

FLORIDA PUBLIC SERVICE COMMISSION

Item 7

VOTE SHEET

FILED SEP 13, 2016
DOCUMENT NO. 07470-16
FPSC - COMMISSION CLERK

September 13, 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 increase associated with the Pasco County Interconnect Phase II be approved?

Recommendation: Yes, as modified by staff.

\$46,994

The Commission should approve a water rate increase of ~~\$46,944~~ (or 5.35 percent) for Pasco County Phase II.

In addition, the estimated \$200,000 net cost to retire the abandoned wells should be reviewed in the forthcoming consolidated rate case in Docket No. ~~160161-WS~~: 160101-WS.

Further, UIF should be directed to provide secondary water quality results for portions of its Summertree distribution system at least every six months. Samples should be taken from the same sites labeled "nearby system site" shown in Appendix A of the CPH Engineering Report for consistency purposes. Such results should be filed with the Commission for informational purposes. The first report should be filed no later than two months after the completion of the interconnection with Pasco County.

Pursuant to Order No. PSC-14-0025-PAA-WS, the 100-basis point reduction in return on equity and water testing requirement should remain in place until the water quality is deemed satisfactory by the Commission.

DEFERRED to October 11, 2016, Commission Conference.

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS' SIGNATURES

MAJORITY

DISSENTING

REMARKS/DISSENTING COMMENTS:

Oval Modifications, assigned DNS 07413-16 and 07431-16, are attached.

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

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Issue 2: What is the appropriate application of the recommended rate increase and the effective date and implementation date?

Recommendation:

Staff's recommended rate increase of 5.35 percent for Pasco County should be applied as an across-the-board increase to existing service rates for the Orangewood and Summertree systems.

The rates, as shown on Schedule No. 4 of staff's memorandum dated August 31, 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 the interconnection is in-service and 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 No. 4 of staff's memorandum dated August 31, 2016, to remove rate case expense grossed up for regulatory assessment fees and amortized over a 4-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.

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 whose interests are substantially affected 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 whose interests are substantially affected 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 after the interconnection is in-service, staff has approved the proposed notice, the notice has been received by the customers, and only after the Utility has provided written guarantee of its corporate undertaking in a cumulative amount of \$72,846. 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 August 31, 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.

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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 be closed administratively.

Ashley Quick

Subject: APPROVED - request for oral modification to Item 7, Docket No. 150269-WS

From: Kathy Shoaf

Sent: Friday, September 09, 2016 1:40 PM

To: Commissioners & Staffs; Keith Hetrick; Mark Futrell; Apryl Lynn; Mary Anne Helton; Tom Ballinger; Greg Shafer; Andrew Maurey; Cheryl Bulecza-Banks; Jennifer Crawford; Kyesha Mapp; Laura King; Moni Mtenga; Charles Johnson; Shannon Hudson; Curt Mouring; Bart Fletcher; Dale Buys

Cc: Kate Hamrick; Jacqueline Moore; Nancy Harrison

Subject: APPROVED - request for oral modification to Item 7, Docket No. 150269-WS

Please see APPROVED - Request for Oral Modification to Item 7, Docket No. 150269-WS.

Kathy Shoaf

Executive Assistant to

Braulio Baez, Executive Director

Florida Public Service Commission

Telephone: (850)413-6053

kshoaf@psc.state.fl.us

From: Braulio Baez

Sent: Friday, September 09, 2016 9:44 AM

To: Andrew Maurey

Cc: Mark Futrell; Tom Ballinger; Greg Shafer; Mary Anne Helton; Cheryl Bulecza-Banks

Subject: RE: request for oral modification to Item 7, Docket No. 150269-WS

Approved. Thanks

From: Andrew Maurey

Sent: Friday, September 09, 2016 9:10 AM

To: Braulio Baez

Cc: Mark Futrell; Tom Ballinger; Greg Shafer; Mary Anne Helton; Cheryl Bulecza-Banks

Subject: request for oral modification to Item 7, Docket No. 150269-WS

Staff requests approval to make an oral modification to Item 7 scheduled for the September 13, 2016 Commission Conference (Docket No. 150269-WS, Application for limited proceeding water rate increase in Marion, Pasco, and Seminole Counties by Utilities, Inc. of Florida). Staff's proposed modification relates to three scrivener errors. Modifications are necessary to the Recommendation section on page 4, and Footnote 13, on page 6. The schedules attached to staff's recommendation do not require modification as the schedules contain the correct numbers.

Modification to the Recommendation section on page 4:

Issue 1:

Should the Utility's requested increase associated with the Pasco County Interconnect Phase II be approved?

Recommendation:

Yes, as modified by staff.

- The Commission should approve a water rate increase of ~~\$46,994~~ ~~\$46,944~~ (or 5.35 percent) for Pasco County Phase II.
- In addition, the estimated \$200,000 net cost to retire the abandoned wells should be reviewed in the forthcoming consolidated rate case in Docket No. ~~160101-WS~~. ~~160161-WS~~.
- Further, UIF should be directed to provide secondary water quality results for portions of its Summertree distribution system at least every six months. Samples should be taken from the same sites labeled "nearby system site" shown in Appendix A of the CPH Engineering Report for consistency purposes. Such results should be filed with the Commission for informational purposes. The first report should be filed no later than two months after the completion of the interconnection with Pasco County.
- Pursuant to Order No. PSC-14-0025-PAA-WS, the 100-basis point reduction in return on equity and water testing requirement should remain in place until the water quality is deemed satisfactory by the Commission. (Slemkewicz, Mtenga, Hudson)

Modification to Footnote 13 on page 6:

¹³ Document No. ~~07147-16~~ ~~07078-16~~, p.4

Andrew L. Maurey
Director
Division of Accounting and Finance
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850
(850) 413-6465
amaurey@psc.state.fl.us

Ashley Quick

Subject: APPROVED - ADDENDUM TO PRIOR APPROVAL for request for oral modification to Item 7, Docket No. 150269-WS

From: Kathy Shoaf

Sent: Friday, September 09, 2016 4:42 PM

To: Commissioners & Staffs; Keith Hetrick; Mark Futrell; Apryl Lynn; Mary Anne Helton; Tom Ballinger; Greg Shafer; Andrew Maurey; Cheryl Bulecza-Banks; Jennifer Crawford; Kyesha Mapp; Laura King; Moni Mtenga; Charles Johnson; Shannon Hudson; Curt Mouring; Bart Fletcher; Dale Buys; Carlotta Stauffer

Cc: Kate Hamrick; Jacqueline Moore; Nancy Harrison

Subject: APPROVED - ADDENDUM TO PRIOR APPROVAL for request for oral modification to Item 7, Docket No. 150269-WS

Please see APPROVED ADDENDUM TO PRIOR APPROVAL for Request for Oral Modification to Item 7, Docket No. 150269-WS.

Kathy Shoaf

Executive Assistant to

Braulio Baez, Executive Director

Florida Public Service Commission

Telephone: (850)413-6053

kshoaf@psc.state.fl.us

From: Braulio Baez

Sent: Friday, September 09, 2016 4:35 PM

To: Kathy Shoaf

Subject: FW: ADDENDUM TO request for oral modification to Item 7, Docket No. 150269-WS

An addendum to prior approval – approved. Thank you.

From: Cheryl Bulecza-Banks

Sent: Friday, September 09, 2016 4:33 PM

To: Braulio Baez

Cc: Mark Futrell; Andrew Maurey; Tom Ballinger; Greg Shafer; Mary Anne Helton; Kate Hamrick; Kathy Shoaf

Subject: ADDENDUM TO request for oral modification to Item 7, Docket No. 150269-WS

Staff is requesting to submit an addendum to its previously submitted oral modification to Item 7 scheduled for the September 13, 2016 Agenda Conference, (Docket No. 150269-WS, Application for limited proceeding water rate increase in Marion, Pasco, and Seminole Counties by Utilities, Inc. of Florida). Subsequent to submitting staff's requested oral modification to Item 7, staff identified an additional scrivener's error. The error is on page 12, in the last paragraph. In the paragraph, staff references Schedule Nos. 5 & 6; the reference should be Schedule No. 4. The paragraph in its entirety is shown below:

Staff recommends that the rate increase of 5.35 percent for Pasco County be applied as an across-the-board increase to existing service rates for the Orangewood and Summertree systems. The rates, as shown on Schedule No. 4, 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 the interconnection is in-service and 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 **No. 4 Nos. 5 & 6**, to remove rate case expense grossed up for regulatory assessment fees and amortized over a 4-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.

From: Braulio Baez
Sent: Friday, September 09, 2016 9:44 AM
To: Andrew Maurey
Cc: Mark Futrell; Tom Ballinger; Greg Shafer; Mary Anne Helton; Cheryl Bulecza-Banks
Subject: RE: request for oral modification to Item 7, Docket No. 150269-WS

Approved. Thanks

From: Andrew Maurey
Sent: Friday, September 09, 2016 9:10 AM
To: Braulio Baez
Cc: Mark Futrell; Tom Ballinger; Greg Shafer; Mary Anne Helton; Cheryl Bulecza-Banks
Subject: request for oral modification to Item 7, Docket No. 150269-WS

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- In addition, the estimated \$200,000 net cost to retire the abandoned wells should be reviewed in the forthcoming consolidated rate case in Docket No. ~~160101-WS~~ **160161-WS**.

- Further, UIF should be directed to provide secondary water quality results for portions of its Summertree distribution system at least every six months. Samples should be taken from the same sites labeled “nearby system site” shown in Appendix A of the CPH Engineering Report for consistency purposes. Such results should be filed with the Commission for informational purposes. The first report should be filed no later than two months after the completion of the interconnection with Pasco County.
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