

FLORIDA PUBLIC SERVICE COMMISSION

Item 5

VOTE SHEET

FILED 7/1/2025
DOCUMENT NO. 05353-2025
FPSC - COMMISSION CLERK

July 1, 2025

Docket No. 20240119-WU – Application for staff-assisted rate case in Polk County, by Alturas Water, LLC.

Issue 1: Is the quality of service provided by Alturas Water, LLC satisfactory?

Recommendation: Yes. Alturas has been responsive to customer complaints and the quality of the product is in compliance with the Department of Environmental Protection (DEP) standards; therefore, staff recommends that the quality of service be considered satisfactory.

APPROVED

Issue 2: Are the infrastructure and operating conditions of Alturas Water, LLC in compliance with the DEP’s regulations?

Recommendation: Yes. The Alturas water system is currently in compliance with the DEP.

APPROVED

COMMISSIONERS ASSIGNED: All Commissioners

COMMISSIONERS’ SIGNATURES

MAJORITY

DISSENTING

[Handwritten signatures in blue ink]

REMARKS/DISSENTING COMMENTS:

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Issue 3: What are the used and useful (U&U) percentages of the Alturas Water, LLC water treatment plant (WTP) and water distribution system?

Recommendation: Alturas' WTP and its distribution system should both be considered 100 percent U&U. Additionally, a 26.2 percent adjustment for Excessive Unaccounted for Water (EUW) should be made to operating expenses for chemicals and purchased power.

APPROVED

Issue 4: What is the appropriate average test year rate base for Alturas Water, LLC?

Recommendation: The appropriate average test year rate base for Alturas is \$67,586.

APPROVED

Issue 5: What is the appropriate return on equity and overall rate of return for Alturas Water, LLC?

Recommendation: The appropriate return on equity (ROE) is 11.24 percent with a range of 10.24 percent to 12.24 percent. The appropriate overall rate of return is 7.58 percent.

APPROVED

Issue 6: What are the appropriate test year operating revenues for Alturas Water, LLC?

Recommendation: The appropriate test year revenues for Alturas are \$40,000.

APPROVED

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Issue 7: What are the appropriate operating expenses for Alturas Water, LLC?

Recommendation: The appropriate amount of operating expenses for Alturas are \$45,972.

APPROVED

Issue 8: Does Alturas Water, LLC meet the criteria for application of the operating ratio methodology?

Recommendation: No, Alturas 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 Alturas Water, LLC?

Recommendation: The appropriate revenue requirement is \$51,377, resulting in an annual increase of \$11,377 (28.44 percent).

APPROVED

Issue 10: What are the appropriate rates and rate structure for Alturas Water, LLC?

Recommendation: The recommended rate structure and monthly water rates are shown on Schedule No. 4 of staff's memorandum dated June 19, 2025. 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 sheets 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 the notice.

APPROVED

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Issue 11: What are the appropriate initial customer deposits for Alturas Water, LLC?

Recommendation: The appropriate initial customer deposit should be \$131 for the 5/8 inch x 3/4 inch meter size. The initial customer deposit for all other residential meter sizes and all general service meter sizes should be two times the average estimated bill for water. The approved initial customer deposits should be effective for connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The Utility should be required to collect the approved deposits until authorized to change them by the Commission in a subsequent proceeding.

APPROVED

Issue 12: What are the appropriate miscellaneous service charges for Alturas Water, LLC?

Recommendation: The appropriate miscellaneous service charges are shown on Table 12-4 of staff's memorandum dated June 19, 2025 and should be approved. The Utility should be required to file a proposed customer notice to reflect the Commission-approved charges. The approved charges should be effective for service rendered or connections made 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 charge should not be implemented until staff has approved the proposed customer notice and the notice has been received by customers. The Utility should provide proof of the date notice was given no less than 10 days after the date of the notice.

APPROVED

Issue 13: What is the appropriate amount by which rates should be reduced four years after the published effective date to reflect removal of the amortized rate case expense?

Recommendation: The rates should be reduced as shown on Schedule No. 4 of staff's memorandum dated June 19, 2025, 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. Alturas 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 and the reduction in the rates due to the amortized rate case expense.

APPROVED

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Issue 14: Should the recommended rate be approved for Alturas Water, LLC 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. Alturas 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 June 19, 2025. 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

Issue 15: Should Alturas Water, LLC 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 NARUC USOA?

Recommendation: Yes. Alturas Water, LLC should be required to notify the Commission, in writing, that it has adjusted its books in accordance with the Commission's decision. The Utility 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

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Issue 16: 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 proposed agency action 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