

Ruth Nettles

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Sent: Monday, July 13, 2009 3:45 PM
To: Filings@psc.state.fl.us
Cc: Ralph Jaeger; mfriedman@rsbattorneys.com; REILLY.STEVE
Subject: 808249-SU electronic Filing - Petition on Proposed Agency Action
Attachments: Petition on Proposed Agency Action 07-13-09.pdf

Electronic Filing

Stephen C. Reilly, Associate Public Counsel
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b. Docket No. 080249-WS

In Re: Application for increase in Wastewater rates in Pasco County by Labrador Utilities Inc.

c. Document being filed on behalf of Office of Public Counsel

d. There are a total of two pages.

e. The documents attached for electronic filing is Citizens' **Petition on Proposed Agency Action** in the above docket.

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DOCUMENT NUMBER-DATE

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7/13/2009

FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in water
and wastewater rates in Pasco County by
Labrador Utilities, Inc.

Docket No. 080249-WS

Filed: July 13, 2009

PETITION ON PROPOSED AGENCY ACTION

The Citizens of the State of Florida ("Citizens") by and through their undersigned attorney, pursuant to Section 120.57, Florida Statutes, and Rules 25-22.029 and 28-106.201, Florida Administrative Code, file this objection to the Florida Public Service Commission's ("Commission") Order No. PSC-09-0462-PAA-WS ("Order"), issued June 22, 2009, and state:

1. The name and address of the agency affected and the agency's file number:

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
Docket No. 080249-WS

2. The Citizens include customers of Labrador Utilities, Inc. ("Labrador", "Utility" or "Company") whose substantial interests will be affected by the Order because the Order authorizes the Utility to substantially increase the rates and charges it imposes upon its customers.

3. Pursuant to Section 350.0611, Florida Statutes, the Citizens' who file this petition are represented by the Office of Public Counsel ("Citizens", "Petitioner" or "OPC") with the following address and telephone number: Office of Public Counsel, c/o The Florida Legislature, 111 West

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

Madison Street, Room 812, Tallahassee, Florida 32399-1400, telephone no. (850) 488-9330.

4. The Citizens received a copy of the Order by inter-office courier on July 1, 2009.
5. At this time the ultimate facts alleged, including the specific facts which the Petitioner contends warrants reversal or modification of the agency's proposed action are as follows:

Quality of Service

- a. The quality of the Company's water product is unsatisfactory.
- b. The quality of the Company's wastewater product is unsatisfactory.
- c. The operational condition of the wastewater treatment plant and facilities are unsatisfactory.
- d. The Utility's efforts to address customer concerns are unsatisfactory.
- e. The overall quality of service provided by the Utility to its customers is unsatisfactory.

Rate Base

- f. Water plant-in-service is overstated.
- g. Wastewater plant-in-service is overstated.
- h. Water rate base is overstated.
- i. Wastewater rate base is overstated.
- j. Wastewater treatment plant used and useful is overstated.
- k. Working capital is overstated because the Company's operation and maintenance expenses are overstated.

Operating Statement

- l. Water and wastewater operating expenses are overstated, including but not limited to the following:
 - i. Contractual services.
 - ii. Insurance expenses.
 - iii. Transportation expenses.
 - iv. Materials and supplies expenses.
 - v. Miscellaneous expenses.
 - vi. Depreciation expenses, including, but not limited to the depreciation expense associated with allocating the costs of Phase 1 and 2 of Project Phoenix Financial/Customer Care Billing System.
 - vii. Salaries, benefits and payroll taxes are especially excessive, particularly in light of current economic conditions.

- viii. As a result of the Commission's action at the June 2, 2009 Agenda Conference, the Citizens expressly do not object to the rate case expense allowance provided by the Order. However, Citizens reserve the right to object to additional rate case expense the Utility may propose to collect from its customers.
 - m. Test year revenues are understated.
- 6. Each of the forgoing matters involve disputed issues of material fact.
- 7. Order No. PSC-09-0462-PAA-WS establishes July 13, 2009 as the date by which protests must be filed.
- 8. Chapter 367.081, Florida Statutes, is a specific statute the Petitioner contends requires reversal of the agency's proposed action. Commission Rules 25-30.30.432, 30.433, 30.436, 30.437, 30.438, 30.440 and 30.450, Florida Administrative Code, are the specific rules of the Commission that require reversal of the agency's proposed action.
- 9. The Petitioner seeks the Commission to take the following actions with respect to the agency's proposed action:
 - a. As a result of the poor quality of service provided its customers, the Commission should reduce the Utility's authorized range of return on common equity, below what is provided by the Commission's 2009 leverage graph.
 - b. After consideration of the record evidence presented at the formal evidentiary hearing, concerning each of the disputed issues, the Commission should issue a new order prescribing the proper water and wastewater revenue requirements and resulting rates and charges for this Utility.
 - c. To the extent final water or wastewater rates are approved which are less than interim rates, such over collection should be refunded to the Utility's customers with interest.

WHEREFORE, the Citizens hereby protest and object to Commission Order No. PSC-09-0462-PAA-WS as provided above, and petitions the Commission to conduct a formal evidentiary hearing, under the provisions of Section 120.57 (1), Florida Statutes, and further petitions that such hearing be scheduled at the Forest Lake Estates Club House.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "S.C. Reilly", is written over a circular stamp or seal that is partially obscured.

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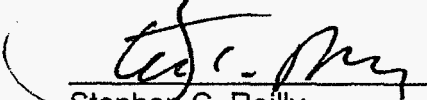
Attorneys for the Citizens
Of the State of Florida

CERTIFICATE OF SERVICE
DOCKET NO. 080249-WS

I HEREBY CERTIFY that a true and correct copy of the foregoing Citizens' Petition has been furnished by U.S. Mail and electronic mail to the following parties on this 13th day of July, 2009.

Ralph Jaeger, Esq.
Division of Legal Services
Florida Public Service Commission
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Tallahassee, FL 32399-0850

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Stephen C. Reilly
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