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May 23, 2012

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COMMISSION
CLERK

Ann Cole, Commission Clerk
Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399

RE: Docket No.: 120161-WS; Analysis of Utilities, Inc.'s Financial Accounting and
Customer Service Computer System
Our File No.: 30057.209

Dear Ms. Cole:

Enclosed for filing are the original and fifteen (15) copies of the Utilities, Inc.'s Petition for
Establishment of Generic Docket.

Should you have any questions regarding the enclosed, please do not hesitate to give me a
call.

Very truly yours,

MARTIN S. FRIEDMAN
For the Firm

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MSF/mp
Enclosures

cc: Steven Lubertozzi, Exec. Director of Regulatory Accounting & Affairs (w/encs.) (via e-mail)

DOCUMENT NUMBER DATE

03307 MAY 24 2012

BEFORE THE PUBLIC SERVICE COMMISSION

DOCKET NO.: 120161-WS

In re: Analysis of Utilities, Inc.'s)
Financial Accounting and Customer)
Service Computer System.)
_____)

PETITION FOR ESTABLISHMENT OF GENERIC DOCKET

Petitioner, UTILITIES, INC. ("UI"), on behalf of its subsidiaries, Cypress Lakes Utilities, Inc., Labrador Utilities, Inc., Lake Placid Utilities, Inc., Lake Utility Services, Inc., Mid-County Services, Inc., Sanlando Utilities Corporation, Tierra Verde Utilities, Inc., Utilities, Inc. of Eagle Ridge, Utilities, Inc. of Florida, Utilities, Inc. of Longwood, and Utilities, Inc. of Pennbrooke, by and through its undersigned attorneys, requests that this Commission establish a generic docket to address the impact of divested systems on the recovery of the cost of UI's financial accounting and customer service computer system, commonly referred to as "Project Phoenix" and, in support thereof, states:

1. Beginning with PSC Order No. 10-0406-PAA-WS issued June 18, 2010, relating to the rates for Utilities, Inc. of Pennbrooke, the Commission began making adjustments to reduce the overall cost of Project Phoenix on a proportionate basis as a result of UI subsidiaries being sold subsequent to December 2007, when the financial accounting portion of Project Phoenix was implemented. In that, and subsequent decisions involving UI subsidiaries in Florida, this Commission stated that it did "not believe the Phoenix Project costs previously allocated to divested subsidiaries should be reallocated to the surviving utilities," noting that the divested systems sold for more than rate base and concluded that "the amounts allocated to the divested subsidiaries were

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recovered by the shareholders through the sale of those systems” because they sold for an amount significantly greater than rate base.

2. In Docket No. 110153-SU, Utilities, Inc. of Eagle Ridge (“UIER”) protested the PAA Order that made the aforementioned adjustment to Project Phoenix.

3. OPC and UIER were concerned that the customers of UIER would shoulder the financial burden of the rate case expense to litigate this issue, when the outcome would have precedential value for all other UI subsidiaries in Florida.

4. In connection with resolving Utilities, Inc. of Eagle Ridge’s protest and Office of Public Counsel’s (“OPC”) cross-protest, UIER and OPC entered into a Stipulation and Settlement Agreement whereby UIER is required to file this Petition to open a generic docket to address the Commission’s treatment of the Project Phoenix costs.


5. PSC Order No. PSC-12-0128-PCO-SU issued March 20, 2012, contemplated the establishment of a generic docket to address Project Phoenix and provided that any such request to clearly indicate how the generic proceeding would affect pending cases. At this point, the only open dockets relate to UIER and Utilities, Inc. of Pennbrooke. OPC and UI in the UIER settlement have agreed that, as to UIER, following the Commission’s decision, in this generic docket, if there is an upward or downward adjustment to the previously approved revenue requirement, that UIER would create a regulatory asset or liability, which would accrue interest at the commercial paper rate until recovered in rates in the next rate case, at which time the asset or liability would be

amortized over four years. UI would propose that same treatment for other pending and future rate cases until the Commission reaches a decision in this docket. UI would propose that the rate case expense be allocated among all its Florida subsidiaries based upon the ERCs at the time of the Commission's decision and similarly treated as a regulatory asset.

WHEREFORE, UTILITIES, INC., on behalf of its Florida subsidiaries respectfully requests this Commission establish a generic docket to address the impact of divested systems on the Project Phoenix costs, and set this for a formal hearing instead of PAA, since the Commission has already issued PAA decisions on the this issue. In establishing the schedule, UI requests that, pursuant to the settlement with OPC, the parties be given a 120-day investigatory period prior to establishing a hearing schedule.

Respectfully submitted this 23rd day of
May, 2012, by:

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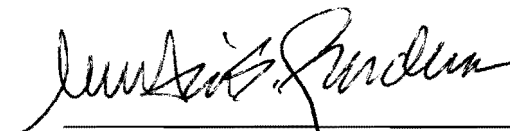


MARTIN S. FRIEDMAN
For the Firm

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by U. S. Mail this 23rd day of May, 2012, to:

Erik Sayler, Esquire
OFFICE OF PUBLIC COUNSEL
c/o The Florida Legislature
111 West Madison Street
Room 812
Tallahassee, FL 32399-1400



MARTIN S. FRIEDMAN
For the Firm