

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in wastewater rates in Charlotte County by Utilities, Inc. of Sandalhaven.

DOCKET NO. 150102-SU
ORDER NO. PSC-16-0151-FOF-SU
ISSUED: April 18, 2016

The following Commissioners participated in the disposition of this matter:

LISA POLAK EDGAR
RONALD A. BRISÉ
JIMMY PATRONIS

ORDER GRANTING JOINT MOTION REQUESTING COMMISSION
APPROVAL OF SETTLEMENT AGREEMENT

BY THE COMMISSION:

On June 4, 2015, Utilities Inc. of Sandalhaven (Sandalhaven), predecessor of Utilities, Inc. of Florida, filed its application for the rate increase at issue in the instant docket. A deficiency letter was sent to the utility on July 1, 2015, and corrections to the minimum filing requirements (MFRs) were filed on July 6, 2015, which was established as the official date of filing pursuant to Section 367.083, Florida Statutes (F.S.). The utility requested that the application be processed using the Proposed Agency Action (PAA) procedure and requested interim rates. The test year established for interim and final rates is the period ended December 31, 2014. The utility's proposed rates were suspended and interim rates were granted subject to refund by Order No. PSC-15-0320-PCO-SU, issued on August 10, 2015.

On January 6, 2016, we issued Order No. PSC-16-0013-PAA-SU granting Sandalhaven's application for a rate increase and establishing PAA rates. On January 27, 2016, the Office of Public Counsel (OPC) timely filed a petition and request for evidentiary hearing. On February 4, 2016, Sandalhaven timely filed a cross-petition for a formal administrative hearing. On February 10, 2016, Sandalhaven placed the PAA rates into effect subject to refund, with the exception of its Allowance for Funds Prudently Invested (AFPI) charges. The utility maintained the AFPI charges that were in effect when we obtained jurisdiction from Charlotte County. On February 24, 2016, Sandalhaven filed a motion for partial final summary order on the issue of the prudence of constructing an interconnection with the Englewood Water District to serve potential and current customers and its decision to retire its wastewater treatment plant. On March 21, 2016, OPC and Sandalhaven filed a joint motion requesting our approval of a stipulation and settlement agreement (SSA) entered into between the parties on March 21, 2016. The SSA is Attachment A to this Order. This Commission has jurisdiction over this subject matter pursuant to Sections 367.011, 367.081, 367.101, and 367.121, F.S.

The issues protested by the parties are set forth in the petition and cross-petition for a formal administrative hearing. The terms and conditions of the SSA are as follows: 1) the protested issues of the PAA should have no precedential effect or value and can be raised in any

future rate case; 2) the overall revenue requirement and the findings of the PAA are accepted, with the exception of the AFPI charges; 3) the utility shall continue to collect the AFPI charges in effect when we obtained jurisdiction from Charlotte County; 4) the utility will not seek an increase based upon the 2016 Price Index; 5) the utility will not seek to recover any additional rate case expense incurred as a result of the petition and cross-petition for a formal administrative hearing; and 6) OPC's petition, Sandalhaven's cross-petition, Sandalhaven's motion for partial final summary order, and OPC's response to the motion, are deemed moot.

Upon review, we find that the Settlement Agreement, taken as a whole, is a reasonable resolution of all of the protested issues. We further find that its approval is in the public interest as it promotes administrative efficiency and avoids the time and reasonable expenses generated by a final hearing, expenses which are ultimately passed on to ratepayers. For these reasons, we hereby grant the joint motion for approval of the SSA.

Upon the issuance of this Order, the corporate undertaking amount for interim rates and the implementation of PAA rates shall be released. The utility shall file a proposed customer notice indicating that we have approved a settlement agreement between the parties and that the PAA rates are final, with the exception of AFPI charges. The utility shall continue to collect the AFPI charges in effect when this Commission obtained jurisdiction from Charlotte County. Finally, the utility shall provide proof of the date notice was given to the customers within 10 days of the date of the notice.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Joint Motion Requesting Commission Approval of Stipulation and Settlement Agreement filed by the Office of Public Counsel and Utilities, Inc. of Florida, as successor to Utilities, Inc. of Sandalhaven, on March 21, 2016, is hereby granted. It is further

ORDERED that upon the issuance of this order approving the Stipulation and Settlement Agreement, the corporate undertaking amount for interim rates and the implementation of PAA rates shall be released. It is further

ORDERED that the utility shall file a proposed customer notice indicating that we have approved a settlement agreement between the parties and that the PAA rates are final, with the exception of AFPI charges. The utility shall continue to collect the AFPI charges in effect when the Commission obtained jurisdiction from Charlotte County. It is further

ORDERED that the utility shall provide proof of the date notice was given to the customers within 10 days of the date of the notice.

ORDERED that this docket shall be closed upon the issuance of this order approving the Stipulation and Settlement Agreement.

By ORDER of the Florida Public Service Commission this 18th day of April, 2016.



CARLOTTA S. STAUFFER
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing or judicial review of Commission orders that is available under Sections 120.57 or 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing or judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request:

- 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or
- 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

Exhibit "A"

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in wastewater rates in Charlotte County by Utilities, Inc. of Sandalhaven.)	Docket No. 150102-SU
)	
)	Filed: March 21, 2016
_____)	

STIPULATION AND SETTLEMENT AGREEMENT

THIS STIPULATION AND SETTLEMENT AGREEMENT is made and entered into this 21st day of March, 2016, by and between Utilities, Inc. of Florida as successor to Utilities, Inc. of Sandalhaven (Sandalhaven or Utility), and the Office of Public Counsel on behalf of the customers of Sandalhaven (OPC).

WITNESSETH

WHEREAS, the Florida Public Service Commission (Commission) issued Proposed Agency Action (PAA) Order No. PSC-16-0013-PAA-SU, in this docket on January 6, 2016 (PAA Order); and

WHEREAS, on January 27, 2016, OPC timely filed a Petition protesting portions of the proposed agency action and request for formal administrative hearing (Petition); and

WHEREAS, on February 4, 2016, Sandalhaven timely filed a Cross-Petition for a formal administrative hearing and protesting specific issues in the PAA Order (Cross-Petition); and

WHEREAS Sandalhaven has indicated – and OPC acknowledges this indication – that Utilities, Inc. of Florida (UIF) intends to file a rate case for its consolidated systems (including Sandalhaven) by October 2016; and

WHEREAS, in order to avoid the time, expense and uncertainty associated with adversarial litigation, and in keeping with the Commission's long-standing policy and practice of encouraging parties in contested proceedings to settle issues whenever possible, Sandalhaven and OPC hereby enter into this Agreement to settle this case in accordance with the terms and conditions contained herein.

Exhibit "A"

NOW, THEREFORE, for and in consideration of the mutual covenants set forth below, Sandalhaven and OPC (Parties) agree as follows:

1. The Parties agree to the overall revenue requirement in the PAA Order. It is the intent of the Parties that the protested issues in the PAA Order shall have no precedential effect or value in any future rate case. It is the intent of the Parties that all issues protested by the Parties in the PAA Order can be raised in a subsequent rate case. The issues protested by the Parties are set forth in their Petition and Cross-Petition for a formal administrative hearing and incorporated herein by reference. Notwithstanding anything herein to the contrary, Sandalhaven shall continue to collect the Allowance for Funds Prudently Invested (AFPI) Charges in effect when the Commission obtained jurisdiction from Charlotte County, in lieu of the AFPI Charges set forth in the PAA Order, and Sandalhaven agrees not to seek an increase based upon the 2016 Price Index.

2. The Parties agree UIF will be entitled only to rate case expense approved in the PAA Order. UIF agrees it will not seek to recover any additional rate case expense incurred as a result of the OPC and UIF Protests of the PAA Order in this proceeding or any other future rate case.

3. The Parties agree that all issues decided by the PAA Order, except those preserved subject to the terms of this Stipulation and Settlement Agreement, shall become final upon the Commission's acceptance and approval of this Stipulation and Settlement Agreement without modification.

4. If this Stipulation and Settlement Agreement is not accepted and approved without modification by the Commission, then this Stipulation and Settlement Agreement is rejected and shall be considered null and void and neither Party may use the attempted agreement in this or any other proceeding.

5. The Parties expressly agree that all activity relating to this docket should be suspended and abated until the Commission disposes of the Joint Motion Requesting Commission Approval of this Stipulation and Settlement Agreement.

Exhibit "A"

6. This Stipulation and Settlement Agreement will become effective on the date the Commission enters a final order approving the agreement in total. Upon the Commission issuing a final order approving this Stipulation and Settlement Agreement, OPC's Petition and Sandalhaven's Cross-Petition, and Sandalhaven's Motion for partial final summary order and OPC's Response to that Motion, shall be deemed moot in accordance with the terms of this Stipulation and Settlement Agreement.

7. The Parties have evidenced their acceptance and agreement with the provisions of this Stipulation and Settlement Agreement by their signatures, and personally represent that they have authority to execute this Stipulation and Settlement Agreement on behalf of their respective Parties.

8. The Parties each agree that the Stipulation and Settlement Agreement is in the best interest of Sandalhaven's customers and is in the public interest.

OFFICE OF PUBLIC COUNSEL

By: _____



Erik L. Saylor
Associate Public Counsel
On behalf of the Customers of
Utilities, Inc. of Florida

UTILITIES, INC. OF FLORIDA

By: _____

Martin S. Friedman

Martin S. Friedman
Attorney for Utilities, Inc. of Florida