FLORIDA PUBLIC SERVICE COMMISSION

Item 8

VOTE SHEET

FILED 6/2/2026
DOCUMENT NO. 03289-2026
FPSC - COMMISSION CLERK

June 2, 2026

Docket No. 20260006-WS – Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.

Issue 1: What is the appropriate range of returns on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), Florida Statutes?
Recommendation: The appropriate range of returns on common equity is 8.58 percent at 100 percent equity to 10.25 percent at 40 percent equity. This range was determined using the leverage formula methodology approved by Order No. PSC-2018-0327-PAA-WS applied to a proxy group comprised of natural gas and water and wastewater utilities using the most recent financial data. Accordingly, the following leverage formula should be used until this matter is addressed again in 2027:

Return on Common Equity = 7.46% + (1.115 ÷ Equity Ratio)

Where: Equity Ratio = Common Equity ÷ (Common Equity + Preferred Equity + Long-Term Debt + Short-Term Debt)

Range of Returns: 8.58% at 100% equity to 10.25% at 40% equity

The equity ratio should be calculated using the averaging methods pursuant to Rule 25-30.433(5), Florida Administrative Code (F.A.C). Additionally, the Commission should cap returns on common equity at 10.25 percent for all WAW utilities with equity ratios less than 40 percent, which serves to discourage imprudent financial risk.

APPROVED

COMMISSIONERS ASSIGNED: **All Commissioners**

COMMISSIONERS' SIGNATURES

MAJORITY	**DISSENTING**
Ana Ortega	

REMARKS/DISSENTING COMMENTS:

Docket No. 20260006-WS – Water and wastewater industry annual reestablishment of authorized range of return on common equity for water and wastewater utilities pursuant to Section 367.081(4)(f), F.S.

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Issue 2: Should this docket be closed?
Recommendation: No. Upon expiration of the protest period, if a timely protest is not received from a substantially affected person, the decision should become final and effective upon the issuance of a Consummating Order. However, this docket should remain open to allow staff to monitor changes in capital market conditions and to readdress the reasonableness of the leverage formula as conditions warrant.

APPROVED