



PASCO COUNTY, FLORIDA

"Serving Our Community to Create a Better Future"

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COMMISSIONER

May 3, 2016

Chairperson Julie Brown
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32311

Re: Docket No. 150269: Utilities Inc. of Florida's Application for a Limited Proceeding Water Rate Increase in Marion, Pasco and Seminole Counties

Dear Chairperson Brown:

I am writing to request that the rate increases sought by Utilities Inc. of Florida in this "limited" proceeding be denied for the following reasons:

1. A new owner, Corix, should be reducing costs, not increasing them.
2. Corix is reorganizing its Florida systems which should reduce costs.
3. Corix filed a rate increase within weeks of buying Utilities, Inc. and already received higher rates even though Corix should be reducing the costs of Utilities, Inc.
4. Utilities Inc. has failed to fix water quality and customer service problems for 25 years.
5. 98% of Summertree customers do not want Utilities Inc. water any longer, they want Pasco County water.
6. 85% of Summertree customers continue to rate service from Corix/Utilities Inc. "unsatisfactory."

I have been a Pasco County Commissioner for these past eight years. For each of those years one of the main complaints that I continuously hear from hundreds of my constituents is the poor quality of water and poor quality of customer service being provided to them by Utilities Inc. of Florida. As you and the rest of the Commissioners heard at the customer service hearing which you so graciously held in New Port Richey on April 12, the complaints all remain. My constituents and I no longer have any faith in Utilities, Inc.

I have reviewed the history of Utilities Inc. ownership of the Summertree systems, including Public Service Commission orders issued when Utilities Inc. was first permitted to buy the systems. You should know that the reasons provided in support of Utilities Inc. buying the systems in 1991 included poor water quality, poor operations and poor service. Utilities Inc. was tasked then with the responsibility to fix those problems. It has never fixed the problems; the utility has only increased the rates.

Since 1991, it appears that the corporate entity, Utilities Inc. of Florida, itself has had several owners. The most recent owner, Corix, purchased Utilities Inc. only a couple of years ago; and within weeks of the purchase Corix authorized Utilities, Inc. to seek higher rates from Summertree customers.

This leads me to question whether the Commission asked Corix its plans regarding service, investments and rates before allowing it to purchase Utilities Inc. and the Summertree Systems. Shouldn't Corix have been asked: how Corix would reduce costs? Improve customer service? Improve water quality? Explore opportunities to maintain or even reduce rates? These inquiries never appear to have been made of Corix.

Since Corix assumed ownership of the Summertree Systems, my constituents have informed me, and could not have been more clear to the Commissioners on April 12, that the water quality has deteriorated and little has been done to correct this problem. The recent customer survey provided to this Commission confirms that 98% of Summertree customers want to be rid of Utilities Inc. water and 85% of the customers still find service from Utilities Inc. to be unsatisfactory.

But water rates and wastewater rates continue to rise and my constituents in Summertree are paying among the highest rates in the entire region for poor quality water and poor customer service.


Corix/Utilities Inc. have demonstrated a complete lack of consideration for their customers. This utility chose to file the pending request for another significant rate increase on December 30, 2015, the week between Christmas and the 2016 New Year. This, in my opinion, was a disreputable act; particularly given the fact that the utility already is collecting such high rates; but it appears to be a typical action for this utility.

Finally, I am forced to inquire why this Commission should even consider granting Utilities Inc. a rate increase at this time when the utility has notified the Commission that it is reorganizing itself. One of the end results of reorganization should be lower operating costs and thus lower rates. If not, why would the utility even consider such reorganization? The Commission at least should wait until the reorganization is completed before considering changes in rates; and those rate changes should be reductions, not increases.

To conclude, please advise me whether the Commission will consider dismissing this request to increase rates at least until the utility has completed its reorganization and filed an application which would permit the Commission, the Office of Public Counsel and all customers to review all of Utilities Inc.'s new costs resulting from both its new owner and corporate reorganization. Given the fact that costs should have been reduced from both of these events, it appears totally unfair to give the utility rate increases based upon alleged increases in some types of costs when there should be offsetting decreases in others.

Your consideration of my requests and the favor of a prompt reply would be greatly appreciated.

Respectfully submitted,


Jack Mariano

Cc:

The Honorable Rick Scott, Governor of Florida
Secretary Jon Steverson, Florida Department of Environmental Protection
Braulio Baez, Executive Director, Florida PSC
Commissioner Ronald Brise
Commissioner Lisa Edgar
Commissioner Art Graham
Commissioner Jimmy Patronis
✓ Carlotta S. Stauffer, Commission Clerk
Summertree Water Alliance