

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in water and
wastewater rates in Charlotte, Highlands, Lake,
Lee, Marion, Orange, Pasco, Pinellas, Polk,
and Seminole Counties by Utilities, Inc. of
Florida.

DOCKET NO. 160101-WS

PETITION FOR LEAVE TO INTERVENE

The Petitioner, SEMINOLE COUNTY, a political subdivision of the State of Florida, (“Seminole” or the “County”), pursuant to Section 25-22.039, *F.A.C.*, seeks leave to intervene in the afore-referenced proceeding.

1. Seminole County is represented by counsel and the contact information and mailing address are:

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2. Seminole County received notice from Utilities, Inc. on January 17, 2017 setting forth the rate increase and the utility tariffs it intended to seek approval for through its filing of the rate case and for customer service hearings.

3. The County is a customer of Utilities Inc. of Florida (the Company”) and purchases water and waste water services from the Company through Sanlando which is resells to retail, commercial and residential customers within its service areas within the County.

4. The County is required to comply with the provisions of Section 153.64, *Florida Statutes (F.S.)* in the setting of rates for its customers and may not pass through any increases in charges from its purchased wholesale provider of services without undertaking a formal process that includes, among other things notice and hearing and an opportunity to be heard from its customers. All such rates must be “just and equitable.”

5. The Company intends to spread the proposed rate increase for water based upon 12 separate water companies in 8 separate counties resulting in a common rate proposal that would uniformly be applied to all water customers without regard to the different costs of service for each of the 12 water systems.

6. The Company intends to spread the proposed rate increase for wastewater services based upon 15 separate wastewater service providers in 9 separate counties resulting in a common rate proposal that would uniformly be applied to all wastewater customers without regard to the different costs of service for each of the fifteen wastewater systems.

7. The County would be substantially affected by the proposed rate increases it would realize from the water and wastewater rates proposed by the Company, if approved as is by the Commission in that it may not be able to pass through the higher costs it is being charged.

8. The Company is proposing a consolidated rate for each service and while it may be easier to compute than standalone rates for each utility in the system, a uniform rate conceals any disparate cost of service for any one utility and may cause County customers to subsidize the rates for higher cost utilities in other parts of the state.

9. If the County is unable to pass through the entire rate increase to its Sanlando customers because of the substantial increases requested, the County may have to spread those costs over all County customers and some of its other utility customer would have to make up

that revenue shortfall and subsidize the Sanlando customers through an unjust and discriminatory rate.

10. Based upon Fiscal Year 2016 payments to the Company, the County calculates that the proposed increase for all services will cost approximately \$279,000 more per year than it currently pays on all accounts to the Utility. This is an overall cost increase of over 70%.

11. The majority of the increase would be applicable to the Sanlando area and is billed on a flat rate per ERC method for wastewater transmission to the Company. Using the current and proposed flat rate, this billing will increase from \$326,124 to \$544,236 per year.

12. Based upon FY2016 billings, County expenditure information for the remaining five (5) accounts with the Utility, the County would experience an increase from \$57,000 to \$117,645. An increase of this magnitude, 106%, is well beyond the increase assumptions the County uses for creating and maintaining rates within the five-year plan and as such will cause significant rate shock if passed on to the County's customers.

13. A consolidated or uniform rate structure statewide for the Company does not place the appropriate costs on the cost-causer and may unjustly increase the costs to low-cost system customers.

14. In addition, by setting rates based on a system other than the relative cost of providing service sends the incorrect cost signal to water customers and may act as a disincentive for the conservation of water.

15. Seminole County is seeking leave to intervene because it is substantially affected and intends to participate to the extent necessary to ensure that the resulting rates approved by the Commission are set after having considered the County's concerns that the rates be established in a just and equitable manner.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY this 26th day of April, 2017, that a true and correct copy of the foregoing has been served by electronic mail upon the following:

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Respectfully Submitted,

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