

FLORIDA PUBLIC SERVICE COMMISSION

Item 6

VOTE SHEET

FILED JUL 07, 2016  
DOCUMENT NO. 04324-16  
FPSC - COMMISSION CLERK

July 7, 2016

Docket No. 150269-WS – Application for limited proceeding water rate increase in Marion, Pasco, and Seminole Counties, by Utilities, Inc. of Florida.

**Issue 1:** Should the Utility's requested increases be approved as filed?

**Recommendation:** No. However, the Commission should approve water rate increases of \$45,663 (or 28.85 percent) for Marion County and \$16,142 (or 1.61 percent) for Seminole County, excluding Longwood and Sanlando.

**APPROVED** *with oral modification.*

*Staff is given administrative authority to recalculate the increase based on the charges suggested by the utility.*

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

*[Handwritten signatures in blue ink on four lines]*

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**REMARKS/DISSENTING COMMENTS:**

*Oral Modification, assigned DN 04191-16, is attached.*

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**Issue 2:** What are the appropriate rates?

**Recommendation:** The recommended rate increase of 29.30 percent for Marion County and 1.65 percent for Seminole County, excluding Longwood and Sanlando, should be applied as an across-the-board increase to their respective existing service rates. The rates, as shown on Schedule Nos. 5 and 6 of staff's memorandum dated June 23, 2016, should be effective for service rendered on or after the stamped approval date on the tariff sheets, pursuant to Rule 25-30.475(1), F.A.C. The Utility should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. In addition, the approved rates should not be implemented until staff has approved the proposed customer notice and the notice has been received by the customers. The Utility should provide proof of the date notice was given within 10 days of the date of the notice. The rates should be reduced as shown on Schedule Nos. 5 and 6 to remove rate case expense grossed up for regulatory assessment fees and amortized over a four-year period. The decrease in rates should become effective immediately following the expiration of the four-year rate case expense recovery period, pursuant to Section 367.0816, F.S.

**APPROVED**

**Issue 3:** Should the recommended rates be approved for the utility on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the utility?

**Recommendation:** Yes. The recommended rates should be approved for the Utility on a temporary basis, subject to refund, in the event of a protest filed by a party other than the Utility. UIF should file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved rates should be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, the temporary rates should not be implemented until staff has approved the proposed notice, and the notice has been received by the customers. The temporary rates should only be implemented after the Utility has provided written guarantee of its corporate undertaking in a cumulative amount of \$41,308. If the recommended rates are approved on a temporary basis, the rates collected by the Utility should be subject to the refund provisions discussed in the analysis portion of staff's memorandum dated June 23, 2016. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., the Utility should file reports with the Commission Clerk's office no later than the 20th of each month indicating the monthly and total amount of money subject to refund at the end of the preceding month.

**APPROVED**

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**Issue 4:** Should this docket be closed?

**Recommendation:** If no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, a consummating order should be issued. The docket should remain open for staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by staff. Once these actions are complete, this docket should remain open pending the Commission's decision on the Utility's requested rate increase in Pasco County.

**APPROVED**

Hong Wang

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**From:** Kathy Shoaf  
**Sent:** Friday, July 01, 2016 2:59 PM  
**To:** CLK - Agenda Staff; Commissioners & Staffs; Braulio Baez; Mark Futrell; Apryl Lynn; Keith Hetrick; Mary Anne Helton; Jennifer Crawford; Kyesha Mapp; Laura King; Andrew Maurey; Cheryl Bulecza-Banks; Bart Fletcher; Curt Mourcing; John Slemkewicz  
**Cc:** Kate Hamrick; Jacqueline Moore; Nancy Harrison  
**Subject:** Approved Request for Oral Modification for Docket 150269-WS, UIF Limited Proceeding staff rec

Please see approved request for Oral Modification for Docket 150269-WS, UIF Limited Proceeding staff rec

**Kathy Shoaf**  
Executive Assistant to  
Braulio Baez, Executive Director  
Florida Public Service Commission  
Telephone: (850)413-6053  
[kshoaf@psc.state.fl.us](mailto:kshoaf@psc.state.fl.us)

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**From:** Braulio Baez  
**Sent:** Friday, July 01, 2016 2:21 PM  
**To:** Mark Futrell; Kathy Shoaf  
**Cc:** Cheryl Bulecza-Banks; Andrew Maurey  
**Subject:** RE: Docket 150269-WS, UIF Limited Proceeding staff rec

Approved. Thanks

Sent from my T-Mobile 4G LTE Device

----- Original message -----

**From:** Mark Futrell <[MFutrell@PSC.STATE.FL.US](mailto:MFutrell@PSC.STATE.FL.US)>  
**Date:** 7/1/16 1:23 PM (GMT-05:00)  
**To:** Braulio Baez <[BBaez@PSC.STATE.FL.US](mailto:BBaez@PSC.STATE.FL.US)>, Kathy Shoaf <[kshoaf@psc.state.fl.us](mailto:kshoaf@psc.state.fl.us)>  
**Cc:** Cheryl Bulecza-Banks <[CBulecza@PSC.STATE.FL.US](mailto:CBulecza@PSC.STATE.FL.US)>, Andrew Maurey <[AMaurey@PSC.STATE.FL.US](mailto:AMaurey@PSC.STATE.FL.US)>  
**Subject:** FW: Docket 150269-WS, UIF Limited Proceeding staff rec

Request for oral modification to Item 6.

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**From:** Cheryl Bulecza-Banks  
**Sent:** Friday, July 01, 2016 11:58 AM  
**To:** Mark Futrell  
**Cc:** Andrew Maurey  
**Subject:** FW: Docket 150269-WS, UIF Limited Proceeding staff rec  
**Importance:** High

Staff requests approval to make an oral modification to Item 6 scheduled for the July 7, 2016, Commission Conference. Staff's proposed modification affects the last paragraph on page 3 related to Utility Plant in Service, and correction of a scrivener's error on page 5, under the rate case expense section. These corrections do not affect staff's recommended increases or proposed rates.

**Revision to the last paragraph on page 3:**

In Seminole County, the Utility requested approval for preliminary costs associated with interconnecting its Ravenna Park and Crystal Lake water systems including upgrades to the Ravenna Park water treatment plant storage facilities ~~which were completed in July 2015~~. UIF stated that the project was initiated after excess infiltration of sand into the well pump of the sole water supply well, built in the 1950s, at Crystal Lake water system. The Utility proposed an interconnection after exploring two alternatives for the well failure. First, it explored downsizing the pump assembly and motor but found this option would not meet system demands and would lead to more pump replacements in the future. Second, it considered drilling a new well but found that the existing property's footprint was too small to allow for a new well. The cost for this portion of the interconnection project is \$98,033 which includes the engineering evaluation, design, geotechnical services, bid documentation, permitting, and well abandonment costs which was completed in July 2015. ~~In response to staff's data request, UIF provided the four bids submitted for the interconnection and the lowest cost option was selected.~~ Based on staff's review of invoices provided, the preliminary cost to complete the interconnection project is reasonable ~~and will meet customer demand~~.

**Scrivener's error on page 5:**

***Rate Case Expense***

In its filing, UIF estimated that the total rate case expense would be \$46,779 for Marion, Pasco and Seminole Counties. Per Schedule No. 12 of its filing, UIF requested total rate case expenses of \$14,474 and \$15,967 for Marion and Seminole Counties, respectively. The resulting 4-year amortization amounts were \$3,619 for Marion and \$3,992 for Seminole. In response to a staff data request, UIF submitted an updated total rate case expense of \$28,779 on June 10, 2016.<sup>[1]</sup> Staff reviewed the details of the updated rate case expense and determined that \$6,349 of the expense was related directly to Pasco County. While UIF's request for Pasco County has been bifurcated from this proceeding, staff believes rate case expense should still be allocated across all three counties. As a result, the remaining balance to be allocated among the three counties is \$22,430 (\$28,779 - \$6,349), of which \$17,959 of the \$22,430 rate case expense should be allocated equally among the three counties. The remaining \$4,471 of rate case expense related to customer notices postage and stock should be allocated on a ~~16.9~~ 16.8 percent for Marion, 39.3 percent for Seminole, and 43.9 percent for Pasco basis. The resulting annual rate case expense amortization is \$1,684 (\$6,737 divided by four years) for Marion County and \$1,936 (\$7,743 divided by four years) for Seminole County as shown on Schedule No. 4. The 4-year rate reduction for rate case expense is \$1,760 and \$2,023 for Marion and Seminole Counties, respectively. The recovery of any rate case expense related to Pasco County will be determined in the bifurcated portion of the limited proceeding.

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Document No. 03733-16.