

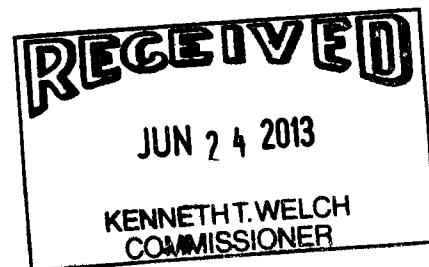
4. MISCELLANEOUS ITEMS TO BE RECEIVED FOR FILING:

- a. Synopsis of Utilities, Inc. of Florida's application for increase in rates in Marion, Orange, Pasco, Pinellas and Seminole Counties, Florida, Docket No. 120209-WS.
- b. City of Clearwater Corrected Notice of Amendment to the Clearwater Community Development Code regarding proposed Ordinance No. 8431-13; public hearing held June 19, 2013.
- c. City of Largo Notice of Public Hearing regarding proposed Ordinance No. 2013-52 to be held July 16, 2013, annexing certain property.
- d. City of Pinellas Park Notice of Public Hearing re proposed Ordinance No. 3847 held July 11, 2013, voluntarily annexing certain property.

If a copy of a report or CD is desired, please check the web page of the organization/municipality or contact Board Records at 464-3465.



June 21, 2013



Kenneth T. Welch, Chairman
Pinellas County Board of County Commissioners
315 Court Street
Clearwater, Florida 33756

RE: Docket No. 120209-WS; Application of Utilities, Inc. of Florida for an Increase in Water and Wastewater Rates in Orange, Pasco, Pinellas and Seminole County, Florida
Our File No.: 30057.207

Dear Mr. Welch:

The PSC has approved the Rate Case Synopsis submitted in connection with the above-referenced docket. Enclosed for your records is a copy of the Synopsis to add to the Application which was previously sent to you. A copy of the Minimum Filing Requirements can be obtained from Utilities, Inc. of Florida upon request. Additionally, as required by Florida Public Service Commission Rule 25-22.0407, we have placed a copy of the Application, Synopsis and MFRs at Utilities, Inc. of Florida's business office located at 200 Weathersfield Avenue, Altamonte Springs, Florida 32714 (Seminole County).

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

Dictated by Mr. Friedman
but signed in his presence
by [illegible] [illegible]

MSF/jh
Enclosure

cc: Patrick Flynn

UTILITIES, INC. OF FLORIDA

APPLICATION FOR INCREASE IN RATES IN MARION, ORANGE,
PASCO, PINELLAS AND SEMINOLE COUNTIES, FLORIDA

DOCKET NO. 120209-WS

SYNOPSIS

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I. Purpose

In accordance with the Florida Public Service Commission's Rule 25-22.0407 regarding Notice of and Public Information on General Rate Increase Requests, a utility requesting a rate increase must prepare and distribute a synopsis of the rate request. The following information will provide the background on the rate request of Utilities, Inc. of Florida (the "Utility") and the rate case process in general.

II. Comparison of the Rates Prior to Filing, Interim and Proposed Final Rates

On March 29, 2013, the Utility filed an application with the Florida Public Service Commission ("Commission") for increased water and wastewater rates for its customers in Orange, Pasco, Pinellas and Seminole Counties, Florida. The application was assigned Docket No. 120209-WS and May 29, 2013, was established as the official date of filing.

The Utility has requested a permanent revenue increase for its water and wastewater systems as follows:

Orange County: \$39,734 or 34.30% for its water system. The requested increase would produce annual revenues of \$155,592 for its water system.

Pasco County: \$327,912, or 36.28% for its water system, and \$44,343, or 8.43% for its wastewater system. The requested increase would produce annual revenues of \$1,231,671 for its water system and \$570,388 for its wastewater system.

Pinellas County: \$74,734, or 71.17% for its water system. The requested increase would produce annual revenues of \$179,736 for its water system.

Seminole County: \$294,501, or 33.7% for its water system, and \$214,360, or 26.26% for its wastewater system. The requested increase would produce annual revenues of \$1,168,514 for its water system and \$1,030,621 for its wastewater system.

WATER SERVICE - ORANGE COUNTY

<u>Residential and General Service</u>	<u>Rates Prior to Filing</u>	<u>Utility's Requested Interim Rates</u>	<u>Utility's Requested Final Rates</u>
<u>Base Facility Charge:</u>			
<u>Meter Size</u>			
5/8" x 3/4"	\$8.03	\$10.22	\$10.86
1"	\$20.10	\$25.59	\$27.18
1 1/2"	\$40.19	\$51.17	\$54.34
2"	\$64.31	\$81.87	\$86.95
3"	\$128.61	\$163.74	\$173.88
4"	\$200.96	\$255.85	\$271.70
6"	\$401.91	\$511.86	\$543.38
<u>Consumption Charge (per 1,000 gallons)</u>			
<u>Residential</u>			
0-6,000 gallons	\$3.27	\$4.16	\$4.42
6,001-8,000 gallons	\$3.46	\$4.40	\$4.68
8,001-16,000 gallons	\$4.33	\$5.51	\$5.85
Over 16,000	\$5.18	\$6.59	\$7.00
<u>General Service</u>	\$3.55	\$4.52	\$4.80

WATER SERVICE - PASCO COUNTY

<u>Residential and General Service</u>	<u>Rates Prior to Filing</u>	<u>Utility's Requested Interim Rates</u>	<u>Utility's Requested Final Rates</u>
<u>Base Facility Charge:</u>			
<u>Meter Size</u>			
5/8" x 3/4"	\$12.35	\$14.77	\$16.89
3/4"	\$18.54	\$22.18	\$25.36
1"	\$30.89	\$36.95	\$42.25
1 1/2"	\$61.76	\$73.88	\$84.48
2"	\$98.82	\$118.22	\$135.17
3"	\$197.63	\$236.42	\$270.32
4"	\$308.80	\$369.41	\$422.38
6"	\$617.61	\$738.84	\$844.77
<u>Consumption Charge (per 1,000 gallons)</u>			
<u>Residential</u>			
0-3,000 gallons	\$3.71	\$4.44	\$5.07
Over 3,000 gallons	\$4.02	\$4.81	\$5.50
<u>General Service</u>	\$3.78	\$4.52	\$5.17

WASTEWATER SERVICE - PASCO COUNTY

<u>Residential</u> All areas except Buena Vista Manor, Oak Hill Developments and those areas formerly served by Bartelt Enterprises, Inc., d/b/a Wis-Bar Utilities	<u>Rates Prior to Filing</u>	<u>Utility's Requested Interim Rates</u>	<u>Utility's Requested Final Rates</u>
<u>Base Facility Charge:</u>			
<u>Meter Size</u>			
All meter sizes	\$14.49	N/A	\$15.71
Consumption Charge (per 1,000 gallons) (Maximum 6,000 gallons)	\$12.31	N/A	\$13.35
<u>Residential</u> Buena Vista Manor, Oak Hill Developments and those areas formerly served by Bartelt Enterprises, Inc., d/b/a Wis-Bar Utilities	<u>Rates Prior to Filing</u>	<u>Utility's requested Interim Rates</u>	<u>Utility's Requested Final Rates</u>
<u>Base Facility Charge:</u>			
<u>Meter Size</u>			
All meter sizes	\$11.16	N/A	\$12.10
Consumption Charge (per 1,000 gallons) (Maximum 6,000 gallons)	\$8.29	N/A	\$8.99

<u>General Service</u>	<u>Rates Prior to Filing</u>	<u>Utility's Requested Interim Rates</u>	<u>Utility's Requested Final Rates</u>
<u>Base Facility Charge:</u> <u>Meter Size</u>			
5/8" x 3/4"	\$14.49	N/A	\$15.71
3/4"	\$21.74	N/A	\$23.58
1"	\$36.23	N/A	\$39.29
1 1/2"	\$72.45	N/A	\$78.57
2"	\$115.92	N/A	\$125.72
3"	\$231.82	N/A	\$251.41
4"	\$362.23	N/A	\$392.84
6"	\$724.47	N/A	\$785.69
Consumption Charge (per 1,000 gallons)	\$16.34	N/A	\$17.72
<u>Multi-Residential</u> <u>Buena Vista Manor, Oak</u> <u>Hill Developments and</u> <u>those areas formerly</u> <u>served by Bartelt</u> <u>Enterprises, Inc., d/b/a</u> <u>Wis-Bar Utilities</u>	<u>Rates Prior to Filing</u>	<u>Utility's Requested Interim Rates</u>	<u>Utility's Requested Final Rates</u>
Flat Rate	\$27.91	N/A	\$30.27
<u>Base Facility Charge:</u> <u>Meter Size</u>			
5/8"	\$27.40	N/A	\$29.72
1"	\$27.89	N/A	\$30.25
Consumption Charge (per 1,000 gallons)	\$16.58	N/A	\$17.98

WATER SERVICE - PINELLAS COUNTY

<u>Residential, General Service and Multi-Family</u>	<u>Rates Prior to Filing</u>	<u>Utility's Requested Interim Rates</u>	<u>Utility's Requested Final Rates</u>
<u>Base Facility Charge:</u>			
<u>Meter Size</u>			
5/8" x 3/4"	\$7.17	\$8.48	\$12.32
1"	\$17.93	\$21.20	\$30.81
1 1/2"	\$35.85	\$42.39	\$61.60
2"	\$57.38	\$67.84	\$98.60
3"	\$114.75	\$135.67	\$197.17
4"	\$179.29	\$211.98	\$308.07
6"	\$358.58	\$423.95	\$616.15
<u>Consumption Charge (per 1,000 gallons)</u>			
<u>Residential</u>			
0-3,000 gallons	\$3.94	\$4.66	\$6.77
Over 3,000 gallons	\$4.38	\$5.18	\$7.53
Multi-Residential and General Service	\$4.03	\$4.76	\$6.92

WATER SERVICE - SEMINOLE COUNTY

<u>Residential and General Service</u>	<u>Rates Prior to Filing</u>	<u>Utility's Requested Interim Rates</u>	<u>Utility's Requested Final Rates</u>
<u>Base Facility Charge:</u> <u>Meter Size</u>			
5/8" x 3/4"	\$7.23	\$8.15	\$9.72
1"	\$18.08	\$20.39	\$24.30
1 1/2"	\$36.17	\$40.79	\$48.61
2"	\$57.86	\$65.25	\$77.75
3"	\$115.72	\$130.50	\$155.50
4"	\$180.83	\$203.92	\$243.00
6"	\$361.64	\$407.83	\$485.97
<u>Consumption Charges</u> <u>(per 1,000 gallons)</u>			
<u>Residential</u>			
0-6,000	\$2.77	\$3.12	\$3.72
6,001-8,000	\$3.12	\$3.52	\$4.19
8,001-16,000	\$5.37	\$6.06	\$7.22
Over 16,000	\$6.92	\$7.80	\$9.30
<u>General Service</u>	\$3.50	\$3.95	\$4.70

WASTEWATER SERVICE - SEMINOLE COUNTY

<u>Residential</u>	<u>Rates Prior to Filing</u>	<u>Utility's Requested Interim Rates</u>	<u>Utility's Requested Final Rates</u>
<u>Base Facility Charge:</u>			
<u>Meter Size</u>			
All meter sizes	\$12.63	\$14.38	\$15.95
Consumption Charge (per 1,000 gallons) (Maximum 10,000 gallons)	\$7.06	\$8.04	\$8.92
Residential Flat Rate (Unmetered)	\$42.79	\$48.71	\$54.04
<u>General Service</u>	<u>Rates Prior to Filing</u>	<u>Utility's Requested Interim Rates</u>	<u>Utility's Requested Final Rates</u>
<u>Base Facility Charge:</u>			
<u>Meter Size</u>			
5/8" x 3/4"	\$12.63	\$14.38	\$15.95
1"	\$31.60	\$35.97	\$39.91
1 1/2"	\$63.17	\$71.91	\$79.78
2"	\$101.08	\$115.07	\$127.65
3"	\$202.16	\$230.14	\$255.31
4"	\$315.87	\$359.59	\$398.91
6"	\$631.74	\$719.17	\$797.82
Consumption Charge (per 1,000 gallons)	\$8.46	\$9.63	\$10.68

SERVICE AVAILABILITY CHARGES

The Utility is not requesting any changes to its service availability charges. Even though not requested to do so, the Commission may review and adjust service availability charges.

III. General Reasons for Rate Request

The Utility is requesting a rate increase because the existing rates do not provide sufficient revenues to cover the required expenses of operations on a going-forward basis and a fair return on the Utility's investment in used and useful property for the public use. The rate of return on equity requested in this proceeding is 10.36%. The overall return requested (the weighted cost of debt and equity) is 7.29% in Orange, 7.63% in Pasco, 7.81% in Pinellas and 7.76% in Seminole. According to the Utility's books, Utilities, Inc. of Florida states that its current overall rate of return without a rate increase is 0% in Orange, 3.46% in Pasco (water), 7.19% in Pasco (wastewater), 2.52% in Pinellas, 4.05% in Seminole (water) and 3.76% in Seminole (wastewater). The Company's last rate proceeding and review of rate base was in Docket No. 090462-WS, utilizing a test year ending December 31, 2008, which culminated in Order No. PSC-10-0585-PAA-WS, issued September 22, 2010.

IV. Major Rate Case Issues

It is impossible to anticipate all the issues that may develop during a rate case. However, the following issues are anticipated to be the major areas considered:

1. What is the test year rate base?
2. What is the test year net operating income?
3. What is the test year cost of capital?
4. What is the test year revenue requirement?
5. What is the proper rate design to recover the test year revenue requirement?

V. Description of the Ratemaking Process

Participants

Many people are involved in a utility rate case. The following is a list of some of the main participants:

1. The Commission is composed of five **Commissioners** appointed by the Governor. If a Proposed Agency Action Order is protested by a substantially affected person, a hearing is scheduled and is usually heard by a panel of three Commissioners. The Commissioners who hear this case will make a final decision on all of the issues in the case.
2. The Commissioners are assisted by **Commission Staff**. The Staff members involved in the case include engineers, accountants, attorneys, consumer affairs specialists, and rate

and financial analysts.

3. The **Public Counsel** is appointed by the Legislature to represent the citizens in rate cases before the Commission. Public Counsel also has a staff of attorneys, accountants, rate and financial analysts. The Public Counsel may monitor the case or may participate.
4. The **Utility's** officers and staff personnel may testify about the Utility, its operation, revenue and expenses. The Utility may also employ outside consultants as expert witnesses and an attorney or other specialists to assist them with the rate case. The accountants, rate analysts and engineers compile information in support of the rate increase request and testify at hearings.
5. **Intervenors** representing organizations, local governments, consumer groups, and commercial organizations may participate. An intervenor is a party who legally intervenes in the rate case through petition to the Commission to represent a specific interest or point of view in the rate case. The intervenor has equal opportunity with other parties in the case to ask questions, present testimony, and cross examine witnesses.

Rate Case Requirements

A test year is requested by the utility, and when approved, is used as a measuring point to determine if a rate increase should be approved. The utility files an application pursuant to Commission rules (minimum filing requirements or "MFRs"). This application reflects the amount of money the utility has invested in its facilities to serve its customers. It also includes the utility's requested rate of return on its investment and the expenses the utility incurs to provide service for the test year. The data provides information about the operations of the company, supplies and expenses, taxes, construction, depreciation and all of the operating and financial matters that are crucial to a decision. The Utility will also be requested to file additional information before the case is over. Among the things the Commission looks for are expenditures that could be considered unnecessary, improper, or imprudent. Expenditures of this kind are disallowed for ratemaking purposes.

The Commission and its staff review the application, and the Commission determines whether interim rates are appropriate to be collected during the pendency of the rate case. If interim rates are authorized and charged, those rates are subject to refund with interest pending the Commission's final decision in the case.

The Commission Staff performs an audit of the utility's books and records to see if they match the utility's MFRs, and that the utility is in compliance with Commission rules and policies. The Commission Staff auditors issue a report of their findings which is filed with the Commission. The Commission Staff also performs other examinations and document requests of the utility's personnel and the utility's quality of service. This includes an engineering physical inspection of

the utility's facilities and a review of records filed with other regulatory agencies regarding the utility.

PAA Procedures

A utility may ask that its application be processed using the Commission's Proposed Agency Action ("PAA") procedure, as the Utility has done in this case. Under this procedure, the Commission Staff holds a customer meeting in the utility's service territory to obtain information from the customers on the utility's service and other issues regarding the requested rate increase.

After the Commission auditors have completed their audit and the Commission Staff has reviewed the information filed by the utility and comments received from customers at the customer meeting, the Commission Staff makes a recommendation to the Commission as to the amount of rate increase that the utility should be granted. This recommendation is presented to the Commission at a public agenda conference in Tallahassee at which the Commissioners consider the Commission Staff recommendations and vote on each issue identified by the Commission Staff.

The Commission attorneys then prepare a formal order containing the Commission's proposed action, including the new rates and when they will be effective. Substantially affected persons have 21 days after this written order is issued to decide whether to accept the Commission's decision or to request a formal hearing.

If no party protests the order, and the hearing process is not triggered, the Commission's decision becomes final, a consummating order is issued, the new rates go into effect, and the docket is closed.

Hearings

If any substantially affected party objects to the Commission's proposed rate increase and requests a formal hearing, then the Commission schedules public hearings on the rate case. These hearings are governed by rules similar to those used by courts. Witnesses are sworn and subject to cross-examination, and the final decision must be based upon information presented to the Commission during the hearings. At this time, customer testimony is given regarding quality of service. The customers also may testify about rates and charges they consider improper or unfairly discriminatory.

The Public Counsel provides legal representation for consumers in matters before the Commission. The Public Counsel participates in major rate cases, has access to all the information filed by the utility, assists members of the public who wish to testify, and may even provide expert witnesses on various issues in the case.

Witnesses from the utility, the Commission Staff, the Public Counsel and interveners

present testimony and are cross-examined. There are official transcripts of all hearings. Court Reporters record the hearings, just as they do in a courtroom.

Completing the Rate Case

After the hearings are completed, briefs are usually filed by all parties to the case. The briefs summarize each party's position on the issues. The Commission staff then makes recommendations to the Commissioners on each issue of the case. When the Commission makes its final decision there will be a "vote sheet" which is a listing of all the issues requiring a vote by the Commissioners. There are many issues in a major water and wastewater rate case, and it sometimes takes the Commissioners several hours to complete the final review of the case and to vote on each issue based on the evidence in the record.

Commission attorneys prepare a formal order containing the background of the case, the Commission decisions, the basis for the decisions, the new rates, and when they will be effective. After the Commission's order is issued, any party may ask the Commission to reconsider any decision on the issues. After reconsideration, the Public Counsel, the utility or any other party may appeal the Commission's decision to the courts.

VI. Tentative Time Schedule

The following tentative schedule was established by the Commission for the remaining major events in the Utility's rate case:

<u>Schedule Item</u>	<u>Due Dates</u>
Agenda Conference on Interim Rates	June 25, 2013
Order on Interim Rates	July 15, 2013
Customer Meetings	
Pasco/Pinellas Counties	August 7, 2013
Orange/Seminole Counties	August 8, 2013
Staff's Proposed Agency Action ("PAA")	
Recommendation	November 1, 2013
Agenda Conference on PAA Rates	November 14, 2013

VII. Location of MFRs for Review

All of the information on file at the Commission is open to the public and is available for review at the Commission offices in Tallahassee. The MFRs filed by the Utility are also available for inspection at the following locations:

Seminole County

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

Office Hours:
Monday through Friday
8:00 a.m. to 4:30 p.m.

Pasco County

Regency Park Branch Library
9701 Little Road
New Port Richey, FL 34654

Hours:
Monday & Tuesday Noon to 9:00 p.m.
Wednesday & Thursday,
10:00 a.m. to 6:00 p.m.
Friday & Saturday, 10:00 a.m. to 5:00 p.m.

Orange County

Orange County Public Library
101 E. Central Boulevard
Orlando, FL 32810

Hours:
Monday - Thursday 9:00 a.m. to 9:00 p.m.
Friday & Saturday, 9:00 a.m. to 6:00 p.m.
Sunday, 1:00 p.m. to 6:00 p.m.

Pinellas County

St. Petersburg Public Library, South Branch
2300 Roy Hanna Drive South
St. Petersburg, Florida 33712.

Hours:
Monday, Wednesday, Friday and Saturday
9:00 a.m. to 6:00 p.m.
Tuesday and Thursday
9:00 a.m. to 9:00 p.m.
Sunday (Closed)

Customer comments concerning the Utility's service and its request for an increase in rates should be addressed to the Director, Office of Commission Clerk, at the Florida Public Service Commission:

Florida Public Service Commission
Director, Office of Commission Clerk
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0870

A courtesy copy of written comments and complaints may be mailed to the following:

Martin S. Friedman, Esquire
Sundstrom, Friedman & Fumero, LLP
766 North Sun Drive, Suite 4030
Lake Mary, Florida 32746

Complaints may also be made by phone to the Commission's Division of Regulatory

Compliance and Consumer Assistance at 1-800-342-3552, submitted through the Public Service Commission's toll-free facsimile line at 1-800-511-0809, or the Commission's website available at:

<http://www.floridapsc.com/consumers/complaints/index.aspx>

All comments should include reference to Commission Docket No. 120209-WS, and the name of the Utility, Utilities, Inc. of Florida.