

BOARD OF COUNTY COMMISSIONERS



February 17, 2017

Julie I. Brown, Chair
Commissioner Art Graham
Commissioner Ronald A. Brisé
Florida Public Service Commission
Office of Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

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2017 FEB 23 AM 8:20
COMMISSION
CLERK

RE: Docket No. 160101-WS - Application for Increase in
Water and Wastewater Rates in Seminole County
By Utilities Inc.

Dear Commissioners:

Seminole County (the "County") is a wholesale customer of Utilities, Inc. of Florida (the "Utility"). The County purchases water and wastewater services from Sanlando Utilities Corporation, which is owned by the Utility. The County hereby objects to the above referred to increases proposed for the residential, general and flat rates charged to the County as a direct customer; and also those increases proposed for customers of the Utility who are private Seminole County residents.

Based upon the Fiscal Year 2016 payments the County has made to the Utility as a wholesale customer, the County would pay an additional \$279,000 more per year on all of its accounts to the Utility; an increase of over 70%. The majority of the increase is from the Sanlando area serviced by the Utility that is billed to the County on a flat rate per the ERC method for wastewater treatment. The amount the County would pay would increase from \$326,124 to \$544,236 per year. Based on FY2016 County expenditure information for the remaining five (5) other accounts with the Utility, the proposed increase would cause County costs to rise from \$57,000 to \$117,645.

Increases of this magnitude are well beyond what the County would reasonably anticipate and are beyond any reasonable assumptions the County has used for creating and maintaining rates within its five-year plan. If these increases are approved, they would shock the County's customers if they were passed on. The County is placed at a significant disadvantage by this level of increase. It does not have the ability to pass-through the rate increase without undertaking a formal rate adjustment hearing which would undoubtedly receive significant customer disapproval. Of course, the County would be susceptible to the claim of providing an illegal subsidy if it did not follow the appropriate procedures that would directly pass the costs through to the customers.

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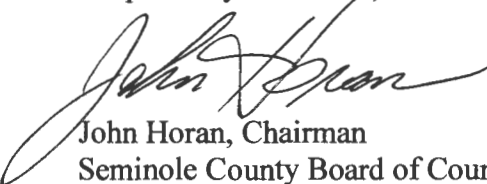
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The County is also concerned that its citizens who are direct customers of Utilities, Inc. will not be able to pay this exorbitant rate increase. Increases of over 100% are proposed for some residents. These increases are just not able to be absorbed by many customers, especially those on fixed incomes.

Charging consolidated rates would be easier for the Utility to manage; but imposing a uniform rate over disparate cost utilities will cause many of our customers in Seminole County to subsidize the rates for other customers of the Utility in other parts of the state. It is hard to understand the equity of charging a consolidated rate when the company continues to bill separately. Separate billing mechanisms are in place for each company within Utilities Inc. That method facilitates the allocation of fair costs and does not unjustly increase the costs to low-cost system customers in a discriminatory manner.

Thank you for your consideration of this objection and we look forward participating in this proceeding to protect the interests of the good citizens of Seminole County.

Respectfully submitted,



John Horan, Chairman
Seminole County Board of County Commissioners

cc: Carlotta S. Stauffer, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission

and

Office of the General Counsel
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee FL 32399-0850

Ralph Terrero, Interim Director Environmental Services
Seminole County, Florida