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1	ELODIDA D	BEFORE THE			
2		UBLIC SERVICE COMMISSION			
3	In the Matter of:				
4		DOCKET NO. 160101-WS			
5	APPLICATION FOR INCR				
6	WATER AND WASTEWATER RATES IN CHARLOTTE, HIGHLANDS, LAKE,				
7	LEE, MARION, ORANGE, PASCO, PINELLAS, POLK, AND SEMINOLE COUNTIES BY UTILITIES, INC. OF FLORIDA.				
8					
9		/			
10					
11		CUSTOMER SERVICE HEARING			
12		CHAIRMAN JULIE I. BROWN			
13		COMMISSIONER RONALD A. BRISÉ COMMISSIONER DONALD POLMANN			
14	DATE:	Thursday, February 2, 2017			
15		Commenced at 6:30 p.m. Concluded at 6:56 p.m.			
16	PLACE:	Cypress Lakes Clubhouse 10000 U.S. Highway 98 N Lakeland, Florida 33809			
17					
18		LINDA BOLES, CRR, RPR			
19		Official FPSC Reporter (850) 413-6734			
20		(030) 113 0/31			
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APPEARANCES:

MARTIN S. FRIEDMAN, ESQUIRE, Coenson Friedman, P.A., 766 North Sun Drive, Suite 4030, Lake Mary, Florida 32746, appearing on behalf of Utilities Inc. of Florida.

J.R. KELLY, PUBLIC COUNSEL; Office of Public Counsel, c/o the Florida Legislature, 111 W. Madison Street, Room 812, Tallahassee, Florida 32399-1400, appearing on behalf of the Citizens of the State of Florida.

WALTER TRIERWEILER, ESQUIRE, FPSC General
Counsel's Office, 2540 Shumard Oak Boulevard,
Tallahassee, Florida 32399-0850, appearing on behalf of
the Florida Public Service Commission Staff.

MARY ANNE HELTON, DEPUTY GENERAL COUNSEL,

Florida Public Service Commission, 2540 Shumard Oak

Boulevard, Tallahassee, Florida 32399-0850, appearing as

advisor to the Florida Public Service Commission.

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## PROCEEDINGS

CHAIRMAN BROWN: All right. Thank you so much for you all being here today. Good evening. Today is February 2nd, Groundhog's Day. The time is 6:00. This is the Utilities, Inc. of Florida service hearing in this beautiful, beautiful town of Lakeland. We're at Cypress Lakes, and appreciate you all for hosting us here at your facility. It's lovely. I'd like to welcome you here. My name is Julie Brown. I have the privilege --

(Technical difficulties.)

That's happened a couple of times today at our earlier service hearing. We should be used to it. But I have the privilege of serving as Chairman of the Florida Public Service Commission. With me today is another Commissioner -- we do have one who is running late, has gotten stuck in some traffic, but he will be here shortly. But I'd like to give Commissioner Brisé an opportunity to welcome you, and introduce yourself.

COMMISSIONER BRISÉ: Good evening. My name is Ronald Brisé, and I'm happy to be here with you this evening and very interested in hearing what you have to say. It impacts our decision process. So thank you for taking time out of your schedule to be here with us this evening.

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Brisé.

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CHAIRMAN BROWN: Thank you, Commissioner

And before we get to the staff counsel reading the notice, I do want to say this is your customer service hearing. We have had -- this is our last customer service hearing in this matter. We've had eight total. They've been filled with audience members at most of them, and we've heard a lot of comments and they're all considered part of the record. But we want to give you an opportunity and encourage you to come out here and talk and tell us how you feel. And with that, I'd like to turn to staff and have them read the notice.

MR. TRIERWEILER: By notice issued on December 14, 2016, this time and place has been set for a customer service hearing in Docket No. 160101-WS. purpose of the hearing is set forth more fully in the notice.

CHAIRMAN BROWN: Thank you. And now we'll take appearances of counsel, starting with the Petitioner, Utilities, Inc. of Florida.

MR. FRIEDMAN: Thank you. I'm Martin Friedman of the law firm of Coenson Friedman representing Utilities, Inc. of Florida.

CHAIRMAN BROWN: Thank you.

Public Counsel.

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MR. KELLY: Good evening. My name is J.R. Kelly. I'm with the Office of Public Counsel, and my office represents the customers of Utilities, Inc. in this matter.

## CHAIRMAN BROWN: Thank you.

And I believe our third Commissioner is on his way, coming in, and so I do -- I will stop briefly to give him an opportunity to introduce himself as well.

But as I mentioned, this hearing is designed specifically to hear from you. Please do not be shy. Please feel free to come on out. If you don't like public speaking and you would rather provide written comments, you can also do that. The handout that you have when you signed up at the back, there's a place for you to write written comments. You can even leave the comments with us today, or you can mail them in. Feel free to take some and bring them to your neighbors. And whether your comments are made verbally today or in writing, they will absolutely be considered in the overall rate case process.

And just to give you an overview of what this process looks like, in May we will have a technical hearing that will go for about a week in which we take the case, the substance, the evidence, and -- into consideration. Later in the summer, a staff

recommendation will be given to us, but ultimately the
Commissioners will make a decision thereafter.

I would like to note that there are company representatives here from Utilities, Inc. of Florida here to address any service or billing issues you may have. We also have Commission staff here, and I'll go over the names who are here for the record. But I would like to give Commissioner Polmann an opportunity to welcome you and provide any opening comments.

COMMISSIONER POLMANN: Good evening. My goodness, that's loud. The last one of these we had was not. Sorry.

My name is Don Polmann. I'm happy to be here this evening, and thank you for the welcome. Thank you for this facility. I'm happy also to see a nice turnout. As the Chairman indicated, we are looking forward to your comments. We are here to listen to you. And please come forward, let us know what your concerns are. And please forgive me for all of the traffic on the interstate from Tampa.

CHAIRMAN BROWN: A lot of lights.

Thank you again for all -- for you all being here. We have Commission staff here who's able to address any questions you have, and they'll give you ample time after the service hearing is conducted. And

I'll introduce them. We have with us from accounting,
Andrew Maurey. We have Chris Church, Mimi Hearn, Conrad
Howard. We have Patti Daniel, Phillip Ellis. You've
heard from our General Counsel's Office, Mary Anne
Helton, Walt Trierweiler. When you walked in, you heard
from Cindy Muir, who -- and Kelly Thompson, who helped
set up this meeting. From our Clerk's Office we have
Rachel Arnold and Carlotta Stauffer, and our wonderful
court reporter here with us, Linda Boles, who's been
traveling with us a lot on the road, and we appreciate
her.

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This is an official hearing. As such, it will be transcribed and become part of the record. If you do plan on speaking to us today, you will need to be sworn in, and we'll do that in just a few moments. And as part of that, you may be asked questions from Commissioners or any of the parties here too.

Again, feel free to leave written comments, if you prefer to do that. Either way, we take both into consideration in our overall decision-making process.

At this time, I would invite the parties to give brief opening statements. Please feel free to either sit here or go to the center. Each have six minutes, and we'll start with the Petitioner, Utilities, Inc. of Florida.

MR. FRIEDMAN: Thank you, Madam Chairman,
Commissioners, ladies and gentlemen. Again, my name is
Marty Friedman. I'm the attorney for Utilities, Inc. of
Florida. And in a moment you're going to hear from John
Hoy, who's the president of Utilities, Inc. of Florida,
who is going to explain to you what the utility is
asking for in this rate case and why.

At the outset, let me point out, as the Chairman stated, we have some customer service representatives in the back right-hand corner here. If you have any questions about billing or customer service, please feel free to see them either during or after the meeting.

And now I would like to ask Mr. John Hoy, the president of UIF, to make a few comments. Thank you.

MR. HOY: Thank you. Good evening. I'm going to be the first one to try this microphone and see how good it is.

Commissioners, thank you for the opportunity to address our customers. It's good to be here tonight.

What I'd like to do is just give you just a quick overview of Utilities, Inc. and then just talk briefly about what's driving this rate case.

Utilities, Inc., we've been in Florida since the '70s, 1970s, and we've now got 60,000 customers

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spread through ten counties in the state. And as -last year, in 2016, we decided to consolidate those
separate entities. So we had Utilities, Inc. of
Pennbrooke was an individual company. We took the 12
companies that we had spread across the state and we
consolidated them into one: Utilities, Inc. of Florida.
This is the first rate proceeding that we've had since
that time. And let me talk briefly about the drivers of
that rate case.

It's two-fold really. It's primarily investment we've made and are continuing to make in infrastructure to replace the aging infrastructure that's part of our utilities, but the second thing is we're looking to consolidate the rates that we have across the state, and we're looking to consolidate them into one rate for all of our customers. Let me just cut to the bottom line. For Cypress Lakes, that's actually a rate decrease. The final rates that we're asking for are lower than the rates, than they are today.

How this works is that we've got about 12 -- actually 16 rate structures across the state, and what we're hoping for is a single rate structure that'll allow us to continue to maintain the existing infrastructure. We've invested about \$100 million in the last ten years. We're looking to invest another 30

to 35 million that we've got included in this rate case 1 in projects. On top of that, we've got -- we're 2 requesting additional salaries and other expenses, 3 salaries for additional people to help maintain the 4 aging infrastructure that we have and to try to extend 5 its useful life. So all that is going into rates that 6 7 we're looking to recover, and we're looking to do it in a uniform way across the state because every community 8 that we serve is going to have those needs. And what 9 we're looking for is a systematic way and a more uniform 10 rate structure that will allow us to do the 11 12 infrastructure investment and attract the capital, 13 deliver the services that we need, encourage 14 conservation, all those objectives, but do it in a way that doesn't avoid -- doesn't -- avoids the number of 15 rate cases that we've had in the past and also avoids 16 17 the rate shock that we have to certain customer groups. So that's the bottom line. That's what we're asking for 18 in this proceeding. Thank you for the time tonight, and 19 2.0 I look forward to your comments. Thank you.

CHAIRMAN BROWN: Thank you, Mr. Hoy.

And at this time we'll hear from Florida Public Counsel, J.R. Kelly.

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MR. KELLY: Good evening again. As I said, my name is J.R. Kelly. I'm with the Office of Public

Counsel, and I represent you, the customers, in this proceeding.

Mr. Hoy sort of set the stage a little bit about what the case is about. They're looking to take approximately 25 systems, consolidate them into one statewide rate. But another part of this case is also that Utilities, Inc. is looking to raise their additional revenues by approximately \$7 million.

Our office intervened early, we have hired an accounting expert, an engineering expert, as well as an in-house accounting expert that are currently poring through the financial documents and other filing materials, and we are identifying those areas that we're going to be contesting on your behalf.

And some of the areas that I wanted to just identify for you tonight that we're taking a close look at: Number one, Utilities, Inc. is looking to increase their capital investment about \$30 million. And this --excuse me -- that's correct, \$30 million, and this represents about a 35 percent, maybe just a little bit less than that, increase in the capital that they already have invested in Florida. What we want to do is we want to go through what they're proposing and make sure that it is reasonable, it is prudent, and it's going to benefit you, the ratepayers of Utilities, Inc.

Another area that -- that raises a red flag for us is salaries. They're looking to increase their salaries and benefits by approximately \$500,000 annually. We're very concerned about that because if they're asking to consolidate, you would expect that there would be synergies, economies of scale and, the bottom line, benefits of consolidating. Otherwise, why would you want to consolidate? And we are concerned that we're not seeing the benefits and the economies of scale that one would expect when you consolidate 25 different systems, so we are obviously going to take a very, very close look at that.

And the last area that has raised a red flag to us is dealings -- deals with allocations to their corporate parent. Utilities, Inc.'s headquarters out of Florida for the nation is in -- is in Illinois. They're owned by a company in Canada called Corix. So a lot of the allocations that they're wanting to pass through to you, the ratepayers, are going to go out of state.

We're going to take an extremely careful look at all of those allocations to see are they reasonable, are they prudent, and exactly what benefit are you going to get out of that. Because the bottom line is you will pay for that in the rates that are charged to you and that are finally approved by the Commission sitting behind

me.

Tonight, this is your meeting, as the Chairman mentioned, and I highly, highly encourage you to come forth and speak. We only have a couple of speakers signed up tonight. As the Chairman said, if you don't like to speak publicly, and I do understand that, please take the opportunity to email or you can mail comments to the Commission that will be considered just as if you're testifying here tonight. But it's extremely important. I cannot stress enough that your comments are taken very seriously by the men and women sitting behind me, and they want to know are you having water problems, quality of service problems, taste, smell, odor? Are you getting good service? I don't want to hear just the bad. I want to hear the good. I want to hear everything.

Number two, how has the utility treated you when you've contacted them? If you call them for a billing problem, just for regular information, or to file a complaint, how have they treated you? Good, bad, whatever, you need to share that with the Commission.

And last, do you receive timely boil water notices or other communications from the utility? If you do, fine, come up here and say so. But if you don't, it's extremely important that you come up here

and speak. Because the bottom line is you are paying for that service now and you're going to be paying for it in the rates that continue after this rate case is over.

So I want to thank you for taking time out to come here and be here tonight. Please take the opportunity to, one, either speak tonight or, two, share your comments in writing with the Commission. They will be taken into consideration, and they will be seriously considered by our office as well as the Commission. So thank you.

CHAIRMAN BROWN: Thank you, Mr. Kelly.

And just a few notes to comment on. First, the Florida Public Service Commission, just for your own edification here, is -- we are an independent state agency, we are impartial, and in these type of proceedings, we sit in a quasi-judicial capacity. So just so that's clear.

Also I want to let you know that this -- all of these service hearings are being streamed live on our website at the Commission, psc.state.fl.us. We will also be having the technical hearing streamed live. All of our public hearings are streamed live, so you can watch them easily in that capacity.

At this time, I would like to invite Dr. Bob

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Halleen, who -- Halleen, Halleen -- see, I forgot -- who is the HOA board member just to welcome us. He will be speaking later today, but he wanted to give a brief opening.

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DR. HALLEEN: Yes, I would like to take this opportunity to thank all of you for coming and listening to what we have to say. We appreciate it. And I have advised all of our people to focus on the things that Mr. Kelly just talked about, the type of service that they have received from Utilities, Inc. in the past three years since the rate case. Thank you again for coming, and I'll make my comments later. Thank you.

CHAIRMAN BROWN: Thank you, and thank you for hosting us.

And now I would like to have our General Counsel's office make a brief comment for clarification and for the record.

MS. HELTON: Thank you, Madam Chairman.

This morning a customer had a question of the staff concerning the notice that the utility sent out to each of you in the mail, and I just want it to be clear for purposes of the record that the summary in that notice states, "A revenue change based on a stand-alone calculation for each system within Utilities, Inc.'s area in Central Florida." But that is not the rate that

the company is requesting in this rate case. The rate that the company is requesting is listed on the second page or the back -- first back page of the rate case overview that each of you would have received when you walked into the room today. Ms. Muir would have given it out. So I just wanted to make sure that each of you 7 understood that the current rates of the utility and the rates that the utility is requesting for each system is 9 listed there.

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CHAIRMAN BROWN: Thank you very much, Mary Anne.

Now moving to the public comment portion, which is your portion, just a few instructions. Each customer has three minutes. Although there are a few signed up, we'll be very lenient with your time. want to talk for a little bit longer, we'll give you that discretion. But I would like you to just be cognizant, there are lights on the podium that kind of direct you for how long you are going. Typically at the yellow light you have about a minute left. When it gets to red, you've hit three minutes. Again, I'll be a little bit more generous, given the amount of folks that are here today.

The attorney for the Office of Public Counsel, Mr. Kelly, will be calling your name. He'll call two

names at a time. Please pay attention to that. When 1 you come to the microphone, please be sure to state your 2 name and your address for the record and whether you're 3 a customer or not. 4 We will be swearing you all in at the same 5 time. So if you are planning on speaking and addressing 6 7 the Commission today, could you please stand with me and raise your right hand. Don't be shy. Come on up. 8 9 Stand up. Do you swear or affirm to provide the truth in 10 this proceeding? 11 12 (Chorus of affirmative responses.) 13 Thank you. Please be seated. 14 With that, I think we've got all the preliminary matters covered, so we'll turn to Mr. Kelly 15 for the first customer. 16 17 MR. KELLY: The first customer to speak is 18 Mr. Al Elkins, followed by Ms. Tish Moore. 19 CHAIRMAN BROWN: Good evening. 2.0 MR. ELKINS: Good evening. My name is Al 21 Elkins. I live at 9245 Wood Stork Drive in Lakeland, 22 Florida. 23 Good evening. Most of us who live here in 24 Cypress Lakes come from various places --25 CHAIRMAN BROWN: Could you speak a little bit

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1 more into the microphone?

2 MR. ELKINS: Oh.

CHAIRMAN BROWN: Yeah, just talk right into it.

MR. ELKINS: Is this better?

MR. KELLY: Yes.

CHAIRMAN BROWN: A little bit.

MR. ELKINS: Most of us who live here in Cypress Lakes come from various places in the north where we were fortunate to have first-class water. Speaking for my wife and myself, we resided in Central New Jersey for 33 and a half years where we had delicious artesian well water in our house. My wife and I have lived here in Cypress Lakes for nine and a half years, and in that time we have had to purchase a water conditioner tank, water filter cartridges, and many cases of bottled water. I have had to do all this in order for us to have decent water in our house that we are able to drink and use. Needless to say, this has been a big expense for us.

I also have to continuously purchase 40-pound bags of salt pellets to put into my water conditioner.

Let me tell you, these bags are heavy to lift. And as I get older every year, these bags get even heavier to lift.

When you consider what I have just said, please tell me why our water company, Utilities, Inc., is entitled to any increase in water rates for the second-class water that we receive. None of us are being provided with clean quality water that we are able to drink and use in our houses.

In my working years, I could not go to my boss and say, "Hey, if you give me a raise today, I'll do a better job tomorrow." I had to do a better job today in order to earn an increase in my salary tomorrow.

Last but not least, did you ever notice all the cancer medical facilities that we have here in Lakeland as well as in the rest of Florida? I'm sure that many of the residents in this state have acquired cancer as a result of the horrible, filthy water we are forced to use. My wife and I lost our son three and a half years ago at age 40 due to brain cancer. Although we may not know the actual reason for his passing, can anybody here say that it was not from the water in Florida? Please help us so that we can live in our senior years in good health. Thank you.

CHAIRMAN BROWN: Thank you, Mr. Elkins, for your testimony. And my apologies and sentiment go out to you.

Commissioners, any questions?

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Yeah, Mr. Elkins, we have a question from 1 2 Public Counsel. 3 MR. KELLY: I was just going to ask, do you want to take your written statement and make it part of 4 5 the record as an exhibit? Would you like to give it to 6 7 MR. ELKINS: That's fine. CHAIRMAN BROWN: That would be great. So our 8 9 clerk is sitting right here. If you could hand it to her. We're going to go ahead and mark that for the 10 record for identification purposes as Exhibit 24. We'll 11 12 title it Elkins Comments. Thank you for your testimony. 13 Thank you. 14 (Exhibit 24 marked for identification.) MR. KELLY: After Ms. Moore is Ms. Ann Marie 15 16 Ryan. 17 MS. MOORE: My name is Tish Moore. I live at 1650 Big Cypress Boulevard. Mine is short, simple, and 18 19 easy. The first question is: You know the packet 20 21 that was sent out to us, are you now saying that the 22 information in there is incorrect now on that -- on how 23 you figured the rates? 24 CHAIRMAN BROWN: Our General Counsel, I saw 25 her quickly --

MS. HELTON: No, ma'am. It's my understanding that that page that you're holding up right now is correct. There was a summary at the beginning of the notice that was also correct but it was not -- it didn't -- it listed the request the company is making on a stand-alone basis, but that is not actually the request the company is making. The company is making a consolidated request. So the consolidated rates are listed in that second page. But that information there, as I understand it, is correct.

MS. MOORE: Okay. Thank you. Then my only comments are --

CHAIRMAN BROWN: Could you speak a little closer?

MS. MOORE: Yeah. There's been some problems with the reading of the meters. There's a lot of times that people are charged an enormous amount, and you have to then say, "Oh, wait a minute," and you call up and the meter is not read right. My concern comes with, you know, I'm not sure how up to date these meters are. I, again, come from up north where digitally they didn't even have to get out. They took their little wand and things were not eyeballed and looking into them. And I have a concern about that, that there should be more accuracy on the reading of the meters and that people

shouldn't have to then spend the extra money in that. 1 CHAIRMAN BROWN: Thank you, Ms. Moore. 2 MS. MOORE: Thank you. 3 CHAIRMAN BROWN: Can I ask you a question? 4 5 MS. MOORE: Certainly. CHAIRMAN BROWN: Do you know if those meters 6 7 have been replaced? I don't know how long you've been living here. 8 9 MS. MOORE: I've owned here since 2012 and 10 have been paying the water rates since then, but I only started living here in November. 11 12 CHAIRMAN BROWN: Do you have any problems with 13 your meters? 14 MS. MOORE: I haven't, but my neighbors, I know, nextdoor have. And I've heard and have spoken 15 with other people that have complained about that, that 16 17 they've gotten this humongous water bill. And it's, 18 "Oh, the meter wasn't read right." You know, I think 19 maybe in this day and age we need to be a little more 2.0 modernized if we're paying for all these things. 21 CHAIRMAN BROWN: Absolutely. 22 MS. MOORE: Okay. 23 CHAIRMAN BROWN: Commissioners, any questions? 24 Seeing none, thank you for your testimony. 25 MS. MOORE: Thank you.

MR. KELLY: After Ms. Ryan is Terry Copenhafer.

CHAIRMAN BROWN: Our special guest. Ms. Ryan, welcome.

MS. RYAN: Thank you, Commissioners.

My name is Ann Marie Ryan. I live at 11436 Windstar Court, New Port Richey, in Pasco County. I come from the Summertree community.

I came over tonight with a group of people from my task force to support the people in Cypress Lakes. We, too, agree that the paperwork that comes from UI and sometimes from Pasco and from the PSC is confusing. The papers that the people are complaining about the rates were the same paperwork that we had gotten in Pasco just a month ago.

You know, as I've been talking with Dr. Bob
Halleen, a very bright man, tremendous support for this
community, and I can see that a lot of people haven't
gotten up to speak. And I know that these rates are
being consolidated, but we really feel that it's
important that the Commission really look at these rates
and make them leaner. And it's time for them to cut
back, you know.

I just got a notice as to how much money I'm going to be making this year. No one gets a 10 percent

return on equity and no one -- or rate of return. So

I'd like you to look at those old laws. I'd like you to
look at the way that those things are done. You are the
Public Service Commission. You've been very good about
coming into the communities and seeing us, so I think
that we need you to really review things and look at the
customer first. Because we are the ones that keep them
going, and we can't afford to keep living in our homes
if we don't keep them under the right restraints. And
so this is a wonderful community. It was a privilege to
drive through here. And I hope that you'll listen to
the rest of the community, and we support them. Thank
you.

CHAIRMAN BROWN: Thank you, Ms. Ryan, for coming out here. I know it was a drive from Pasco County. But I do want to ask you a question from the last service hearing. I've been thinking a little bit about it, and I'm glad to get the opportunity to ask you here about the consolidated rate structure. And Summertree is a different system and under the consolidated rates gets the, for lack of a better word, the better end of the rate structure.

What are your thoughts for the other members, for the other systems with regard to the consolidated rates being proposed by the utility?

MS. RYAN: Well, we have a concern for Summertree as well as everyone else. So we are here -- we have our own little task force, and we have a task force that we've started called the Florida Consumer Water and Wastewater Alliance in order to get word out to the rest of the customers.

Our concern is that Utilities, Inc. does not make their records accessible. We've been asking for years to find out where the money has gone for all our rate increases going back to 2010. A senator asked for that, our commissioner asked for that, our board members asked for that, and we don't get those numbers. We don't know how much money goes to Orangewood and how much comes to ours. There's only two communities under Pasco. When you go and take 25 systems and put them together, I don't think it's going to be fair.

And I had a vote this morning -- we had a meeting. Flip Mellinger came to our community. And I said to our community, "This rate increase will benefit us positively, but is it morally right and is it fair that some of the people in this community -- across the board are going to wind up with maybe 100 to 200 percent increases?" And so they agreed that we would stand our ground, like we always have, and we want to go only with the rate -- only with the consolidated rate if it

benefits the majority of people and the rates are 1 scrutinized. And I think that a lot of the rates are 2 3 frivolous. And if they're fair rates and everybody would benefit overall, then we're for it. 4 5 CHAIRMAN BROWN: Thank you. Thank you very much --6 7 MS. RYAN: You're welcome. CHAIRMAN BROWN: -- for your testimony. 8 9 Commissioners, any questions, comments? 10 All right. MS. RYAN: Thank you for the opportunity. 11 CHAIRMAN BROWN: Thank you. 12 13 MR. KELLY: After Ms. Copenhafer is 14 Dr. Halleen. 15 CHAIRMAN BROWN: I just want to make sure those -- I know some folks came in after we swore 16 17 these customers who are testifying in. Is there anybody 18 who would like to speak to us today who has not been 19 sworn in. If so, could you raise your hand? Thank you. 20 Anyone else? 21 All right. Please stand and raise your right 22 hand with me. Don't be shy. Do you swear or affirm to 23 provide the truth in this proceeding. 24 MS. ACCETTA: I do. 25 (Witness sworn.)

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CHAIRMAN BROWN: Thank you.

MS. COPENHAFER: Hi there.

Hi again.

CHAIRMAN BROWN: How are you doing?

MS. COPENHAFER: Great. Thank you.

I appreciate the opportunity to speak tonight and -- I appreciate the opportunity to speak tonight, and I'm grateful for your service and the gentle -- gentleness you have towards us because it is hard to get up and speak. And we're here tonight -- my name is Terry Copenhafer at 12137 Loblolly Pine Drive, New Port Richey, Florida 34654, and I am a member of the task force, and I'm also with the Florida Consumer Water and Wastewater Alliance. I'm also the vice president of the Summertree Recreational Facility and secretary on The Fairways board.

We want to show this community that we support them in their issues, and that's why we're here tonight, to make sure that they understand and hopefully that they'll not be afraid of you all because it is intimidating. But you've been so kind to us, and we greatly appreciate it. Thank you.

CHAIRMAN BROWN: That was very nice. Thank you. And thank you for making the trek over from Pasco County, especially during rush hour too.

MS. COPENHAFER: You're welcome. I don't know how we're getting home.

CHAIRMAN BROWN: We appreciate it. And you've been very involved in our proceedings, and we're grateful to have you come here and we understand your concern. Thank you.

MS. COPENHAFER: Thank you.

MR. KELLY: Madam Chair, I think Dr. Halleen had asked to go last, so if you'd like to have this lady come on up now.

CHAIRMAN BROWN: All right. That would be great. Again, I reiterate we are here for you. If you get the urge to come on up, it is not scary. I promise. Feel free too. Thank you.

MS. ACCETTA: Hello. Good evening. My name is Diana Accetta. I live at 2335 Snowy Plover Drive, Lakeland, Florida 33810. I am fairly new to the community here.

My question is I had received the notification along with my bill, and I'm hoping -- I'm not sure if I actually read it correctly, but it appears that in the process of billing, you want to take all the water that is consumed within the house that would include irrigation and also charge a waste amount on both the incoming for the home as well as the waste. My question

is how legal is it to charge for wastewater that's actually going back into the ecology itself? I mean, you're saying, I believe, that you want to charge it as a waste amount where it's technically not.

Two-part question. The water pressure here is really not that terrific. I did live in Winter Haven, Florida, where we were getting 60 pounds of pressure. We're definitely not getting that here. My water has a very foul sulfur smell. I too had to purchase a water softener, purification system to try and alleviate some of that. I do understand that we have a system here within our community that is supposed to assist, but it's not 100 percent. And I just want to know where we stand on all of this as far as billing, and, you know, what are we being charged for?

CHAIRMAN BROWN: Absolutely. And a great question. I'm going to turn to our legal advisors or technical staff to be able to answer those direct questions regarding the charges for wastewater as well as water.

MS. HELTON: I'm not the perfect person to answer this question, but I will give it a shot, if that's okay with you.

We -- the utility has a water system and a wastewater system, and so you're charged a gallonage

amount for your water, and that gallonage amount for your water, that is used as the basis to determine how much wastewater you would return back to the system for the company to treat. So that -- your gallonage amount of water is used as the factor that goes into determining your wastewater rate. But they're two actually separate charges for two separate types of service that the utility provides.

MS. ACCETTA: Would it be more beneficial if we each had an irrigation meter? I know that's more of an expense. We did have that when we lived in Winter Haven. Actually the water company there advised us if you don't want to be charged for the irrigation water going into the sewer system, then you would need to have two meters. Now is this something --

MS. HELTON: It's my understanding that that is an option with this utility, but I am not an expert on that. There are representatives from the utility here that can talk to you about the pros and the cons for having such a meter here.

CHAIRMAN BROWN: And they'll be able to provide you more ample time and such at the conclusion of this proceeding. And I'd ask the Utilities, Inc. of Florida to please help this -- this woman out, as well as our Commission staff too.

Thank you. Thanks for your testimony. 1 Any other questions? 2 3 MR. KELLY: Could I just --CHAIRMAN BROWN: Oh, sure. 4 5 MR. KELLY: Could you please spell your last name for me? 6 7 MS. ACCETTA: Yes. A-c-c-e-t-t-a. MR. KELLY: Thank you, ma'am. 8 9 CHAIRMAN BROWN: Thank you for coming on up. 10 I see a hand being raised, but that's not really the right protocol. You have to be sworn in if 11 you'd like to appear before us. Please don't -- feel 12 13 the need? Come on up. I'll swear you in. 14 Thank you. Do you swear or affirm to provide 15 the truth in this proceeding? MS. BALTOS: I do. 16 17 (Witness sworn.) 18 CHAIRMAN BROWN: Thank you. State your name, 19 please, and address. 20 MS. BALTOS: My name is Linda Baltos, and I 21 live at 2452 Snowy Plover Drive. I've only been here 22 since last March. I'm a seasonal person, so I haven't 23 been here the whole year. 24 The question I think she was asking you about

the sewage and the water, are we paying an equal amount

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for water and sewage? So what -- so if we pay for a 1 2 gallon of water, are we paying for a gallon of sewage? That's what I think she's asking you, and you didn't 3 answer that question. 4 CHAIRMAN BROWN: And that's a question you 5 have as well? 6 7 MS. BALTOS: Uh-huh. CHAIRMAN BROWN: All right. I think the more 8 9 appropriate person to answer that question is our 10 technical staff, and she is coming right on up. MS. DANIEL: I'll just come stand right beside 11 you. You're fine. 12 13 CHAIRMAN BROWN: Patti Daniel. 14 MS. DANIEL: If you'll stand to the side so

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everyone can see me.

Good evening. I'm Patti Daniel, and I'm with the Commission staff. Your question is are you going to be billed twice for water; right? Is that your question?

Okay. As Ms. Helton said, the company provides your wastewater service, and you understand that. When the water flows through your meter, you're billed for the water that you use. Right? At the same time, when you flush your potty or run your sink, that water is being returned to the wastewater system.

When the Commission looks at the rates for utilities, we look at those two services completely separately, and we look at all of the investment and costs that are associated with providing your water service and we set rates for that, and then the company bills you based on your metered usage. And then we take a look at the investment and costs that the company incurs when they treat that water, the wastewater that's returned to their system.

There are no meters on those lines that are going back to the utility, so the only way the company knows how much to bill you, how much demand that you're placing on that system, is to use a -- sort of a proxy, and the proxy is the amount of water that you use. And we know that not all water is returned to the wastewater system, so that when we calculate rates, we take all of those factors into consideration. So it's two separate treatment processes, two separate cost systems -- cost centers, and then two separate rate structures. How did I do? Did I get you a little closer there? I saw a few thumbs.

CHAIRMAN BROWN: I thought it sounded great to me, but maybe the utility could possibly elucidate this group. If you could, Patti. Thank you.

MR. FRIEDMAN: Yeah. This is Marty Friedman.

I'd just add one thing. There are two ways that the Commission takes into consideration in setting your rates that all of your water is not coming back to the wastewater system. One of those is they put a gallonage cap on your water bill. And I don't know what the gallonage -- 6,000? Okay. So any water you use above 6,000 gallons, you're not going to be billed on your wastewater bill for that.

MS. BALTOS: Okay.

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MR. FRIEDMAN: And then the other is when they set your wastewater rate, they assume that not 100 percent is going to come back. And I think we're setting rates at 85 percent, they assume 85 percent of your water is going to come back in the residence. And so those are kind of two ways that they take into consideration that not all of the water being used is going to come back to the wastewater system.

MS. BALTOS: Okay. Well --

CHAIRMAN BROWN: Thank you.

MS. BALTOS: -- I lived in Pittsburgh,

Pennsylvania, and our water bill here is twice as high
as it is there. Our water there is a much better

quality.

And I bought clear dishes when I moved here because they're the only ones I could find in the store

that was made in the USA. When I wash them here, they 1 always have this white ring on them from the dishwasher. 2 So I rinse them a couple of times. I do buy good 3 dish-washing soap, I've changed it several times, and an 4 agent to rinse them again. I don't know what's in the 5 water, but something on my dishes are always white. 6 7 I don't drink the water. We do buy water to drink. she is right, the pressure is bad here compared to home. 8 9 But I thought they did that as a way to -- I know 10 sometimes there's droughts here, so I assumed it was a 11 way to keep you from using less water indirectly. And I thought that was good, that was okay, because you could 12 13 stand in a shower for an hour if you wanted to, you 14 know. 15 CHAIRMAN BROWN: Absolutely. Commissioner Polmann would like to address 16

you.

MS. BALTOS: Yes.

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COMMISSIONER POLMANN: The white that you're seeing on your dishes is related to the hardness. That's a calcium carbonate or a magnesium carbonate that

MS. BALTOS: Okay. Because I can't get it What are you supposed to use?

COMMISSIONER POLMANN: Well, it will come off

1	with vinegar.
2	MS. BALTOS: Oh, okay. Thank you.
3	COMMISSIONER POLMANN: But you may or may not
4	want to do that every time you wash them.
5	MS. BALTOS: Right.
6	COMMISSIONER POLMANN: But it's a natural
7	chemical from the aquifer, from the limestone, which is
8	actually made it's created naturally from calcium.
9	MS. BALTOS: Now does that ruin your
10	appliances, your washer and your dishwasher?
11	COMMISSIONER POLMANN: Well, you see, it'll
12	accumulate as a material in your sink or your bathtub or
13	so forth, but it's a natural mineral and
14	MS. BALTOS: Does it build up and ruin your
15	appliances or your
16	COMMISSIONER POLMANN: Well, I'm not qualified
17	to answer that question about
18	CHAIRMAN BROWN: Good answer, Commissioner
19	Polmann.
20	COMMISSIONER POLMANN: appliances. I'm
21	just telling you what the film is made of.
22	MS. BALTOS: Okay.
23	COMMISSIONER POLMANN: It's very common.
24	MS. BALTOS: Okay.
25	COMMISSIONER POLMANN: And it's the reason

that some customers use a water softener because that 1 2 takes the calcium and magnesium out of the water. 3 also happens to put sodium in the water, and that's why you have to put salt into your water softener. 4 5 ion exchange process. MS. BALTOS: I don't even have a water 6 softener yet. But I trust that you guys all went to 7 school to learn how to dance around questions. 8 9 really good at it. But thank you very much. 10 (Laughter and applause.) COMMISSIONER POLMANN: 11 I assure you that was no dance. That's science. 12 13 MS. BALTOS: Okay. 14 CHAIRMAN BROWN: He's an engineer. He did not learn how to do that. That's just natural right there. 15 MS. BALTOS: Okay. Okay. Thank you so much, 16 17 and thank you for coming. 18 CHAIRMAN BROWN: Thank you. Thank you very 19 much for -- and thank you, utility, for providing some feedback, as well as staff. 2.0 21 Last customer. 22 MR. KELLY: Dr. Halleen. 23 Thank you. Doctor, come on CHAIRMAN BROWN: 24 up, unless there's another customer that would like to

address the Commission. Thank you.

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DR. HALLEEN: Again, I'd like to thank both the Public Service Commission and Utilities, Inc. for participating in this customer service meeting. Our residents are grateful to have the opportunity to present their thoughts to your group.

I would like to conclude our input to this meeting by presenting the following points to the PSC staff for their response hopefully before the May meeting so that we can take additional action if their response is inadequate.

Number one, we were never invited to attend or provide documentation outlining the terms of the consolidation prior to its approval on April 12th of 2016. As one of the 12 companies involved in the merger, our concern was raised by statements in the letter received from Utilities, Inc. that suggested significant EPA and replacement activities would take place in the future within the new company; however, without how such costs would be handled among the individual companies that the work is needed.

Reviewing your latest filing, which we have to thank Marty for, he had it carefully hidden in our library because it is a blue book with his name on it, and nobody recognizes him as the Utilities, Inc. man.

MR. FRIEDMAN: Sorry about that.

DR. HALLEEN: But we found it, and it appears that your intent to handle such costs is through a proposed consolidated rate structure. We see an immediate negative impact on a significant number of our residents: The Canadians and the snowbirds. The consolidated base rate for water and wastewater that is given is a 36 percent -- or 32 percent increase. However, these residents, like the Canadians that are limited to only a six-month stay in the U.S., face the burden of paying the increase without enjoying any benefits of the consumption reduction. So for six months they pay and they don't get any benefit. We feel that that approach is decidedly unfair to them.

Further, we feel we face minimum activity with regard to both EPA and replacement activities. Our wastewater facility had a major upgrade and expansion less than ten years ago, which we are paying 95 percent of the cost; piping through the community is only between 10 and 30 years old; and our aquifer ranks among the better ones in the state. So our cost would be significantly less than other companies, particularly those along the Gulf Coast. So we're concerned about how these costs are going to be handled. If they're simply dumped in and spread over customers, our customers are going to lose.

that reduction?

did occur in their July billings. Then in the information provided by OPC, we were informed that because we have been overcharged for two years previously, the water revenue would be reduced by about \$6,000. However, the water rate structure in Utilities, Inc. was dramatically changed with the 40 percent increase in the base rate but with a further reduction in the consumption rate, but a cutoff increase from 6,000 to 8,000. So the reduced water rate is also part of the rate case. And the rate case expense for the water would be about probably half of the rate case, which is about \$23,500. That will result in a net increase, no reduction to it. And so our obvious question is why was a rate case even necessary to get

We feel that the water rate increase situation

is totally out of control. First, our residents were

informed by letter on or about June 24th of 2016 that

water rates would increase by almost 1 percent, which

We thank you for coming, and we'll appreciate an early response to our questions. But you can be assured we will see you in Tallahassee.

CHAIRMAN BROWN: Thank you, Dr. Halleen, for your -- Halleen? --

DR. HALLEEN: Yes, yes.

CHAIRMAN BROWN: -- for your testimony. Just a question regarding your first bullet point. You said that you were never invited to attend a meeting on April 12th, 2016. I have no -- I'm really confused about --

DR. HALLEEN: That was the meeting where the consolidation was approved by the PSC.

CHAIRMAN BROWN: No, no, sir. Ms. Helton -DR. HALLEEN: The letter -- well, I'm just
quoting the letter from Utilities, Inc.

CHAIRMAN BROWN: Oh, that is -- we did not approve any consolidation, sir.

MS. HELTON: I think what he's referring to is the certification process. So the certificates have actually been combined, but the costs associated with those systems have not been combined. That is the issue that is the subject of the proceeding for which you're taking testimony today.

CHAIRMAN BROWN: Thank you.

DR. HALLEEN: Well, I anticipated an answer similar to that because we had already been advised by the people from Pasco County that they didn't feel that the consolidation was approved yet. But that's not what the letter says.

CHAIRMAN BROWN: No, no. I will tell you from

our perspective, from the Commission's perspective, we have not approved the consolidation nor the rates that are associated with consolidation.

DR. HALLEEN: I understand you haven't approved the rates, but this implied that the consolidation was approved.

CHAIRMAN BROWN: The substance of the consolidation that we are taking up will be taken up during the hearing, and I guess that is probably the clear point to make, the substance. And so we will take that up in May. We invite you to participate via -- you can watch it on the internet, you can come and attend the meeting. But, again, it is a technical meeting in nature. And so with all that, we will absolutely take your written comments through the process. So if you have any additional comments to provide us -- would you like to mark that as an exhibit?

DR. HALLEEN: Sure. Uh-huh.

CHAIRMAN BROWN: All right. We're going to go ahead and mark that as Exhibit 25. That would be Dr. Bob Halleen's written comments.

DR. HALLEEN: Very good.

(Exhibit 25 marked for identification.)

CHAIRMAN BROWN: Thank you.

Commissioners, any questions, comments?

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Anyone else?

DR. HALLEEN: Thank you.

CHAIRMAN BROWN: Appreciate your testimony.

All right. Is there anybody else in the audience today who has not participated that would like to come on up, give us your thoughts, concerns? Ahh, I got 'ya. Got one. Yeah. This is our last service hearing, so I'd like to encourage as many of you as possible.

Have you been sworn, sir?

MR. MILLER: No.

**CHAIRMAN BROWN:** Do you swear or affirm to provide the truth in this proceeding?

MR. MILLER: I do.

(Witness sworn.)

CHAIRMAN BROWN: Thank you. Please state your name and address for the record.

MR. MILLER: My name is John Miller. I live at 2915 Dollar Bonnet here at Cypress Lakes. And I don't want to steal the thunder of the doctor. I know he wanted to be the last to speak. But as he was speaking and the others previously, it gave me a thought of I am a -- considered a snowbird, I'm here six months a year, and I brought copies of two of my bills. The bill -- the recent one I got was for \$48, and I'm trying

to read the gallons without my glasses. It's under 1 60 gallons of water. Average -- I'm sorry, that was 2 3 average daily use. 1,590 -- about 1,500 gallons of water, 1,590. Okay. That was for \$48. And my summer 4 5 bill in July when I wasn't here was for \$28, and the amount of water at that time was zero. So it seems like 6 7 a big discrepancy. I know there's still infrastructure involved that we have to pay for, but that seems rather 8 9 high when I'm not using any facilities for six months. 10

And I had one other question. We have the two attorneys here tonight that represents us and the Commission. Where does their salaries come from for this process?

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CHAIRMAN BROWN: Sir, when you say that we have two attorneys here who represent the public,

Mr. J.R. Kelly is a, as are we, state employee. And he is a state employee. That's public record. Feel free to look it up. I don't know it. And --

MR. MILLER: Well, as far as them being part of this Commission, the two attorneys, is the Commission paying for their services or --

CHAIRMAN BROWN: No, no.

MR. MILLER: -- is it bono or --

MR. KELLY: My salary is paid for by the taxpayers of the state of Florida. I'm a state

employee, and my money is appropriated by the state legislature.

MR. MILLER: I see. Okay.

CHAIRMAN BROWN: That's a good answer. I have had that question a couple of times, and that's a better answer than I give. Thank you.

Sir, Commissioner Brisé has a question -- a comment.

COMMISSIONER BRISÉ: Comment. Yeah. Just to make sure, Mr. Friedman is hired by the utility, so he's not part of the Commission, nor is he with the Office of Public Counsel.

MR. MILLER: Okay.

CHAIRMAN BROWN: Thank you. If there was confusion there. Thank you.

All right. So there are customer service representatives -- you raised a very valid point here. Customer service representatives are right there in the back to address your bill. I encourage them to approach you at the conclusion of the service hearing to find out what the issue is, whether it's just the base facility charge or what's going on there. But thank you for your testimony and coming on up.

MR. MILLER: All right. Thank you.

CHAIRMAN BROWN: Anyone else? Anyone else?

(No response.)

Last service hearing but, please, we are still taking written comments up and through the technical hearing. I encourage you to come on out and write us, let us know how you feel.

Commissioners, are there any parting words, anyone? No.

I want to thank you. Your input is integral to the overall process. Thank you for coming out. I really appreciate it.

I want to commend our Commission staff first and foremost. They have been going on the road show for many, many days, and I want to thank them. There's a lot of time and energy that goes into this process.

We've been planning this for months upon months. I want to thank Mr. Kelly's office too for working with us and finding the locations. I want to thank the utility for coming out here and bringing customer service representatives to help address it. It's not an easy job to do, so thank you. And finally, Commissioners, thank you for your patience in dealing with me presiding over all of these customer service hearings. And with that, seeing no further comments, this service hearing is adjourned. Thank you.

(Service hearing adjourned at 6:56 p.m.)

1	STATE OF FLORIDA ) : CERTIFICATE OF REPORTER
2	COUNTY OF LEON )
3	
4	I, LINDA BOLES, CRR, RPR, Official Commission
5	Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein
6	stated.
7	IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the
8	<pre>same has been transcribed under my direct supervision; and that this transcript constitutes a true</pre>
9	transcription of my notes of said proceedings.
10	I FURTHER CERTIFY that I am not a relative, employee, attorney, or counsel of any of the parties,
11	nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I
12	financially interested in the action.
13	DATED THIS 16th day of February, 2017.
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15	
16	Ginda Boles
17	LINDA BOLES, CRR, RPR Official FPSC Hearings Reporter
18	Office of Commission Clerk (850)413-6734
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