

# I. Meeting Packet



**State of Florida**  
**Public Service Commission**  
**INTERNAL AFFAIRS AGENDA**

Wednesday, March 14, 2012

9:30 a.m.

Betty Easley Conference Center, Room 140

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1. Approve February 14, 2012, Internal Affairs Meeting Minutes. (Attachment 1)
2. Legislative Update. (No Attachment)
3. Executive Director's Report. (No Attachment)
4. Other Matters.

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OUTSIDE PERSONS WISHING TO ADDRESS THE COMMISSION ON  
ANY OF THE AGENDAED ITEMS SHOULD CONTACT THE  
OFFICE OF THE EXECUTIVE DIRECTOR AT (850) 413-6463.





# State of Florida

## Public Service Commission

### INTERNAL AFFAIRS MINUTES

Tuesday, February 14, 2012

11:29 am - 11:48 am

Betty Easley Conference Center, Room 140

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COMMISSIONERS PRESENT: Chairman Brisé  
Commissioner Edgar  
Commissioner Graham  
Commissioner Balbis  
Commissioner Brown

STAFF PARTICIPATING: Baez, Hill, Kiser, Miller, Fogleman, Pennington, Muir

1. Approve January 25, 2012, Internal Affairs Meeting Minutes.

The minutes were approved.

Commissioners participating: Brisé, Edgar, Graham, Balbis, Brown

2. Draft Congressional Letter Regarding Universal Service Support Distribution. Approval is sought.

The contents of the letter were approved. As discussed in the meeting, the Chairman will continue to work with staff on the final format.

Commissioners participating: Brisé, Edgar, Graham, Balbis, Brown

3. Legislative Update.

Ms. Pennington updated the Commissioners on Legislative matters of interest.

Commissioners participating: Brisé, Edgar, Graham, Balbis, Brown

Minutes of  
Internal Affairs Meeting  
February 14, 2012  
Page Two

4. Executive Director's Report.

Mr. Baez advised that there is nothing to report at this time.

Commissioners participating: Brisé, Edgar, Graham, Balbis, Brown

5. Other Matters.

Chairman Brisé discussed National Consumer Protection week and Ms. Muir updated the Commissioners on the Super Tuesday Consumer Forum, which will be held on March 6, 2012. This meeting is intended to educate consumer groups regarding services provided by the Florida Public Service Commission.

## II. Outside Persons Who Wish to Address the Commission at Internal Affairs

**NOTE:** The records reflect that no outside persons addressed the Commission at this Internal Affairs meeting.

# III. Supplemental Materials for Internal Affairs

**NOTE: The following material pertains to Item 2 of  
this agenda.**

## Vote on utility study beats clock

As the last few minutes were ticking away on the 2012 legislative session, future House Speaker Will Weatherford decided it was time to show a little muscle.

There was one last bill he wanted to get through before sine die, when Speaker Dean Cannon banged his gavel at midnight.

On the surface, creating another study committee on water and wastewater issues sounds dull. But for customers of for-profit water utilities such as Aqua Utilities — people who routinely pay \$150 a month for water and sewer service — the study committee is the first step toward reforming the state laws that guarantee private utility companies double-digit profit regardless of the quality of service they provide.

So, at 11:53 p.m. Friday, members of the House Agriculture and Natural Resources Committee approved a Senate amendment to another bill regulating water storage on agricultural lands. The new committee substitute included the provisions to create the study committee.

"It was just crazy," Weatherford said. "We were running around all night. My aide, Ralph Lair, was constantly texting me."

The Senate had already passed the amended bill. The House passed it unanimously at 11:54 p.m. It was the last vote of the 2012 session.

"I made sure we didn't sine die without passing that bill," Weatherford said. "There were some bills that died because we simply ran out of time. The speaker knew how important this one was to me, so we voted, then we shut it down."

The bill's passage comes on the heels of the Florida Public Service Commission's vote last month to grant Aqua Utilities a \$2.6 million rate increase — its second rate hike in the past three years — despite a ruling that its service was marginal.

PSC commissioners said they were restricted by Florida law, which guarantees utility companies a 10-percent "return on equity." Aqua's penalty for providing marginal service was that its profit margin was reduced to 9.3 percent. Commissioners said the only way to resolve the affordability issue would be to change the law.

Two other private utilities in Pasco, Mad Hatter and Labrador, have rates cases pending before the PSC. The three utilities combined serve about 7,000 Pasco customers. Aqua has 3,200 customers in Pasco, mostly in New Port Richey and a few hundred in Zephyrhills.

Pasco County Commissioner Jack Mariano said he already has reached out to Weatherford to "share my interest in serving on that committee."

The committee will be tasked with studying a number of issues, among them one of the key factors in the Aqua rate case: the effect on customer rates when a private utility acquires older systems in need of costly repairs. PSC commissioners have questioned whether the utilities do enough due diligence on such systems, because they know the costs can be passed on to clients and are guaranteed a profit.

Parties/Staff Handout  
Internal Affairs Agenda  
on 3/14/12  
Item No. 2



Aqua spokeswoman Gretchen Toner defends the utility's expansions.

"Prior to our ownership, many of these systems had fallen into disrepair and did not meet acceptable standards," she said. "In many cases, Aqua was the only utility willing and able to buy and improve them."

If Gov. Rick Scott signs the bill creating the study committee, "it would be appropriate for a representative of Aqua Utilities Florida to be invited to join the study committee," Toner said.

Weatherford said he won't serve on the committee but will closely follow its work. The committee is expected to report its findings and any proposed legislative changes on Feb. 15, 2013.

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Internal Affairs  
February 15, 2013