BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

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| 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 prudency 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.

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|  | /s/ Carlotta S. Stauffer |
|  | CARLOTTA S. STAUFFER  Commission Clerk |

Florida Public Service Commission

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

SBr

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.

