	FILED APR 26, 2016 DOCUMENT NO. 02493-16		
1	FPSC - COMMISSION CLE	RK BEFORE THE	000001
2	FLORIDA P	UBLIC SERVICE COMMISSION	
3	In the Matter of:		
4		DOCKET NO. 150269-WS	
5	APPLICATION FOR LIM PROCEEDING WATER RA		
6	IN MARION, PASCO, A COUNTIES, BY UTILIT	ND SEMINOLE	
7	FLORIDA.	/	
8		/	
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10	PROCEEDINGS:	CUSTOMER MEETING	
11			
12	COMMISSION STAFF PARTICIPATING:	CURT MOURING JENNIFER CRAWFORD	
13		TOM BALLINGER DICK DURBIN	
14		COMMISSIONER RONALD BRISÉ	
15			
16	DATE:	Tuesday, April 12, 2016	
17	TIME:	Commenced at 6:00 p.m. Concluded at 6:31 p.m.	
18	PLACE:	West Pasco Government Center Commission Chambers Board Room	
19		8731 Citizen's Drive New Port Richey, Florida 34654	
20	BY:	-	
21	DI:	LINDA BOLES, CRR, RPR Official FPSC Reporter (850) 413-6734	
22		(000) 410 0704	
23			
24			
25			
	FLORIDA	PUBLIC SERVICE COMMISSION	

P R O C E E D I N G

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MR. MOURING: Welcome to this evening's customer meeting. It is a very important part of any rate case proceeding. We're here tonight for a customer meeting regarding Docket 150269-WS. That's the application for a limited proceeding rate increase by Utilities, Inc. of Florida.

I'd like to introduce myself. I'm Curt Mouring. I'm the Florida Public -- the Public Utilities Supervisor in the Division of Accounting and Finance. With me I have Tom Ballinger, who's the Director of our Division of Engineering; and immediately to my right, Jennifer Crawford. She is the Attorney Supervisor in our Office of General Counsel.

On December 30th of last year, Utilities, Inc. of Florida filed for a limited proceeding rate increase. The utility's last rate proceeding was in Docket No. 120209-WS, and the Commission order approving the increase in water and wastewater rates was issued January 10th of 2014 in that docket.

The reasons the utility provided for filing this limited proceeding rate increase are to achieve revenues established in the prior Commission order that have not materialized due to declines in irrigation service in Pasco County and to recover costs associated

with capital projects in Marion, Pasco, and Seminole 000003 Counties.

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As you walked in, I think you were provided a copy of the Special Report. This packet has a lot of valuable information in it. We've got the docket number right at the very top of the page there. Any correspondence that you send in or any time you want to query this docket on our website, you're going to need to use that docket number.

The limited proceeding process, or LIMP, is an informal process that costs much less than going through to a formal hearing in terms of rate case expense, but it can also -- also be protested by an affected party.

Again, these customer meetings are an important way for staff to gather feedback from customers regarding the quality of the product delivered by a utility, the utility's interaction with its customers, comments on the proposed rate increase, and to answer any questions that any of you may have regarding this docket. It is the customers' night, not the utility.

And I see a couple of utility representatives are here this evening, and also J.R. Kelly and Erik Sayler from the Office of Public Counsel are also here.

There was a sign-up sheet at the door as you

were coming in. I think I've got about six names her 0.0004For the customers who do wish to speak tonight, we do ask that you sign in just so that we have your name and your address in case we need to get back with you. And the last sheet of your Special Report is a pre-addressed comment form that you can detach, fill out, and put a stamp on it and mail it in. It's already got the docket number on it in case you don't feel comfortable making comments, or if there's someone who couldn't be here, you can grab them an extra copy of the Special Report and they can make written comments.

The Office of Public Counsel is the advocacy group that advocates on behalf of the consumers before the Florida Public Service Commission. There's their 800 number and their website, Floridaopc.gov. You can contact the Commission's Consumer Affairs directly with the hotline there. That number is also in the Special Report, as well as our website, Floridapsc.com. That website is also in your Special Report.

Just a reminder that's tonight's meeting is being recorded. When you come forward to speak, please speak clearly into the microphone and please give us your name, your address, and please spell your last name.

With that -- and also if you'd be able to

FLORIDA PUBLIC SERVICE COMMISSION

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000005 identify for us whether you're from the Summertree 1 subdivision or Orangewood, that would be helpful for us. 2 3 All right. With that being said, the first name I have on my list here is Joe Mitchell. 4 MR MITCHELL: Good evening. My name is Joe 5 Mitchell, and I'm -- let me see if I can get this right. 6 7 My name is Joe Mitchell. I live at 11737 Boynton Lane, New Port Richey, Florida. My last name is 8 9 Mitchell. That's M-i-t-c-h-e-l-l. And I do live in the 10 Summertree subdivision and I am a member of the 11 Summertree Water Alliance in (inaudible). 12 First of all, I'd like to thank the Public 13 Service Commissioners and also the public service staff 14 for coming here to Pasco County today to address the 15 customers' concerns. This is a very important subject 16 to us, and we do thank you for coming and holding these 17 hearings in Pasco County. The thirst thing I would like to say is I also 18 19 agree with Senator Simpson, Representative Corcoran, 20 Senator -- Tax Collector Fasano, and the Water Alliance 21 and the Summertree residents' comments made earlier 22 today. You've heard a lot of testimony. And, you know, 23 there was a lot of things that were said, and I agree 24 with the majority of those statements. 25 The first thing I would like to address is in

Orangewood we have Well No. 13, and in the engineering⁰⁰⁰⁰⁰⁶ report it indicated that Well No. 13 was a very problem well, had a high iron content. And my question is, is if that well was so problematic, why was it allowed to be continued to be operating through these years? I would like to know who Summertree could contact to understand why that well stayed in operation and provided a lot of high iron content to all the residents.

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The second thing I would like to address is my water bill. I'm a single person living in a condominium. My water bill is \$50 a month for water and sewer for 1,500 gallons. My main objection to that is that the water -- you know, I don't drink the water and I don't even want to use the water, and I'm paying \$50 a month for that. How, you know, how would you feel about paying \$50 a month for water that you don't even want to use? It doesn't make any sense.

The next thing I would like to address is Corix. Corix is the name holder, from what I understand, of Utilities, Inc. Corix is worth over \$6 billion. It's a Canadian firm and it also operates in the United States. It operates energy, water, and sewer. They're the main corporation over Utilities, Inc., from what I understand. The shareholder of them

is British Columbia Investment Management Corporation.⁰⁰⁰⁰⁰⁷ They're primarily an investment firm out of Canada, and they're worth \$123 billion. Both of these companies --Utilities, Inc. is not a small company. Utilities, Inc. is, you know, they're operating as a small water system, but you've got corporations that are worth billions of dollars over them, and what they're doing is they're driving up the price to bring their investments back home to the investors. And the annual rate of return on British Columbia Investment Management Corporation's website is 14 percent return to their investors. How many, how many of us get 14 percent return on our investments?

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Recently, a teleconference call, John Hoy stated on the teleconference call with Public Service staff on the call, the Office of Public Counsel, Summertree Water Alliance, that he was tired of hearing how high Summertree's water rates were, and he compared it with FGUA. Well, who is FGUA? FGUA is the Florida Governmental Utility Association. FGUA bailed out the residents of Pasco County from Aloha, if you remember the name Aloha Utilities, and also Aqua Utilities. Both of those companies had severe water problems for many, many years just like Summertree, 25 years, many years of water problems and sever problems and rate problems. So

FGUA bails them out, and John is comparing Utilities, 000008 Inc.'s rates with FGUA. Does that make any sense? I'm just saying it doesn't. You know, these are problematic companies that had to be bought out by a governmental utility association to correct the problems.

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Let's see. What else? Utilities, Inc. just got a 1 percent rate increase in October, a passthrough. They just got a rate increase, 1 percent.

The next thing that I'm looking at, solutions. The first solution is to interconnect with Pasco County Utilities so we have clean water. That's the first solution to the problem.

The next solution to the problem is for the Public Service Commission staff, from what I understand, you can adjust the numbers to give Utilities, Inc. a zero rate increase, and that's what they deserve in this case. This is 25 years of continuous problems. Enough is enough.

The third thing is to have Utilities, Inc. sell to Pasco County. Now I know that you guys can't do that, that's a voluntary thing, but I hope, I sincerely hope that Scott Thomson, the president and CEO of Corix, is listening today, and I hope he urges Utilities, Inc. to sell at a reasonable price to Pasco County because that's what Summertree wants. That's what the community

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wants at this point.

The last thing, if the sale doesn't take place, then I would like to know from the PSC staff and the Public Service Commission how Summertree can pursue removing Utilities, Inc.'s license to operate in Summertree.

I appreciate your time and your consideration. And I'm sorry, you know, but I feel very strongly about this. Ann Marie has been working on this for ten years. We've had people in our community 25 years. Enough is enough. We have to find a solution to this problem. And Utilities, Inc. doesn't care. They say they care, but they don't. Thank you.

MR. MOURING: Thank you for your comments.
(Applause.)

Tom Warrick.

MR. WARRICK: My name is Earl Thomas Warrick, and I live at 11308 Clear Oak Circle, Summertree. My comments are similar to the gentleman that was before me. I couldn't talk as -- what he said is -- I agree with 100 percent. But I wanted to make sure that you realize the effort that we're trying to get clean, drinkable water.

I said earlier today that I have filters. I have every -- took every effort on my part to get clean,

drinkable water. I have a GE reverse osmosis that 000010 produces drinkable water. Now the reason why I'm bringing that particular filter up to you is the fact that it brings the water drinkable, very drinkable, clean water, but for every five pints that goes through the system, four of them get dumped into the sewage system drain and then we get a pint of water to -that's drinkable. Then we store that and we drink it.

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Each time that -- we have a particular faucet that we turn on. When that water comes on, it gives as a pint of water and it dumps four. That's the reason why my wife, when she was at the meeting this morning, she presented it this way, that our -- and she's very good about keeping bills. Our bills have been running for the last five months \$100 a month, over \$100 a month. So that's different than the \$50 that he was talking about. But I think it's strictly the fact that to produce drinkable, safe water, and then for washing, she does a double rinse, our water bill is just extremely high. And that's not right. It should not be that way.

Utilities, Inc. apparently doesn't care. If we get free and get Pasco water, I would like to see Utilities, Inc. completely out of it so that they weren't running it through them at all. Thank you for

listening to me, and thank you for coming to our 000011 establishment. (Applause.)

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MR. MOURING: Thank you. Walter Kehoe.

MR. KEHOE: Just a little footnote. My name is pronounced Kehoe, but my wife's maiden name was Hershaft (phonetic). And she said when she was a Hershaft, nobody ever misspelled or mispronounced her name. When she became a Kehoe, no one has ever said it right or spelled it right. So it's only five letters, but anyhow.

MR. MOURING: My apologies. I'm sorry.

MR. KEHOE: This morning when I spoke, I've got something I never got into: The service that the utility provides you when you have a problem. I got a high water bill, and I went around the house looking for leaks, looking for something, and I finally opened the door to the guest bathroom and I heard something like a "ssss." And I looked over by the sink and everything, and I found, when I lifted up the water tank, there was a leak somewhere. So I checked the flapper valve and I checked the flow valve, lifted that up, and it didn't go away.

I did notice at the base of the tank itself a collection of -- appeared to be sand. It was some sort of material that was down there. It was grit. So I got

out the instructions that came with this flow value that 0012 I had, and it tells you how to clean it out and flush it and everything else. And I took it apart and flushed it exactly as they said, put it back in there, and it still didn't work. It still leaked. So I called in the people from Utilities of Florida to help me out.

I scraped all the sand out of the bucket and I put it in a plastic container to show them what was in there. I showed them the inside of the -- the float valve that contained all the sand and stuff like that. And what was happening was, what he determined, is that the flow valve was not seating. It was not seating because sand got in there. So much sand got through it -- well, not necessarily sand, bodies of some sort, and the seat valve was not seating. So on top of it destroying our pipes and everything else with the chemicals that are in it, it's also physically holding us hostage by holding valves open and creating more revenue for them because it's more -- the water is constantly leaking. They would not make any recompense to me for the lost monies that I had for this valve leaking caused by the deposits that are in their water system. So for that I, you know, I'm very unhappy with the service.

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And the fellow that came to service it went

outside, he opened up the valve, he took my sand bucker and bucker and bucker and bucker and bucker and bucker and bucker bucker and then he shook it out and made sure it was all rinsed out, and then he flowed water into it. And then he poured that into a test bottle he brought with him and said, "That's water is perfectly clear. It's not in our system."

Well, the distance between my toilet tank and the water valve outside is five feet. He told me that the cause of this stuff that was in my tank was the pipes were corroded. These are copper pipes. And I was in construction for over 50 years, and the only pipes in the New York, anyway, that ever broke down were iron pipes. Copper pipes last for hundreds of years. So I say that's impossible. Number one, if it was copper oxide, it would be green. It wouldn't have been brown, it wouldn't have been tan or something like that. It would not be like a -- it would be a green from the oxide. So he -- I couldn't convince him, he couldn't convince me, and that's where I left it, with utilities getting my additional revenues and me getting nothing, no satisfaction.

What I started to find out when I checked my filter, I had replaced that float valve about three different times only thinking that the product was inferior, not that the material that was flowing through

FLORIDA PUBLIC SERVICE COMMISSION

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So they're deceitful; they have a party line, so to speak; they all say the same thing. It's you, not them ever.

And so that's -- I also had a problem with them when I asked to have my water shut down. Years ago they used to have a cap that went over the valve that you couldn't turn it, you couldn't -- nobody could access it. For some reason we have people that do maintenance in and around the area, and when they need water, they don't care where they get it, from whose or what. The nearest bib that they can find, they hook a hose up to it. If it's shut off, they just turn it on. If it's locked off, they force the lock. And if it's -the old type you couldn't force the lock because the handle was sealed. Now they don't even do that. They take a tie wrap around the handle. You are charged \$15 for them to do that and a monthly charge for the service being shut off that you're not even using. They're getting revenues from you for not using water.

So nothing is in our favor from Utilities, Inc. in Florida. They are a multibillion dollar corporation, and they're taking advantage of senior citizens whose only request they ask for is clean water and we don't ask too much. And that's (unintelligible).

So thank you very much for spending the day 0000151 with us and your understanding. We're emotional because 2 3 we're involved in it. Thank you. 4 MR. MOURING: Thank you, sir. (Applause.) 5 Laurie Tyree. Laurie. 6 7 MS. TYREE: Good evening. I actually have some documentation I'd like to give you. Thank you. 8 9 MS. CRAWFORD: Can I have an extra for --10 MS. TYREE: Sure. 11 MS. CRAWFORD: Thank you. 12 MS. TYREE: You're very welcome. 13 Good evening. My name is Laurie Tyree. I 14 live on Flintwood Drive in Holiday, Florida. I'm part 15 of the Orangewood area. And I just have a brief 16 statement here. 17 Good evening. I'd like to thank you for allowing us to come speak to you today. I do live in 18 19 Holiday, Florida. I'm a Pasco County high school 20 teacher. The first attachment that you see in the 21 packet that I gave you is from Rose Hanniford 22 (phonetic). Rose is unable to be here today because she 23 has a very painful form of cancer, so, therefore, I'm 24 here speaking on her behalf as well as my own. 25 We are shocked that the Florida Public Service FLORIDA PUBLIC SERVICE COMMISSION

Commission is entertaining another water rate 000016 increase -- and not a small rate increase, an increase of 27.5 percent. In November of 2000, Ms. Rose paid a sewer rate of \$10.98. Today we pay a sewer service rate of \$43.08. This is in 17 -- 16 years. There are quite a few of those examples in the attachments that were provided. And I'm not going to waste the Commission's time going through all the numbers; however, I feel the need to remind the Commission that the water is a monopoly. I have no choice in this supposed free market system. I live it. I depend on the Commission to protect my interests.

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Utilities, Inc. has already received price increases. My neighbors nor I are receiving any clear benefits for the price increases we have incurred in the past. Many of us still find it necessary to purchase drinking water from outside sources. Sometimes the smell of the chlorine alone is overwhelming, and the color of the water is yellow.

Last summer I had a water meter problem. My bill had gone up like three months in a row, and I was very upset. I went out, I took all kinds of readings, I kept daily logs. Utilities, Inc. came, they cleaned the water meter. They took off the water meter, they cleaned it. They flipped it upside down and my water

went down \$25 a month. Well, I never received a rebate 00017 for the three months that I overpaid \$25 month.

And they said, no, that it was my fault and that other people must have been living with me. But I will tell you that no one was.

As far as service, the neighborhood has had a lift station alarm go off on the weekend at the end of the street. We called the service number and no one comes. We listened to it all weekend and wondered what is going on. Unfortunately, this has happened on more than one occasion. And no one has seen any pipe replacement on our road, including my neighbors who have lived there since 1973. Utilities, Inc. has not upgraded any of the 43-plus-year-old pipes in our neighborhood.

At one point in time Utilities, Inc. stated they needed at least a 7 percent rate of return on their investment. Social security will not give seniors a 7 percent pay rate increase, never mind a 27 percent increase. My savings account provides me a rate of return of less than 1 percent. And a pay raise for teachers this year -- well, the union told us today not to get our hopes up.

The Commission has an obligation to protect consumer interests. We trust you to do that. I want to thank you very much for your time, and have a lovely

FLORIDA PUBLIC SERVICE COMMISSION

evening. (Applause.)

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MR. MOURING: Thank you. Frances Kranick. MS. KRANICK: Yes. My name is Frances Kranick, K-r-a-n-i-c-k. I live at 11348 Windstar Court, New Port Richey, Florida in Summertree. I feel Utilities, Inc. does not deserve a rate increase. If anything, they should be giving us a rollback of rates.

The water quality is terrible. I constantly have to change the whole house filter on my water system. We constantly also have to flush our hot water heater, and we also have to change the coils in the refrigerator, which are all pink with contaminants in it. And if you run water in the refrigerator, you end up with all floaties in your water -- it's disgusting -aside from what the water tank looks like in the bathrooms.

I feel they haven't done anything to improve the system within Summertree at all, and I certainly don't think they deserve a rate increase of any kind. If anything, there should be a rollback of rates. And I think we really need to join up with Pasco County water.

When I moved there, I did not realize that it was a private utility. I came from Timber Oaks, New Port Richey, and had Pasco County water, which was excellent for drinking, bathing, everything. Aside from

the fact when we first moved into Summertree we had a 0000191 high content of arsenic in it, which we couldn't use 2 that water. And also I had small grandchildren visiting 3 4 me that I had to worry about even as far as bathing. Thank you. (Applause.) 5 MR. MOURING: Thank you. Kristi Bisbee. 6 7 She got a phone call and had to SPEAKER: leave. She had some comments about the quality of the 8 9 service and her quality of water products, some issues 10 with it, so --11 MR. MOURING: Okay. So just for the record, 12 she had to take a phone call, but she had issues with 13 the water quality; is that right? 14 SPEAKER: Yes, the color, taste, smell. 15 MR. MOURING: Color, taste, smell. Okay. 16 Thank you. And I think the last name I have here is Brian 17 Goff, an aide to Representative Amanda Murphy. 18 19 MR. GOFF: Thank you, and thank you for your 20 attention today, for being here through this morning 21 through now. So on behalf of myself and Representative 22 Murphy, I want to thank you guys for taking the time and the patience and the diligence that you guys do --23 SPEAKER: Move the mike. 24 25 MR. GOFF: -- day in and day out. I had the FLORIDA PUBLIC SERVICE COMMISSION

fortune of talking with Ms. Bisbee before she left, an00020 so I want to reiterate her concerns with the quality of water, not just the smell or the taste, but just across the spectrum. I talked to her for a couple of minutes, and she told me about how it's -- the burden of having to pay for this water that is mostly unusable and then going out and buying bottled water as well, that she couldn't believe that she had to show up here today to speak against a rate increase. And so when she had to leave, I told her that I would gladly bring her comments forward to you.

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On behalf of Representative Murphy this morning, we spoke out. We don't represent the Summertree area, but we're concerned with what they have to go through. We do represent some of the Orangewood customers in Holiday.

She first ran for office in 2013. This wasn't an issue that we were overly familiar with at the time. But, you know, door to door, time and time again we were told by the citizens about how they couldn't drink their water, they couldn't bathe with it, and they begged us to come inside and see and pour us a glass and show us just how bad this water was. It was one of the issues that she tackled right away when getting elected. She tried to work with Senator Simpson in past legislation

to address this and to help the residents of Summertree⁰⁰⁰²¹ and the customers of Utilities, Inc. And if you had told us then that three years later we'd still be hearing the same complaints, the same situation, the same company that has complaints across the country with their customers would be back here asking for a rate increase again today, we would have laughed and said that there's no way that this could be possible, that this would be allowed to go on. But, sadly, here we are today.

And so on behalf of Representative Murphy, we ask that no rate increase is put forward at any point until these issues with the water quality and their lack of open or transparent communication with their customers is fixed. These citizens should not have to go on bearing the burden of the bad decisions of one company that they don't have a choice to participate with. So thank you for everything you guys are doing. Thank you for allowing me the opportunity to speak today. (Applause.)

MR. MOURING: Thank you. That was the last name I had. Is there anyone that would like to speak that did not sign up to speak at this time?

All right. Seeing none, I do want to thank everybody again for taking the time to come out here.

FLORIDA PUBLIC SERVICE COMMISSION

1	Your comments are very important to us. I think we've 000022		
2	got a strong record that we've built from this from		
3	these customer meetings. We appreciate your comments		
4	very much. And I think with that, we are adjourned.		
5	Thank you all.		
6	(Applause.)		
7	(Customer Meeting adjourned.)		
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1	STATE OF FLORIDA) 000023
2	: CERTIFICATE OF REPORTER COUNTY OF LEON)
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4	I, LINDA BOLES, CRR, RPR, Official Commission
5	Hearings Reporter, Hearing Reporter Services Section, Office of Commission Clerk, do hereby certify that the foregoing proceedings were transcribed from digital
6	recording to the best of my ability.
7	I FURTHER CERTIFY that I am not a relative, employee, attorney, or counsel of any of the parties,
8	nor am I a relative or employee of any of the parties' attorneys or counsel connected with the action, nor am I
9	financially interested in the action.
10	DATED this 26th day of April, 2016.
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12	
13	Linda Boles
14	LINDA BOLES, CRR, RPR
15	Official FPSC Hearings Reporter (850) 413-6734
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