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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Application for rate increase for Orange-Osceola Utilities, Inc. in Osceola County, and in Bradford, Brevard, Charlotte, Citrus, Clay, Collier, Duval, Highlands, Lake, Lee, Marion, Martin, Nassau, Orange, Osceola, Pasco, Putnam, Seminole, St. Johns, St. Lucie, Volusia, and Washington Counties, by Southern States Utilities, Inc.

Docket No.: 950495-WS Filed: August 8, 1995

ORIGINAL FILE COPY

PETITION OF HERNANDO COUNTY WATER & SEWER DISTRICT FOR LEAVE TO INTERVENE

HERNANDO COUNTY WATER & SEWER DISTRICT, a political subdivision of the State of Florida, by and through its undersigned attorney, pursuant to Section 120.53, Florida Statutes, and Rules 25-22.036(7)(a) and 25-22.039, Florida Administrative Code, petitions for leave to intervene in the above-styled proceeding and in support thereof states:

1. The name and address of Petitioner is as follows:

Hernando County Water & Sewer District
202 E. Jefferson Street
Brooksville, FL 34601

Documents relating to this proceeding should be served on:

Robert Bruce Snow, Esq.
20 N. Main Street, Rm. 462
Brooksville, FL 34601-2850
904-754-4122
904-754-4477

2. HERNANDO COUNTY WATER & SEWER DISTRICT, is a body politic existing under the provisions of Chapters 125 and 153, Florida Statutes. HERNANDO COUNTY WATER & SEWER DISTRICT, is a governmental utility which provides water

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and waste water service within Hernando County. **HERNANDO COUNTY WATER & SEWER DISTRICT**, is a customer of **SOUTHERN STATES UTILITIES, INC. (SSU)** Spring Hill Water and Wastewater System inasmuch as **SSU** provides the **HERNANDO COUNTY WATER & SEWER DISTRICT**, with bulk wastewater treatment services.

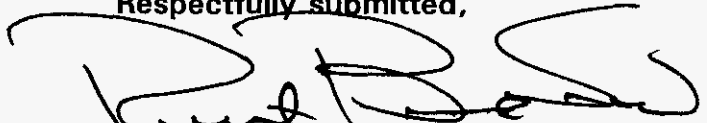
3. In the instant proceeding, **SSU** has requested a permanent increase in its annual revenues for water and wastewater service, and an interim revenue increase for the same serve. The Florida Public Service Commission (PSC) is vested with the statutory authority and the responsibility pursuant to Chapter 367, Florida Statutes, for setting "fair, just and reasonable" rates for its customers and for utilities subject to the PSC's jurisdiction. **SSU's** Amended and Restated rate Petition requests that the sought-after revenue increases be applied to numerous **SSU** systems in Florida, including the water and wastewater system serving residents of **HERNANDO COUNTY**. **HERNANDO COUNTY**, on April 5, 1994 adopted Resolution No. 94-77, a copy of which is attached as Exhibit "A", which said resolution removed **HERNANDO COUNTY** from the regulatory jurisdiction of the PSC pursuant to Section 367.171(1), Florida Statutes. Therefore, **HERNANDO COUNTY** is the proper regulatory authority over **SSU's** water and wastewater system located within **HERNANDO COUNTY** and the PSC's efforts to regulate water and wastewater systems within **HERNANDO COUNTY** is an infringement upon the constitutional and statutory authority and sovereignty of **HERNANDO COUNTY**. **HERNANDO COUNTY WATER & SEWER DISTRICT** is a bulk customer of **SSU** and is thus subject to **SSU's** approved rate tariffs. Accordingly, **HERNANDO COUNTY WATER & SEWER DISTRICT**, is a "party" within the definition of Section 120.52(12), Florida Statutes, inasmuch as its substantial interest are affected by this proceeding. **HERNANDO COUNTY WATER**

& SEWER DISTRICT is entitled to the status as a party in this proceeding.

4. **HERNANDO COUNTY WATER & SEWER DISTRICT** disputes the existence of PSC jurisdiction to either adjust **SSU's** revenue requirement for the Spring Hill Water and Wastewater System or to increase rates. **HERNANDO COUNTY** has the sole regulatory authority over rates of the Spring Hill system. **HERNANDO COUNTY WATER & SEWER DISTRICT** further disputes, among other material factual disputes that will be developed after **SSU** makes its complete and revised filing available to petitioner and its other customers, that **SSU's** legitimate used and useful rate base and reasonable and necessary expenses, when compared to the revenues derived from its current rates and the opportunity to earn a reasonable return on its capital, warrant any current increase in its revenues, either on a permanent or interim basis. **HERNANDO COUNTY WATER & SEWER DISTRICT** also disputes that state wide uniform rates for all of **SSU's** system, including the Spring Hill system, are authorized by the provisions of Chapter 367, Florida Statutes, or other provisions of law.

WHEREFORE, HERNANDO COUNTY WATER & SEWER DISTRICT requests that it be granted leave to intervene and be permitted to participate in this proceeding with full rights as a party.

Respectfully submitted,



Robert Bruce Snow

FL Bar No. 134742

Hernando Co. Water & Sewer Dist. Atty.

20 N. Main Street, Rm. 462

Brooksville, FL 34601-2850

904-754-4122

CERTIFICATE OF SERVICE

I HEREBY CERTIFY a true and correct copy of the foregoing *Petition of Hernando County Water & Sewer District for Leave to Intervene*, has been sent by U.S. Regular Mail to the following on this 4th day of October 1995.


ROBERT BRUCE SNOW

Service List:

The Honorable Ginny Brown-Waite
316 Senate Office Bldg.
Tallahassee, FL 32399-1100

Hillsborough County Board of County Commissioners
Asst. County Attorney/Odom
P.O. Box 1110
Tampa, FL 33601

Marco Island Fair Water Rate Defense Fund Committee
Chairman
P.O. Box 712
Marco Island, FL 33969

Office of Public Counsel
c/o The Florida Legislature
111 W. Madison St., #812
Tallahassee, FL 32399-1400

Orange-Osceola Utilities, Inc. (WS178)
2507 Boggy Creek Road, Suite D
Kissimmee, FL 34744-3812

Rutledge Law Firm
Kenneth Hoffman
P.O. Box 551
Tallahassee, FL 32302

Southern States Utilities, Inc. (WS226)
1000 Color Place
Apopka, FL 32703-7753

Spring Hill Civic Assoc.
President
P.O. Box 3092
Spring Hill, FL 34606

Sugarmill Woods Civic Association
91 Cypress Blvd. W.
Homosassa, FL 32646

Michael Twomey, Esq.
Rt 28, Box 1264
Tallahassee, FL 32310

BOARD OF COUNTY COMMISSIONERS
HERNANDO COUNTY, FLORIDA

RESOLUTION

94-77

**A RESOLUTION RESCINDING FLORIDA PUBLIC
SERVICE COMMISSION JURISDICTION OVER
INVESTOR-OWNED WATER AND WASTEWATER
SYSTEMS IN HERNANDO COUNTY**

WHEREAS, the Hernando County Board of County Commissioners in 1969 passed a Resolution making Hernando County subject to the provisions of Chapter 367, Florida Statutes; and

WHEREAS, pursuant to said Resolution, 1969 and Chapter 367, Florida Statutes, the Florida Public Service Commission has had economic regulatory authority over investor-owned water and wastewater systems in Hernando County since August 21, 1969; and

WHEREAS, in 1993, the Florida Public Service Commission ordered approved for Southern States Utilities, Inc.'s Spring Hill water and wastewater systems in Hernando County a so-called "uniform" rate structure, which had not been requested by Southern States Utilities, Inc.; and

WHEREAS, the so-called "uniform" rate structure charges the customers of the Spring Hill water and wastewater systems rates in excess of 1.8 MILLION DOLLARS over the actual cost, including a reasonable profit on investment, of providing these customers with water and wastewater service; and

WHEREAS, the Hernando County Board of County Commissioners believes that such rates are unjust, unreasonable, unduly discriminatory, excessive and, therefore, unlawful; and

WHEREAS, the Hernando County Board of County Commissioners believes that such rates harm the customers of Southern States Utilities, Inc. in Hernando County, specifically, and the economy of Hernando County, generally, by effectively "taxing" and exporting from Hernando County over 1.8 MILLION DOLLARS annually; and

WHEREAS, the revenues derived from the unlawful uniform rates will be used to subsidize the utility services being provided to Southern States Utilities, Inc.'s customers in other Florida Counties, many of whom are either commercial customers or residential customers of greater economic means than the typical residential customer of Southern States Utilities, Inc.'s Spring Hill water and wastewater systems; and

WHEREAS, the Hernando County Board of County Commissioners believes that it is impossible for the customers of the Spring Hill water and wastewater systems to ever receive the benefit of future capital utility plant investments equal to the present value of the more than 1.8 MILLION DOLLARS of excessive rates being charged Hernando County residents each year; and

WHEREAS, the Hernando County Board of County Commissioners believes

that it has an obligation and a duty to see that the residents of Hernando County are only charged just, reasonable, compensatory and not unfairly compensatory rates; and

WHEREAS, it is the announced policy of the Florida Public Service Commission to stimulate economic development in other Florida Counties by reducing utility rates there through forced subsidies from utility customers in other counties, including Hernando County; and

WHEREAS, the Hernando County Board of County Commissioners believes that the Florida Public Service Commission has no statutory authority to attempt to affect economic development through the manipulation of utility rates, and, further, that the potential economic development to be obtained by other counties can only be at the expense of the excessive and unlawful revenues and depreciated property values experienced by the residents of Hernando County and other Southern States Utilities, Inc. customers being forced to pay subsidies as a result of the so-called "uniform" rates; and

WHEREAS, the Florida Public Service Commission refused to approve Southern States Utilities, Inc.'s request that the Hernando County Utilities Department continue to be given a bulk wastewater rate that it was clearly entitled to because of its unique usage and service availability charge characteristics and pursuant to the Florida Public Service Commission's own precedent and staff policies; and

WHEREAS, the Florida Public Service Commission has taken no apparent action to curb Southern States Utilities Inc.'s expensive and misleading campaign to support the uniform rate concept it did not request and which it purportedly should be neutral to because the revenue it will receive are the same irrespective of the rate structure ordered; and

WHEREAS, the Hernando County Board of County Commissioners believes that the Florida Public Service Commission cannot effectively conduct a rate case involving 127 or more separate water and wastewater systems in one proceeding; and

WHEREAS, it is the announced policy of the Florida Public Service Commission to encourage Southern States Utilities, Inc. to acquire many more Florida Water and wastewater systems, including those which are poorly maintained, poorly operated, or are otherwise considered "unviable"; and

WHEREAS, Southern States Utilities, Inc.'s continued acquisition of other utility systems will aggravate an already intolerable situation; and

WHEREAS, the Florida Legislature has provided that the Hernando County Board of County Commissioners, and the Board of County Commissioners of all Florida Counties can, after ten continuous years under the jurisdiction of the Florida Public Service Commission, exclude itself from the provisions of Chapter 367, Florida Statutes, and the Florida Public Service Commission's regulation of investor-owned water and wastewater within the County; and

WHEREAS, Hernando County has been under the Chapter 367, Florida Statutes, jurisdiction of the Florida Public Service Commission for in excess of ten continuous years and intends to now exclude itself from the provisions of Chapter 367, Florida Statutes, and return the regulation of investor-owned water and wastewater systems within Hernando County to persons who are politically accountable to those paying the water and wastewater rates.

NOW, THEREFORE, BE IT RESOLVED BY THE HERNANDO COUNTY BOARD OF COUNTY COMMISSIONERS AS FOLLOWS:

SECTION 1. Pursuant to the provisions of Section 367.171(1), Florida Statutes, the Board of County Commissioners of Hernando County rescinds the 1969 Resolution electing to be subject to the Public Service Commission's jurisdiction and thereby excludes itself from the provisions of Chapter 367, Florida Statutes, effective immediately.

SECTION 2. Effective immediately, the Board of County Commissioners of Hernando County has jurisdiction of water and wastewater systems operated in Hernando County and no such water or wastewater system shall change its rates or charges for service to its customers without the prior approval of this Board.

ADOPTED this 5 day of April 1994, A.D.

**BOARD OF COUNTY COMMISSIONERS
HERNANDO COUNTY, FLORIDA**

Attest:

Karen Nicolai
KAREN NICOLAI
Clerk

By:

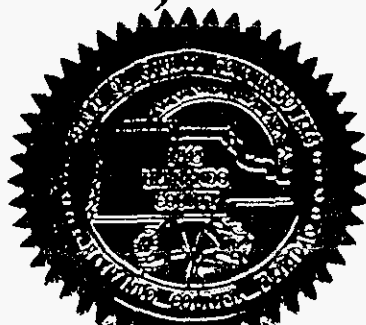
Jume Ester
JUME ESTER
Chairman

John Richardson
JOHN RICHARDSON

Hannah M. Robinson
HANNAH M. ROBINSON

Patricia Novy
PATRICIA NOVY

Anthony C. Mosca, Jr.
ANTHONY C. MOSCA, JR.



**BOARD OF COUNTY COMMISSIONERS
HERNANDO COUNTY, FLORIDA**

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ADOPTED this 5 day of April 1994, A.D.

**BOARD OF COUNTY COMMISSIONERS
HERNANDO COUNTY, FLORIDA**

Attest: Karen Nicolai
KAREN NICOLAI
Clerk

By: June Ester
JUNE ESTER
Chairman

John Richardson
JOHN RICHARDSON

Hannah M. Robinson
HANNAH M. ROBINSON

Patricia Novy
PATRICIA NOVY

Anthony C. Mosca, Jr.
ANTHONY C. MOSCA, JR.

