

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for staff-assisted rate case in
Brevard County by Brevard Waterworks, Inc.

DOCKET NO. 140186-WU

FILED: November 30, 2015

**OFFICE OF PUBLIC COUNSEL'S RESPONSE TO
BREVARD WATERWORKS, INC.'S NOVEMBER 19, 2015 FILING**

In accordance with Rule 28-106.204, Florida Administrative Code (F.A.C.), the Office of Public Counsel (OPC) files its response to Brevard Waterworks, Inc.'s (BWW's or utility's) November 19, 2015 filing made pursuant to Order No. PSC-15-0329-PAA-WU, issued August 14, 2015 in Docket No. 140186-WU.

Background

OPC conducted three meetings with the customers of BWW in order to ascertain whether the customers were in favor of the infrastructure replacement project. The first two customer-only meetings on September 8 and 29, 2015, were attended by the same customer. The third meeting on October 29, 2015, a joint meeting between the customers and utility, was attended by 20 customers. At this meeting, the customers expressed their unified opposition to the proposed infrastructure replacement project, and submitted a petition signed by over 115 different utility customers (Petition attached as Attachment A). The petition summarized the customers' opposition to the project and requested other relief. They also shared a number of quality of service concerns including (1) the failure to timely provide a boil water notice in August of 2015;

(2) complaints of inaccurate meter readings (both slow and fast); and (3) other quality of service issues. The representative of BWW who attended the October meeting indicated the utility would look into the concerns of the customers, and stated that the customers with the meter problem could request a bench test pursuant to Commission rules.

On October 6, 2015, Brevard County established a special rate class for BWW, thus lowering its purchase water expense. On November 19, 2015, BWW filed its summary of the three meetings, accurately recounting the customers' opposition to the proposed infrastructure replacement project. BWW also requested the following rate relief: (1) allow BWW to recover \$19,262 in costs in Phase 2 rates for the costs it incurred to analyze the infrastructure replacement project; (2) that customer rates not be automatically reduced based upon the rate relief provide by Brevard County notwithstanding the provisions of Section 367.081(4)(b), Florida Statutes (F.S.); and (3) alternatively, if there should be a reduction in rates in response to Brevard County rate relief action, then the Commission should not make the unaccounted for water adjustment. OPC hereby files this response to BWW's request for rate relief.

Argument

First, OPC does not oppose BWW's request to recover approximately \$19,262 in costs BWW incurred to analyze the infrastructure replacement costs. These costs were incurred in response to a Commission order; however, these costs should be reviewed for reasonableness prior to setting Phase 2 rates.

Second, OPC disagrees with BWW on its request for the Commission not automatically reduce customer rates. Section 367.081(4)(b), F.S., mandates an automatic decrease in rates whenever the reselling utility has a reduction in its purchased water expense. The statute states,

in pertinent part, “[t]he approved rates of any utility which receives all or any portion of its utility service from a governmental authority ... and which redistributes that service to its utility customers *shall be automatically* increased or *decreased* without hearing, upon verified notice to the commission 45 days prior to its implementation of the increase or decrease that the rates charged by the governmental authority ... have changed.” *Id.* (emphasis added). BWW’s November 19, 2015 letter should be considered the “verified notice to the commission” of its rate decrease in purchase water rates from Brevard County. Therefore, the customers are expressly entitled to an automatic decrease in their rates commensurate with the decrease in rates provided by Brevard County to the utility.


Third, OPC likewise disagrees with BWW’s alternative proposal for the Commission to offset the automatic decrease in rates with a corresponding elimination of the Commission’s unaccounted for water adjustment. OPC supports the Commission’s unaccounted for water adjustment in Phase 1 rates as being the correct policy decision. OPC submits that this adjustment should be continued for Phase 2 rates since there has been no material change in circumstances that should warrant a retreat from the prior unaccounted for water adjustment. The only change since the implementation of Phase 1 rates has been substantial customer opposition to the utility’s proposed infrastructure replacement project. The customers’ petition clearly states the customers’ desires with regard to this matter, and the Commission should take their desires into account.

Conclusion

For these reasons, the Commission should review for reasonableness the costs to analyze the infrastructure replacement project. As mandated by the statute, the Commission should automatically decrease customer rates. In addition, the Commission should reject the utility's request to make any corresponding adjustment for unaccounted for water.

Respectfully submitted,

J. R. Kelly
Public Counsel



Erik L. Saylor
Associate Public Counsel

Office of Public Counsel
c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400


Attorney for the Citizens
of the State of Florida

CERTIFICATE OF SERVICE
DOCKET NO. 140186-WU

I **HEREBY CERTIFY** that a true and correct copy of the foregoing **OFFICE OF PUBLIC COUNSEL'S REPLY TO BREVARD WATERWORKS, INC.'S NOVEMBER 19, 2015 FILING** has been furnished by electronic mail to the following parties on this 30th day of November, 2015.

Charles Murphy
Florida Public Service Commission
Betty Easley Conference Center
2540 Shumard Oak Blvd., Room 110
Tallahassee, FL 32399-0850

Gary Deremer, President
Troy Rendell
Brevard Waterworks, Inc.
4939 Cross Bayou Blvd.
New Port Richey, FL 34652-3434



Erik L. Saylor
Associate Public Counsel

ATTACHMENT A

This petition is to inform Brevard Waterworks and the Public Service Commission that the residents are telling Brevard Water works **NO** to Docket Number 140186-WU and would prefer to have them ABANDON the system to Brevard County.

In short **NO Rate increase, No to their plans of replacing the piping, and for them to abandon the system to Brevard County.**

HCF 120

Print Name	Address	Signature
KARL KRUPP	3535 BROCKETT RD	Karl Krupp
GLORIA VOELPEL	3200 KILBEE ST.	Gloria Voelpel
THOMAS MOORE	3204 KILBEE ST	Thomas Moore
ROBERT FOGLE	3414 KILBEE ST	Robert Fogle
KATHLEEN EVANS	3500 Poputatic St	Kathleen Evans
Fletcher Bloom	3213 KilBee St	Fletcher Bloom
RICHARD CUMMINGS	3501 KITTLES ST.	Richard Cummings
Naomi Foley	3201 Kilbee St	Naomi Foley
Alex McElveen	3456 Brockett rd	Alex McElveen
Kristen Davis	3450 Brockett rd.	Kristen Davis
William D. Baker	3417 Kittles St.	William D. Baker
Roy Gentry	3417 Kittles St.	Roy P. Gentry
Bill LaRock	3417 Kittles St.	Bill LaRock
Perry Drowning	3405 KITTLER	Perry Drowning
Jane Smith	3438 Brockett Rd.	Jane Smith
Shawn Leon Henderson	3469 Kittles St	Shawn Henderson
Susan Aldrich	3475 Kittles St.	Susan Q. Aldrich
Robert J. Myers	3483 KITTLER	Robert J. Myers
Brandi Watson	3484 Kittles St	Brandi Watson
Brad Bates	3502 Kittles St.	Brad Bates
Tammy Anderson	3502 Kittles St.	Tammy Anderson
Thomas M. Grant	3400 Brockett Rd.	THOMAS M. GRANT
Elizabeth M. Markovich	3400 Brockett Rd	Beth Markovich
Justin Parrish	3482 Brockett RD	Justin Parrish

Print Name	Address	Signature
Shawnda Wagner	3445 Kittles St	Shawnda Wagner
David Shander	3425 Populatic St	David Shander
Randy Yates	3416 Populatic	Randy Yates RA
Rudney Thomas	3455 11 St	Rudney Thomas
J D Morgan	3461 Populatic St	LINDA D. Morgan
Mike Mohr	3442 Populatic St	Mike Mohr
John Mele	3404 Kittles St	John Medina
Kim Cortez	3341 Kittles St	Kim Cortez
Kermit Huff	3342 Kittles	Kermit E. Huff
IRIS WADE FRAZIER	3315 DEDHAM ST	Iris Wade Frazier
LOWELL H. SMITH	3235 CEDAR RD	Lowell H. Smith
RANDALL PARKER	3225 CEDAR Rd	Randall Parker
Sharon Bryan-Gant	3316 Brockett Rd	Sharon B. Bryan-Gant
Mike Quigley	3310 Brockett Rd.	Mike Quigley
Stephen Lynk	3220 Kittles St	Stephen Lynk
Scott Batchelder	3180 Leigh Rd	Scott Batchelder
Virginia Lilly	3323 Kittles St	Virginia Lilly
William H. Smith III	3329 KITTLES STREET	William H. Smith III
WILLY WILSON	3322 KITTLES ST	Willy Wilson
Eudora Mattison	3208 Kittles St.	Eudora Mattison
Donald Cox	3214 Kittles St	Donald Cox
Phyllis Merrill	3202 Kittles St	Phyllis Merrill
Michael Pugh	3131 Kittles St	Michael Pugh
LARRY BUCAREL	3114 KITTLES ST	Larry Bucarel

Print Name	Address	Signature
TONY LEDFORD	3109 KITTLES ST	Tony Leford
David Th Fox	3228 Breacon Rd	David Fox
Ed Steiner	3314 Dedham St	Ed Steiner
Jimmy M. Byrd	3202 Dedham St	Jimmy M. Byrd
Joseph A. Smith	3203 Dedham St	Joseph A. Smith
Theresa L. Palmater	3129 Dedham St.	Theresa L. Palmater
THERESA HUTCHESON	3123 Dedham St	Theresa Hutchison
Clifford Inghram	3128 Kittles St	C. A. Inghram
Paul Smith	3120 Kittles St.	Paul Smith
Jan Taylor	3136 Kittles St.	Jan Taylor
STEFANIE JOHNSON	3204 Leigh Rd mins, FL	Stefanie Johnson
Linda Gonzalez	3315 Kittles St ^{mins} FL 32754	Linda Gonzalez
Karl Mendez	3429 Kittles St ^{FL 32754}	Karl Mendez
TERRY ECKMAN	3215 NAB STREET	Terry Eckman
ALBOZZINA	3475 POPULATIO	Albozzina
Emma Emma Surreney	3460 Populatio St	EMMA SURRENEY
Van Schmidt	3472 Populatio St	Van Schmidt
Tomoka Andrie	3217 Kilbeest	Tomoka Andrie
Alexander Mawo	3439 Kittles St	Alexander Mawo
Tom Huggie	3242 BROCKETT	Tom Huggie
RICHARD FOWELL	3330 BROCKETT	Richard Fowell
Jim Rakston	3179 Leigh	Jim Rakston
Jay Elkins	3134 BROCKETT	JAY ELKINS
Marion Smith	3128 Brockett	Marion Smith

Print Name	Address	Signature
MYRTLE FORCICK	3109 BROCKETT RD.	
Michael Miller	3123 Brockett Rd.	
Thunder & Stormcloud	3202 Barton St	Thunder & Stormcloud
Lu Ann Flood Jelena Sauer	3130 Barton St	Lu Ann Flood
Gerald Umdeery #	3313 Barton ST	Gerald Umdeery
Rick Allen	3319 Barton St	
Richard Allen Sr.	3322 Barton St	Richard Allen Sr.
ADAM ARDEN	3342 BARTON ST.	
Karen Arden	3342 Barton St	Karen Arden
WADE HURHESON	3309 BROCKETT RD.	Wade Hurheason
JOE NOLLES	3371 Brockett Rd	Joe Nollis
Carol Benjamin	2371 Brockett Rd	Carol Benjamin
John Lockhart	3335 BROCKETT RD	JOHN LOCKHART
ALICE JENNINGS	3341 BROCKETT RD	Alice Jennings
Ann Sanchez	3119 BAILEY ST MIMS	ANN L. SANCHEZ
Norman Dodson	3077 DOVER ROAD	NORMAN L. DODSON
Carole Willoughby	3139 Dover Rd. Mims	Carole Willoughby
Courtney Thomas	3142 Dover Rd.	Courtney Thomas
Michelle Brunner	3122 Norfolk St	Michelle Brunner
William Brightwell	3071 Larkin Rd	William Brightwell
Sheree Beel	3061 LARKIN Rd.	Sheree Beel
Ashley Gilchrist	3170 Bobbie Lane Mims	Ashley Gilchrist
NATHAN HAROWE	3115 Bobbie Lane Mims	Nathan Harowe
Robert M. Allen	3169 BOBBIE LANE MIMS	Robert M. Allen

Print Name	Address	Signature
Royce MacDormand	3175 Bobbie Ln	Royce MacDormand
Kodney L. Hoot Jr	3205 Bobbie Ln	Kodney L. Hoot Jr
Andrew Bragg	3060 Larkin Rd	Andrew Bragg
JANE HAINES	3074 LARKIN RD	Jane Haines
Angela Schwenn	3080 Larkin Rd	Angela Schwenn
Miller Cecil J	3136 Norfolk St	Cecil J Miller
Melissa Broom	3144 Norfolk St	Melissa Broom
Richard Sorcic	3320 Norfolk St.	Richard A. Sorcic
Dorothy Stewart	3114 Dover Rd	Dorothy Stewart
Dorothy Stewart	3134 Barton St	Dorothy Stewart
Dorothy Stewart	3128 Bailey St.	Dorothy Stewart
Dorothy Stewart	3133 Kinsley Rd	Dorothy Stewart
Courtney Thomas	3142 Dover Rd	Courtney Thomas
BARBARA NORDBY	3307 NORFOLK ST	Barbara Nordby
Leborah Hobbs	3306 Norfolk St Mims	Leborah Hobbs
Kelly PARKER	3301 NORFOLK ST MIMS	Kelly Parker
Ann Kemmerling	3217 NORFOLK ST. MIMS	Ann Kemmerling
Randall Polk	3073 LARKIN RD	Randall Polk
Randall Polk	3133 BAILEY	Randall Polk
THOMAS I. BARBER III	3063 Dover Rd.	Thomas I. Barber III
Ron Robertson	2462 Wildwood Dr.	Ron Robertson
Richard Pfundheller	2425 Kingswood Dr.	Richard Pfundheller
Velma Pfundheller	2425 Kingswood Dr	Velma Pfundheller
Agnes Robertson	3116 Brackett Rd.	Agnes Robertson

