

RECEIVED-FPSC

EAST MARION SANITARY SYSTEMS INC.

11 SEP 19 PM 3:08

4225 Miller Road # 190
Flint, MI 48507

11 SEP 19 PM 12:07

COMMISSION
CLERK

Florida Public Service Commission
Ann Cole Commission Clerk
Office of Commission Clerk
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

September 17, 2011

Re: Docket No. 080562-WU

Enclosed for filing in the above referenced Docket are East Marion Sanitary System Inc.'s Request for Production of Documents to the Florida Public Service Commission Staff, Answers to Staff's First set of interrogatories, Preliminary List of issues, the original and seven copies of the Pre-Hearing Statement and the original and a copy of East Marion Sanitary System Inc.'s First set of interrogatories to the Millicent Mallon.

Please acknowledge receipt of these documents by stamping the extra copy of this letter "filed" and returning the copy to me.

Thank you for your assistance with these filings.

Sincerely



Herbert Hein

COM	_____
APA	_____
ECR	_____ <i>te</i>
GCL	_____ <i>I</i>
RAD	_____
SRC	_____
ADM	_____
OPC	_____
CLK	_____

DOCUMENT NUMBER-DATE
06722 SEP 19 =
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for approval of amendment to connection/transfer sheets, increase in returned check charge, amendment to miscellaneous service charges, increase in meter installation charges, and imposition of new tap in fee, in Marion County, by East Marion Sanitary Systems, Inc.

Docket No. 080562-WU

Dated: September 15, 2011

EAST MARION SANITARY SYSTEMS INC.
PRE-HEARING STATEMENT

East Marion Sanitary Stems Inc ("EMSI" or the "Utility"), pursuant to order No. PSC-11-0280-PCO-WU, files it's Pre-hearing Statement in the above- captioned docket and states:

- 1) **EMSI Witnesses**
EMSI intends to call the following witnesses:

Witness name	Subject	Issue
Terry Will	Request for irrigation meter & collection of purported letters to EMSI	Was request made to Utility & did he provide a copy as alleged to the FLPSC?
Millicent Mallon	Husbands Request for irrigation meter	When & how request was made & to whom?
Rosemary Turner	Completion of irrigation meter application & payment of funds thereof	Was application properly given to EMSI & were the appropriate funds paid in a timely manner as required?
Dennis & Karin Smith	Request for irrigation meter	When did they make their request & to who? and how were they made aware that a request was needed and what format the request was to be in?
Kevin & Candy Politte	Request for irrigation meter	To whom the request was made?

DOCUMENT NUMBER-DATE

06722 SEP 19 =

FPSC-COMMISSION CLERK

The Florida Public Service Commission staff

Irrigation meter fee, determination of meter fee and why the meter installation meter Tariff should be considered an irrigation meter Tariff when it is not so Titled?

The validity of forcing the Utility to implement an irrigation meter Tariff improperly

Beata Jordan

Irrigation meter requests

Did customers apply for irrigation meters from her?

EMSI reserves the right to present additional witnesses, to address issues that may arise from the answers to interrogatories by Intervenors or their Depositions and Answers filed by FPSC staff in response to interrogatories.

2) Exhibits

EMSI will present as exhibits the letters from the customers that are purporting to have requested irrigation meters. Emsi's Tariff for meter installation and all of staffs paperwork and calculations that went into creating EMSI's water Tap in fee and all cost that went into creating the original meter installation fee Tariff. EMSI will present the directed testimony of Beata Jordan. EMSI will also present the transcript of the April 7, 2009 Agenda conference item 18. EMSI will present cost quotes of the additional parts required for an irrigation meter installation that were not taken into consideration by staff or the Commission when the Tariff for a "meter installation" fee was set.

3) EMSI's Statement of Basic Position

EMSI operates a water and wastewater utility in Marion County Florida in a Subdivision named Lakeview Woods. This Utility was created back along with the Tariffs in the late 1980's and struggled for many years with only 6 customers. Finally in the mid to late 90's the utility saw slow growth and struggled to survive. The Utility is an extremely **SMALL** Utility in that it has less than a hundred customers and has not had the where with all to set up a fund for repairs and unexpected expenses to cover costs as they arise and to cover additional costs as the Utility faces an aging infrastructure and changing and additional requirements from the Florida DEP. In 2002 the Utility applied for a Staff assisted rate case at which time many issues were addressed. The Utility was not aware that it needed to apply for a separate "**Irrigation Meter installation Tariff**" as the wastewater charges were capped at ten thousand gallons. This cap was instituted at the recommendation of staff. No Customer or any staff member addressed or spoke for the need to have a "**Irrigation Meter Installation Tariff**" This issue came to a head when two customers asked for irrigation meters, which were installed at the "Meter Installation" Tariff rate along with the Utility charging the Water Tap in fee to offset the additional costs the

additional parts, valving, piping and larger meter box that were required, Subsequently the Commission ordered a refund of the Tap in fee charges. This brought the need for a separate "**Irrigation Meter Fee**" **Tariff** to the attention of the Utility & the Utility started the process for a new Tariff. For the Staff to insist that the Commission order the Utility to install irrigation meters at a loss and for less than costs creates a great economic burden for the Utility, since the Utility is not allowed to recoup or cover any of it's additional costs thru a Tap in fee charge, nor does it have the necessary funds available & will have to borrow them.

Further Mr Will made statements to the Commission that he applied for an irrigation meter in writing and yet has never provided a copy to the FPSC staff or to the Utility. All Letters that Mr. Will provided to the FPSC were produced after he encouraged other customer to provide fictitious letters that purported to be request to the Utility for installation of an irrigation meter None of which were actually sent to the Utility. The Utility is going to have to come to the Commission in a limited rate case to be able to pay these costs and other costs in order for the Utility to survive. The rest of the rate payers are going to have to help cover costs that are being incurred by a limited few customers, **which goes against the Commission's statements that Cost Causers should pay for the cost's they incur, and that *those costs should not be paid by the general body of rate Payers.***

ISSUES

4) Did intervenors Greco, Smith, Mallon, Turner, Singel, Politte and Will each provide sufficient evidence that they contacted the company prior to April 7, 2009 to request an irrigation meter?

EMSI's Postion: Yes Intervenors, Greco, Singel did contact the company prior to April 7, 2009 as required and did pay the correct fees. Turner did contact the Utility prior to April 7th, 2009 but did not pay the appropriate fees as required. Intervenors Smith, Will, Mallon and Politte did not contact the Utility as required and did not provide sufficient evidence that they requested an irrigation meter. Will has not provided any documentation to date to back up his claim in any way.

5) If any or all of the Intervenors submitted sufficient evidence to show they requested an irrigation meter, should the Utility be required to provide Irrigation meters to any or all of the Intervenors at the prior rate for a household meter rate of \$70.00.

EMSI's Postion: No the Utility should not be required to install Irrigation meters at a loss in the amount of \$70.00 to any customer. The Commission should have the Intervenors pay the actual costs incurred by the Utility so the General Rate payers are not affected adversely.

6) If the Commission requires the Utility to provide Irrigation meters to the Intervenors, what is the allowable time frame in which the Utility must install those Irrigation meters or correct the existing installations?

EMSI's Postion: The Utility should be allowed 45 days after ent ry of the Commissions order in which to secure funding and install or correct any existing installations.

7) If the Commission requires the Utility to provide Irrigation meters to the Intervenors, what is the appropriate monthly charge for any irrigation meter installed for the Intervenors as a result of this protest proceeding?

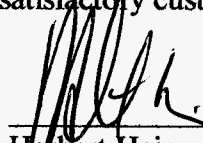
EMSI's Postion: The Utility should be allowed to charge the base meter charge as specified in the approved Tariff. Further the Commission should order the each Intervenors must keep connected to the Utility system for a minimum of 4 years to help offset the loss incurred by the Utility.

8) Should the Commission initiate a show cause proceeding to determine if East Marion should be fined up to \$5,000. per day for failure to provide service in its Territory in a timely manner pursuant to Rule 25-30.310, Florida Administrative Code?

EMSI's Postion: No the Commission should not initiate show cause hearing for trying to protect the general body of rate payer and for trying to survive. The Utility is a small Utility (less then a hundred customers)and cannot afford a fine in any amount. The Utility asks for the Commissioner's understanding and help in resolving this matter in a manner that allows the Utility to survive.

9) Should the Commission order the FPSC staff to help the Utility initiate and achieve the appropriate proceedings so that the Utility may pay it's just expenses and set up a reserve and maintenance fund to pay for repairs and required maintenance and needed upgrades.

EMSI's Postion: Yes the Commission should order the staff to work with the Utility to initiate all appropriate proceedings that the Utility may pay it's just and ongoing expenses and to provide a reserve and maintenance fund and provide satisfactory customer service.



Herbert Hein
4225 Miller Rd. # 190
Flint, MI 48507
810 733-6342

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Request for approval of amendment to connection/transfer sheets, increase in returned check charge, amendment to miscellaneous service charges, increase in meter installation charges, and imposition of new tap in fee, in Marion County, by East Marion Sanitary Systems, Inc.

Docket No. 080562-WU

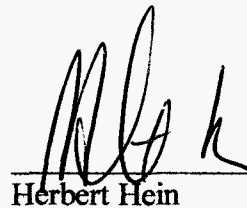
Dated: September 17, 2011

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that the original and seven copies of East Marion Sanitary System's PRE-HEARING STATEMENT has been filed with the Office of Commission Clerk and one copy has been furnished to the following by facsimile and U.S. mail on this 17th day of September, 2011 ~~overnight U.S. mail~~ to: Lisa Bennett, Esquire

FEDEX Florida Public Service Commission
Division of Legal Services
2540 Shumard Oak Blvd
Tallahassee, FL 32399-0850

Steven C. Reilly, Office of Public Counsel
c/o The Florida Legislature
on behalf of Intervenors, Terry Will,
Joseph Singel, Kevin Politte, Earl Turner,
Dennis Smith, David Greco, Millicent Mallon
111 West Madison Street, Room 812
Tallahassee, FL 32399-1400



Herbert Hein