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AUG 29 1994

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In Re: Petition for Interim and)  
Permanent Rate Increase in )  
Franklin County, Florida by )  
ST. GEORGE ISLAND UTILITY )  
COMPANY, LTD. )

DOCKET NO. [REDACTED] WU  
FILED: AUGUST 29, 1994

INTERVENOR'S POST HEARING STATEMENT

BARBARA SANDERS  
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Water Sewer District  
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(904) 653-8976

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- OPC \_\_\_\_\_
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FPSC-RECORDS, REPORTING

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ST. GEORGE ISLAND UTILITY )  
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INTERVENORS' POST HEARING STATEMENT

QUALITY OF SERVICE

ISSUE 1: Is the quality of service provided by St. George Island Utility Co., Ltd. satisfactory?

POSITION:

District: Agree with OPC.

RATE BASE

ISSUE 2: Has St. George accurately stated the original cost of the water system?

POSITION:

District: When the Commission established rates in 1989, the Utility could not locate its records. Consequently, the Commission did the best it could to determine the original cost, and used the estimate of the Internal Revenue Service, which also presumably did not have any records to substantiate the cost. Now that the 1978 appraisal by William Bishop has been located, the Commission does not have to guess what the Utility's investment is in property used and useful in the public service. Based upon the original cost data, the Commission should roll back the rates, and establish the rates based upon the actual cost and the criteria in Section 367.081, Florida Statutes.

ISSUE 3: Should the utility's pro forma adjustment of \$21,000 for engineering design fees, as stated in Audit Exception No. 14, be removed?

POSITION:

District: Agree with OPC.

ISSUE 4: Should plant in service be reduced by \$1,295 for leasehold improvements?

POSITION:

District: Agree with OPC.

ISSUE 5: Is an adjustment necessary to reflect the use of office furniture and equipment by utility affiliates?

POSITION:

District: Agree with OPC.

ISSUE 6: Should adjustments be made to plant and contributions in aid of construction (CIAC)?

POSITION:

District: Agree with OPC.

ISSUE 7: Does the utility's case in chief present an appropriate matching of rate base, on the one hand, with revenues and expenses, on the other?

POSITION:

District: Agree with OPC.

ISSUE 8: What is the appropriate level of test year rate base?

POSITION:

District: The final amount is subject to the resolution of other issues.

COST OF CAPITAL

ISSUE 9: What capital structure should be used for ratemaking purposes?

POSITION:

District: Agree with OPC.

ISSUE 10: What is the weighted average cost of capital including the proper components, amounts, and cost rates associated

with the capital structure used for ratemaking purposes?

POSITION:

District: Agree with OPC.

OPERATING INCOME

ISSUE 11: Should the numerous pro forma adjustments to the test year in this case be contrasted with those requested in the immediately prior, dismissed rate case?

POSITION:

District: Agree with OPC.

ISSUE 12: Are the expenses claimed by St. George comparable to those experienced by other Class B water utilities under Commission jurisdiction and, if not, are any adjustments appropriate?

POSITION:

District: Agree with OPC.

ISSUE 13: Should test year expenses be adjusted to reflect an additional allocation of expenses to utility affiliates?

POSITION:

District: Agree with OPC.

ISSUE 14: Should employee salaries and wages be reduced?

POSITION:

District: Agree with OPC.

ISSUE 15: Should pension and benefits be reduced?

POSITION:

District: Agree with OPC.

ISSUE 16: Should an adjustment be made to reduce engineering contractual services by \$1,959 as suggested in Audit Disclosure No. 6?

POSITION:

District: Agree with OPC.

ISSUE 17: Should any adjustment be made to contractual services-accounting?

POSITION:

District: Agree with OPC.

ISSUE 18: Should an adjustment be made to reduce legal contractual services?

POSITION:

District: Agree with OPC.

ISSUE 19: Should an adjustment be made to reduce management fees?

POSITION:

District: Agree with OPC.

ISSUE 20: Should any adjustment be made to contractual services-other?

POSITION:

District: Agree with OPC.

ISSUE 21: Should transportation expenses be reduced?

POSITION:

District: Agree with OPC.

ISSUE 22: Should an adjustment be made to reduce insurance expense?

POSITION:

District: Agree with OPC.

ISSUE 23: Is St. George's level of unaccounted for water excessive, and if so, should an adjustment be made to the chemical and purchased power expenses?

POSITION:

District: Agree with OPC.

ISSUE 24: Should any adjustment be made to bad debt expense?

POSITION:

District: Agree with OPC.

ISSUE 25: Should miscellaneous expenses be reduced?

POSITION:

District: Agree with OPC.

ISSUE 26: What is the appropriate amount of rate case expense?

POSITION:

District: Agree with OPC.

ISSUE 27: Should an adjustment be made to amortization expenses for the system analysis, aerator analysis, hydrological study, and fire protection studies?

POSITION:

District: Agree with OPC.

ISSUE 28: Should an adjustment be made to taxes other than income?

POSITION:

District: Agree with OPC.

ISSUE 29: Should test year expenses be adjusted to eliminate the cost of maintaining the old generator?

POSITION:

District: Agree with OPC.

ISSUE 30: Does the utility's case in chief present an appropriate matching of revenues and expenses?

POSITION:

District: Agree with OPC.

ISSUE 31: What is the appropriate level of test year operating income?

POSITION:

District: Agree with OPC.

REVENUE REQUIREMENT

ISSUE 32: What is the total revenue requirement?

POSITION:

District: Agree with OPC.

RATES AND CHARGES

ISSUE 33: What are the appropriate rates and charges and their effective dates?

POSITION:

District: Agree with OPC.

ISSUE 34: Should the utility's service availability policy and charges be revised?

POSITION:

District: Agree with OPC.

ISSUE 35: Should the utility's service availability charges be escrowed?

POSITION:

District: Agree with OPC.

ISSUE 36: What is the appropriate amount by which rates should be reduced four years after the established effective date to reflect the removal of the amortized rate case expense?

POSITION:

District: Agree with OPC.

ISSUE 37: In determining whether any portion of the interim increase granted should be refunded, how should the refund be calculated, and what is the amount of the refund, if any?

POSITION:

District: Agree with OPC.

ISSUE 38: Should the utility's AFPI charge be adjusted?

POSITION:

District: Agree with OPC.

OTHER ISSUES

ISSUE 39: Does the utility keep its books and records in substantial compliance with the Commission's Rules and Regulations and, if not, should it be penalized?

POSITION:

District: Agree with OPC.

ISSUE 40: What is the number of ERCs that the utility is currently serving and what is the maximum number of ERCs that the utility is capable of serving while maintaining compliance with the regulatory agencies?

POSITION:

District: Agree with OPC.

ISSUE 41: Is additional capacity required of the utility, and if so, what specific actions, if any, are necessary in order to achieve additional capacity?

POSITION:

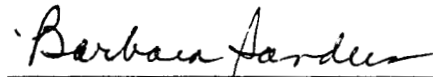
District: Agree with OPC.

ISSUE 42: Does the utility own the third well property and its improvements?

POSITION:

District: Agree with OPC.

Respectfully submitted,



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CERTIFICATE OF SERVICE

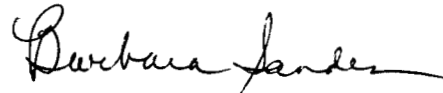
I HEREBY CERTIFY that a copy of Intervenor's Post Hearing Statement has been furnished to the following by U.S. Mail, this 29th day of August, 1994.

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