

BEFORE THE PUBLIC SERVICE COMMISSION

In re: Application for Rate 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

PETITION TO INTERVENE OF THE SUMMERTREE WATER ALLIANCE

Pursuant to sections 120.569, 120.57(1) and 367.091(2), Florida Statutes, and Rules 25-22.039 and 28-106.205, Florida Administrative Code, the Summertree Water Alliance ("Summertree Alliance"), through its undersigned attorney, hereby files this Petition to Intervene in the above-captioned docket. In support thereof, the petitioner, Summertree Alliance, states as follows:

1. Name and address of the affected agency:

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850

2. Name and address of the petitioner:

Summertree Water Alliance
c/o Ann Marie Ryan
11436 Windstar Court
New Port Richey, Florida 34654

3. Service. All pleadings, motions, orders and other documents directed to the petitioner should be served on:

Brian P. Armstrong, Esq.
Law Office of Brian Armstrong, PLLC
P.O. Box 5055
Tallahassee, Florida 32314-5055
Telephone: (850) 322-4097
Email: brian@brianarmstronglaw.com

4. Notice of Docket. Summertree Alliance members originally received notice from reviewing the above-referenced docket on the Florida Public Service Commission ("PSC") website.

5. In this docket, the Commission will decide whether to approve Utilities, Inc.'s request for a rate increase. The Summertree Alliance is located in Pasco County, Florida, and is served by the

water and wastewater systems known as the Summertree Systems. Members of the Summertree Alliance are customers of Utilities, Inc. who pay substantial amounts of money to Utilities, Inc. for water and wastewater services, and this proceeding will determine the rate that such customers will be required to pay to Utilities, Inc. in the future.

6. Standing. To intervene, the Summertree Alliance and its members must show that their substantial interests will be affected by this proceeding. See Section 120.569, Florida Statutes. To show their substantial interest will be affected, the Summertree Alliance must show that it will suffer an actual and immediate injury against which the proceeding is designed to protect. Ameristeel Corp. V. Clark, 691 So. 2d 473 (Fla. 1997); Agrico Chemical Co. v. Dep't of Environmental Regulation, 406 So. 2d 478 (Fla. 2d DCA 1981).

6. As customers of Utilities, Inc., the interests of the members of the Summertree Alliance will be actually and immediately affected by changes to Utilities, Inc.'s rates. This proceeding is designed to set new rates for Utilities, Inc. and to ensure that those rates are fair, just, reasonable, and non-discriminatory. The Summertree Alliance is entitled to participate in this proceeding to protect its members interest in receiving water and wastewater services at fair, just, reasonable, and non-discriminatory rates.

7. Disputed Issues of Material Fact. The Summertree Alliance disputes material facts alleged in the rate increase application and supporting testimony and documents and has identified the following issues in dispute:

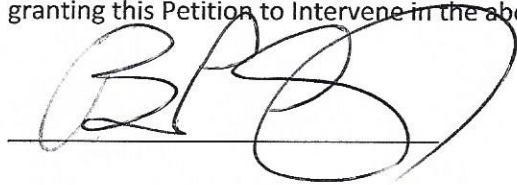
- Whether the revenue requirements requested by Utilities, Inc. and associated rates are excessive.
- Whether Utilities, Inc. is entitled to a return on equity consistent with the Commission established equity graph or should such return be reduced.
- Whether Florida laws and Commission rate-setting rules, including recent amendments to Florida Statutes, as well as Utilities, Inc.'s request for additional revenue recovery through the base facility charge have reduced the risk of utility operation such that the return on equity should be reduced.
- Whether Utilities, Inc. has acted responsibly and in the exercise of proper utility management to respond to service deficiencies such as have existed on the Summertree System and whether Utilities, Inc. equity return should be reduced if such management response has been deficient.
- Whether Utilities, Inc. investments should be included in rate base where Utilities, Inc. has failed to properly manage its assets and capital investment program.
- Whether Utilities, Inc. has properly managed its utility records.
- Whether Utilities, Inc. engagement of its out of state affiliate to perform management, accounting, financing and other services has contributed to deficient record keeping, accounting and reporting and whether Utilities, Inc. revenue requirements and/or equity return should be reduced to reflect such deficiencies.
- Whether Utilities, Inc. has pursued financing from free or low cost loan, grant and/or other funds so as to minimize debt service costs and other costs of capital investments and associated revenue and equity adjustments if it has not done so.

8. Statement of Ultimate Facts. The Summertree Alliance has participated in this and other Utilities, Inc. proceedings informally as a person in interest together with various individual members of the Summertree Alliance as well as customers served by other systems owned and operated by Utilities, Inc. The Summertree Alliance recognizes that it takes the proceedings as it finds it as of the date of this formal petition to intervene. Thus, no party is prejudiced by this intervention. Review of testimony and evidence presented by Utilities, Inc. to date reveals the following material deficiencies in the rate increase application which the Summertree Alliance wishes to focus the Commission's attention upon:

- Utilities, Inc. management and services have been deficient resulting in higher costs which should not be recognized in its revenue requirement.
- Utilities, Inc. has failed to properly manage its assets resulting in unreasonable utility investments at unreasonable costs to customers.
- Utilities, Inc. has long failed to properly record Commission orders, failed to properly record activities related to assets, and other deficiencies in utility accounting; deficiencies which should not be rewarded by the Commission but rather recognized and reflected in reductions to alleged costs which Utilities, Inc. seeks to recover in this proceeding.
- Utilities, Inc. faces limited risk in utility operations due to Commission rate-setting procedures including indexing, pass-throughs, staff assisted rate proceedings, and recent law changes, in addition to the requested higher recovery of revenue requirements in base facility charges; this reduced risk should be reflected in reduced return on equity.
- Utilities, Inc. has failed to pursue low cost and no cost funding such that the utility's cost of financing investments are excessive; reductions in the authorized rate of return are proper.
- Utilities, Inc. has failed to properly and timely address poor water quality issues on the Summertree water system and recent attempts to resolve the poor water quality have resulted in even poorer quality of service.

9. Relief Sought. The Alliance hereby requests the Commission to grant the Petition to Intervene in the above-captioned docket on the basis set forth in the paragraphs above. Though the information provided in the application, testimony and exhibits is inadequate, it is sufficient to reveal the several unsettling issues identified above which, at minimum, must be disposed of at the formal hearing.

WHEREFORE, the Summertree Alliance respectfully requests the Commission to enter an order granting this Petition to Intervene in the above-captioned docket.

A handwritten signature in black ink, appearing to read 'BPA', is written over a horizontal line. The signature is stylized and somewhat cursive.

Brian P. Armstrong, Esq.
Law Office of Brian Armstrong, PLLC

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Tallahassee, Florida 32314-5055
Florida Bar No. 888575
Email: brian@brianarmstronglaw.com
Counsel for Summertree Water Alliance

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by e-mail to the following on this 19th day of April, 2017:

Director, Division of the Commission
Clerk and Administrative Services
Florida Public Service Commission
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Tallahassee, Florida 32399-0850
(via e-filing: filings@psc.state.fl.us)

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