FLORIDA PUBLIC SERVICE COMMISSION

Item 7

VOTE SHEET

FILED 6/2/2026
DOCUMENT NO. 03294-2026
FPSC - COMMISSION CLERK

June 2, 2026

Docket No. 20250088-WU – Application for staff-assisted rate case in Lake County by Sun Communities Finance, LLC d/b/a Water Oak Utility.

Issue 1: Is the quality of service provided by Water Oak Utility satisfactory?
Recommendation: Yes. Water Oak's product is in compliance with the Department of Environmental Protection (DEP) and staff believes the Utility adequately demonstrated its ability to address customer concerns; therefore, staff recommends that the quality of service be considered satisfactory.

APPROVED

Issue 2: Is the infrastructure and operating conditions of Water Oak Utility in compliance with DEP regulations?
Recommendation: Yes. The Water Oak water system is currently in compliance with the DEP.

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 Water Oak Utility's water treatment plant and water distribution system?
Recommendation: Water Oak's water treatment plant and its distribution system should both be considered 100 percent U&U. Additionally, an 8.8 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 Water Oak Utility?
Recommendation: The appropriate average test year rate base for Water Oak is $1,492,390.

APPROVED

Issue 5: What is the appropriate return on equity and overall rate of return for Water Oak Utility?
Recommendation: The appropriate return on equity (ROE) is 8.51 percent with a range of 7.51 percent to 9.51 percent. The appropriate overall rate of return is 8.51 percent.

APPROVED AS MODIFIED

There shall be a 75 basis point reduction to ROE.

Issue 6: What are the appropriate amount of test year operating revenues for Water Oak Utility?
Recommendation: The appropriate test year operating revenues for Water Oak's water system are $208,330.

APPROVED

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Issue 7: What is the appropriate amount of operating expense for Water Oak Utility?
Recommendation: The appropriate amount of operating expense for Water Oak is $325,473.

APPROVED AS MODIFIED

There shall be a 30% reduction to Salary + Wages and Contractual Services - Professional.

Issue 8: Does Water Oak Utility meet the criteria for application of the operating ratio methodology?
Recommendation: No. Water Oak does not meet the criteria for application of the operating ratio methodology for calculating the revenue requirement.

APPROVED

Issue 9: What is the appropriate revenue requirement for Water Oak Utility?
Recommendation: The appropriate revenue requirement is $452,430, resulting in an annual increase of $244,100 (117.17 percent).

APPROVED

Issue 10: What are the appropriate rate structure and rates for Water Oak Utility?
Recommendation: The recommended rate structure and monthly water rates are shown on Schedule No. 4 of staff's memorandum dated May 20, 2026. 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 by affidavit within 10 days of the date of the 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 May 20, 2026, 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. Water Oak 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

Issue 12: Should the recommended rates be approved for Water Oak 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. 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. Water Oak 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 sheets, 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 portion of staff's memorandum dated May 20, 2026. 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 of money 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 Water Oak Utility 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. Water Oak 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 National Association of Regulatory Commissioners (NARUC) Uniform System of Accounts (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 requesting an extension. 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 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, and that the Utility submitted its letter confirming all adjustments to applicable NARUC USOA primary accounts were made. Once these actions are complete, this docket should be closed administratively.

APPROVED AS MODIFIED

- The Utility shall host an annual formal customer meeting for the next two years.
- Any reports or management-related finding issued by the St. Johns River Water Management District or DBPR shall be submitted to the Commission and communicated to customers.
- The Utility shall notify the Commission if the St. Johns River Water Management District or DBPR investigations are not completed in one year.