

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase
in wastewater rates in Charlotte
County by Utilities, Inc. of Sandalhaven

Docket No. 150102-SU

**CROSS-PETITION OF UTILITIES, INC. OF FLORIDA F/K/A UTILITIES, INC.
OF SANDALHAVEN FOR A FORMAL ADMINISTRATIVE HEARING**

UTILITIES, INC. OF FLORIDA f/k/a Utilities, Inc. of Sandalhaven (the *Utility*), by and through its undersigned attorneys and pursuant to Section 120.57, Florida Statutes, and Rules 25-22.029(3) and 28-106.201, Florida Administrative Code, files this Cross-Petition for Formal Administrative Hearing, protesting Order No. PSC-16-0013-PAA-SU (*Order*) of the Florida Public Service Commission (*Commission*) issued January 6, 2016, and states:

Preliminary Matters

1. The name and address of the agency affected and the agency's docket number is:

Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850
Docket No. 150102-SU

2. The name of the Utility and its mailing address is:

- (i) Utilities, Inc. of Florida
2335 Sanders Road
Northbrook, IL 60062

- (ii) The address of the Florida office is:

- Utilities, Inc. of Florida
200 Weathersfield Avenue
Altamonte Springs, FL 32714-4099

3. The names and address of the persons authorized to receive notices and communications in respect to this application are:

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4. The Utility obtained a copy of the Order on January 6, 2016 from the Commission by email, and a copy of OPC's Petition from OPC on January 27, 2016.

5. The interests of the Utility are substantially affected by the Order. The specific facts that the Utility contends warrant reversal or modification of the Order are as follows (plus the fall-outs resulting from those facts):

I. I&I: Incorrect information was used regarding the size and length of lines, which resulted in an incorrect I&I adjustment.

II. U&U:

(a) It is inappropriate to apply U&U adjustments to purchased capacity, interconnection mains, or the primary lift station.

(b) The Utility's current configuration of relying solely on an interconnection force main for treatment resulted from a Consent Order from FDEP. Applying any U&U adjustment violates §367.081(2)(a), Florida Statutes, which requires the Commission to approve rates for service which allow the Utility to recover from customers the full amount of environmental compliance costs.

(c) The size of the interconnection force main was a prudent investment decision, and thus should be considered 100% U&U. Applying any U&U adjustment in such a case would set bad precedent by the Commission by providing incentives to utilities to make decisions based on fear of U&U adjustments rather than prudence.

III. Salaries: The 3% cost of living adjustment for employees is a known and measurable change from the test year, and as such, its disallowance was erroneous.

IV. Rate Case Expense: The Commission erroneously ignored invoices from accounting consultant and travel cost.

V. AFPI: AFPI should not have been reset.

VI. Repression: A repression adjustment is required due to the magnitude of the rate increase.

VII. Loss on Forced Abandonment: The automatic rate reduction after the 10 year amortization period is inappropriate.

6. Each of the foregoing matters involves disputed issues of material fact.

7. The Order establishes January 27, 2016 as the date by which petitions must be filed, and pursuant to Rule 25-22.029, Florida Administrative Code, cross-petitions may be filed within 10 days thereafter. This Cross-Petition is timely filed.

9. Sections 367.081, and 367.0813, Florida Statutes, are the specific statutes that the Utility contends requires reversal or modification of the Order.

10. This Cross-Petition is filed for the purpose of seeking the Commission's action with respect to (and all fall-out changes that result from such determinations):

I. I&I: Revenues should be increased by \$98,149 to reverse the 26.07% adjustment to wastewater purchased power, chemical expenses, and purchased wastewater treatment.

II. U&U: Revenues should be increased by \$129,000 to reflect 100% U&U for all Utility facilities and capacity purchased from Englewood Water District.

III. Revenues should be increased by \$923 to reflect the 3% cost of living

adjustment for employees

- IV. Rate Case Expense: Rate case expense should be increased by \$11,788 for accounting fees, and \$850 for travel cost.
- V. AFPI: Current AFPI charges should be added to the new AFPI charges.
- VI. Repression: An appropriate repression adjustment should be added to the revenue requirement.
- VII. The automatic rate reduction after the 10 year amortization period for the loss on forced abandonment should be eliminated (this has no revenue effect).
- VIII. Grant additional rate case expense necessitated by OPC's Protest.

WHEREFORE, the Utility hereby cross-protests and objects to Order No. PSC-16-0013-PAA-SU as to the specific issues raised in this Cross-Petition, and cross-petitions the Commission to conduct a formal evidentiary hearing, under the provisions of Section 120.57(1), Florida Statutes, and further requests that such hearing be scheduled at a convenient time within or as close as practical to the Utility's certificated service area.

Respectfully submitted on this 4th day of
February, 2016, by:

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/s/ Martin S. Friedman

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For the Firm

CERTIFICATE OF SERVICE
DOCKET NO. 150102-SU

I HEREBY CERTIFY that a true and correct copy of the foregoing has been furnished by

E-mail to the following parties this 4th day of February, 2016:

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