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BEFORE THE
FLORIDA PUBLIC SERVICE COMMISSION

In the Matter of:

DOCKET NO. 140220-WU

APPLICATION FOR STAFF-ASSISTED RATE CASE IN POLK
COUNTY BY SUNRISE UTILITIES, L.L.C.

_____ /

PROCEEDINGS: COMMISSION CONFERENCE AGENDA
ITEM NO. 8

COMMISSIONERS
PARTICIPATING: CHAIRMAN JULIE I. BROWN
COMMISSIONER LISA POLAK EDGAR
COMMISSIONER ART GRAHAM
COMMISSIONER RONALD A. BRISÉ
COMMISSIONER JIMMY PATRONIS

DATE: Tuesday, March 1, 2016

PLACE: Betty Easley Conference Center
Room 148
4075 Esplanade Way
Tallahassee, Florida

REPORTED BY: DEBRA KRICK
Court Reporter
(850) 894-0828

1 P R O C E E D I N G S

2 CHAIRMAN BROWN: We are going to move on to
3 Sunrise, Issue 8. Thank you, Mr. Szabo and thank
4 you, Public Counsel, for that -- for your comments.
5 Staff.

6 MR. LEWIS: Yes, ma'am. Item 8 is staff's
7 recommendation concerning Sunrise Utilities'
8 request for a rate case. Sunrise is also a Class C
9 utility provider of water service to approximately
10 247 residential customers in Polk County.
11 Sunrise's last rate case proceeding before the
12 Commission was in 2012 in Docket No. 110238.

13 Also on November 10th, 2014, Sunrise filed an
14 application for a staff-assisted rate case in
15 accordance with a payment plan negotiated with
16 staff for the payment of delinquent Regulatory
17 Assessment Fees owed by the utility. As of
18 February 18th, 2016, the Sunrise Utilities is
19 current on its payment plan for the delinquent
20 RAFs.

21 A total of 22 customer complaints were
22 received by the Commission from 2011 through 2015,
23 with six of them due to billing issues.

24 On December 15th, 2015, DEP tested the
25 utility's compliance with all primary and secondary

1 water standards, and the results were deemed
2 satisfactory.

3 Staff notes that the utility is current under
4 a DEP consent order for noncompletion of the
5 remediated maintenance of its hydropneumatic tank.
6 Staff is also recommending overall quality of
7 service be considered unsatisfactory, and is also
8 recommending a 25-percent reduction in the officer
9 salaries.

10 CHAIRMAN BROWN: And I believe there is an
11 oral modification to this.

12 MR. LEWIS: Yes, ma'am. I apologize.

13 On -- in the recommendation statement,
14 beginning with the Issue 15 -- excuse me, Issue 15,
15 the recommendation statement, beginning with the
16 third sentence, starting with "also". It says,
17 also, "the docket should remain open to allow staff
18 to verify that the utility has adjusted its
19 customer deposit records, and all deposit amounts
20 that may be owed to the customers have been
21 properly refunded." The sentence should end at
22 that point. The last phrase, "and to verify the
23 utility has properly refunded the rate case
24 expenses it over-collected," that is only related
25 to Alturas.

1 CHAIRMAN BROWN: Thank you.

2 Public Counsel.

3 MS. ROTH: Thank you, Madam Chair. Again,
4 Danielle Roth for the Office of Public Counsel.

5 And this is going to be similar, I will try to
6 go a little quicker since we have gone through some
7 of these before, but the Office of Public Counsel
8 does have a couple of issues that were most
9 concerning to the customers. Again, I will just do
10 it by issue number.

11 So I will start with Issue No. 1 in the
12 Sunrise recommendation states that on January 14th,
13 2016, the utility and the Polk County Health
14 Department entered into a consent order, and that
15 was spoken about. That's a concern of ours, and we
16 talked about that, so moving on.

17 Issue No. 1, again, just that they -- the
18 utility has failed to address maintenance and
19 repairs recommended by the Polk County Health
20 Department, which we have spoken about.

21 Let's see, No. 4. Issue No. 4, there is an
22 error in the Sunrise warranty deed, and that needs
23 to be corrected in order for Sunrise to be in
24 compliance with PSC regulation.

25 Issue No. 7, and we have spoken about this one

1 from the last case, that states that the utility
2 failed to maintain customer billing records as
3 required by Commission rule. And, again, Issue No.
4 7, the utility has inconsistent part-time
5 contractual service. And then Issue No. 12, that
6 the utility failed to properly record the customer
7 deposit and the interest on customer deposits, and
8 the refund -- and to refund the residential
9 customer deposits.

10 So we have addressed most of those. And,
11 again, we do support staff's recommendation. We
12 think they have done a great job with this case.
13 We do have -- just like before, we had a couple of
14 issues that we specifically thought there should
15 probably be monthly status reports on, so I will
16 just go through those four, and then I will be
17 done.

18 Issue No. 1, page three --

19 CHAIRMAN BROWN: And do you have a handout for
20 that one?

21 MS. ROTH: I do. Do you want that now, or do
22 you want that after?

23 CHAIRMAN BROWN: Yes.

24 MS. ROTH: Okay.

25 CHAIRMAN BROWN: Thank you.

1 MS. ROTH: Do you want me to go ahead --

2 CHAIRMAN BROWN: Please.

3 MS. ROTH: Okay. Issue No. 1, page three, we
4 would like to see something on Sunrise's progress
5 in executing the maintenance requirement of the
6 Polk County Health Department consent order.

7 Issue No. 4, it's page nine and 10, the
8 correction of Sunrise's warranty deed. And staff
9 has asked for a written documentation of the land
10 ownership, but I don't think they have asked
11 specifically for a monthly report in getting that
12 figured out.

13 Issue No. 7, page 16, we would like to know
14 the name and position of each contractual service
15 provider.

16 And then Issue No. 12, page 37, we would like
17 to see the recorded amounts for customer deposits,
18 interest on customer deposits, and refunded
19 customer deposits. And staff, again, already asked
20 for a monthly report on this, so we are just
21 seconding that.

22 And again, we would -- you know, we do feel
23 that this is something that we should take
24 seriously, and that if it's not done within six
25 months of -- six monthly reports, that we would

1 like to see some other action taken, and perhaps in
2 a show cause.

3 Thank you.

4 CHAIRMAN BROWN: Thank you.

5 Staff, any follow-up, or concern with Office
6 of Public Counsel's monthly reporting
7 recommendations?

8 MS. GOLDEN: I would just mention, on the
9 warranty deed, we don't necessarily believe that a
10 monthly report on that is necessary, but there is
11 certainly no harm in including it. It would just
12 simply be a status of their progress in correcting
13 that issue, so we can agree to that.

14 CHAIRMAN BROWN: Okay.

15 Commissioners, any questions on any of the
16 Issues 1 through 15?

17 Commissioner Graham.

18 COMMISSIONER GRAHAM: Thank you, Madam Chair.

19 Once again, staff and I went round and round
20 and round on this issue, Issue No. 1. This one, I
21 relented to staff, because they are actually under
22 a consent order on this one. They were given until
23 the end of December 2015, and so that's why the
24 consent order was filed. Once again, the other
25 one, they were still given until the end of this

1 year.

2 So that's -- that was the only thing I had any
3 pushback with staff at all. So I agree with all
4 the recommendations that staff had on the rest of
5 this.

6 CHAIRMAN BROWN: Okay. Can I -- I think we
7 are ripe for a motion seeing no other questions or
8 comments.

9 Commissioner Graham, were you ready for a
10 motion?

11 COMMISSIONER GRAHAM: Sure. I would move
12 staff recommendations on all issues on Item No. 8,
13 including the request from OPC for monthly reports
14 on Issues 1, 4, 7 and 12.

15 CHAIRMAN BROWN: Is there a second?

16 COMMISSIONER PATRONIS: Second.

17 CHAIRMAN BROWN: Any discussion?

18 COMMISSIONER GRAHAM: But -- excuse me, and
19 that does not include a show cause.

20 CHAIRMAN BROWN: That's -- okay. And that I
21 am assuming that also includes the oral
22 modification on Issue 15.

23 COMMISSIONER GRAHAM: That's correct.

24 CHAIRMAN BROWN: Okay. All right.

25 Any discussion?

1 All those in favor, say aye.

2 (Vote taken.)

3 CHAIRMAN BROWN: Any opposed?

4 The motion passes.

5 Thank you. Thank you all for working on this.

6 (Agenda item concluded.)

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA KRICK, Court Reporter, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 9th day of March, 2016.



DEBRA R. KRICK
NOTARY PUBLIC
COMMISSION #EE212307
EXPIRES JULY 13, 2016

OPC's Monthly Reporting Recommendations

Docket No. 140220-WU Sunrise Utilities, LLC

OPC requests that the above utility provide six monthly status reports to the PSC on the following issues:

- Recorded amounts for customer deposits, interest on customer deposits, and refunded customer deposits (Staff has already asked for a monthly report) *Issue # 12, p. 37*
- The name and position of each contractual service provider. The purpose of this is to verify that the positions allowed in the staff recommendation continue to be filled *Issue # 7, p. 16*
- Sunrise's progress in executing the maintenance requirement of the Polk County Health Department Consent Order *Issue # 1, p. 3*
- The correction of Sunrise's warranty deed (Staff has asked for written documentation of land ownership) *Issue # 4, p. 9-10*

OPC requests that a show cause proceeding take place if these issues have not been resolved after six monthly status reports have been submitted per issue.

Parties/Staff Handout
Internal Affairs/Agenda
on 3/1/16
Item No. 8