



# PASCO COUNTY, FLORIDA

## OFFICE OF THE COUNTY ATTORNEY

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October 31, 2011

Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

Re: Docket # 100330  
Pasco County's Prehearing Statement

Dear Clerk:

Enclosed please find one original and 7 copies of Pasco County's Prehearing Statement in accordance with Rule 25-22.028 F.A.C. and the Order Establishing Procedure in the above referenced case.

Respectfully submitted,

Joseph D. Richards,  
Senior Assistant County Attorney

cc: Kenneth M. Curtin , Adams and Reese LLP  
Ms. Kimberly A. Joyce, Aqua America, Inc.  
Aqua Utilities Florida, Inc.  
Bruce May/Gigi Rollini, Holland & Knight LLP  
Kelly Sullivan  
J.R. Kelly/Patricia Christensen, Office of Public Counsel  
Cecilia Bradley/Pamela Jo Bondi, Office of Attorney General  
Caroline Klancke, PSC Office of General Counsel

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**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: October 31, 2011

**PASCO COUNTY'S PREHEARING STATEMENT**

Pasco County ("Pasco"), pursuant to the *Order Establishing Procedure*, 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 to as the "Commission."

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

Jack Mariano, County Commissioner, Pasco County

Subject matter of testimony: his testimony is directed to the issues of Aqua Utilities' poor quality customer service and related operations problems, and Pasco's position on purchasing private utilities.

\*Pasco County reserves the right to subpoena additional witnesses, including employees of Applicant, Aqua Utilities Florida, Inc. to testify at the Technical Hearing in this matter.

**(2) PASCO'S PREFILED EXHIBITS AND OTHER EXHIBITS:**

**JM-1**, which is a collection of Boil Water Notice Surveys completed by Aqua customers in the Jasmine Lakes and Palm Terrace service areas;

**JM-2**, which is a collection of e-mails and letters received from Aqua customers;

**JM-3**, which is a collection of pictures of the repaired effluent pipe, discarded pipe and location map;

**JM-4**, which is a June 23, 2011, Department of Environmental Protection (DEP) Warning Letter;

**JM-5**, which a collection of pictures of an overflow pipe and plan sheet showing the location of the pipe; and

**JM-6**, which is a copy of Mike Garrett letter to Aqua re overflow pipe.

\*Pasco County reserves the right to introduce and/or reference any other exhibits submitted, introduced, filed, or referenced at any hearing in this matter, including any exhibits submitted,

DOCUMENT NUMBER-DATE

introduced, filed or referenced at the customer service hearing in New Port Richey, Florida on October 11, 2011.

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

Pasco County contends that the rate base, the net operating income (NOI), and the revenue requirement approved in Order No. PSC-11-0256-PAA-WS are overstated. Since the rate base, NOI, and the revenue requirement are overstated, the resulting rates are unjust and unreasonable. Moreover, the PAA Order approved rates are unaffordable. Pasco County protests the portions of the PAA Order relating to rate base, NOI, and revenue requirement areas and quality of service and the other issues listed in the Office of Public Counsel's Petition and Pre-hearing Statement.

The Commission's finding of marginal quality of service provided by Aqua to its customers in the PAA Order should be set aside. Aqua's quality of service should be found to be unsatisfactory. The Commission should lower Aqua's return on equity (ROE) by 100 basis points based on its less than satisfactory quality of service. Pursuant to Sections 367.081 and 367.121, Florida Statutes, the Commission has the authority and duty to prescribe and fix just and reasonable rates and charges. Adjustment should be made to rate base, NOI, and revenue requirement to make the rates and charges just and reasonable for the customers of Aqua.

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

**QUALITY OF SERVICE**

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

Aqua's quality of service is unsatisfactory. Over the last few years, the County has received numerous complaints from Aqua customers regarding poor quality service, poor water quality and exorbitant rates. Aqua has failed repeatedly to properly and fully inform its customers of required boil water orders in the Jasmine Lakes and Palm Terrace service areas. A survey completed by 340 customers from the Palm Terrace and Jasmine Lakes service indicate that Aqua has been inconsistent in notifying customers of the need to boil water. According to the surveys, 137 customers stated that they never received any form of boil water notice; 78 received notice via letter size piece of paper and 92 received a door hanger. Only 17 received a phone call from Aqua.

**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.

**Issues 3 – 38:**

Pasco County adopts and incorporates by reference the position statement of the Office of Public Counsel for these issues.

**Issue 39:** Should this docket be closed?

After the request for rate increase is reduced or denied, this docket should be closed.

(5) **STATEMENT OF ISSUES THAT PASCO HAS STIPULATED TO (AT THIS TIME):**

Pasco County adopts and incorporates by reference the position statement of the Office of Public Counsel regarding stipulations except as to any stipulations involving issues number 1, 2 and 24.

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

Joint Motion to Delay Briefing Time.

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

None.

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

Pasco generally objects to expert testimony offered by any witness not qualified to provide such expert testimony.

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

Pasco joined in the Citizens' motion to amend the briefing schedule and requests the Commission grant that motion.



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Counsel for Pasco County

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by regular U.S. mail to the following on this 31 day of October, 2011:

Director, Division of the Commission Clerk  
and Administrative Services  
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