other words, one-half of the cost of
10 what you would normally pay when you are using the
11 service. You know, they have alarm companies in town
12 that charge \$19, \$22 a month, but at least they are
13 monitoring your house. These people do nothing and
14 they're collecting your money.

15 CHAIRMAN CLARK: Thank you. Any other
16 questions? (Applause)

17 MR. SHREVE: Sue Jones. Sue Jones. Paul
18 Jones. Paul Jones. Mr. Altagracia. Mr. Altagracia.
19 A-L-T-A-G-R-A-C-I-A.

20 Bob Wood. Bob Wood. E. G. Potter.

21 CHAIRMAN CLARK: Mr. Shreve, we're down
22 quite a bit in the number of people here. Is there
23 anyone here who has signed up to speak? Anyone else?
24 I'm sorry what was your name?

25 - - - - -

E. G. POTTER

1
2 was called as a witness on behalf of the Citizens of
3 the State of Florida and, having been duly sworn,
4 testified as follows:

5 WITNESS POTTER: I am E. G. Potter,
6 P-O-T-T-E-R. I am a 19-year resident of Lehigh Acres
7 and a 12-year member of the Lehigh Acres Community
8 Council and I have three points I would like to make.

9 First, when many of us bought property in
10 Lehigh Acres and had the developer to build their
11 house, the cost of the water lines and sewers which
12 were in our streets was figured into the cost of our
13 house. We paid for having those facilities provided.
14 Now, from what the utility says about improving
15 services and so forth, it appears to me that we, who
16 have already paid our dues, are now being forced to
17 subsidize the Utility so that they can extend their
18 services and get additional revenue.

19 Secondly, it is completely erroneous and
20 illogical for the Utility to allege that every gallon
21 of water which comes into our house goes back out
22 through the sewer. Water is used in cooking and any
23 water that is used outside the house, to wash your car
24 or hose down the house or water flowers or anything
25 like that, never gets back to the sewer unless there's

1 a big hole in it, and if there is, it should be fixed.

2 Number three, now, I'm not an engineer but I
3 did teach high school physics for a short time, and I
4 know that the water that comes into my house is
5 brought in there under pressure. The water which
6 leaves my house leaves by gravity. Mother nature does
7 most of the work. In spite of that, at the present
8 time for every gallon that is alleged to flow out to
9 my sewer, I'm charged 61% more than I was charged for
10 that gallon to be forced into my house. And under the
11 proposed rates I'll be paying 129% more. Now, that
12 makes no sense at all. As a matter of fact, as I see
13 it, the charge for the water to leave your house
14 should be about 75% less than the water that comes
15 into your house. I think the sewer charges should be
16 completely disassociated from the reading on the water
17 meter. There surely must be a better way to do sewer
18 charges. Thank you.

19 CHAIRMAN CLARK: Thank you, Mr. Potter.

20 (Applause)

21 I saw three people raise their hands
22 indicating they had signed up; four. I'm sorry.
23 Could you give us your name.

24 UNIDENTIFIED SPEAKER: Gerber, G-E-R-B-E-R.

25 CHAIRMAN CLARK: And the gentleman in front

1 of you.

2 UNIDENTIFIED SPEAKER: Foster, F-O-S-T-E-R.

3 UNIDENTIFIED SPEAKER: Kahler, K-A-H-L-E-R.

4 UNIDENTIFIED SPEAKER: Andresen,

5 A-N-D-R-E-S-E-N.

6 CHAIRMAN CLARK: Mr. Shreve, do you have
7 them in your list? I'm concerned about taking them in
8 order. I think we should try to take them in order.

9 MR. SHREVE: I'd say go ahead, there's only
10 four of them.

11 CHAIRMAN CLARK: All right. We'll take the
12 gentlemen in front of you first, we'll move to the
13 back and take the gentlemen over here. Is it
14 Mr. Foster is the first person?

15 - - - - -

16 **EDWARD FOSTER**

17 was called as a witness on behalf of the Citizens of
18 the State of Florida and, having been duly sworn,
19 testified as follows:

20 WITNESS FOSTER: Good evening. Quite a few
21 of the -- friends had to take that bus because that's
22 the only way they had to go home.

23 CHAIRMAN CLARK: Could you give us your
24 names.

25 WITNESS FOSTER: My name is Edward Foster.

1 I live at 207 North Lake Avenue, Lehigh Acres.

2 CHAIRMAN CLARK: Get the microphone in front
3 of you.

4 WITNESS FOSTER: My name is Edward Foster.
5 I live at 207 North Lake Avenue, Lehigh Acres.

6 My comments, a large number of them, were
7 covered before with regard to the various assets and
8 the method in which Lehigh Corporation, Topeka, the
9 rest of them all came about.

10 We moved here in 1987, and again the rates
11 were essentially the same until shortly after Lehigh
12 Corporation was purchased and Lehigh Utilities became
13 SSU. And everyone said, "Oh, my bill was such and
14 such an amount and now it's such and such an amount,"
15 and that's a little hard to turn around and people say
16 it's big but not quit.

17 In April of '93 Lehigh rates came out to
18 what we say is a base. Per SSU letter, September of
19 '93, the new rates were placed in effect in January of
20 '94. Now, there in a matter of eight months we had a
21 109% increase in water and 115% increase in sewage,
22 wastewater. And yet in this past June, 18 months from
23 that previous time, we received -- we have an interim
24 rate. Now, this interim rate again would be an
25 additional 65% over that 109 for water, and the

1 wastewater, additional 60% over that 115. That means
2 in 26 months we have had, or we would have had, 175%
3 increase in water and sewage rates.

4 Now, that meant that the bill would be
5 almost three times what we had in April of 1992. Now,
6 with that interim rate, which you people declined to
7 allow, that would only have been an 80% increase per
8 year since Lehigh Utilities became SSU.

9 Now, we can see no reason for the interim
10 rates. The October of 1980 before the legislature
11 said it was based on normal cost of living rise. Now
12 on Lehigh, which is not uniform rates, therefore,
13 we're already paying \$9.09 for a basic charge for
14 water. Now, other utilities are paying somewhat less,
15 so the new increase proposed would only bring our
16 increase to 112% or 145% for sewage. But this still
17 means an annual increase for the past 26 months of 52%
18 for water and 67% for wastewater. That is far beyond
19 the additional rise of anything in our economy except
20 medical costs.

21 Now, the principle reason for the increase
22 is that \$100 million would be expensed by the end of
23 '96 in order to complete the plant improvements and
24 expansions. Now, this is an expansion SSU has
25 committed itself for its parent; is a necessary

1 expansion that if you had any private organization, if
2 they want to turn around and maintain it profitable
3 enough to have stockholders. But these sums for this
4 expansion shouldn't come from the ratepayers, it
5 should come from the facilities and from the resources
6 of the company. Stockholders paid for that company
7 and there's money in that company.

8 Now, the expansion of Lehigh Acres for those
9 of us who drive around, we don't see a larger sewage
10 plant; we don't see a larger water plant. We see it
11 painted up. We know it's maintenance because the
12 service, at least in our specific area, is
13 satisfactory. But we see eight-inch lines on each
14 side of Lee Boulevard going for miles. We see the
15 same things going down to what Fred Schlosstein said,
16 Mirror Lakes.

17 Three years ago we went down there and we
18 had seven homes. Now there's something like 170.
19 Now, these facilities were sold by Lehigh Corporation,
20 by Lee Development, by Lehigh Acquisition but they
21 were sold. And if they belong to Minnesota Power, the
22 Utility has been expanding and using money to turn
23 around and increase the value of that property. A
24 friend bought a home on Mirror Lakes. He paid
25 \$142,000 for it. Another friend bought a home on

1 Mirror Lakes only last year, he paid \$287,000. The
2 homes both are over a golf course. Anyway, that's the
3 thing.

4 The expansion has been to principally
5 provide service for new developments. Mirror Lakes is
6 not a new development but it's an extended older
7 development. There are new developments. These huge
8 sewer and water lines going out all the way along Lee
9 Boulevard. This is miles. Go out to the new
10 industrial section. It was an industrial section. In
11 the past, almost a year, attempts were made to lure
12 some large companies into operation out there, but
13 they needed water and they needed sewer. Those things
14 are coming out. But they are of no benefit to the
15 ratepayers. They are a definite benefit to SSU and
16 their parents, and to the landowner and to the
17 developer. I believe the costs should go there.

18 Now, again, one of the others mentioned the
19 annual report. The annual report show a fantastic
20 income available, and it looks as though the expenses
21 for these expansions should come out of those profits.
22 But the interim rate, again, seems to be requested so
23 that enough money might be available to maintain the
24 1996 expansion without dipping into those profits.

25 And the final thing would be that much of

1 this expansion, perhaps hundred million, we've gotten
2 a piece of it, only increases the size of Lehigh as a
3 cash cow for Minnesota Power. Thank you.

4 CHAIRMAN CLARK: Thank you, Mr. Foster. Any
5 questions? (Applause)

6 Go ahead, Mr. Shreve. Come forward and give
7 us your name and address.

8 - - - - -

9 JEFF GERBER

10 was called as a witness on behalf of the Citizens of
11 the State of Florida and, having been duly sworn,
12 testified as follows:

13 WITNESS GERBER: Can everybody hear me? My
14 name is Jeff Gerber, G-E-R-B-E-R. I've lived in
15 Lehigh since 1978 and I have been a utility
16 customer -- and first it was called Lehigh Utility and
17 now SSU Minnesota Power but it's the same outfit.

18 I, for many years, paid one check, got one
19 bill, and that included -- in those days garbage
20 collection was part of Lehigh Utilities, so was my gas
21 bill, so was my water bill, so was my sewer bill. All
22 combined. And when Minnesota Power/SSU came in, some
23 of my more cynical neighbors told me, "Well, they're
24 going to try to use every trick in the book to
25 increase their expenses so they can justify future

1 rate increases." And I didn't believe it. I was -- I
2 don't know stupid, naive, I didn't believe it. But
3 sure enough they started doing it in little ways. Now
4 they want just for the gas bill -- because the garbage
5 collection has been severed and is no longer paid to
6 them, they want my gas bill separate from my water and
7 sewer bill. And instead of them sending me one
8 envelope, which they used to do years ago, they're
9 sending me two envelopes and they pay first class
10 postage on each and they have two return envelopes in
11 there. And one is for -- they expect me to send the
12 check to them just for the gas -- which they've
13 doubled my rates on that, more than doubled it -- and
14 one for the water/sewer.

15 I refused and I thought it was wasteful and
16 inefficient. I figured it out and it was going to
17 come, in Lehigh, to thousands of dollars a year
18 wasted. It was not getting anybody any better
19 service. It was not a benefit to anybody except the
20 Utility could show higher costs and justify greater
21 raises.

22 When the Public Service Commission people
23 came out to Lehigh to the big auditorium there,
24 whenever it was, a year or two back quite a while ago,
25 and they discussed the rate increases, I spoke then

1 about this issue. And I brought it to the attention
2 of some of the Staff, I brought it to the attention of
3 the Utility company people, and they, "Oh, yeah.
4 Don't worry about it. We'll take care of it. You're
5 right." They just shut me up and, you know -- I was
6 under the impression -- now, this is only thousands of
7 dollars, not millions. It shows their attitude.
8 Because I know they did the same thing in Jersey and
9 New Mexico and a lot of other places I have been. And
10 if they're the kind of people that raise the expenses
11 of a utility by a few thousand here and a few thousand
12 there and a few thousand here, after a while it does
13 become millions of dollars. And then it's used as an
14 excuse to choke the poverty stricken ratepayers, the
15 public, with higher rate increases. And I was naive.
16 I expected after my last complaint, when I brought
17 this to everyone's attention, that they were going to
18 take action on it. And they still have not, and I
19 don't believe they intend to.

20 Also, why the interim increase being larger
21 than the final increase? This is disgusting and evil.
22 I don't know how these people in SSU can live with
23 their consciences. If there's any delay in changing
24 over from the interim to the final rate, who's hurt?
25 Us utility users who need their water and sewer to

1 virtually survive. Water is a necessity, and if they
2 say the fair rate is the final rate -- is a much lower
3 rate than the interim rate, why not, if you have to
4 give -- I don't think they deserve a raise, but if
5 you're going to raise the rates, why don't you just
6 give them the final rate which they say gives them a
7 fair rate of return. Why go way above that -- I don't
8 want to use any profanity -- interim rate.

9 The whole system stinks. I know that
10 every single person that sends them two checks, one
11 for gas and one for water/sewer, is just giving them
12 extra paperwork they can use to justify extra
13 employees or extra computers. The fact that they do
14 it correctly when I refuse to obey them -- I'm not a
15 slave to the utility company -- the fact that I give
16 them one check and they correctly credit it to the
17 correct account with no trouble at all, shows that
18 they can do it for everybody.

19 Before I lose my temper, I'm going to get
20 out of here. But if anyone has any questions, fire
21 aware.

22 CHAIRMAN CLARK: Thank you, Mr. Gerber. Are
23 there any questions?

24 COMMISSIONER GARCIA: I'd like to ask Staff
25 to respond to that and find out from the company

1 exactly what goes on. Clearly if they're doing it for
2 him, I'm not saying that it's a huge savings --

3 WITNESS GERBER: It's thousands of dollars
4 a year and it adds up every year.

5 COMMISSIONER GARCIA: Forgive me. I agree
6 with you. It is an expense. Could we just find out
7 and give Mr. Gerber a response to his question.

8 MS. JABER: Commissioner Garcia, he's spoken
9 to us and we have his name and the information.

10 COMMISSIONER GARCIA: Great. Okay.

11 MR. TWOMEY: Mr. Gerber, has it occurred to
12 you that their accepting your one check is a mistake
13 on their part and that now -- --

14 WITNESS GERBER: How come for years and
15 years I gave them one check and there was never any
16 problem and other people gave them one check. In
17 those days everybody in Lehigh gave them one check and
18 there was never any problem and it was always
19 correctly recorded. So if they could do that year
20 after year correctly, now, suddenly, they are
21 asking -- they changed their name to SSU, now suddenly
22 it has to be separate checks?

23 MR. TWOMEY: You're right. You're right.

24 WITNESS GERBER: That's a crock of horse
25 manure and you know it. (Applause)

ROBERT KAHLER

1
2 was called as a witness on behalf of the Citizens of
3 the State of Florida and, having been duly sworn,
4 testified as follows:

5 WITNESS KAHLER: Good evening, Madam
6 Chairman and members of board, my name is Robert
7 Kahler, K-A-H-L-E-R. I'm a member of the Concerned
8 Citizens of Lehigh. I live at 2814 6th Street West in
9 Lehigh. I'm commander of the VFW 4174 and I'm
10 representing the 300-plus members and their families.

11 Frank and Fred have done an excellent job of
12 presenting the facts, as some of the others here have
13 done in their presentations. Now I would like to
14 plead the case of the average citizen and his or her
15 family.

16 As most of the people that were assembled
17 here, I'm retired, on a fixed income, my wife is on
18 social security disability. Over the years I've seen
19 my costs go up. I have my own records here going back
20 to '89, '90, '91, '92, '93, '94, '95 -- this is for all
21 utilities. I have this question: Why over the years
22 has my water and wastewater costs increased over 100%?
23 Now, again, we see a possible rate increase. My water
24 usage has not increased. Actually, we're more frugal
25 than before. But I'm concerned about the larger

1 families, the one of three, four, five, six people. I
2 know their water costs must be tremendous.

3 As a former businessman, I understand that
4 the lines have to be extended, improvements made; all
5 of those costs come into effect, but hasn't Minnesota
6 Power and SSU done their homework before purchasing
7 the Lehigh waterworks operation? I think they have.
8 I don't think a corporation as large as Minnesota
9 Power and SSU would buy a sinking ship. 40 cents on
10 the dollar was quite a deal there.

11 They have charged higher rates for the past
12 number of years. Where is this money? Can these
13 profits be used by Minnesota Power for these expenses?
14 Please think of the average citizen and his and her
15 family. Don't allow these rate increases for these
16 increases are not needed. Thank you.

17 CHAIRMAN CLARK: Thank you. (Applause)

18 - - - - -

19 **PAUL ANDRESEN**

20 was called as a witness on behalf of the Citizens of
21 the State of Florida and, having been duly sworn,
22 testified as follows:

23 WITNESS ANDRESEN: Good evening. My name is
24 Paul Andresen. The spelling is A-N-D-R-E-S-E-N. My
25 address is 4610 de Leon Street, Apartment No. 105,

1 Fort Myers, Florida. My service is received from a
2 municipal --

3 CHAIRMAN CLARK: Let me interrupt you for
4 just a moment. There's a phone call for Pam Dower.

5 Just so I'm clear, Mr. Andresen, you do not
6 receive water or wastewater service from SSU Utility;
7 is that correct?

8 WITNESS ANDRESEN: Rather the city which
9 your convention is occurring presently.

10 CHAIRMAN CLARK: Mr. Andresen, we're just
11 here to hear from customers of this utility. Do you
12 have some information about the service or the rates?

13 WITNESS ANDRESEN: Banking and investment,
14 construction labor, engineering, maintenance and
15 lodging supervision, land excavation and renewal,
16 terrain, railroads, passable waterways, farming and
17 clothing, including manufacture and distribution form
18 the variety nature of my avocations.

19 Prioritized stratum to comprise
20 interdependent series of components, the cohesive
21 organizations and industries, which facility statute
22 dimension, length and width measurement of available
23 service and maximal coefficient operation. The
24 estimation upkeep, which in step and precede, the
25 creation, disbursement and consuming of water, power

1 generated electricity, gas, solar and wind drive
2 naturally, exemplary, exceed the demands and flux and
3 flow and improvements on Utopia.

4 CHAIRMAN CLARK: Mr. Andresen, I must ask
5 you again, do you have any testimony relative to
6 Southern States Utilities, their water or wastewater
7 service or the rates they are charging?

8 WITNESS ANDRESEN: Yes. As our regions'
9 utility expenses involve services for the ratepayers,
10 and the purpose of the corporation's existence is to
11 bring the service for ratepayers, organizations and
12 corporations direct personnel, energies deviation
13 towards, with batteries of malfeasance and lobbyists,
14 who will promise and provide accessibility of systems
15 of incentives and bribes, unethical conduct, their
16 most magnificent accounts receivable, subtotal
17 sources, are ratepayers; the instigation and purpose
18 of existence of utilities corporations.

19 Rank and broadly based egotistical duplicity
20 will forward and skill, or pitch any involved services
21 or materials for the enhanced performance for
22 ratepayers, customers, triple. Thus the employees of
23 the corporation satisfy for import government in
24 place, give rise to stuffed, overfull reserve notes,
25 credit, negotiation, which necessarily are refunded

1 ratepayers, customers.

2 CHAIRMAN CLARK: Mr. Andresen --

3 WITNESS ANDRESEN: With eventual inaction,
4 the state leadership, and citizens, the inadequate
5 fulfilling of the both well and moral program of
6 governances' rules, henceforth and forevermore no
7 longer hold position on the Public Service Commission
8 when people who are capable of following through on
9 the tax.

10 CHAIRMAN CLARK: Thank you. Is that all you
11 have to say?

12 WITNESS ANDRESEN: I believe the import and
13 textual quality of my message ought to be adhered to,
14 and that certainly any number of anticipations which
15 would be cognate of each and every one of you for my
16 address.

17 CHAIRMAN CLARK: Thank you. Is there anyone
18 else here who would like to provide testimony at this
19 time?

20 I don't see any hands so I'd like to thank
21 you all for coming. And for those of you who have
22 stayed this long to provide us with the information,
23 thank you very much. This hearing is adjourned.

24 (Thereupon, the hearing concluded at
25 9:05 p.m.)

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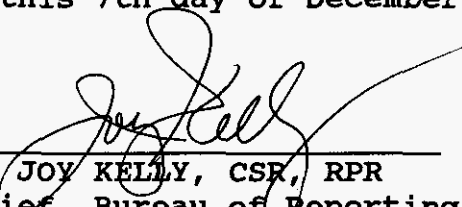
STATE OF FLORIDA)
: CERTIFICATE OF REPORTER
COUNTY OF LEON)

I, JOY KELLY, CSR, RPR, Chief, Bureau of Reporting, Official Commission Reporter,

DO HEREBY CERTIFY that the FT. MYERS SERVICE HEARING was heard by the Florida Public Service Commission 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, consisting of 117 pages, constitutes a true transcription of my notes of said proceedings.

DATED this 7th day of December, 1995.



JOY KELLY, CSR, RPR
Chief, Bureau of Reporting
Official Commission Reporter
(904) 413-6732

DOCKET 950495-W5
EXHIBIT NO. 26
CASE NO. 96-04227

The Sebring News-Sun, Inc.

Published Twice Weekly
SEBRING, HIGHLANDS COUNTY FLORIDA

STATE OF FLORIDA
COUNTY OF HIGHLANDS:


Before the undersigned authority personally appeared **Richard Birt** who on oath says that he is Controller of **The News-Sun** a bi-weekly newspaper published at Sebring in Highlands County, Florida; that the attached copy of advertisement, being a Proof of Publication in the matter of

NOTICE OF SERVICE HEARING

was published in said newspaper in the issues of
November 15, 1995

Affiant further says that **The News-Sun** is a newspaper published at Sebring, in Highlands County, Florida, and that the said newspaper has heretofore been continuously published in said Highlands County, Florida, Wednesday and/or Sunday and has been entered as a second class mail matter at the post office in Sebring, in said county, Florida, for a period of one year next preceding the first publication of the attached copy of advertisement; and affiant further says that he has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement of publication in the said newspaper.

Richard Birt
Swore to and subscribed before me
this 21 day of November
A.D. 19 95

	MICHELE STEVENS Notary Public, State of Florida My comm. expires June 22, 1998 Comm. No. CC386300
---	---

Michele Stevens

Charbroil CHICKEN PASTA
With Salad & Garlic Sauce

annual salary of LaRue. However, he added that he wasn't including the cost of benefits. Rey made no mention of removing Fulton. Rey also said legal fees for the town have run high for several

Rey and Gregory also saw merits in making changes for a more efficient, cost-effective town operation, but didn't make a commitment either way.

government, he said separates politics from operations. Employees only one supervisor. Town employees 1

FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 950495 EXHIBIT NO. 26
COMPANY/
WITNESS:
DATE: 11/21/96

#26

Legion Post
past board
of America,
nerce in Lo-
ed in the U.S.

wife, Wilma
McIntyre, both
son, Mark of
Betty Stanton
and Helen
Mich.; one
two step-

Monday in the First Missionary
Baptist Church. Interment will be at
Pinecrest Cemetery. Bullard-

Obituaries

To assure that only official
information of deaths is re-
ceived, all obituaries pub-
lished in *The News-Sun* must
come from or be verified by a
licensed funeral home.

Lake Placid and seven grand
Cemetery in Bushmen.

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION NOTICE OF SERVICE HEARING DOCKET NO. 950495-WS

Docket No. 950495-WS—Application by Southern States
Utilities, Inc. for rate increase and increase in service avail-
ability charges for Orange-Osceola Utilities, Inc. in Osceola
County, and in Bradford, Brevard, Charlotte, Citrus, Clay,
Collier, Duval, Highlands, Lake, Lee, Marion, Martin,
Nassau, Orange, Osceola, Pasco, Putnam, Seminole, St. Johns,
St. Lucie, Volusia and Washington Counties.

Notice is hereby given that the Florida Public Service
Commission will conduct a service hearing to discuss the
above application for a water and wastewater rate increase and
changes to service availability charges. The service hearing
for the utility's customers in Highlands County(ies) will be
held at the following time and place:

November 27, 1995
6:00 p.m.

Highlands County Administration Building
County Board Room
411 S. Eucalyptus Street
Sebring, FL 33870

All persons who wish to testify are urged to be present at the
beginning of the service hearing as the hearing may be
adjourned early if no customers are present. Any persons
requiring some accommodation at this hearing because of a
physical impairment should call the Division of Records and
Reporting at (904) 413-6770 at least five calendar days prior
to the hearing. If you are hearing or speech impaired, please
contact Florida Relay Service by using the following num-
bers: 1-800-955-8770 (VOICE) OR 1-800-955-8771 (TDD)

PURPOSE

The purpose of the service hearing is to allow customers and
any substantially affected person an opportunity to present
comments and information to the Commission about the utili-
ty's quality of service, the proposed rate increase, or other
matters related to the rate case or the utility. The utility is
requesting that customers served water under conventional
treatment methods be classified as a separate and distinct ser-
vice classification from customers receiving water service
from reverse osmosis facilities. Under the utility's proposal,
the base facility and gallonage charges assessed to customers
will be uniform within each service classification. All waste-
water customers are included in one service classification and
would be charged the same base facility and gallonage
charges. The utility's application indicates that the utility has
or will have placed nearly \$100 million of additional water
and wastewater plant into service since 1992 and through the
period ending December 31, 1996. The application also indi-
cates that the majority of these plant additions were required
by environmental laws, rules or regulations. The utility's
requested service availability charges include charges for
meter installation, main extension, service installation, plant
capacity, and allowance for funds prudently invested (AFPI).
These charges will only be assessed to new customers who
connect after Commission approval of the charges. Existing
customers will not be assessed service availability charges.
Plant capacity and main extension charges for water treat-
ment are classified by conventional and reverse osmosis treat-
ment methods. The utility proposes plant capacity and main
extension charges which are uniform within each water ser-
vice classification. The utility proposes only one service clas-
sification for wastewater service, and the plant capacity and
main extension charges proposed for wastewater are uniform.

late legislators on key issues

es
dy
sday rejected
allow senior
noney without
benefits. The
votes to pass.
\$1 in benefits
over \$11,280.

formed in the latter stages of preg-
nancy. Supporters of the ban said
the procedure involves the
gruesome killing of a near-infant.
Opponents of the ban said the
abortion method is used to protect
the life of the mother. A "yes" vote
favors banning the abortion
procedure.

Charles T. Canady (R-Fla.) — Yes
Mark Foley (R-Fla.) — Yes

■ Bill: Schools

The House on Thursday approved
241-177 a plan for the District of
Columbia allowing public school
students to use vouchers to enroll in
private schools. The plan is consid-
ered a precursor for future GOP
efforts to reform public schools.
Supporters said the plan would give
the poorest children a chance to
attend better schools. Opponents
said it would make poor public
schools even worse. A "yes" vote
favors the voucher plan.

Charles T. Canady (R-Fla.) — Yes
Mark Foley (R-Fla.) — Yes

■ Bill: EPA

The House on Thursday voted 227-
194 against restricting the
Environmental Protection Agency's
ability to enforce anti-pollution laws.
Supporters said tough
environmental laws are needed to
keep air and water clean. Opponents
said EPA regulations have become
excessive, hurting businesses. A
"yes" vote favors keeping the
EPA's regulatory powers intact.

Charles T. Canady (R-Fla.) — Yes
Mark Foley (R-Fla.) — No

I have raised
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2. Supporters
archaic and
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)— Yes
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have input in
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the president
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(-Fla.) — Yes
— Yes

nesday voted
artial birth
ocedure per-

city manager
he committee
Richard Sim-
with the Flor-
Management

Hall flexed his administrative
muscle and demanded that High not
speak to any town employees out-
side of council chambers.

High has also said he favors hiring
a city manager to oversee the town's
finances.

Simmons also said he believes the
city manager form of government is
the most productive. He spent 16
years as one in West Palm Beach.

"For a democracy you elect; for
efficiency you appoint," Simmons
said. Olaf Pearson, a retired city
manager who helped the town with
its comprehensive plan, agreed that
using a city manager is the best.

d he wasn't
committee to
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uch a system
n day-to-day
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STATE OF FLORIDA)
COUNTY OF ORANGE)
_____)

AFFIDAVIT

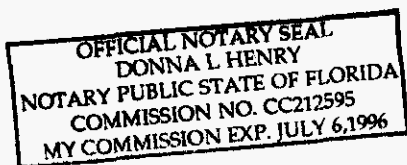
STEVEN M. GALLIS, having been duly sworn, states as follows:

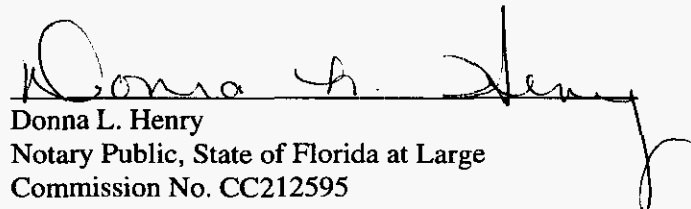
1. I am Supervisor of Administrative Services in the Office Services Department of Southern States Utilities, Inc. ("SSU"), whose central office is located in Apopka, Florida.
2. As part of my duties, I am responsible for administering mailings to SSU customers, such as notices required by Florida Public Service Commission Rules and Orders.
3. In my presence and under my supervision, SSU personnel mailed to the customers in Highlands County a copy of the document identified as Notice To Customers Of Service Hearing Letter" attached hereto and marked "Exhibit A."
4. The names and addresses of the aforesaid customers were previously obtained by SSU from SSU Information Services Customer Address Files. A copy of the list of SSU customer names and addresses for the aforesaid county is attached hereto and marked "Exhibit B."
5. On November 6, 1995, my staff and I machine postmarked the envelopes containing copies of the aforementioned document(s) and hand delivered the envelopes to a representative of the United States Postal Service for delivery.
6. Attached hereto and marked "Exhibit C" is a copy of the relevant page of SSU's Office Services' Postage meter logbook. The logbook is used to record mailings from SSU's Office Services Department. Exhibit C contains information pertinent to the aforementioned mailing, to wit: on November 6, 1995, SSU mailed 240 pieces of mail fitting the description of "Highlands Co. Mtg. Sebring Location Covered Bridge." I personally made this entry into the logbook, and the recordation therein coincides with my personal observation that Exhibit A was mailed.



STEVEN M. GALLIS

The foregoing instrument was acknowledged before me this 21st day of November, 1995, by STEVEN M. GALLIS, who is personally known to me and who did take an oath.





Donna L. Henry
Notary Public, State of Florida at Large
Commission No. CC212595
My Commission Expires: 7-6-96



1000 Color Place • Apopka, FL 32703 • 407/880-0058

EXHIBIT A

PAGE 1 OF 1

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
DOCKET NO. 950495-WS
NOTICE TO CUSTOMERS OF SERVICE HEARING**

Docket No. 950495-WS -- Application by Southern States Utilities, Inc. for rate increase and increase in service availability charges for Orange-Osceola Utilities, Inc. in Osceola County, and in Bradford, Brevard, Charlotte, Citrus, Clay, Collier, Duval, Highlands, Lake, Lee, Marion, Martin, Nassau, Orange, Osceola, Pasco, Putnam, Seminole, St. Johns, St. Lucie, Volusia and Washington Counties.

DATED: November 6, 1995

Notice is hereby given that the Florida Public Service Commission will conduct service hearings to discuss the above application for a water and wastewater rate increase and changes to service availability charges. The service hearing for customers in Highlands County(ies) will be held at the following time and place:

**November 27, 1995
6:00 p.m.
Highlands County Administration Building
County Board Room
411 S. Eucalyptus Street
Sebring, FL 33870**

All persons who wish to testify are urged to be present at the beginning of the service hearing as the hearing may be adjourned early if no customers are present. Any person requiring some accommodation at this hearing because of a physical impairment should call the Division of Records and Reporting at (904) 413-6770 at least five calendar days prior the hearing. If you are hearing or speech impaired, please contact the Florida Relay Service by using the following numbers: 1-800-955-8770 (VOICE) OR 1-800-955-8771 (TDD).

PURPOSE

The purpose of the service hearing is to allow customers and any substantially affected person an opportunity to present comments and information to the Commission about the utility's quality of service, the proposed rate increase, or other matters related to the rate case or the utility. The utility is requesting that customers served water under conventional treatment methods be classified as a separate and distinct service classification from customers receiving water service from reverse osmosis facilities. Under the utility's proposal, the base facility and gallonage charges assessed to customers will be uniform within each service classification. All wastewater customers are included in one service classification and would be charged the same base facility and gallonage charges. The utility's application indicates that the utility has or will have placed nearly \$100 million of additional water and wastewater plant into service since 1992 and through the period ending December 31, 1996. The application also indicates that the majority of these plant additions were required by environmental laws, rules or regulations. The utility's requested service availability charges include charges for meter installation, main extension, service installation, plant capacity, and allowance for funds prudently invested (AFPI). These charges will only be assessed to new customers who connect after Commission approval of the charges. Existing customers will not be assessed service availability charges. Plant capacity and main extension charges for water treatment are classified by conventional and reverse osmosis treatment methods. The utility proposes plant capacity and main extension charges which are uniform within each water service classification. The utility proposes only one service classification for wastewater service, and the plant capacity and main extension charges proposed for wastewater are uniform.



LEISURE LAKES

VERIFICATION LIST OF NOTICE NAME AND ADDRESS PRINTING

11/06/95 PAGE 1 DLG030RPO
8:12:16 TRACIC

PLANT	CUST #	NAME	ADDRESS	ZIP
2401	988098	W K GLAESER	PO BOX 1092	CANADA
2401	26834	W K GLAESER	PO BOX 1092 GRAND BEND	CANADA
2401	25357	BERNARD G LAJAMBE	272 FRANCOYSE	CANADA
2401	988500	ALEX OAKLEY	BOX 151	CANADA
2401	998640	WARDEN SHAW	BOX 17 SITE2 RR 1	CANADA
2401	983911	CORRIE ZEGGER	PO BOX 43	CANADA
2401	989257	CORRIE ZEGGER	PO BOX 43	CANADA
2401	98597	WILLIAM O'CONNOR	POB 281	BAYVILLE NJ 08721
2401	991582	FRANZ KIRBACH	3 WINDWOOD DR	NEWBURGH NY 12550-8329
2401	985076	BARBARA HAAK	5 RONSUE DR	HAPPINGERS FLS NY 12590-5311
2401	989897	HARRY A WILLEY	139 W LAKE RD	BRANCHPORT NY 14418-9768
2401	98816	HONARD SPINDLER	18 NEW WICKHAM DR	PENFIELD NY 14526-2704
2401	995789	CHARLES MILITELLI JR	7134 LANE RD	VICTOR NY 14564
2401	982544	DANIEL P YUSZ	63 HIGH ACRES	BENUS POINT NY 14712
2401	27584	DONALD PAULSON	P O BOX 326	MT JEWETT PA 16740
2401	98780	V R FOGEL	PO BOX 191	CULPEPER VA 22701
2401	30241	ROBERT E MCMAHAY	7248 OTEY DR	LANEXA VA 23089
2401	21033	BETTY BERNARDINE	HC 61 BOX 320	GOLDBOND VA 24094
2401	995458	LEWIS GOELLER	222 RIVERVIEW WAY	ELKVIEW WV 25071
2401	993905	WILLIAM GOODRICH	POWDER HORN MTN	DEEP GAP NC 28618
2401	994703	WILLIAM W NOVAK	P O BOX 437	OTTO NC 28763
2401	98576	NORMAN GREENEWALD	RT 1 BOX 52	ALACHUA FL 32615
2401	105843	PAUL GALSTER	11926 NW 26 MANOR	CORAL SPRINGS FL 33065-3363
2401	98659	BARRY ROSENTHAL	1828 NW 82 AVE	CORAL SPGS FL 33071-6242
2401	98552	BILL WILLIN	% BILL WILLIN	MIAMI FL 33157-8537
2401	98607	JAMES SCHMIDT	911 E COUNTRY CLUB CIRCLE	PLANTATION FL 33317
2401	98710	ELEANOR ROME	327 KINGSBRIDGE ST	BOCA RATON FL 33487-4009
2401	34717	RAYMOND K WILCOX	2 SUNSHINE LN	AVON PARK FL 33825
2401	33147	DONALD F ABEL	7 HILLCREST ST	LAKE PLACID FL 33852
2401	98744	DANIEL ANDERSON	33 HILLSIDE DR S	LAKE PLACID FL 33852
2401	39670	WILLARD ANDERSON	113 PINECREST	LAKE PLACID FL 33852
2401	34972	WILLIAM BESON	72 JASMINE ST	LAKE PLACID FL 33852
2401	38624	CHARLES F BLACK	6 EDGEWATER DR S	LAKE PLACID FL 33852
2401	35774	JOHN M BLAZEY	132 PARKVIEW CIRCLE N	LAKE PLACID FL 33852
2401	38317	NORMAN/MARGARET BURNS	829 LARKSPUR ST	LAKE PLACID FL 33852
2401	988611	RICHARD DAVIS	100 CITRUS STREET	LAKE PLACID FL 33852
2401	98826	WILBUR E DAVIS	12 VENETIAN PKY	LAKE PLACID FL 33852
2401	34934	CLIFFORD/CHARLOTTE DENEGAR	100 PARKVIEW CIR S	LAKE PLACID FL 33852
2401	37380	EARL FROMMER	20 W EDGEWATER DR	LAKE PLACID FL 33852
2401	36532	WILLIAM E GAULT	9 HILLSIDE DR S	LAKE PLACID FL 33852
2401	986424	JACK GREEN	152 PARKVIEW CIR W	LK PLACID FL 33852
2401	32306	RAYMOND GROELL	158 PARKVIEW CIR W	LAKE PLACID FL 33852
2401	98731	WILLIAM GUY	60 EDGEWATER DR W	LAKE PLACID FL 33852
2401	98706	ANNA HAVASY	28 LIANE RD WEST	LK PLACID FL 33852
2401	33238	ELIZABETH M HEAD	15 HILLSIDE DR S	LAKE PLACID FL 33852
2401	28995	NANCY L HOWLAND	22 EDGEWATER DR S	LAKE PLACID FL 33852
2401	39920	CLAYTON IHRKE	104 PARKVIEW CIR S	LAKE PLACID FL 33852
2401	33162	CATHERINE B IVY	8 HILL CREST ST	LAKE PLACID FL 33852
2401	98728	GERTRUDE JAKED	4 PINE TREE CT	LAKE PLACID FL 33852
2401	38107	WILFRED L JENSEN	46 EDGEWATER DR W	LAKE PLACID FL 33852
2401	997070	JOHN R KEHOE	44 VENETIAN PKWY	LAKE PLACID FL 33852

VERIFICATION LIST OF NOTICE NAME AND ADDRESS PRINTING

11/06/95 PAGE 2 DLG030RPO
8:12:16 TRACIC

PLANT	CUST #	NAME	ADDRESS	ZIP
2401	36999	WILLIAM T KELLEHAN	74 JASMINE ST	LAKE PLACID FL 33852
2401	35824	ALVIN R KNOWLTON	16 EDGEWATER DR S	LAKE PLACID FL 33852
2401	98539	ALEXIS KOWALEWSKY	106 PARKVIEW CIR	LK PLACID FL 33852
2401	98753	RALPH J LAVALLEE	44 EDGEWATER DR	LK PLACID FL 33852
2401	21469	ROBERT LYTLE	43 HILLSIDE DR S	LAKE PLACID FL 33852
2401	98579	W R MCGIL	170 PARKVIEW CIR	LK PLACID FL 33852
2401	31812	CHARLES A HEAD	126 PARKVIEW CIR E	LAKE PLACID FL 33852
2401	98602	ROSE MOFFA	39 EDGEWATER DR	LK PLACID FL 33852
2401	32290	JUDY A NAMM	45 HILLSIDE DR	LAKE PLACID FL 33852
2401	29590	WILLIS OBERHAUS	102 PARKVIEW CIRCLE SOUTH	LAKE PLACID FL 33852
2401	98784	WILLIAM / MARY PARKER	5 HILLSIDE DR S	LK PLACID FL 33852
2401	107692	LEONARD R PARRY	28 STRATHALLAN DR	LIEIX8 33852
2401	98594	CHARLES/MARGARET PRICE	11 HILLCREST ST	LAKE PLACID FL 33852
2401	98766	RICHARD RANKIN	34 EDGEWATER DR	LK PLACID FL 33852
2401	995991	EUGENE C REINHARDT	908 GULFVIEW DRIVE	LAKE PLACID FL 33852
2401	26729	DON C RUSSELL	76 JASMINE ST	LAKE PLACID FL 33852
2401	98668	GERTRUDE SAMPSON	135 PARKVIEW CIR	LK PLACID FL 33852
2401	31332	RICHARD W SCHMIDT	58 EDGEWATER DR W	LAKE PLACID FL 33852
2401	992046	EVERT SCHROTENBOER	20 HILLSIDE DR S	LAKE PLACID FL 33852
2401	98547	ROBERT SHUMATE	120 PARKVIEW CIRCLE	COVERED BRIDGE LK PLACID FL 33852
2401	984212	RUFUS SMALL	62 EDGEWATER DR	LK PLACID FL 33852
2401	35895	LUCILLE TURNER	27 HILLSIDE DR	LAKE PLACID FL 33852
2401	98605	WALTER VERHALEN	41 EDGEWATER DR	LK PLACID FL 33852
2401	35174	ALICE WARFIELD	19 VENETIAN PKY	LAKE PLACID FL 33852
2401	36709	VIOLA WEISSER	108 PARKVIEW CIR E	LAKE PLACID FL 33852
2401	21511	GAIL WHITNEY	32 HILLSIDE DR S	LAKE PLACID FL 33852
2401	98817	RAY WISSINGER	10 EDGEWATER	LK PLACID FL 33852
2401	36324	CHESTER ZAMPKO	3012 BEECH ST	LAKE PLACID FL 33852
2401	109365	KATHERINE ZAMPKO	26 EDGEWATER DR	LK PLACID FL 33852
2401	32437	WILLIAM G ZIMMER	29 HILLSIDE DR S	LAKE PLACID FL 33852
2401	98849	PETER BATCHO	113 CITRUS ST	LK PLACID FL 33852-5233
2401	98852	DONALD THOMPSON	101 CITRUS ST	LK PLACID FL 33852-5233
2401	98851	JOHN A WHITE	103 CITRUS ST	LK PLACID FL 33852-5233
2401	98533	COVERED BRIDGE ASSN	101 PARKVIEW S (CH)	LK PLACID FL 33852-5558
2401	98554	COVERED BRIDGE ASSN	101 PARKVIEW S (CH)	LK PLACID FL 33852-5558
2401	98557	COVERED BRIDGE ASSN	101 PARKVIEW S (CH)	LK PLACID FL 33852-5558
2401	98565	COVERED BRIDGE ASSN	101 PARKVIEW S (CH)	LK PLACID FL 33852-5558
2401	98571	COVERED BRIDGE ASSN	101 PARKVIEW S (CH)	LK PLACID FL 33852-5558
2401	98573	COVERED BRIDGE ASSN	101 PARKVIEW S (CH)	LK PLACID FL 33852-5558
2401	98577	COVERED BRIDGE ASSN	101 PARKVIEW S (CH)	LK PLACID FL 33852-5558
2401	98578	COVERED BRIDGE ASSN	101 PARKVIEW S (CH)	LK PLACID FL 33852-5558
2401	98580	COVERED BRIDGE ASSN	101 PARKVIEW S (CH)	LK PLACID FL 33852-5558
2401	98583	COVERED BRIDGE ASSN	101 PARKVIEW S (CH)	LK PLACID FL 33852-5558
2401	98586	COVERED BRIDGE ASSN	101 PARKVIEW S (CH)	LK PLACID FL 33852-5558
2401	98588	COVERED BRIDGE ASSN	101 PARKVIEW S (CH)	LK PLACID FL 33852-5558
2401	98628	COVERED BRIDGE ASSN	101 PARKVIEW S (CH)	LK PLACID FL 33852-5558
2401	98632	COVERED BRIDGE ASSN	101 PARKVIEW S (CH)	LK PLACID FL 33852-5558
2401	98674	CHARLES EVANS	133 PARKVIEW CIR N	LK PLACID FL 33852-6010
2401	98679	MARGARET HART	129 PARKVIEW CIR N	LK PLACID FL 33852-6010
2401	33145	WILLIAM A LYON	131 PARKVIEW CIRCLE N	LAKE PLACID FL 33852-6010
2401	981112	COVERED BRIDGE ASSN	101 PARKVIEW CIR S	LK PLACID FL 33852-6011

VERIFICATION LIST OF NOTICE NAME AND ADDRESS PRINTING

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8:12:16 TRACIC

PLANT	CUST #	NAME	ADDRESS		ZIP
2401	98630	SHIRLEY SHERRY	139 PARKVIEW CIR W	LK PLACID FL	33852-6012
2401	996864	DONALD F BECKER	66 VENETIAN PKY	LK PLACID FL	33852-6024
2401	996865	PAUL HARBAUGH	68 VENETIAN PKY	LK PLACID FL	33852-6024
2401	98801	DORIS MCCLOSKEY	50 VENETIAN PKY S	LK PLACID FL	33852-6024
2401	98796	WILLIAM H NICHOLS	70 VENETIAN PKY	LK PLACID FL	33852-6024
2401	108265	RICHARD RAYBUCK	48 VENETIAN PKY	LK PLACID FL	33852-6024
2401	98791	EDWARD SHEEHAN JR	72 VENETIAN PKY	LK PLACID FL	33852-6024
2401	98824	SYLVIA BERK	11 VENETIAN PKY	LK PLACID FL	33852-6025
2401	98823	BETTY J BROWN	9 VENETIAN PKY	LK PLACID FL	33852-6025
2401	984898	ELDOR FILBRANDT	27 VENETIAN PKY	LK PLACID FL	33852-6025
2401	990536	GEORGE KINSLEY	43 VENETIAN PKY	LK PLACID FL	33852-6025
2401	107103	CHARLES J PATTERSON	23 VENETIAN PKY	LK PLACID FL	33852-6025
2401	108258	FLORENCE SIPOS	45 VENETIAN PKY	LK PLACID FL	33852-6025
2401	25517	WILLIAM D SMIEL	35 VENETIAN WAY	LAKE PLACID FL	33852-6025
2401	997074	GLENN R COOK	51 EDGEWATER DR	LK PLACID FL	33852-6161
2401	98768	JOHN R TENUTA	7 EDGEWATER DR S	LK PLACID FL	33852-6161
2401	982077	MARJORY L VAILLANCOURT	9 EDGEWATER DR S	LK PLACID FL	33852-6161
2401	995746	RAYMOND A DIANGRANDE	45 EDGEWATER DR W	LK PLACID FL	33852-6162
2401	98609	WILLIAM LOCKMAN	47 EDGEWATER DR W	LK PLACID FL	33852-6162
2401	98613	JOHN/ALINE LODGE	53 EDGEWATER DR W	LK PLACID FL	33852-6162
2401	98593	RALPH ARENDT	9 HILLCREST ST	LK PLACID FL	33852-6169
2401	979262	WILLIAM/ROSE BARTHEL	13 HILLCREST ST	LK PLACID FL	33852-6169
2401	29052	THEODORE CARTEAUX	5 HILLCREST ST	LAKE PLACID FL	33852-6169
2401	98582	BERTHA A HENNINGER	3 HILLCREST ST	LK PLACID FL	33852-6169
2401	98843	HAROLD ANSON	106 HILLCREST ST	LK PLACID FL	33852-6170
2401	98839	JOHN BELL	100 HILLCREST	LK PLACID FL	33852-6170
2401	996717	RUSSELL BUEHRLE	102 HILLCREST ST	LAKE PLACID FL	33852-6170
2401	105272	ANDREW S OAKES	108 HILLCREST ST	LAKE PLACID FL	33852-6170
2401	978170	MARTHA W PROKSON	104 HILLCREST ST	LK PLACID FL	33852-6170
2401	106467	WILMER L DODSON	101 HILLCREST ST	LK PLACID FL	33852-6171
2401	98534	PAUL YUHAS	103 HILLCREST ST	LK PLACID FL	33852-6171
2401	98623	ED/PEARL CARTER	79 JASMINE ST	LK PLACID FL	33852-6178
2401	98640	WILLIAM M DUKES	102 JASMINE ST	LK PLACID FL	33852-6179
2401	98644	BUEFORD LONG	104 JASMINE ST	LK PLACID FL	33852-6179
2401	98638	ABEL MENDONSA	100 JASMINE ST	LK PLACID FL	33852-6179
2401	98519	EUGENE BARTH	% KATHRYN E BARTH	LK PLACID FL	33852-6180
2401	22052	LAWRENCE L BUNKER	101 JASMINE ST	LAKE PLACID FL	33852-6180
2401	98518	THOMAS GRIFFITH	105 JASMINE ST	LK PLACID FL	33852-6180
2401	98516	THOMAS HENNING	103 JASMINE ST	LK PLACID FL	33852-6180
2401	98818	CARMEN CAVALLARO	12 HILLSIDE DR S	LK PLACID FL	33852-8118
2401	98815	REYNOLD DILULLO	18 HILLSIDE DR S	LK PLACID FL	33852-8118
2401	98820	KENNETH GATEWOOD	10 HILLSIDE DR S	LK PLACID FL	33852-8118
2401	98805	CECIL/GERTRUDE HARTSON	26 HILLSIDE DR	LK PLACID FL	33852-8118
2401	990124	JEANNINE LANGLIS	34 HILLSIDE DR S	LK PLACID FL	33852-8118
2401	98800	IRVIN W LARISON	30 HILLSIDE DR	LK PLACID FL	33852-8118
2401	21220	JAMES C REED	28 HILLSIDE DR S	LAKE PLACID FL	33852-8118
2401	988662	HELEN L ROSSEY	24 HILLSIDE DR S	LK PLACID FL	33852-8118
2401	104808	R T SHERWIN	44 HILLSIDE DR S	LAKE PLACID FL	33852-8118
2401	98696	WALTON BIONI	47 HILLSIDE DR S	LK PLACID FL	33852-8119
2401	98763	DOROTHY CAAUWE	25 HILLSIDE DR S	LK PLACID FL	33852-8119
2401	98754	JOHN LEHMANN	31 HILLSIDE DR S	LK PLACID FL	33852-8119

COVERED BRIDGE

107 JASMINE ST

VERIFICATION LIST OF NOTICE NAME AND ADDRESS PRINTING

11/06/95 PAGE 4 DLG030RPG
8:12:16 TRACIC

PLANT	CUST #	NAME	ADDRESS		ZIP
2401	98714	JAMES MILLER	37 HILLSIDE DR S	LK PLACID FL	33852-8119
2401	98690	JOHN/PAULINE VOGT	49 HILLSIDE DR	LK PLACID FL	33852-8119
2401	985473	JERRY HARWIN	1 HILLSIDE DR S	LK PLACID FL	33852-8119
2401	98774	HENRY ZIERMANN	19 HILLSIDE DR S	LK PLACID FL	33852-8119
2401	106694	GEORGE DERROM	110 PINECREST ST	LK PLACID FL	33852-8120
2401	983966	FRANK MARTINI	108 PINECREST ST	LK PLACID FL	33852-8120
2401	108717	VIRGINIA MODLOFF	100 PINECREST ST	LK PLACID FL	33852-8120
2401	979281	LA VERN DEFOREST	101 PINECREST ST	LK PLACID FL	33852-8121
2401	988162	WILTON H GOOCH	107 PINECREST ST	LAKE PLACID FL	33852-8121
2401	988457	ROGER GREEN	111 PINECREST ST	LK PLACID FL	33852-8121
2401	98729	DOROTHY A FARMER	2 PINETREE CT	LK PLACID FL	33852-8404
2401	98727	RUSSEL A HERRICK	6 PINE TREE CT	LAKE PLACID FL	33852-8404
2401	98726	WALTER R MUTCHLER	8 PINETREE CT	LK PLACID FL	33852-8404
2401	21991	FRANK M GOFF	104 OAKGROVE	LK PLACID FL	33852-9337
2401	105453	STEPHEN J GOULD	102 OAK GROVE ST	LK PLACID FL	33852-9337
2401	98845	PAUL JONES	117 OAKGROVE ST	LK PLACID FL	33852-9338
2401	98842	OMER RACINE	119 OAKGROVE ST	LK PLACID FL	33852-9338
2401	98850	MR/MRS RICHARD VANDELLO	101 OAK GRV	LK PLACID FL	33852-9338
2401	98810	ERICH BENNETT	14 EDGEWATER DR S	LK PLACID FL	33852-9350
2401	98829	EMORY E DULA	4 EDGEWATER DR S	LK PLACID FL	33852-9350
2401	98821	MURIEL FRINDT	8 EDGEWATER DR S	LK PLACID FL	33852-9350
2401	98798	ANNA J GREER	18 EDGEWATER DR S	LK PLACID FL	33852-9350
2401	106929	DAVID TROBOUGH	12 EDGEWATER DR S	LK PLACID FL	33852-9350
2401	98752	STEPHEN HAMILTON	10 HILLCREST ST	LK PLACID FL	33852-9351
2401	98556	JOHN CAVANAUGH	136 PARKVIEW CIR N	LK PLACID FL	33852-9359
2401	98559	ACHILLES DEVITA	140 PARKVIEW CIR N	LK PLACID FL	33852-9359
2401	98560	OLGA MACDONALD	142 PARKVIEW CIR N	LK PLACID FL	33852-9359
2401	990937	HAROLD E MAY	138 PARKVIEW CIR N	LK PLACID FL	33852-9359
2401	98555	HELEN J WULFF	134 PARKVIEW CIR N	LK PLACID FL	33852-9359
2401	98574	RAY CREADY	166 PARKVIEW CIR S	LK PLACID FL	33852-9360
2401	982406	RALPH BIGGS	34 VENETIAN PKY	LK PLACID FL	33852-9386
2401	106962	NILA BOULDEN	10 VENETIAN PKY	LK PLACID FL	33852-9386
2401	22586	RICHARD W GAGNON	2 VENETIAN PKY	LK PLACID FL	33852-9386
2401	98822	MARTIN KELLY	14 VENETIAN PKY	LK PLACID FL	33852-9386
2401	986050	MARCELLA LANIGAN	4 VENETIAN PKY	LK PLACID FL	33852-9386
2401	98613	CLINTON SPIELBAUER	28 VENETIAN PKY S	LK PLACID FL	33852-9386
2401	984169	MERLYN STOKKE	32 VENETIAN PKY	LK PLACID FL	33852-9386
2401	995059	STANLEY ALDOUS	48 EDGEWATER DR W	LK PLACID FL	33852-9388
2401	27781	NORMA COLVER	54 EDGEWATER DR W	LAKE PLACID FL	33852-9388
2401	98745	HAROLD CROSSMAN	52 EDGEWATER DR W	LK PLACID FL	33852-9388
2401	98773	THOMAS DOYLE	30 EDGEWATER DRIVE W	LAKE PLACID FL	33852-9388
2401	981219	VERNON GEHRKE	40 EDGEWATER DR W	LK PLACID FL	33852-9388
2401	978347	IRENE KOHLER	32 EDGEWATER DR W	LK PLACID FL	33852-9388
2401	98762	BURTON MOORE	36 EDGEWATER DR W	LK PLACID FL	33852-9388
2401	98756	HAROLD J MOSIER	42 EDGEWATER DR W	LK PLACID FL	33852-9388
2401	98761	VERNA PRICE	X ALETHA MCQUEEN	LK PLACID FL	33852-9388
2401	98756	JOHN STEPHENS	56 EDGEWATER DR W	LK PLACID FL	33852-9388
2401	98570	JOHN J GENOVESE	164 PARKVIEW CIR W	LK PLACID FL	33852-9391
2401	998724	ROBERT W LAWLER	154 PARKVIEW CIR W	LK PLACID FL	33852-9391
2401	98566	CORELIUS MCDERMOTT	156 PARKVIEW CIR W	LK PLACID FL	33852-9391
2401	981337	JAMES/DAISY TODD	160 PARKVIEW CIR W	LK PLACID FL	33852-9391

38 EDGEWATER DR W

VERIFICATION LIST OF NOTICE NAME AND ADDRESS PRINTING

11/06/95 PAGE 5 DLG030RPG
8:12:16 TRACIC

PLANT	CUST #	NAME	ADDRESS		ZIP
2401	98542	THOMSEN JOHN	128 PARKVIEW CIR N		LK PLACID FL 33852-9393
2401	98551	HAROLD THOMSEN	128 PARKVIEW CIR N		LK PLACID FL 33852-9393
2401	98549	ROBERT BADGER	124 PARKVIEW CIR E		LK PLACID FL 33852-9394
2401	106595	RUBY I BAKER	114 PARKVIEW CIR E		LK PLACID FL 33852-9394
2401	98548	MICHAEL BARAN	122 PARKVIEW CIR E		LK PLACID FL 33852-9394
2401	98717	SYLVIA BERG	70 JASMINE ST		LK PLACID FL 33852-9397
2401	98625	RAYMOND G HAUN	COVERED BRIDGE	80 JASMINE ST	LK PLACID FL 33852-9397
2401	98682	RAYMOND G HAUN	X BARBARA HAUN WEDGE	82 JASMINE ST	LK PLACID FL 33852-9397
2401	98694	RAYMOND G HAUN	COVERED BRIDGE	80 JASMINE STREET	LAKE PLACID FL 33852-9397
2401	33574	ELEANOR M MORAN	COVERED BRIDGE	78 JASMINE ST	LAKE PLACID FL 33852-9397
2401	982557	THOMAS PAFF	64 JASMINE ST		LK PLACID FL 33852-9397
2401	98662	JOHN BEZARK	P O BOX 683		SEBRING FL 33871-0683
2401	98545	JOHN BUZZEK	4015 PALAZZO ST		SEBRING FL 33872
2401	98781	LLOYD LEE	1931 BURLINGAME DR SE		HUNTSVILLE AL 35803
2401	22182	IRVIN N SMINK	2318 KNOBHILL DR		MARBLEHEAD OH 43440
2401	98775	SAMUEL T PICO	2734 SE RIVER RD		LAKE MILTON OH 44429-9625
2401	98600	ROBERT H YOUNG	5547 PLANETT DR		FAIRFIELD OH 45014
2401	18169	GEORGE E KAHL	231 N GUILFORD RD		CARMEL IN 46032
2401	106080	JACK BABYAK	78 MILL SPRINGS		COATESVILLE IN 46121
2401	98743	JOSEPH PARENT	307 BLUEBIRD DR S		COLUMBIA CITY IN 46725
2401	983253	ROBERT SMITH	522 E LINCOLN ST		GREEN TOWN IN 46936
2401	37081	JOHN C THOMPSON	6655 W 400 S		RUSSELLVILLE IN 46979
2401	981873	CLEATIS A BEAUBIEN	16431 ABELA		CLINTON TWP MI 48031
2401	31268	ERNEST HALL	6336 WOODSDALE		GRAND BLANC MI 48439
2401	982741	JERRY/SHARON THORNTON	295 COUNTY LINE RD		TEKONSHA MI 49092-9535
2401	981905	HARRY NEUROTH	10401 NEUROTH HWY		BLISSFIELD MI 49228-9645
2401	27653	CLAUDE GOLNICK	210 N PARK DR		GRAYLING MI 49738
2401	988585	DALE A PETERSON	HC01 BOX 3213C		MANISTIQUE MI 49854
2401	98809	ANTHONY/SUSAN FANTETTI	749 BRICKLEY DR		FONTANA MI 53125
2401	98844	HILLARD BRANDT	X GEORGIANA OAKES	9213 N KELLY LAKE RD	SURING MI 54174-9019
2401	98664	MARY E BURLEY	614 HILLCREST LN		CRYSTAL LAKE IL 60014-8251
2401	994311	JOHN ELLISON	7112 ALTENBURG RD		HARVARD IL 60033-9728
2401	21384	JOHN J CRONIN	5316 W ARDMORE AVE		CHICAGO IL 60646-6502
2401	21231	JOHN/PAT NARCZEWSKI	428 W 2ND PL		SPRING VALLEY IL 61362-1242
2401	98786	WALTER PECK	723 N LIMESTONE LN		PEORIA IL 61604-4638
2401	98769	JACK P STARK	627 YOUNG ST		PARIS IL 61944
2401	29447	JAMES C CAVALLARO	3022 PARK AVE		ST CHARLES MO 63301
2401	986936	MRS ANDREW E PATTERSON	C/O SUSAN CALDWELL	6002 207TH AVE EAST	SUMNER WA 98390

TOTAL PRINTED 242

DATE	COUNTER PIECE COUNT		TOTAL ITEMS BATCH COUNT	POSTAGE UNUSED		POSTAGE SUM BATCH VALUE	DESCRIPTION	RATE
	START	STOP		START	STOP			
11/02/95	8075620	8076834	1214	17566.526	17242.38 ⁸	324.13 ⁸	Deltona Disconnects	0.26 ⁷
11/03/95	8076834	8077661	826 TABS.	17242.38 ^{5/}	17024.06	218.328	SSU. Disconnects. TABS.	0.26 ⁴
11/06/95	8077661	8080033	2372	17024.06	16390.736	633.324	SSU. Billing.	0.26 ^{7/}
11/06/95	8080033	8080991	958	16390.736	16134.95	255.786	Deltona Disconnects.	0.26 ^{7/}
11/6/95	8080991	8081231	240	16134.95	16070.87	64.08	Highlands Co. Mtg. Spring location Covered Bridge	,26 ^{7/}

EXHIBIT C

PAGE 1 OF 1

DOCKET 950495-WS
EXHIBIT NO. 27
CASE NO. 96-04227

NEWS-PRESS
Published every morning — Daily and Sunday
Fort Myers, Florida
Affidavit of Publication

STATE OF FLORIDA
COUNTY OF LEE

Before the undersigned authority, personally appeared _____
Brenda Leighton

who on oath says that he/she is the _____
Legal Coordinator of the News-Press, a
daily newspaper, published at Fort Myers, in Lee County, Florida; that the
attached copy of advertisement, being a _____
display

in the matter of Docket No. 950495-WS
_____ Court

was published in said newspaper in the issues of _____
November 4, 1995

Affiant further says that the said News-Press is a paper of general circulation daily in Lee, Charlotte, Collier, Glades and Hendry Counties and published at Fort Myers, in said Lee County, Florida and that said newspaper has heretofore been continuously published in said Lee County, Florida, each day, and has been entered as a second class mail matter at the post office in Fort Myers in said Lee County, Florida, for a period of one year next preceding the first publication of the attached copy of the advertisement; and affiant further says that he/she has neither paid nor promised any person, firm or corporation any discount, rebate, commission or refund for the purpose of securing this advertisement for publication in the said newspaper.

Brenda Leighton

Sworn to and subscribed before me this
6th day of _____
November, 19 95 by
Brenda Leighton

who is personally known to me or who has produced _____

as identification, and who did or did not take an oath.
Notary Public Linda Gale Sheley
Print Name _____

My Commission Expires:
CLASS-16 **LINDA GALE SHELEY**
MY COMMISSION EXPIRES APRIL 4, 1998
CC 361392
BONDED THRU TROY FAIN INSURANCE
NOTARY PUBLIC, STATE OF FLORIDA



BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
NOTICE OF SERVICE HEARING
DOCKET NO. 950495-WS

Docket No. 950495-WS — Application by Southern States Utilities, Inc. for rate increase and increase in service availability charges for Orange-Osceola Utilities, Inc. in Osceola County, and in Bradford, Brevard, Charlotte, Citrus, Clay, Collier, Duval, Highlands, Lake, Lee, Marion, Martin, Nassau, Orange, Osceola, Pasco, Putnam, Seminole, St. Johns, St. Lucie, Volusia and Washington Counties.

Notice is hereby given that the Florida Public Service Commission will conduct a service hearing to discuss the above application for a water and wastewater rate increase and changes to service availability charges. The service hearing for the utility's customers in Lee and Charlotte County(ies) will be held at the following time and place:

November 28, 1995
6:00 p.m.
Sheraton Harbor Place, Ballroom
2500 Edwards Drive
Ft. Myers, FL 33901

All persons who wish to testify are urged to be present at the beginning of the service hearing as the hearing may be adjourned early if no customers are present. Any persons requiring some accommodation at this hearing because of a physical impairment should call the Division of Records and Reporting at (904) 413-6770 at least five calendar days prior to the hearing. If you are hearing or speech impaired, please contact the Florida Relay Service by using the following numbers: 1-800-955-8770 (VOICE) OR 1-800-955-8771 (TDD).

PURPOSE

The purpose of the service hearing is to allow customers and any substantially affected person an opportunity to present comments and information to the Commission about the utility's quality of service, the proposed rate increase, or other matters related to the rate case or the utility. The utility is requesting that customers served water under conventional treatment methods be classified as a separate and distinct service classification from customers receiving water service from reverse osmosis facilities. Under the utility's proposal, the base facility and gallonage charges assessed to customers will be uniform within each service classification. All wastewater customers are included in one service classification and would be charged the same base facility and gallonage charges. The utility's application indicates that the utility has or will have placed nearly \$100 million of additional water and wastewater plant into service since 1992 and through the period ending December 31, 1996. The application also indicates that the majority of these plant additions were required by environmental laws, rules or regulations. The utility's requested service availability charges include charges for meter installation, main extension, service installation, plant capacity, and allowance for funds prudently invested (AFPI). These charges will only be assessed to new customers who connect after Commission approval of the charges. Existing customers will not be assessed service availability charges. Plant capacity and main extension charges for water treatment are classified by conventional and reverse osmosis treatment methods. The utility proposes plant capacity and main extension charges which are uniform within each water service classification. The utility proposes only one service classification for wastewater service, and the plant capacity and main extension charges proposed for wastewater are uniform.

#27
FLORIDA PUBLIC SERVICE COMMISSION
DOCKET
NO. 950495-WS EXHIBIT NO. 27
COMPANY/
WITNESS:
DATE: 11/28/96

NEWS-PRESS
Published every morning — Daily and Sunday
Fort Myers, Florida

Affidavit of Publication

STATE OF FLORIDA
COUNTY OF LEE

Before the undersigned authority, personally appeared _____

Brenda Leighton

who on oath says that he/she is the _____

Legal Coordinator of the News-Press, a

daily newspaper, published at Fort Myers, in Lee County, Florida; that the

attached copy of advertisement, being a _____

display

in the matter of Docket No. 950495-WS

in the _____ Court

was published in said newspaper in the issues of _____

November 4, 1995

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Brenda Leighton

Sworn to and subscribed before me this
6th day of _____

November, 1995 by

Brenda Leighton

who is personally known to me or who has produced

as identification, and who did or did not take an oath.

Notary Public *Linda Gale Sheley*

Print Name _____

My Commission Expires: **LINDA GALE SHELEY**
CLASS-16 **MY COMMISSION EXPIRES APRIL 4, 1998**
CC 361392
BONDED THRU TROY FAIN INSURANCE
NOTARY PUBLIC, STATE OF FLORIDA



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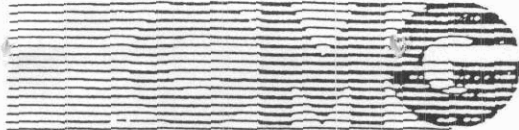
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Florida's Best Local Newspapers



SUN COAST MEDIA GROUP

Printers and Publishers of
Charlotte Sun Herald
Englewood Sun Herald
North Port Sun Herald
DeSoto Sun Herald

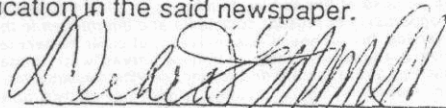
PUBLISHER'S AFFIDAVIT OF PUBLICATION

STATE OF FLORIDA,
COUNTY OF CHARLOTTE

Before the undersigned personally appeared DEBBIE EMMITT
who an oath says he/she is CLERK of the Charlotte Sun
Herald/Englewood Sun Herald/North Port Sun Herald/DeSoto Sun Herald, a
daily newspaper printed at Charlotte Harbor in Charlotte County, Florida, and
at Venice in Sarasota County, Florida; that the attached copy of advertisement
being a LEGAL in the matter of APPL/S/S in the
N/A Court was published in said newspaper in the issues of:

NOVEMBER 4, 1995

Affiant further says that the said newspaper has heretofore been continu-
ously published in Charlotte County, Florida, Sarasota County, Florida, and
DeSoto County, Florida, each day and has been entered as Second-Class
mail matter at the Post Office in Punta Gorda, in said Charlotte County,
Florida and at additional mailing offices, for a period of one year next
preceding the first publication of the attached copy of advertisement; and
affiant further says he/she has neither paid nor promised any person, firm or
corporation any discount, rebate, commission or refund for the purpose of
securing this advertisement for publication in the said newspaper.


(Signature of Affiant)

Sworn to and subscribed before me this 8 day of

November 19 95



KAREN PERKINS
My Comm Exp. 7/29/98 (Signature of notary public)

Bonded By Service Ins
No. CC303389 KAREN PERKINS

Personally Known Other (Name of Notary typed, printed or stamped)

Personally Known or Produced Identification

Type of Identification Produced

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION
NOTICE OF SERVICE HEARING
DOCKET NO. 950495-WS**

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PUBLISH: November 4, 7, 1995