

## Dorothy Menasco

---

**From:** Cecilia Bradley [Cecilia.Bradley@myfloridalegal.com]  
**Sent:** Monday, October 31, 2011 5:01 PM  
**To:** Filings@psc.state.fl.us  
**Cc:** Andrew.McBride@arlaw.com; Caroline Klancke; Cecilia.Bradley@myfloridalegal.com; David.Bernstein@arlaw.com; jrichards@pascocountyfl.net; KELLY.JR@leg.state.fl.us; kenneth.curtin@arlaw.com; Larry Harris; Lisa Bennett; CHRISTENSEN.PATTY@leg.state.fl.us; Ralph Jaeger  
**Subject:** AG's Pretiral Statement, Docket No. 100330-WS  
**Attachments:** AG's Prehearing Statement-10312011.doc



AG's Prehearing  
tatement-1031.

Attached is the Attorney General's Prehearing Statement for filing in Docket No. 100330-WS. (See attached file: AG's Prehearing Statement-10312011.doc)

Please note that Florida has a broad public records law, and that all correspondence to me via email may be subject to disclosure.

**BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

In re: Application for increase in water and wastewater rates in Alachua, Brevard, DeSoto, Highlands, Lake, Lee, Marion, Orange, Palm Beach, Pasco, Polk, Putnam, Seminole, Sumter, Volusia, and Washington Counties by Aqua Utilities Florida, Inc.

DOCKET NO. 100330-WS  
ORDER NO. PSC-11-0256-PAA-WS

DATE: November 1, 2011

**ATTORNEY GENERAL'S PREHEARING STATEMENT**

The State of Florida, Department of Legal Affairs, Office of the Attorney General ("AG"), hereby files and serves its Prehearing Statement in this matter. The Applicant, Aqua Utilities of Florida, LLC, shall be referred to as the "Applicant," "AUF" or "Aqua" and the Florida Public Service Commission shall be referred as the "Commission."

**APPEARANCES:**

CECILIA BRADLEY  
Senior Assistant Attorney General  
Florida Bar No. 363790  
Office of the Attorney General  
The Capitol-PI01  
Tallahassee, FL 32399-1050  
(850) 414-3300  
Fax: (850) 488-4872

**(1) AG'S KNOWN WITNESSES:**

None; however the AG reserves the right to cross-examine witnesses called by all other parties.

**(2) AG's PREFILED EXHIBITS AND OTHER EXHIBITS:**

None; however, the AG reserves the right to use all other exhibits, including those introduced at the Public Hearings, in the cross-examination of witnesses called by the other parties.

**(3) STATEMENT OF AG'S BASIC POSITION IN THIS PROCEEDING:**

The AG believes that the citizens of Florida deserve clean, healthy water at a fair and reasonable rate. The testimony offered at the Public Hearings demonstrates that Aqua has failed to meet these requirements. The testimony of its customers show that Aqua has not met the

water quality standards, with numerous customers testifying that they cannot drink the water or use the water to shower, wash clothes and dishes or give to their pets.

Those who can afford the cost have put in filters or use bottled water. The customers who cannot afford these costs use as little water as possible, sometimes bathing infrequently and only flushing the toilet when they have to. There was testimony from customers who collected bath water to flush the toilet and couples who used the toilet at the same time so they would only need to flush once. Some persons testified about having sewage back up in their toilets and tubs and one person testified that his plumbers traced the sewage block to the Aqua pipes. Many customers testified of the problems with rude customer service and the hardships they endured when Aqua finally billed them for several months of service totaling hundreds or thousands of dollars. Many of these customers testified that they were told they must pay the bill in full immediately or enter into a payment plan with the repeated warning that if they were a “day late or a dime short, [Aqua] would turn off their water.”

Other customers testified that they could not afford the rates but when they tried to rent or sell their homes, the fact that Aqua furnished their water prevented them from getting any interest from those looking to rent or buy. Some small business persons testified that they were having trouble with their rental properties because the renters were unable to afford the Aqua bills despite the fact that they were trying to use as little water as possible. Many customers testified to the number of water heaters, coffee pots and other appliances that had to be replaced because of the water. In summary, many customers cannot afford or otherwise decide not to use the Aqua water.

**(4) QUESTIONS OF FACT, QUESTIONS OF LAW AND QUESTIONS OF POLICY THAT ARE AT ISSUE AND THE AG’S POSITION ON EACH:**

**QUALITY OF SERVICE**

**Issue 1:** What is AUF’s quality of service?

Aqua’s quality of service is unsatisfactory. The AG agrees with the other interveners that Aqua has not met the standard on this issue. See the AG’s position statement.

**Issue 2:** What, if any, additional actions should be taken by the Commission based on AUF’s quality of service?

The Commission should lower Aqua’s return on equity (ROE) by 100 basis points because of its less than satisfactory quality of service.

**RATE BASE**

**Issues 3-39:**

The AG concurs with the Office of Public Counsel on issues 3-39.

(6) **PENDING MOTIONS AND OTHER MATTERS THAT AG SEEKS ACTION UPON:**

The Joint Motion to Delay Briefing Time and the AG's Objection to Improper "Friendly Cross" Designations.

(7) **STATEMENT IDENTIFYING AG'S PENDING REQUESTS OR CLAIMS FOR CONFIDENTIALITY:**

None.

(8) **OBJECTIONS TO OTHER PARTY'S EXPERTS:**

The AG generally objects to expert testimony offered by any witness not qualified to provide such expert testimony or which demonstrates bias.

(9) **STATEMENT AS TO ANY REQUIREMENT IN THE ORDER ESTABLISHING PROCEDURE THAT AG CANNOT COMPLY WITH:**

The AG has complied with the Order Establishing Procedure. The AG joined in the Citizens' motion to amend the briefing schedule and requests the Commission grant that motion.

**Respectfully submitted,**

**PAMELA JO BONDI  
ATTORNEY GENERAL**

s/ Cecilia Bradley  
CECILIA BRADLEY  
Senior Assistant Attorney General  
Florida Bar No. 0363790

Office of the Attorney General  
The Capitol - PL01  
Tallahassee, FL 32399-1050  
(850) 414-3300  
Fax: (850) 488-4872

**CERTIFICATE OF SERVICE**

I **HEREBY CERTIFY** that a true and correct copy of the foregoing has been furnished by electronic mail on this 31<sup>st</sup> day of October, 2011, to the following:

Caroline Klancke & Ralph Jaeger  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0850

Kelly Sullivan  
570 Osprey Lakes Circle  
Chuluota, FL 32667-6658

Aqua Utilities Florida, Inc.  
P.O. Box 2480  
Lady Lake, FL 32158-2480

Kimberly A. Joyce  
762 West Lancaster Avenue  
Bryn Mawr, PA 19010

William Coakley  
5934 Lake Osborne Drive  
Lantana, FL 33461

Kenneth M. Curtin  
Adams and Reese Law Firm  
150 Second Ave North, Suite 1700  
Saint Petersburg, FL 33701

Robert Lloyd  
P.O. Box 63  
Captiva, FL 33924

David L. Bussey  
4948 Britni Way  
Zephyrhills, FL 33541

Bruce May & Gigi Rollini  
Holland and Knight, LLP  
Post Office Drawer 810  
Tallahassee, FL 32302-0810

Pat Davis  
102 Orange Drive  
East Palatka, FL 32131

J.R. Kelley  
Public Counsel  
Patricia A. Christensen  
Associate Public Counsel  
Office of the Public Counsel  
c/o The Florida Legislature  
111 West Madison Street, Room 812  
Tallahassee, Florida 32399-1400

William Jordan  
104 Orange Drive  
East Palatka, FL 32131

/s/Cecilia Bradley

---

Cecilia Bradley  
Senior Assistant Attorney General