

FLORIDA PUBLIC SERVICE COMMISSION

Item 7

VOTE SHEET

FILED 12/6/2022
DOCUMENT NO. 11882-2022
FPSC - COMMISSION CLERK

December 6, 2022

Docket No. 20220032-WS – Application for staff-assisted rate case in Polk County by Anglers Cove West, Ltd.

Issue 1: Is the quality of service provided by Anglers Cove West, Ltd. satisfactory?

Recommendation: Yes. Anglers Cove has been responsive to customer complaints and is currently in compliance with the Department of Environmental Protection (DEP) standards; therefore, the quality of service should be considered satisfactory.

APPROVED

Issue 2: Are the infrastructure and operating conditions of Anglers Cove West, Ltd.’s wastewater system in compliance with DEP regulations?

Recommendation: Yes. Anglers Cove’s wastewater treatment facility is currently in compliance with DEP regulations.

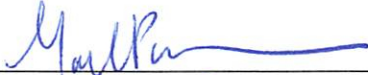

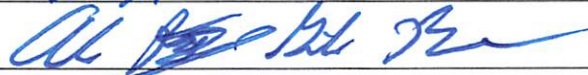
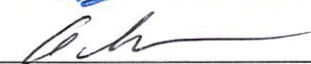
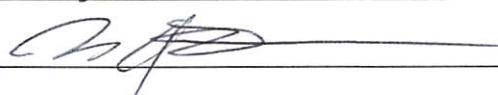
APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS’ SIGNATURES

MAJORITY

DISSENTING

REMARKS/DISSENTING COMMENTS:

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Issue 3: What are the used and useful (U&U) percentages of Anglers Cove West, Ltd.'s WWTP, water distribution, and wastewater collection systems?

Recommendation: Anglers Cove's WWTP, water distribution, and wastewater collection systems should be considered 100 percent U&U. Additionally, staff recommends that a 9.4 percent adjustment to purchased water should be made for excessive unaccounted for water (EUW). No adjustment is recommended for excessive infiltration and inflow (I&I).

APPROVED

Issue 4: What is the appropriate average test year rate base for water and wastewater for Anglers Cove West, Ltd.?

Recommendation: The appropriate average rate base is \$120,505 for water and \$129,598 for wastewater.

APPROVED

Issue 5: What is the appropriate return on equity and overall rate of return for Anglers Cove West, Ltd.?

Recommendation: The appropriate return on equity (ROE) is 10.45 percent and overall rate of return to use for setting rates is 4.74 percent.

APPROVED

Issue 6: What are the appropriate amount of test year revenues for Anglers Cove West, Ltd.'s water and wastewater systems?

Recommendation: The appropriate test year revenues for Anglers Cove's water are \$75,040 and wastewater are \$72,758.

APPROVED

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Issue 7: What is the appropriate amount of test year operating expense for Anglers Cove West, Ltd.?

Recommendation: That appropriate amount of operating expense for Anglers Cove is \$99,581 for water and \$88,126 for wastewater.

APPROVED

Issue 8: Does Anglers Cove West, Ltd. meet the criteria for application of the Operating Ratio Methodology?

Recommendation: No. Anglers Cove does not meet the requirement for application of the Operating Ratio Methodology for calculating the revenue requirement.

APPROVED

Issue 9: What is the appropriate revenue requirement for Anglers Cove West, Ltd.?

Recommendation: The appropriate revenue requirement for water is \$105,293, resulting in an annual increase of \$30,253 (40.32 percent). The appropriate revenue requirement for wastewater is \$94,268 for wastewater, resulting in an annual increase of \$21,510 (29.56 percent).

APPROVED

Issue 10: What are the appropriate rate structures and rates for the water and wastewater systems of Anglers Cove West, Ltd.?

Recommendation: The recommended rate structures and monthly water and wastewater rates are shown on Schedule Nos. 4-A and 4-B of staff's memorandum dated November 22, 2022. The Utility 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 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 this notice.

APPROVED

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Issue 11: What is the appropriate amount by which rates should be reduced four years after the published effective date to reflect the removal of the amortized rate case expense?

Recommendation: The rates should be reduced as shown on Schedule No. 4 of staff’s memorandum dated November 22, 2022, to remove rate case expense grossed-up for RAFs and amortized over a four-year period. Pursuant to Section 367.081(8), F.S., the decrease in rates should become effective immediately following the expiration of the rate case expense recovery period. Anglers Cove should be required to file revised tariffs and a proposed customer notice setting forth the lower rates and rationale no later than one month prior to the effective date of the new rates. If the Utility files revised tariffs reflecting this reduction in conjunction with a price index or pass-through rate adjustment, separate data should be filed for the price index and/or pass-through increase or decrease and the reduction in the rates due to the amortized rate case expense.

APPROVED

Issue 12: Should the recommended rates be approved for Anglers Cove West, Ltd. 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. Pursuant to Section 367.0814(7), F.S., the recommended rates should 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. Anglers Cove should file revised tariff sheets and a proposed customer notice reflecting the Commission-approved rates. The approved rates should be effective for services 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. Further, prior to implementing any temporary rates, the Utility should provide appropriate financial security.

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 staff analysis of staff’s memorandum dated November 22, 2022. 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’s Office of Commission Clerk no later than the 20th of each month indicating both the current monthly and total amount subject to refund at the end of the preceding month. The report filed should also indicate the status of the security being used to guarantee repayment of any potential refund

APPROVED

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Issue 13: Should Anglers Cove be required to notify the Commission within 90 days of an effective order finalizing this docket, that it has adjusted its books for all the applicable National Association of Regulatory Utility Commissioners (NARUC) Uniform System of Accounts?

Recommendation: Yes. Anglers Cove should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission’s decision. Anglers Cove should submit a letter within 90 days of the Commission’s final order in this docket, confirming that the adjustments to all applicable NARUC USOA primary accounts have been made to the Utility’s books and records. In the event the Utility needs additional time to complete the adjustments, a notice providing good cause should be filed not less than seven days prior to the deadline. Upon providing a notice of good cause, staff should be given administrative authority to grant an extension of up to 60 days.

APPROVED

Issue 14: Should this docket be closed?

Recommendation: No. 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.

APPROVED