

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 160101-WS

APPLICATION FOR INCREASE IN
WATER AND WASTEWATER RATES IN
CHARLOTTE, HIGHLANDS, LAKE, LEE,
MARION, ORANGE, PASCO, PINELLAS,
POLK, AND SEMINOLE COUNTIES BY
UTILITIES, INC. OF FLORIDA.

_____ /

PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 2

COMMISSIONERS
PARTICIPATING: CHAIRMAN JULIE I. BROWN
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER ART GRAHAM
COMMISSIONER RONALD A. BRISÉ
COMMISSIONER JIMMY PATRONIS

DATE: Tuesday, November 1, 2016

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: ANDREA KOMARIDIS
Court Reporter and
Notary Public in and for
the State of Florida at Large

PREMIER REPORTING
114 W. 5TH AVENUE
TALLAHASSEE, FLORIDA
(850) 894-0828

1 P R O C E E D I N G S

2 CHAIRMAN BROWN: Moving -- all right. We're
3 going to circle back to Item 2. And I do believe
4 we have some -- a few customers that we just got
5 notice that they would like to address the
6 Commission. And we'll start with them first, but
7 let's let folks settle in.

8 Commissioners, I will note that there was an
9 oral modification that was passed out earlier. So,
10 I hope you all have a copy of that. If you don't,
11 please speak up.

12 We'll start with staff introducing the item
13 and then we'll go to the customers who are here to
14 address us.

15 MS. NORRIS: Thank you. I just wanted to make
16 sure we had one additional handout we just passed
17 around, just to make sure everybody got that
18 additional handout.

19 CHAIRMAN BROWN: Okay. I have a copy of it.
20 Commissioners, you have a copy of it?

21 COMMISSIONER GRAHAM: Yes.

22 CHAIRMAN BROWN: All right. Parties, do you
23 have a copy of that? Yeah.

24 Mr. Friedman, you have a copy of that?

25 MR. FRIEDMAN: (Unintelligible.)

1 CHAIRMAN BROWN: Okay.

2 MS. NORRIS: (Examining document.) Sorry.

3 Amongst all the copies, I have my intro here.

4 CHAIRMAN BROWN: It's okay. And I will note
5 to our staff, I do not have a timer. My computer
6 is not working up here. So, if you could, please
7 make sure that the timer is set to three minutes.
8 Thank you.

9 All right. And you have the floor whenever
10 you're ready.

11 MS. NORRIS: Okay. I apologize. I'm trying
12 to -- Item 2 is staff's recommendation regarding
13 the interim rate increase for Utilities, Inc. of
14 Florida. And I apologize. I'm trying -- my intro
15 got lost within all the additional copies.

16 CHAIRMAN BROWN: You can wing it.

17 MS. NORRIS: And so, I'm just going to -- yes.

18 And additionally, I would like to mention that
19 Issue 5 is a petition -- unopposed petition for
20 rule waiver that staff is recommending approval of.
21 And staff is recommending a total rate increase --
22 interim rate increase --

23 CHAIRMAN BROWN: Would you like a brief break?

24 MS. NORRIS: Yes, that would be fine. Yes.

25 CHAIRMAN BROWN: Okay. Let's take a five-

1 minute break.

2 MS. NORRIS: Thank you.

3 CHAIRMAN BROWN: And we will reconvene in five
4 minutes. Thank you.

5 (Brief recess from 1:59 p.m. to 2:05 p.m.)

6 CHAIRMAN BROWN: Okay. We will reconvene the
7 agenda conference. I want to thank everybody in
8 the audience for the brief -- allowing us to take a
9 brief break. And I -- I believe Ms. Norris now has
10 her notes.

11 MS. NORRIS: Yes. I apologize. I got mixed
12 in between copies.

13 CHAIRMAN BROWN: I've seen you wing things
14 before, though, and you do a fine job.

15 (Laughter.)

16 MS. NORRIS: Yes.

17 Good afternoon. I'm Amber Norris with
18 Commission staff.

19 Item No. 2 is staff's recommendation to
20 suspend the final requested rates of Utilities,
21 Inc. of Florida and to approve a total interim rate
22 increase of \$348,309 to the requested water
23 systems, and \$209,440 for the requested wastewater
24 systems.

25 For systems that appear to be earning above

1 their maximum return on equity, staff recommends
2 that revenues totaling \$530,908 should be collected
3 subject to refund with interest. And each of these
4 systems should continue collecting current rates.

5 Issue 5 addresses an unopposed petition for
6 rule -- rule waiver by the utility. Staff
7 recommends approval of the rule waiver.

8 Utility, Inc. of Florida is a Class A utility
9 providing water and wastewater service to 27
10 systems in the following counties: Charlotte,
11 Highlands, Lake, Lee, Marion, Orange, Pasco,
12 Pinellas, Polk, and Seminole.

13 As a result of a recent corporate
14 reorganization and name change, UIF is a sole
15 surviving corporation that owns and operates the
16 water and wastewater systems that are the subject
17 of this rate application -- rate case application.
18 In 2015, UIF had approximately 34,000 water
19 customers and 32,000 wastewater customers of its
20 combined systems.

21 Although the Commission has received numerous
22 complaints regarding the utility's final rate
23 increase, staff is not aware of any comments
24 specific to the utility's interim rate increase.

25 As Chairman mentioned earlier, staff has an

1 oral modification that has previously been provided
2 to the Commissioners and all parties. The utility
3 and its representatives are present as well as the
4 Office of Public Counsel. And OPC has requested
5 the opportunity to address the Commission, as well
6 as several customers.

7 Staff is prepared to answer any questions that
8 you may have.

9 CHAIRMAN BROWN: Thank you so much.

10 And so, what we would like to do now is take
11 input from customers. And then we'll go back --
12 circle back to the parties.

13 So, the first customer that I have on my list
14 here is Ms. Terry Copen- -- Copen- -- I did this
15 last time, Copen-haf-er -- hoff-er; is that
16 correct?

17 MS. COPENHAFER: Terry Copen-hay-fer.

18 CHAIRMAN BROWN: Gosh. Hay-fer, hay-fer. I
19 can try with your husband.

20 MS. COPENHAFER: Thank you.

21 CHAIRMAN BROWN: Welcome, again. Thank you
22 for coming up here and -- to Tallahassee. And
23 appreciate you -- you know, your input. So, you've
24 got the floor.

25 MS. COPENHAFER: Okay. Thank you very much.

1 My name is Terry Copenhafer. I reside at
2 12137 Loblolly Pine Drive, New Port Richey, Florida
3 34564. I want to thank you for the opportunity to
4 speak before the Commissioners and staff today.

5 I am a retired IRS employee, currently
6 Summertree Water Alliance Task Force member, vice
7 president of the Summertree recreational facility,
8 secretary of the Fairways Board, and practitioner
9 of holistic health.

10 Our residents in other counties are not going
11 to be happy with these rate increases. Firstly,
12 they have little knowledge of the rest that --
13 requests that are going to be granted.

14 Secondly, they will not understand how a
15 company can get away with not accept- -- having
16 acceptable rates and services, still be granted an
17 increase. How do we explain this? The math does
18 not add up. The ethical issues with customer
19 satisfaction constitutes elder abuse.

20 If these requests are going to be granted, the
21 requests should be reduced due to their records.
22 That being said, I am here today to try to get a
23 better understanding in regard to an application
24 for increased rates filed August 31st,
25 Document No. 07184-16. This document impacts

1 several communities countywide as well as our own.

2 In reviewing several other requests for
3 consideration in Sections E, Page 5, to recover all
4 expenses that the utility will incur on an ongoing,
5 forward basis utilizing an historic test year, how
6 do we interpret the terminology?

7 For example, Question 1, in Section E,
8 Paragraph 1, Sentence 3: The revenue which the
9 company requests should be adjusted to incorporate
10 the repression and the customer usage as a result
11 of rates established in this case in accordance
12 with the standard mythology [sic] as used --
13 utilized by staff.

14 Question No. 2: Note on Page 6, in accordance
15 with Public Service Rule 25-22.047(2), the MRFs
16 [sic], minimum filing requirements, when accepted
17 by the Commission can be obtained from the utility
18 upon request.

19 Can the staff please help us to understand
20 these requests? We have a need and a right to
21 understand these documents. As a customer and a
22 concerned consumer, I object to the rate increase
23 and request a meeting with all the concerned
24 citizens and staff to better understand the
25 requests that are being made by UIF. Please help

1 us to educate ourselves with your knowledge so we
2 can comprehend our future with this company.

3 Thank you.

4 CHAIRMAN BROWN: Thank you. Thank you for
5 your -- your in- -- your customer input.

6 Commissioners, any questions?

7 Thank you. And we have your written letter,
8 which will go in the docket file.

9 MS. COPENHAFFER: Thank you.

10 CHAIRMAN BROWN: Thank you so much.

11 Moving to Mr. Wilber Copenhafer -- gosh, did I
12 do it right, Copen-hoff-er? Welcome.

13 MR. COPENHAFFER: Good afternoon. My name is
14 Wilber Copenhafer. And I reside at 12137 Loblolly
15 Pine Drive, New Port Richey, Florida.

16 I'm a retired civil engineer and CEO of a 250-
17 person engineering and architectural firm, George
18 Butler Associates, located in Lenexa, Kansas. I
19 was a responsible for a majority of the water and
20 wastewater projects designed by the firm between
21 1969 and 2005. I am here today as a member of the
22 Summertree Water Alliance Task Force.

23 At the previous Public Service Commission
24 meetings that we attended, we asked that Summertree
25 residents be provided clean drinking water at a

1 fair price. Presently, Summertree is obtaining
2 clean drinking water upon completion of the
3 interconnection of the Summertree and Pasco County
4 water systems.

5 Now, we need to obtain the water at a fair
6 price. A fair price would allow a reasonable
7 profit for the provider at an affordable price to
8 the customers.

9 One challenge that we have is that the
10 Utility, Inc. of Florida has a monopoly and does
11 not have any incentive to control costs since the
12 utility's profits are based on these costs.

13 The residents of Summertree have no ability to
14 purchase their water and sewer services from anyone
15 but Utilities, Inc. of Florida. So, the residents
16 pay whatever they are billed for water and sewer
17 services.

18 It appears that the only opportunity for
19 Summertree residents to obtain and maintain
20 affordable rates is for the Public Service
21 Commission to stringently assess Utilities, Inc. of
22 Florida's rate request.

23 Thank you for your time and consideration.

24 CHAIRMAN BROWN: Thank you very much for your
25 public comment.

1 Commissioners, any questions?

2 Thank you, again, for coming up here.

3 MR. COPENHAFFER: Thank you.

4 CHAIRMAN BROWN: Our next customer appearing
5 is Lorraine Mack.

6 Good morning -- afternoon.

7 MS. MACK: Good afternoon. Madam Chair,
8 Commissioners and staff, it's nice to see you
9 again. My name is Lorraine Mack, 11913 Bayonet
10 Lane, New Port Richey, Florida.

11 I'm a member of the Summertree Water Task
12 Force. I also would like to give you a little bit
13 of my background. I am a bookkeeper. I have
14 worked for a synagogue in New York, Long Island,
15 for 23 years.

16 I went to work -- came to Florida, went to
17 work and -- for Pasco County Government Center
18 through Public Works and the Office of Management
19 and Budget. I am now retired.

20 I am addressing Issue No. 3 on what is
21 appropriate interim wastewater rates -- the UIF
22 Pasco wastewater system's proposed increase of
23 21.49 percent. We contacted Pasco County utility
24 director on Friday, October 28th, to confirm that
25 there are no intended increases in the UIF's bulk

1 wastewater agreement.

2 So, how does the staff justify this approved
3 interim rate increase? Can staff please explain it
4 to me? See the attached schedule.

5 Thank you.

6 CHAIRMAN BROWN: Thank you, Ms. Mack. And we
7 will get into addressing your comments when we get
8 back to the Commission Board.

9 MS. MACK: Okay. Thank you.

10 CHAIRMAN BROWN: Thank you.

11 Next speaker is Ms. Ann Marie Ryan.

12 Ms. Ryan, how many times have you been up to
13 Tallahassee?

14 MS. RYAN: I don't know. I think I'll be
15 needing an apartment up here.

16 (Laughter.)

17 CHAIRMAN BROWN: It's nice to see you.

18 MS. RYAN: Thank you very much.

19 Well, good afternoon, Madam Chair,
20 Commissioners, and staff, and guests. I'm here
21 today as the leader of Summertree Task Force and
22 community to express our disappointment with the
23 PSC's staff recommendation to approve interim rates
24 and to authorize UIF to collect water and
25 wastewater revenues as indicated in Item 2.

1 Summertree has consistently made efforts to
2 acquire clean water at affordable rates for the
3 past ten years. And we feel that UIF has
4 continually given us rate increases.

5 We finally started our installation for the
6 Pasco interconnect. And we'll be getting a 5 1/2
7 percent increase as the result of the bulk water
8 agreement.

9 We just re- -- now, here we stand 30 days
10 later in front of you with yet another rate
11 increase. Based on 300 -- based on 3,000 gallons,
12 our interim will be \$82.6. Based on UIF's final
13 request, it will \$94.43. An increase -- if you
14 take the 27.68 between the water and the
15 wastewater, and the 5 1/2 percent from the bulk
16 water agreement, it's a 33 percent increase.

17 I'll go into this a little bit further.
18 Lorraine Mack had explained to you just a little
19 while ago that we checked with the Pasco County.
20 There has been no increases in 11 years, nor did
21 they intend to see one in the future. We don't
22 think that that's fair.

23 We cannot -- if Utilities, Inc. cannot manage
24 to supply Summertree Water at the reduced volume
25 that we need -- because we reduced our water

1 consumption in order to afford the interconnect --
2 then we feel that UI should move out of our
3 community.

4 We do not feel that it's right for them to
5 turn around -- we feel this is a punitive -- that
6 they have chosen this path as a punitive method to
7 recuperate the lost revenue.

8 Additionally, it's come to our attention that
9 the reason why it's been mentioned by staff that no
10 one is here from other communities is that none of
11 the other community members have been -- no other
12 community has been notified by the PSC or by
13 Utilities, Inc. that this particular proceeding is
14 taking place. We don't normally get any
15 information on these kinds of venues until we get
16 the finalized version. And it will be mailed to us
17 in two weeks.

18 I think that since there are -- and I also
19 wanted to mention that on Chart 3 on Page 6, it
20 mentions that there are -- there appears to be
21 seven systems that are over-earning on their ROE
22 for total of 530,090 -- \$908. That's a half a
23 million dollars in excess that they have been
24 getting.

25 And why does this happen? It happens often.

1 And who benefits from --

2 CHAIRMAN BROWN: Ms. Ryan, I don't mean to cut
3 you off, but I'm going to give you an additional
4 two minutes --

5 MS. RYAN: Oh.

6 CHAIRMAN BROWN: -- as the leader of the
7 Summertree Water Alliance, as we have done in the
8 past. So, please continue.

9 MS. RYAN: Thank you.

10 Okay. Well, the reason for me bringing up the
11 other communities is it seems to me that, if this
12 company has issues with us individually and -- as
13 we do our research, we find this is happening
14 across the state. And since these other people
15 can't be here, I'm -- I -- thank you for the time.
16 But there's seven -- there's seven communities that
17 have been overcharged half a million dollars.

18 I also have listed that Marion County is being
19 raised 17.02 percent -- 50 percent for water,
20 61 percent for wastewater. They are not here.
21 They don't know this is happening. That's
22 unconscionable.

23 Obviously, with these kinds of things, I think
24 that a string- -- a more stringent review of their
25 practices needs to be put into place. We believe

1 the staff should not recommend that the Commission
2 approve the interim rates as written when there is
3 poor management practicing, resulting in inferior
4 water and wastewater services, causing our
5 customers excess rate increases.

6 UI is a business. They should be held
7 accountable to provide us with a product and a
8 service as required. They should not be subsidized
9 by the customers to have to pay for increasing
10 water and wastewater rates when they don't provide
11 the services that they should provide.

12 We do believe, ongoing, that the lack of
13 transparency and accountability on to the present
14 proceedings makes us very suspect of the future.
15 There are no consequences for UI for continual
16 accounting errors. Between your office, staff, and
17 OPC, they constantly find errors. But there's
18 never any consequences or even reprimands for what
19 they do.

20 And in closing, our grave concern is that 66
21 residents in 12 counties, once we get into this,
22 won't get information or resolutions on ongoing
23 problems once this consolidation takes place.

24 CHAIRMAN BROWN: Thank --

25 MS. RYAN: We thank you for your time.

1 CHAIRMAN BROWN: Thank you for your customer
2 input. And I have a question for you, since we
3 have you here. Curious about the interconnection
4 and the development that is occurring in Pasco
5 County. Now, you said the project has begun?

6 MS. RYAN: Yes. We have an amazing company.
7 I think if everybody worked with the diligence of
8 this company, this country would be in great -- in
9 great, you know, care.

10 CHAIRMAN BROWN: Do you know when they're
11 going to complete the interconnection?

12 MS. RYAN: They're working every day. They
13 even worked on Sundays. So, it's a 30-day project
14 that we gave them, I think, 120 days to do.
15 They're really working hard. So, I don't know what
16 the deadline is, but we're delighted with the
17 process.

18 CHAIRMAN BROWN: Thank you. And with regard
19 to notification, you talk about lack of
20 transparency and that some of the other folks
21 that -- were not noticed throughout the service
22 territory.

23 How were you notified about this proceeding?

24 MS. RYAN: Well, because we were involved in
25 these rate cases -- we would never -- we never knew

1 what this process was. We never knew where to
2 look.

3 We've been in touch with Cypress Lakes. They
4 were infuriated that we don't know any of these
5 things. We always come in at the end of the
6 process rather than in the middle. And I think if
7 we were informed sooner, I think the process might
8 go better.

9 CHAIRMAN BROWN: Thank you.

10 Commissioners, any other questions?

11 Thank you, Ms. Ryan, for your testimony.

12 MS. RYAN: Thank you for your time.

13 CHAIRMAN BROWN: Thank you.

14 All right. We're going to circle back to the
15 utility now. Mr. Friedman, would you like to
16 address the Commission now or wait until Public
17 Counsel has given -- been given an opportunity to
18 speak?

19 MR. FRIEDMAN: I would prefer to wait for
20 Public Counsel.

21 CHAIRMAN BROWN: Okay. Sounds good.

22 Ms. Christensen, welcome.

23 MS. CHRISTENSEN: Thank you. And good
24 afternoon, Commissioners. Following up briefly on
25 the comments of the customers from Summertree, we

1 have some comments regarding the calculation of
2 interim rates and things we want to ensure are
3 clear before we proceed.

4 The interim statute, 367.082 Sub 2A and 5,
5 require the establishment of interim rates
6 sufficient to earn at the minimum of the last
7 authorized rate of return on equity. This requires
8 the use of a historic test year with adjustments to
9 bring the earnings up to the minimum of the last
10 authorized rate of return.

11 In this case, the historic test year is year-
12 end December 31st, 2015. And each of the nine
13 systems included for the interim rate increases has
14 received Commission-approved increases in 2016 for
15 price indexes, pass-throughs, and limited
16 proceedings. Three of those systems have had
17 limited proceedings approved in 2016: Marion
18 County, Pasco County, and Seminole Counties.

19 The Marion and Pas- -- Seminole County systems
20 have had limited proceedings that had increases
21 which took in effect August of 2016. The Pasco
22 system, which I think the Commission heard, just
23 recently was approved, but that has not yet taken
24 effect.

25 Now, we believe that the staff recommendation

1 has correctly applied the interim statute and has
2 calculated the interim increase -- increases based
3 on the historic 2015 test year and applies the
4 interim increases to the rates in effect at the end
5 of that test year.

6 This effectively drops off all increases for
7 indexes, pass-throughs that were incurred in 2016,
8 as well as the August 2016 limited-proceeding
9 increases for Marion and Seminole systems. We ask
10 that any Pasco County system interim rate increase
11 be calculated and be applied in the same manner.

12 If Pasco, Marion, and Seminole 2016 rate
13 increases were allowed to take effect on top of an
14 interim increase, this would be a problem because
15 the interim increase is calculated using that
16 December 31st, 2015, historic test year.

17 And it would, in a sense, thwart the purpose
18 of the interim statute, which is to bring the
19 utility up to the minimum of its rate of return for
20 interim purposes and, thereby, would give a
21 windfall at the customer's expense.

22 So, in a nutshell, OPC believes that the Pasco
23 County system 2016 limited-proceeding increase
24 should not be allowed to take effect if the
25 Commission approves the interim rates for the Pasco

1 County system.

2 And this would be consistent with the staff's
3 recommendation. And we would also like to note for
4 the record that we support the staff's
5 recommendation regarding holding the over-earnings
6 subject to refund as well.

7 CHAIRMAN BROWN: Thank you, Ms. Christensen.
8 Just a clarification question on your request.

9 MS. CHRISTENSEN: Certainly.

10 CHAIRMAN BROWN: You said -- you talked about
11 the pass-throughs, though, that that had been
12 approved and the indexes that have occurred in
13 2016, but you're really just requesting the 2016
14 limited proceeding to be stayed or --

15 MS. CHRISTENSEN: Well, I think specifically
16 it's the Pasco County increase that was just
17 approved recently. The other two limited
18 proceedings had taken effect. And we can take a
19 look at the interim rate calculations and see those
20 were done correctly. And those aren't applying --
21 the interim rates, the way the staff has done them,
22 is bringing them up to the minimum of the range.
23 And it's not adding additional costs on there.

24 What we're concerned with is the Pasco County
25 interim rate is calculated in this recommendation

1 such to bring it up to the minimum of the range.

2 Well, if they, on top of that, add in the --

3 CHAIRMAN BROWN: Inner --

4 MS. CHRISTENSEN: -- rate, yeah --

5 CHAIRMAN BROWN: Limited proceeding --

6 MS. CHRISTENSEN: -- the rate increase that
7 you just approved, that would be bringing them
8 above the minimum of the range. And we think that
9 that's contrary to the purpose of the interim
10 statute. And I think they can have one or the
11 other, but not both.

12 CHAIRMAN BROWN: So, in the alternative, since
13 that proceeding was already approved and, I
14 believe, a final order has been issued by the
15 Commission, do you have an alternative proposal?

16 MS. CHRISTENSEN: I think you have already --

17 CHAIRMAN BROWN: Administrative finality has
18 kind of occurred in that regard. Is there another
19 alternative that the Public Counsel proposes?

20 MS. CHRISTENSEN: Well, I'm not sure -- to
21 answer your question, regarding administrative
22 finality, I think in Reedy Creek, the Supreme Court
23 recent- -- allowed the Commission to alter its
24 order for -- to correct a problem that had happened
25 within two months of the final order being issued.

1 So, I think that it's within the Commission's
2 discretion, if it's a recent order, and it hasn't
3 passed on through to administrative finality.

4 But if the Commission is concerned about that,
5 then I think the Commission could craft this order
6 such that, if and when they implement the Pasco
7 County increase, that interim rates be adjusted so
8 that -- or such that it would be only up to the
9 minimum of their last authorized range. So, in
10 effect, they would be in the same position that
11 they would be today. So, I think it can be done
12 that way as well.

13 CHAIRMAN BROWN: Okay. Before we go -- move
14 on to the utility, I'm going to -- we've got a
15 Commissioner who has a question.

16 Commissioner Edgar.

17 COMMISSIONER EDGAR: Thank you, Madam Chair.

18 And maybe it's just me, so I apologize if it
19 is. I'm a little confused -- if I may. My
20 understanding from staff at our briefing was that
21 an order had not yet been issued on this item from
22 the previous Commission decision. So, I guess
23 that's the first thing I would like to clarify for
24 my understanding of how we are situated today.

25 MS. NORRIS: I think it was just re- -- as of

1 recently in this past week that the PA order came
2 out -- the final order, I'm sorry. Yes --
3 yesterday, is that -- yes.

4 COMMISSIONER EDGAR: Okay.

5 MS. NORRIS: So, very, very --

6 COMMISSIONER EDGAR: So, in my briefing on
7 Friday, when I was told it had not come out yet --
8 and that's okay. I mean, that's --

9 MS. NORRIS: We're just surprised --

10 COMMISSIONER EDGAR: So, it came out
11 yesterday.

12 MS. NORRIS: Right.

13 COMMISSIONER EDGAR: Okay. Okay. So, if I --
14 if I may -- all right. That helps me because the
15 most-recent information I had --

16 MS. NORRIS: Right.

17 COMMISSIONER EDGAR: -- was Friday. So, I'm a
18 little behind the times, apparently. I'll try to
19 catch up.

20 Ms. Christensen, with that understanding,
21 which is clarification for me, then what is it that
22 you are wanting to -- and I know you laid it out,
23 but if you would, again --

24 MS. CHRISTENSEN: In essence, what we're
25 asking for is that, consistent with the interim

1 statute, they're supposed to have rates designed to
2 bring them up to the minimum of their last
3 authorized range.

4 COMMISSIONER EDGAR: Right.

5 MS. CHRISTENSEN: And I think there's a number
6 of ways you can get there. They can forgo the
7 limited-proceeding increase and enact interim
8 rates, which is what's being done for Seminole and
9 Marion County, even though they had limited
10 proceedings done that took effect earlier this
11 year. And that would be consistent with what has
12 been recommended in -- in the order.

13 COMMISSIONER EDGAR: Okay. But if I may --
14 and I apologize for interrupting, but just so I'm
15 clear --

16 MS. CHRISTENSEN: Yes.

17 COMMISSIONER EDGAR: What would that have to
18 do with the order that was issued yesterday?

19 MS. CHRISTENSEN: It -- let me let
20 Ms. Vandiver speak to that because she was --
21 participated in both of those dockets.

22 MS. VANDIVER: One thing I would like to point
23 out, too, is the order that was issued just
24 yesterday was based on totally different revenues
25 than what these interim revenues will bring in.

1 So, we --

2 COMMISSIONER EDGAR: Yes, that's why I'm a
3 little bit confused.

4 MS. VANDIVER: Right. So, we don't believe
5 that that order is applicable anymore because this
6 is going to supersede that order when you issue the
7 interim order because it's based on a totally
8 different set of facts. And you can't do both.
9 You just can't do both.

10 COMMISSIONER EDGAR: Okay. I'm not sure I
11 agree with that, but -- but that does help me
12 understand, you know, the argument that you're
13 presenting. So, I appreciate that.

14 MS. CHRISTENSEN: Right. And -- and I guess,
15 on the flip side, then, if the Pasco County interim
16 rate was to be approved, it would to be taken into
17 consideration before you set interim rates, which
18 means that either the interim rates in this should
19 just not be approved at this time because they are
20 going to be eligible for this other rate increase,
21 which would alter the analysis that was done here
22 because you're looking at a --

23 COMMISSIONER EDGAR: I guess what I would say
24 that is -- is -- Ms. Christensen, I think you and I
25 may have a different understanding of the

1 requirements of the law in these circumstances.

2 But I'm sure we'll have additional opportunity to
3 discuss that. And I look forward to hearing from
4 the --

5 MS. VANDIVER: Well --

6 COMMISSIONER EDGAR: -- utility and then also,
7 of course, from our legal staff.

8 MS. VANDIVER: Can I --

9 COMMISSIONER EDGAR: Thank you.

10 CHAIRMAN BROWN: And we'll get some additional
11 clarification in a moment because I'm sure there's
12 going to be some discussion with --

13 MS. VANDIVER: This is real minor, but --

14 CHAIRMAN BROWN: Go ahead.

15 MS. VANDIVER: Just the fact that the limited-
16 proceeding increase was based on test-year
17 revenues -- I don't think you can use that same
18 percentage when you apply that increase to the
19 increased interim revenues. So, you would have to
20 recalculate that because --

21 CHAIRMAN BROWN: We will definitely revisit
22 this in one moment, but I would like to give the
23 utility an opportunity to speak and address the
24 Commission. Thank you for those arguments.

25 Mr. Friedman.

1 MR. FRIEDMAN: Thank you, Madam Chairman,
2 Commissioners. Marty Friedman on behalf of --

3 CHAIRMAN BROWN: If I could ask the folks in
4 the audience to silence a little bit. I'm having a
5 hard time hearing. Thank you.

6 Continue.

7 MR. FRIEDMAN: You're having a hard time
8 hearing me?

9 CHAIRMAN BROWN: You.

10 MR. FRIEDMAN: Geez.

11 CHAIRMAN BROWN: Got to step it up.

12 (Laughter.)

13 MR. FRIEDMAN: I've mellowed out in my old
14 age.

15 I'm Marty Friedman on behalf of Utilities,
16 Inc. of Florida. Also with me is Mr. John Hoy, who
17 is the president of Utilities, Inc. of Florida.
18 Jared Deason is also here with us.

19 I guess my first comment would be I know that
20 the Commission strives for customer input into your
21 proceeding. I am concerned that, in this case, by
22 allowing customers to present comments at an
23 interim agenda, that you may be creating a
24 precedence that you really don't want to create.

25 I think the statute on interim rates is

1 intended to be a -- as the staff has termed it --
2 quick-and-dirty analysis in order to give the
3 utility some revenue to help lessen the regulatory
4 lag. And as a result, those revenues are held
5 subject to refund.

6 And if that number is wrong, then the
7 customers are not harmed by that. They're refunded
8 with interest. And I think that that -- and
9 certainly, the implication that the customers had
10 that there is something wrong with the utility not
11 notifying all of its customers of this interim
12 recommendation is -- is certainly something that's
13 contrary to the law.

14 The utility has given every notice it's
15 supposed to. And I think that the reason -- or
16 maybe one of the reasons why notice isn't required
17 on an interim recommendation is because it is that:
18 It's an interim recommendation subject to refund,
19 no harm, no foul if the -- if the numbers are a
20 little bit off.

21 And I'm concerned that -- that what is usually
22 a process that's -- that's devoid of all of that
23 noise and -- and -- and I understand the customers'
24 positions. It's the same thing we heard two weeks
25 ago. It's not directed necessarily towards the

1 analysis that the staff has had to make in
2 determining whether the utility is entitled to
3 interim revenues.

4 And I think that the Public Counsel, itself,
5 has agreed that the analysis that the staff made is
6 correct and that the -- based upon the statute,
7 the -- the revenue for interim rates should be as
8 indicated in the staff recommendation.

9 I would point out on the -- on the position
10 that the utility hold some -- half a million
11 dollars subject to refund for potential over-
12 earnings -- you know, if you look at -- at four of
13 those systems, they address one type of service,
14 either -- well, I think most of them are
15 wastewater. One of them is water. And that's the
16 analysis that the utility makes when it -- it files
17 for interim rates.

18 And what Utilities, Inc. of Florida does is
19 that in each of those systems that the staff
20 believes that the company may be over-earning in,
21 the other service, in fact, the company is under-
22 earning in.

23 And the company makes -- does that analysis
24 and said, look, we're under-earning in this. And
25 we're probably entitled to interim rates for, say,

1 Labrador Water, but you know, our revenue in
2 wastewater may be a little higher than -- than --
3 than the revenue requirement.

4 And so, they offset because almost all of
5 these customers and these systems, Pembroke,
6 Longwood -- I mean, Pembroke, Labrador, Cypress
7 Lakes are all water and sewer customers both.
8 They're not just water or sewer. They're mobile
9 home parks. And almost every customer who's a
10 water customer is a sewer customer.

11 So, the utility does analysis similar to
12 what's done by the staff in an over-earnings
13 investigation is to say, you know, on a balanced
14 effect, water and sewer together, for those systems
15 where the customer base is the same, they -- they
16 balance them out. So, they look at the water. If
17 you're over-earning water a little bit or you're
18 under-earning in wastewater, you know, no harm, no
19 foul.

20 The Commission staff in this recommendation
21 just did it one-sided. They didn't offset for
22 Labrador wastewater. They didn't say, okay, well,
23 you know, we looked at Labrador Water, and you're
24 under-earning and, otherwise, would be entitled to
25 a -- an interim increase. So, we ought to offset

1 the amount subject to refund by the amount that you
2 should have been able to get in interims.

3 They don't do that. They took the bad and
4 didn't give the utility the benefit of the systems
5 that are -- that are, in fact, under-earning, that
6 are owned by the same companies.

7 I would point out that the -- as -- in
8 response to the statement by Ms. Christensen, that
9 the order that was entered a day or two ago into
10 limited to PAA order -- so it's really not even
11 final until 21 days from --

12 CHAIRMAN BROWN: November 21st.

13 MR. FRIEDMAN: Thank you. You're -- okay.

14 So, the order is not final yet. So, I don't
15 know how you can -- can -- can have that order have
16 any implication on what we're doing here today.
17 And so, basically, what I would -- and I'm going to
18 let Mr. Hoy make a comment as well so I don't want
19 to take all his time.

20 What I would recommend is that the Commission
21 accept the staff recommendation, but ask that the
22 staff go back on those systems that are -- money is
23 being held subject to potential refund and include
24 in that analysis the systems that are under-earning
25 and come up with the new number that would somewhat

1 be lower than what the three -- \$530,000 number is.

2 CHAIRMAN BROWN: Okay. Mr. Hoy?

3 MR. HOY: Good morning -- or afternoon, I
4 guess it is. Two quick comments; one regarding one
5 of the handouts, I think, from the customers
6 talking about the consolidated -- or the final
7 rates and the increases in the final rates. These
8 weren't the consolidated rates that we proposed.

9 I just want to make that clarification that,
10 if you were to look at the consolidated rates, the
11 statewide rates that we were asking for, those that
12 would impact Summertree are actually going down
13 from -- from what they are today.

14 So, I think I made that point at the hearing
15 last month, but just wanted to make that point here
16 to -- that we're actually asking for consolidated
17 rates that are considerably different than, I
18 think, what you see here.

19 The other point regarding the question of the
20 prior order and limited proceeding -- I mean, the
21 costs we were talking about there were for the cost
22 of the interconnect, the additional cost of the
23 purchased water, the additional cost of the --
24 offsetting cost of the reduced O & M.

25 So, there was a complete different scenario

1 than, I think, what we're talking about here today,
2 which is an interim rates based on test year 2015.
3 So, those are my two quick comments.

4 CHAIRMAN BROWN: Thank you. And before I get
5 to Commissioner Edgar, I do just want to make one
6 comment to address Mr. Friedman's earlier point
7 about public comment and interim rates being
8 precedential.

9 Obviously, participation is at the
10 Commission's discretion on Issues 1 through 4.
11 Commissioner -- and we have entertained that. It
12 is not precedential in any nature. And I believe
13 customer participation is critical to our overall
14 decision-making process, especially when it affects
15 so many systems like this.

16 So, I disagree with you, Mr. Friedman, on that
17 front. And I wanted to make that point.

18 Commissioner Edgar.

19 COMMISSIONER EDGAR: I -- I'm -- I'm sorry.
20 I'm good right now. Thank you.

21 CHAIRMAN BROWN: Okay. All right. Staff, can
22 you please address some of the comments that were
23 made by Public Counsel and the utility, notably --
24 oh, first address Public Counsel's comments
25 regarding the limited proceeding that just

1 occurred.

2 There was a little bit of talk about the rate
3 indexing, the indexes, and the pass-throughs, but I
4 think really Public Counsel's focus is on that
5 limited proceeding that we just approved. Order is
6 not final, apparently, until the protest period has
7 expired on November 21st.

8 Secondly, can you please address
9 Mr. Friedman's concerns on the analysis. All
10 right?

11 MS. HELTON: Madam Chairman?

12 CHAIRMAN BROWN: Yes.

13 MS. HELTON: I think that's being punted to
14 me. And if I could have just a few minutes to talk
15 to Mr. Maurey about it to make sure I understand
16 the full ramifications of the question because I'm
17 not sure that I really do at this point in time.

18 CHAIRMAN BROWN: Sounds good to me. Pardon --
19 the audience, we're going to take about a five-
20 minute break. Please, you feel to use the
21 restrooms. Thank you.

22 (Brief recess from 2:39 p.m. to 2:47 p.m.)

23 MS. HELTON: Madam Chairman?

24 CHAIRMAN BROWN: Yes.

25 MS. HELTON: I'm actually punting it to

1 Mr. Maurey as far as an answer to -- to the
2 question. I think it's -- might be a little bit
3 legal, but it's also technical, too. And I think
4 this is something that we contemplated when we
5 issued the PAA order.

6 CHAIRMAN BROWN: Excellent.

7 Welcome.

8 MR. MAUREY: Good afternoon.

9 Yes, Ms. Helton is correct in the -- in the
10 order -- the PAA order that was issued earlier this
11 week, footnote on Page 11 clearly notes that the
12 percentage increase was for illustrative purposes
13 only; that the interim rates were going to be
14 increased before the effective date of the limited-
15 proceeding increase.

16 In fact, the limited-proceeding increase --
17 it's unknown when that's going to go into effect.
18 It's incumbent on a finding by this Commission that
19 quality of service has been found to be
20 satisfactory. It's not ripe for discussion today.

21 CHAIRMAN BROWN: Thank you. I appreciate
22 that. That was my recollection, too. We do have a
23 couple of other issues that I would like staff to
24 address.

25 MS. NORRIS: Certainly. And I can go back to

1 the utility's concern regarding the amounts subject
2 to -- held subject to refund. We did go through
3 these systems. And I can tell you, out of the
4 seven, two are wastewater only. Therefore, that's
5 not a concern as far as netting the two.

6 Additionally, you have some like Lucie, where
7 there is a wide difference in customer base. These
8 are all aspects that we went through and carefully
9 considered when we made our recommendation as --
10 and just given the magnitude and intricacies
11 involved and taking the systems up at one time in
12 this consolidated case, we felt it was best to err
13 on the side of caution and really go in and being
14 very transparent as far as the complete over-
15 earnings situation that we saw based on our
16 analysis. And that's why we did go ahead and list
17 everything out instead of netting.

18 As you can see, for UIF Seminole County, there
19 was a request for the water -- water increase,
20 which is 18.36, which is what staff is
21 recommending.

22 As you see, the wastewater system, however, is
23 at -- would be approximately -- it's 16.61 percent
24 in the other direction. And just given that
25 example alone, that -- that shows that would have

1 completed netted out any water increase.

2 We just really wanted to err on the side of
3 caution as far as making sure we looked at this in
4 the long haul, very specifically, according to each
5 system, very much so, given the -- the magnitude of
6 the case.

7 CHAIRMAN BROWN: Okay. Thank you.

8 And then, some of the customers mentioned --
9 or one, Ms. -- Ms. Ryan mentioned about notice in
10 this proceeding and possibly lack thereof. Can you
11 talk about the notice, notification for the interim
12 rates, and how that goes with all of the systems
13 that are affected?

14 MS. NORRIS: Yes, certainly. I know there was
15 two different issues raised as far as the noticing
16 and the availability of the MFRs. And both of
17 those, I know, the rule goes back to the official
18 filing date, which is going to be considered once
19 staff has reviewed the deficiencies.

20 And that -- after that official filing date
21 has been determined, that's the notification time
22 frame as well as when they have to have the MFRs
23 available.

24 They've already provided a list of where those
25 locations will be; however, going back to the rule,

1 it's 30 days from the official filing date and --
2 what would you like to add to that -- noticing --
3 but that's specific to the interim -- interim
4 process.

5 CHAIRMAN BROWN: Okay. Any other comments?
6 Mr. Fletcher, any additional input?

7 MR. FLETCHER: That was -- Ms. Norris was
8 talking about the initial notice that is actually
9 50 days from the official filing date, but in no
10 way would there not be a separate notice in
11 accordance with another rule, which is that the
12 customers -- a rate increase cannot take effect --
13 the effective date of the rate can't take place
14 and -- provided that the customers have received
15 notice.

16 There will be a separate interim notice
17 specifically on whatever the Commission approves
18 the interim rates to be here today.

19 CHAIRMAN BROWN: Thank you. Okay.

20 MS. NORRIS: But as far as any pre-notice,
21 that's -- sorry. That -- yeah, that's exactly
22 right as far as after the fact, there will be
23 events noticed prior to the implementation, but
24 as -- as far as -- I believe she was thinking --

25 CHAIRMAN BROWN: Notice for this proceeding.

1 MS. NORRIS: -- prior -- prior to --

2 CHAIRMAN BROWN: Yeah.

3 MS. NORRIS: Right. That's not -- that's not
4 contemplated in the rules.

5 CHAIRMAN BROWN: Okay. Again, any additional
6 comments before I take it back to the Board?

7 MR. TRIERWEILER: None.

8 CHAIRMAN BROWN: Okay. Commissioners,
9 questions for staff, questions for utility or
10 Public Counsel, or general comments?

11 I'm going to let the crickets just cricket.

12 COMMISSIONER GRAHAM: You want a motion?

13 CHAIRMAN BROWN: If there are no comments or
14 questions, then we are ripe for a motion.

15 Commissioner Graham?

16 COMMISSIONER GRAHAM: I move staff
17 recommendation.

18 COMMISSIONER EDGAR: Second.

19 CHAIRMAN BROWN: Thank you. And that is with
20 the oral modification?

21 COMMISSIONER GRAHAM: Yes.

22 CHAIRMAN BROWN: Any discussion?

23 All those in favor, say aye.

24 (Chorus of ayes.)

25 Opposed?

1 Passes unanimously. Thank you.

2 Thank you, customers, for coming.

3 (Agenda item concluded.)

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, ANDREA KOMARIDIS, Court Reporter, do hereby
certify that the foregoing proceeding was heard at the
time and place herein stated.

IT IS FURTHER CERTIFIED that I
stenographically reported the said proceedings; that the
same has been transcribed under my direct supervision;
and that this transcript constitutes a true
transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative,
employee, attorney or counsel of any of the parties, nor
am I a relative or employee of any of the parties'
attorney or counsel connected with the action, nor am I
financially interested in the action.

DATED THIS 9th day of November, 2016.



ANDREA KOMARIDIS
NOTARY PUBLIC
COMMISSION #EE866180
EXPIRES FEBRUARY 09, 2017

Docket #160101-WS

November 1, 2016

My name is Terry Copenhafer
I reside at 12137 Loblolly Pine Drive
New Port Richey, Florida 34654
(913) 645-2664
Tkd712@yahoo.com

Thank you for the opportunity to speak before the Commissioners and Staff today.

I am a Retired IRS Employee, currently Summertree Water Alliance Task Force Member, Vice President of SRF (Summertree Recreational Facility), Secretary of the Fairways Board, and Practitioner of Holistic Health.

I am here today to try to get a better understanding in regard to an "Application For Increase In Rates", Filed August 31, Document No. 07184-16. This document impacts several communities countywide as well as our own. In reviewing several of the requests for consideration in section on (e) page 5 "...to recover all expenses that the Utility will incur on an ongoing –forward basis utilizing an historic test year." How do we interpret the terminology?

For example:

Q 1. In Section (e) paragraph 1, sentence 3- The revenue which the Company request should be adjusted to incorporate the repression in the customer usage as a result of rates established in this case, in accordance with the standard methodology as utilized by Staff. ???

Q 2. NOTE: (on page 6) in accordance with Public Service Commission rule 25-22.0407(2) the MFRs (minimum filing requirements) when accepted by the Commission, can be obtained from the Utility upon request. ???

Can the Staff please help us to understanding this request? We have a need and right to understand these documents.

As a customer and concerned consumer I object to rate increase and request a meeting with all concerned citizens and Staff to better understand the requests that are being made by UIF.

Please help us to educate ourselves with your knowledge so we can comprehend our future with this company.

Thank you.

Parties/Staff Handout
Internal Affairs/Agenda
on 11 / 1 / 16
Item No. 2

Subject: November 1, 2016
From: Terry Copenhafer (tkd712@yahoo.com)
To: tkd712@yahoo.com;
Date: Tuesday, November 1, 2016 11:16 AM

INSERT

Our residents and the other counties are not going to be happy with these rate increases. Firstly they have little knowledge of the requests that are going to be granted. Secondly they will not understand how a company can get away with not having acceptable rates and services, still be granted an increase.

How do we explain this?

The math does not add up, ethical issues with customer satisfaction, constitutes elder abuse.

These requests are going to be granted, the request should be reduced due to there records.

~~I have a business background with the IRS.~~

Sent from my iPad

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for an increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties by Utilities, Inc. of Florida

Docket No. 160101-WS

APPLICATION FOR INCREASE IN RATES

Applicant, UTILITIES, INC. OF FLORIDA (the "Utility"), by and through its undersigned attorneys and pursuant to Section 367.081 and 367.082, Florida Statutes, and Chapter 25-30, Florida Administrative Code, files this Application for an increase in its water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties, Florida.

Preliminary Matters

1. The following information is provided pursuant to Rule 25-30.436, Florida Administrative Code:

- (a) (i) The name of the Utility and its mailing address is:

Utilities, Inc. of Florida
2335 Sanders Road
Northbrook, IL 60062

- (ii) The address of the Florida office is:

Utilities, Inc. of Florida
200 Weathersfield Avenue
Altamonte Springs, FL 32714-4099

- (iii) The names and address of the persons authorized to receive notices

and communications in respect to this application are:

Martin S. Friedman, Esquire
Bridget M. Friedman, Esquire
Friedman & Friedman, P.A.
766 N. Sun Drive, Suite 4030
Lake Mary, FL 32746
Telephone: (407) 830-6331/Fax: (407) 878-2178
Email: mfriedman@ff-attorneys.com
bfriedman@ff-attorneys.com

Lakeland Public Library
100 Lake Morton Road
Lakeland, FL 33801

Lakes Regional Library
15290 Bass Road
Fort Myers, FL 33919

Cooper Memorial Library
2525 Oakley Seaver Drive
Clermont, FL 34711

Palm Harbor Library
2330 Nebraska Avenue
Palm Harbor, Florida 34683

Leesburg Public Library
100 East Main Street
Leesburg, FL 34748

Englewood Charlotte Library
3450 North Access Road
Englewood, FL 34224

St. Petersburg Public Library
South Branch
2300 Roy Hanna Drive S
St. Petersburg, FL 33712

Orange County Public Library
101 E. Central Boulevard
Orlando, FL 32810

Zephyrhills Public Library
5347 8th Street
Zephyrhills, Florida 33542

Lake Placid Memorial Library
205 W. Interlake Blvd.
Lake Placid, Florida 33852

Regency Park Branch Library
9701 Little Road
New Port Richey, FL 34654

(e) The Utility is requesting water and wastewater rates which would allow it to recover all expenses that the Utility will incur on a going-forward basis utilizing an historic test year, and generate a fair rate of return on its investment on all property considered used and useful in the public service. The Utility is further requesting rates to recover the cost of pro forma projects which will be placed in service with 24 months of the test year. The revenue which the Company requests should be adjusted to incorporate the repression in the customer usage as a result of the rates established in this case, in accordance with the standard methodology as utilized by the Staff.

(f) The Utility has demonstrated through the supporting schedules within the attached **Volume I** that it is earning outside its range of reasonable returns, calculated in

accordance with Section 367.082(5), Florida Statutes. Submitted as part of **Volume I** are schedules of rate base (Schedules A-1 and A-2), cost of capital (Schedule D-1) and net operating income (Schedule B-1 and Schedule B-2), as applicable, pursuant to Commission Rule 25-30.437(5), F.A.C.

(g) The Affidavit of John Hoy, the President of the Utility, affirming that the Utility will comply with Rule 25-22.0407, F.A.C., is attached hereto.

(2) The appropriate filing fee of \$9,000.00 (over 4,000 ERCs of water and wastewater each) is filed herewith.

(3) The Utility knows of no deviations from the policies, procedures and guidelines prescribed by the Commission in relevant rules or in the Utility's last rate case.

Additional Information

I.

Sixteen copies of the Utility's Financial, Rate and Engineering Minimum Filing Requirements (Form PSC/WAW 20) are provided herewith as **Volume I**.

II.

The Utility has costs or charges to it from an affiliate or related party. These costs are reported in Schedule B-12 of **Volume I**. The Allocation Manuals for year ending December 31, 2015 are provided hereto on USB flashdrive. The Operating Agreement between Utility and Water Service Corp., is attached hereto as **Exhibit "A"**.

III.

Two copies of the Billing Analysis Schedules as required by Rule 25-30.437(4) are provided herewith as **Volume II**.

NOTE:

IN ACCORDANCE WITH PUBLIC SERVICE COMMISSION
RULE 25-22.0407(2), THE MFRs, WHEN ACCEPTED BY THE
COMMISSION, CAN BE OBTAINED FROM THE UTILITY
UPON REQUEST.

Docket #160101-WS
Florida Public Service Commission
November 1, 2016

Good afternoon!

My name is Wilber Copenhafer
I reside at 12137 Loblolly Pine Drive
New Port Richey, Florida. 34654
wilbercopenhafer@gmail.com
913-645-2664

I am a retired civil engineer and CEO of a 250 person Engineering and Architectural Firm, George Butler Associates, located in Lenexa, Kansas. I was responsible for a majority of the water and waste water projects designed by the firm between 1969 and 2005.

I am here today as a member of the Summertree Water Alliance Task Force.

At the previous Public Service Commission meetings that we attended, we asked that Summertree residents be provided clean drinking water at a fair price.

Presently, Summertree is obtaining clean drinking water upon completion of the interconnection of the Summertree and Pasco County water systems.

Now we need to obtain the water at a fair price. A fair price would allow a reasonable profit for the provider at an affordable price to the customers.

One challenge that we have is that Utility Inc. of Florida has a monopoly and does not have any incentive to control costs, since the Utility's profits are based on these costs. The residents of Summertree have no ability to purchase their water and sewer services from anyone but Utilities Inc. of Florida, so the residents pay whatever they are billed for water and sewer services.

It appears that the only opportunity for Summertree residents to obtain and maintain affordable rates is for the Public Service Commission to stringently assess Utilities Inc. of Florida's rate requests.

Thank you for your time and consideration.

~~Parties~~ Staff Handout
Internal Affairs ~~Agenda~~
on 11 / 1 / 16
Item No. 2

11/01/16

Good Morning, Madam Chair, Commissioners & Staff/ Its nice to see you all again.

I'm addressing issue #3 on what is the appropriate interim wastewater rates the UIF-Pasco wastewater systems proposed increase is 21.49%. We contacted Pasco County Utility Director on Friday 10/28/16 to confirm that there are no intended increases in UIF's bulk wastewater agreement. So how does the Staff justify this approved interim rate increase. Can Staff explain this to me now. (see attached schedule).

Lorraine Mack
Summertree WaterAlliance Member
11913 Bayonet Lane
New Port Richey, FL. 34654
l.e.mack@hotmail

DOCKET # 160101

Parties/Staff Handout
Internal Affairs/Agenda
on 11 / 1 / 16
Item No. 2

Good morning, Chairwoman Brown, Commissioners, Staff and Guests,

I am here today as the leader of the Summertree task force and community to express our disappointment with the PSC staff recommendation to approve interim rates and to authorize UIF to collect water and wastewater revenues as indicated on Item 2 – see attached documents; charts – page 6 from Agenda document for Commission Conference, November 1, 2016; Schedule No 4-B pages 60 and 61.

Summertree has been consistent in our efforts to acquire clean water at affordable rates. It has been a long, difficult process over the past 10 years to fight against UIF's continual unfair water and wastewater increases. We have finally started the installation process for the Pasco interconnect and will be getting 5.50% increase as a result of the bulk water rate agreement.

So here we stand in front of the Commission just 30 days later facing yet another rate increase.

	Based on 3,000/gallons	Staff's recommended Interim rate	UIF's Requested Final
WATER:	6.28%	\$28.40	\$36.62
WASTEWATER:	21.40%	\$54.21	\$58.31
Total Increase:	27.68%	\$82.61	\$94.93

As Lorraine Mach previously explained, we contacted Flip Mellinger, Pasco County Assistant Administrator and Utility Director who confirmed that there were no increases in bulk wastewater rates. How can this wastewater rate be justified?

If UIF cannot manage to supply water to Summertree at the reduced volume we need, then they should agree to give up our system. We believe that UIF has chosen this path as a punitive method to recoup lost revenue.

Additionally, it has come to our attention that none of UIF systems' other residents have been notified by the Public Service Commission or Utilities, Inc. of Florida of these current proceedings to raise their rates. On page 6 – Chart 3, seven systems appear to be earning above their maximum return on equity (ROE) showing a combined overage of \$530,908. REALLY, why does this continually happen, who benefits?

If past practices continue, we fear that UIF will use their magic pen to write away these overages and once again there will be no refunds or reduction in rates. Marion County will be getting a 50.88% water and 66.14% wastewater increase, totaling 117.02% which is unconscionable. Obviously there is no justification for UIF requesting for these interim rates.

We believe staff should NOT recommend that the Commission approve interim rates when UIF's poor management practices result in inferior water and/or wastewater services causing customer problems and excessive rate increases...UIF is a business, they should be held accountable to provide the product and services required. UIF should not be subsidized by their customers and have to pay ever increasing rates for water and/or wastewater services they do not receive?

.
Ongoing Issues result in continual rate Increases due to:

- Poor Business Practices
- Poor planning & maintenance
- Poor communication with customers
- Practices for Pro Forma bids are ALWAYS excessively high yet we never see adjustments in rates when real numbers come into play.
- NO INCENTIVES to budget or reduce costs.

New Concerns with Rate Consolidation:

- Lack of transparency and accountability under present procedures.
- There are no consequences for UIF continual accounting errors, etc.
- How will the 66,000 residents in 12 counties get information or resolutions to ongoing problems once we have consolidated rates?

Thank you,

Ann Marie Ryan, Leader
Summertree Water Alliance
11436 Windstar Ct,
New Port Richey, FL 34654
amr328@hotmail.com
(727) 267-7162

ITEM NO.

CASE

2**PAA

Docket No. 160101-WS – Application for increase in water and wastewater rates in Charlotte, Highlands, Lake, Lee, Marion, Orange, Pasco, Pinellas, Polk, and Seminole Counties by Utilities, Inc. of Florida.

(Continued from previous page)

Issue 2: Should any interim revenue increase be approved?

Recommendation: Yes, the Utility should be authorized to collect annual water and wastewater revenues as indicated below.

Water Systems	Adjusted Test Year Revenues	Revenue Increase	% Increase	Revenue Requirement
Lake Placid	\$69,017	\$10,189	14.76%	\$79,206
UIF-Marion	\$161,079	80,785	50.15%	241,864
UIF-Pinellas	\$157,855	14,309	9.06%	172,164
UIF-Pasco	\$901,930	56,674	6.28%	958,604
UIF-Seminole	\$1,014,857	186,352	18.36%	1,201,209
Total		\$348,309		\$2,653,047

Wastewater Systems	Adjusted Test Year Revenues	Revenue Increase	% Increase	Revenue Requirement
Lake Placid	\$72,314	\$638	0.88%	\$72,952
Tierra Verde	\$992,530	69,084	6.96%	1,061,614
UIF-Marion	\$47,826	31,438	65.73%	79,264
UIF-Pasco	\$505,980	108,280	21.40%	614,260
Total		\$209,440		\$1,828,090

Pasco \$1,407,910 \$164,954
In addition, seven systems appear to be earning above their maximum return on equity (ROE). As such, revenues should be collected subject to refund with interest, as shown below.

System	Revenue Held Subject to Refund	Percentage
UIF-Seminole-Wastewater	(\$138,594)	(16.61%)
LUSI-Water	(143,546)	(2.63%)
Labrador-Wastewater	(134,838)	(20.87%)
Pennbrooke-Wastewater	(47,924)	(9.35%)
Longwood-Wastewater	(17,559)	(2.18%)
Eagle Ridge-Wastewater	(24,112)	(2.07%)
Cypress Lakes-Water	(24,335)	(6.87%)
Total	(\$530,908)	

UIF - Pasco	Schedule No. 4-A
Test Year Ended 12/31/15	Docket No. 160101-WS
Monthly Water Rates	

	Current Rates	Utility Requested Interim	Utility Requested Final	Staff Recommended Interim
<u>Residential and General Service - Orangewood</u>				
Base Facility Charge by Meter Size				
5/8"X 3/4"	\$11.81	\$12.56	\$16.21	\$12.56
3/4"	\$17.72	\$18.84	\$24.32	\$18.84
1"	\$29.53	\$31.40	\$40.52	\$31.40
1-1/2"	\$59.03	\$62.77	\$81.00	\$62.80
2"	\$94.45	\$100.43	\$129.60	\$100.48
3"	\$188.90	\$200.86	\$259.21	\$200.96
4"	\$295.17	\$313.85	\$405.03	\$314.00
6"	\$590.33	\$627.70	\$810.50	\$628.00
 Charge per 1,000 gallons - Residential and General Service	 \$5.45	 \$5.79	 \$7.48	 \$5.80
<u>Residential and General Service - Summertree</u>				
Base Facility Charge by Meter Size				
5/8"X 3/4"	\$11.19	\$11.90	\$15.35	\$11.90
3/4"	\$16.78	\$17.84	\$23.03	\$17.85
1"	\$27.96	\$29.73	\$38.37	\$29.75
1-1/2"	\$55.91	\$59.45	\$76.72	\$59.50
2"	\$89.45	\$95.11	\$122.74	\$95.20
3"	\$178.91	\$190.24	\$245.50	\$190.40
4"	\$279.55	\$297.25	\$383.60	\$297.50
6"	\$549.02	\$583.77	\$753.37	\$595.00
 Charge per 1,000 gallons - Residential and General Service	 \$5.17	 \$5.50	 \$7.09	 \$5.50
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison - Orangewood</u>				
3,000 Gallons	\$28.16	\$29.93	\$38.65	\$29.95
5,000 Gallons	\$39.06	\$41.51	\$53.61	\$41.55
10,000 Gallons	\$66.31	\$70.46	\$91.01	\$70.54
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison - Summertree</u>				
3,000 Gallons	\$26.70	\$28.40	\$36.62	\$28.40
5,000 Gallons	\$37.04	\$39.40	\$50.80	\$39.40
10,000 Gallons	\$62.89	\$66.90	\$86.25	\$66.90

UIF - Pasco		Schedule No. 4-B			
Test Year Ended 12/31/15		Docket No. 160101-WS			
Monthly Wastewater Rates					
	Test Year Rates 12/31/15	Current Rates	Utility Requested Interim	Utility Requested Final	Staff Recommended Interim
<u>Residential - Orangewood</u>					
Base Facility Charge - All Meter Sizes	\$9.68	\$9.72	\$11.71	\$12.65	\$11.76
Charge per 1,000 gallons - Residential 6,000 gallon cap	\$5.45	\$7.21	\$8.68	\$9.38	\$6.62
Flat Rate	\$24.21	\$24.32	\$29.28	\$31.64	\$29.41
<u>Residential - Summertree</u>					
Base Facility Charge - All Meter Sizes	\$12.57	\$12.63	\$15.20	\$16.43	\$15.27
Charge per 1,000 gallons - Residential 6,000 gallon cap	\$10.68	\$10.73	\$12.92	\$13.96	\$12.98
<u>General Service - Summertree</u>					
Base Facility Charge by Meter Size					
5/8"X 3/4"	\$12.57	\$12.63	\$15.20	\$16.43	\$15.27
3/4"	\$18.84	\$18.92	\$22.79	\$24.62	\$22.91
1"	\$31.40	\$31.54	\$37.98	\$41.04	\$38.18
1-1/2"	\$62.80	\$63.08	\$75.96	\$82.07	\$76.35
2"	\$100.47	\$100.92	\$121.52	\$131.31	\$122.16
3"	\$200.93	\$201.83	\$243.02	\$262.60	\$244.32
4"	\$313.97	\$315.38	\$379.75	\$410.34	\$381.75
6"	\$627.94	\$630.77	\$759.49	\$820.69	\$763.50
Charge per 1,000 gallons - General Service	\$14.16	\$14.22	\$17.13	\$18.50	\$17.20
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison - Orangewood</u>					
3,000 Gallons	\$26.03	\$31.35	\$37.75	\$40.79	\$31.62
5,000 Gallons	\$36.93	\$45.77	\$55.11	\$59.55	\$44.86
10,000 Gallons	\$64.18	\$81.82	\$98.51	\$106.45	\$77.96
<u>Typical Residential 5/8" x 3/4" Meter Bill Comparison - Summertree</u>					
3,000 Gallons	\$44.61	\$44.82	\$53.96	\$58.31	\$54.21
5,000 Gallons	\$65.97	\$66.28	\$79.80	\$86.23	\$80.17
10,000 Gallons	\$119.37	\$119.93	\$144.40	\$156.03	\$145.07