BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

|  |  |
| --- | --- |
| In re: Application for staff-assisted rate case in Pasco County by Holiday Gardens Utilities, LLC. | DOCKET NO. 140177-WU  ORDER NO. PSC-17-0041-PAA-WU  ISSUED: February 1, 2017 |

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman

LISA POLAK EDGAR

ART GRAHAM

RONALD A. BRISÉ

DONALD J. POLMANN

NOTICE OF PROPOSED AGENCY ACTION ORDER APPROVING

PHASE II RATE INCREASE FOR HOLIDAY GARDENS UTILITIES, LLC

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that, except for the granting of temporary rates in the event of protest, the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

Background

Holiday Gardens Utilities, LLC (Holiday Gardens or Utility) is a Class C water utility serving approximately 456 customers in Pasco County. Holiday Gardens’ service territory is located in the Southwest Florida Water Management District (SWFWMD) and is in a water use caution area. Holiday Gardens’ application in the instant docket shows total gross revenue of $77,847 with a net operating loss of $182.

Holiday Gardens filed its application for a staff-assisted rate case (SARC) on September 10, 2014. Holiday Gardens subsequently completed the filing requirements and November 7, 2014, was established as the official filing date in this case. Prior to the instant proceeding, rates were last established for Holiday Gardens in 1992, in a staff-assisted rate case. Rate base was last established for this Utility when it was transferred in 2014.[[1]](#footnote-1)

On December 29, 2015, we approved Phase I rate increase for Holiday Gardens.[[2]](#footnote-2) We also approved a Phase II rate increase, upon our staff verifying that Holiday Gardens completed all approved pro forma approved and submitted documentation of the final costs.[[3]](#footnote-3)

In addition to implementing the previously-approved Phase II rates, Holiday Gardens requested that we consider recent capital improvements, not previously approved for recovery in Phase II rates, in this proceeding in lieu of filing a limited proceeding.

We have jurisdiction pursuant to Section 367.0814, Florida Statutes (F.S.).

Decision

By Order No. PSC-15-0588-PAA-WU, we approved a list of pro forma items for Phase II rate implementation. Based on the estimated costs and after adjusting for retirements, we found an increase in the Utility Plant in Service (UPIS) balance of $4,749. In addition, we conditioned the implementation of the Phase II rate increase upon Holiday Gardens completing the approved pro forma items within 12 months of our Order becoming final, and submitting a copy of the final invoices and payment documentation for our staff’s review.

As stated above, while we granted Holiday Gardens permission to implement Phase II rates upon our staff verifying that all pro forma were completed and the supporting documentation provided, Holiday Gardens requested recovery of additional capital improvement costs not previously considered, which requires our approval.

Phase II Pro Forma Items Addressed in Order No. PSC-15-0588-PAA-WU

As required by Order No. PSC-15-0588-PAA-WU, Holiday Gardens submitted a copy of the final invoices and payment documentation for implementation of the previously-approved Phase II rates. Based on the invoiced amounts shown in the table below, we find the adjustment to UPIS to be $1,673, or $3,076 less than the cost previously estimated for these items. An overview of the improvements completed by Holiday Gardens is provided below.

**Phase II Pro Forma Adjustments**

| **Description** | **Plant Account** | **Estimated**  **Cost (A)** | **Actual**  **Cost (B)** | **Associated Retirement (C)** | **Net Change in UPIS** |
| --- | --- | --- | --- | --- | --- |
| New Computer and Printer | 340 | $196 | $172 | $0 | $172 |
| New Portable Meter | 334 | $565 | $0 | $0 | $0 |
| Replumb at Well  #1 & #2 | 311 | $3,600 | $490 | ($368) | $122 |
| Air Relief Valve at  Well #1 | 311 | $200 | $0 | $0 | $0 |
| Repaint at Well #1 & #2 | 304 | $400 | $1,844 | ($1,383) | $461 |
| Roof at Well #1 & #2 | 304 | $8,000 | $1,890 | ($1,418) | $472 |
| Flow Meter at Well #1 | 334 | $1,500 | $1,472 | ($1,104) | $368 |
| Gate Valve at Well #2 | 311 | $750 | $107 | ($80) | $27 |
| Air Compressor at  Well #2 | 311 | $1,500 | $202 | ($152) | $50 |
| **Total** | | **$16,711** | **$6,178** | **($4,505)** | **$1,673** |

\*Sources: Document Nos. 08633-16 and 07952-16

*Summary of Previously Approved Improvements*

Holiday Gardens did not purchase the portable meter because it was no longer needed. The extent of the work required for replumbing at well numbers 2 and 4, and gate valve and air compressor upgrades at well number 2, was reduced, which resulted in lower than estimated costs. The air relief valve was included as part of the new well motor installation. For the repaint work, Holiday Gardens added stucco at the pump houses, which resulted in a higher cost than estimated. In addition, for the roof upgrades, Holiday Gardens was able to acquire a lower cost than estimated. We have reviewed the documentation demonstrating these projects were completed and verified corresponding the invoices and receipts.

It is our practice to use 75 percent of the cost of the replacement as the retirement value when the original cost is not known.[[4]](#footnote-4) The table above outlines our approved adjustments to UPIS and retirements by plant account.

Additional Capital Improvement Items

As previously discussed, since we approved its initial rate increase, Holiday Gardens made additional capital improvements, not previously approved for recovery in Phase II rates. Holiday Gardens requested that we consider these additional improvements in the current proceeding due to the necessity of the items and for coming in under budget for the previously-approved Phase II projects. Although it is not our customary practice, we find it reasonable to consider the additional improvement items in this proceeding because it will reduce regulatory lag and rate case expense by mitigating the need for Holiday Gardens to file an additional limited proceeding. Therefore, we find that the following additional items shall be combined into this proceeding. An overview of the additional improvements is provided below.

**Adjustments for Additional Items**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Description** | **Plant Account** | **UPIS (A)** | **Retirement (B)** | **Net Change in UPIS** |
| Electrical Repair and Update for Well #1 | 311 | $4,080 | ($3,060) | $1,020 |
| Electrical Repair and Update for Well #2 | 311 | $4,080 | ($3,060) | $1,020 |
| **Total** | | **$8,160** | **($6,120)** | **$2,040** |

\*Sources: Document Nos. 08633-16 and 07952-16

We find the total UPIS amount for Holiday Gardens based on Phase II pro forma items of $1,673 ($6,178-$4,505), and the additional items of $2,040 ($8,160-$6,120), for a combined total of $3,713. The Tables above outline the Phase II pro forma plant items and associated costs. We find the net adjustment to Holiday Gardens’ Phase II UPIS balance is an increase of $3,713, and a decrease to Accumulated Depreciation of $9,779. In addition, we adjusted depreciation expense to reflect the pro forma additions and retirements resulting in an increase of $233. We also increased Taxes Other Than Income by $62 to reflect Regulatory Assessment Fees (RAFs) of 4.5 percent on the change in revenues. Our total adjustment to operating expenses, including additional RAFs, is $295, resulting in total operating expenses of $130,981.

We find Holiday Gardens’ Phase II revenue requirement should be $136,693, representing a 1.02 percent increase over the previously-approved Phase I revenue requirement. We note that, even with the inclusion of the additional items, the resulting revenue increase of 1.02 percent, is lower than the 1.18 percent increase we had previously approved.[[5]](#footnote-5) Thus, we find it reasonable to include the additional items in this proceeding because it reduces regulatory lag and rate case expense, by mitigating the need for an additional limited proceeding.

Phase II rate base is shown on Schedule No. 1-A attached hereto. The capital structure for Phase II is shown on Schedule No. 2 and the revenue requirement is shown on Schedule No. 3-A. The resulting rates are shown on Schedule No. 4.

Rates and Rate Structure

The Phase II revenues approved herein, less miscellaneous service revenues, results in an increase of 1.07 percent ($1,383), over the previously-approved Phase I revenue requirement ($135,310).[[6]](#footnote-6) The calculation is as follows:

**Percentage Phase II Rate Increase**

|  |  |  |
| --- | --- | --- |
|  |  | Water |
|  |  |  |
| 1. | Phase I Revenue Requirement | $135,310 |
|  |  |  |
| 2. | Less Miscellaneous Service Revenues | ($5,886) |
|  |  |  |
| 3. | Phase I Service Revenue Requirement | $129,424 |
|  |  |  |
| 4. | Phase II Revenue Increase | $1,383 |
|  |  |  |
| 5. | % Service Rate Increase (Line 4/Line 3) | 1.07% |

We approve and find an increase of 1.07 percent, to be applied as an across-the-board increase to the existing Phase I rates. The rates, as shown on Schedule No. 4 attached hereto, shall 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. Holiday Gardens is required to file revised tariff sheets and a proposed customer notice, reflecting the rates approved herein. In addition, Holiday Gardens shall not implement the rates approved herein until our staff has reviewed and approved the proposed customer notice, and the notice has been received by the Utility’s customers. Holiday Gardens must file documentation that the notice was provided to its customers within 10 days of the date of the notice.

Temporary Rates

Pursuant to Section 367.0814(7), F.S., Holiday Gardens’ Phase II rates are approved on a temporary basis subject to refund, in the event of a protest filed by a party, other than the Utility. A timely protest may delay what may be a justified rate increase resulting in an unrecoverable loss of revenue to the Utility. Holiday Gardens must file revised tariff sheets and a proposed customer notice, reflecting the approved rates. The approved Phase II rates shall be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. In addition, Holiday Gardens shall not implement the temporary rates approved herein until our staff has reviewed and approved the proposed customer notice, and the notice has been received by the Utility’s customers. Holiday Gardens must file documentation that the notice was provided to its customers within 10 days of the date of the notice. The temporary Phase II rates collected by Holiday Gardens shall be subject to the refund provisions discussed below.

Prior to implementation of any temporary rates, Holiday Gardens shall provide appropriate security. Holiday Gardens may collect the temporary Phase II rates upon our staff’s approval of an appropriate security for the potential refund and the proposed customer notice. The security shall be in the form of a bond or letter of credit in the amount of $925. Alternatively, Holiday Gardens may establish an escrow agreement with an independent financial institution.

If Holiday Gardens chooses a bond as security, the bond shall contain wording to the effect that it will be terminated only under the following conditions:

1) The Commission approves the rate increase; or

2) If the Commission denies the increase, the Utility shall refund the amount collected that is attributable to the increase.

If Holiday Gardens chooses a letter of credit as a security, it must contain the following conditions:

1) The letter of credit is irrevocable for the period it is in effect; and,

2) The letter of credit will be in effect until a final Commission order is rendered, either approving or denying the rate increase.

If security is provided through an escrow agreement, the following conditions shall be part of the agreement:

1) The Commission Clerk, or his or her designee, must be a signatory to the escrow agreement;

2) No monies in the escrow account may be withdrawn by the Utility without the prior written authorization of the Commission Clerk, or his or her designee;

3) The escrow account shall be an interest bearing account;

4) If a refund to the customers is required, all interest earned by the escrow account shall be distributed to the customers;

5) If a refund to the customers is not required, the interest earned by the escrow account shall revert to the Utility;

6) All information on the escrow account shall be available from the holder of the escrow account to a Commission representative at all times;

7) The amount of revenue subject to refund shall be deposited in the escrow account within seven days of receipt;

8) This escrow account is established by the direction of the Florida Public Service Commission for the purpose(s) set forth in its order requiring such account. Pursuant to *Cosentino v. Elson*, 263 So. 2d 253 (Fla. 3d DCA 1972), escrow accounts are not subject to garnishments; and

9) The account must specify by whom and on whose behalf such monies were paid.

In no instance shall the maintenance and administrative costs associated with the refund be borne by the Utility’s customers. These costs are the sole responsibility of, and shall be borne by, Holiday Gardens. Irrespective of the form of security chosen by Holiday Gardens, an account of all monies received as a result of the rate increase shall be maintained by Holiday Gardens. If a refund is ultimately required, it shall be paid with interest calculated pursuant to Rule 25-30.360(4), F.A.C.

Holiday Gardens shall maintain a record of the amount of the bond, and the amount of revenues that are subject to refund. In addition, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., Holiday Gardens must file reports with the Office of the Commission Clerk no later than the 20th of each month, indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report filed must also indicate the status of the security being used to guarantee repayment of any potential refund.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Holiday Gardens Utilities, LLC’s application for Phase II increase in rates associated with pro forma previously approved by Order No. PSC-15-0588-PAA-WU and additional requested items, is hereby approved as set forth in the body of this Order. It is further,

ORDERED that each of the findings made in the body of this Order are hereby approved in every respect. It is further,

ORDERED that all matters contained in the schedules attached hereto are incorporated by reference. It is further,

ORDERED that the appropriate Phase II revenue requirement for Holiday Gardens Utilities, LLC is $136,693, which is a 1.02 percent increase over the Phase I revenue requirement approved by Order No. PSC-15-0588-PAA-WU. It is further,

ORDERED that the total Phase II rate increase of 1.07 percent shall be applied as an across-the-board increase to Holiday Gardens Utilities, LLC’s existing Phase I rates. The rates, as shown on Schedule No. 4 attached hereto, shall 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. It is further,

ORDERED that Holiday Gardens Utilities, LLC shall file revised tariff sheets and a proposed customer notice to reflect the approved Phase II rates shown on Schedule 4 attached hereto. The revised tariff sheets shall be approved upon our staff’s verification that the tariff sheets are consistent with our decision herein. It is further,

ORDERED that Holiday Gardens Utilities, LLC’s approved rates shall 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. It is further,

ORDERED that Holiday Gardens Utilities, LLC’s approved rates shall not be implemented until our staff has approved the proposed customer notice and the notice has been received by the customers as forth in this Order. Holiday Gardens Utilities, LLC shall provide documentation that the notice was provided to its customers within 10 days of the date of the notice. It is further,

ORDERED that the approved Phase II rates shall be approved for Holiday Gardens Utilities, LLC on a temporary basis, subject to refund with interest, in the event of a protest filed by a party other than the Utility. Holiday Gardens Utilities, LLC shall file revised tariff sheets and a proposed customer notice, reflecting the approved temporary rates. The approved temporary rates shall be effective for service rendered on or after the stamped approval date on the tariff sheet, pursuant to Rule 25-30.475(1), F.A.C. It is further,

ORDERED that prior to implementation of any temporary rates, Holiday Gardens Utilities, LLC shall provide appropriate security for the potential refund in $925, as set out in the body of this Order. The temporary rates collected by Holiday Gardens shall be subject to refund provisions. Holiday Gardens Utilities, LLC may collect the temporary Phase I rates upon our staff’s approval of an appropriate security for the potential refund and the proposed customer notice. It is further,

ORDERED that, irrespective of the form of the security chosen by Holiday Gardens Utilities, LLC, the Utility shall maintain an account of all monies received as a result of the rate increase. It is further,

ORDERED that, after the increased rates are in effect, pursuant to Rule 25-30.360(6), F.A.C., Holiday Gardens Utilities, LLC shall file reports with the Office of the Commission Clerk no later than the 20th of each month, indicating the monthly and total amount of money subject to refund at the end of the preceding month. The report shall also indicate the status of the security being used to guarantee repayment of any potential refund. It is further,

ORDERED that, except for the granting of temporary rates in the event of protest, which is final agency action, the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, F.A.C., is received by the Office of the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the “Notice of Further Proceedings” attached hereto. It is further,

ORDERED that, if no person whose substantial interests are affected by the proposed agency action files a protest within 21 days of the issuance of the order, a Consummating Order shall be issued. This docket shall remain open for our staff to verify that: (i) the required revised tariff sheets and customer notices have been filed by Holiday Gardens Utilities, LLC and approved by our staff; and (ii) Holiday Gardens Utilities, LLC has properly implemented the approved Phase II rates. Once these actions are complete, this docket shall be closed administratively.

By ORDER of the Florida Public Service Commission this 1st day of February, 2017.

|  |  |
| --- | --- |
|  | /s/ Hong Wang |
|  | HONG WANG  Chief Deputy 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.

KFC

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.

As identified in the body of this Order, the action proposed herein, except for the granting of temporary rates in the event of protest, is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, at 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on February 22, 2017.

If such a petition is filed, mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing. In the absence of such a petition, this order shall become effective and final upon the issuance of a Consummating Order.

Any objection or protest filed in this docket before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

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, 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 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.

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| **HOLIDAY GARDENS UTILITIES, LLC** | | **SCHEDULE NO. 1-A** | |
| **TEST YEAR ENDED 09/30/14** | | **DOCKET NO. 140177-WU** | |
| **SCHEDULE OF WATER RATE BASE (PHASE II)** | |  |  |
|  |  | **COMMISSION** | **BALANCE** |
|  | **PHASE I** | **ADJUSTMENTS** | **PER** |
| **DESCRIPTION** | **BALANCE** | **TO UTIL. BAL.** | **COMMISSION** |
|  |  |  |  |
| UTILITY PLANT IN SERVICE | $190,273 | $3,713 | $193,986 |
|  |  |  |  |
| LAND & LAND RIGHTS | 2,414 | 0 | 2,414 |
|  |  |  |  |
| NON-USED AND USEFUL COMPONENTS | 0 | 0 | 0 |
|  |  |  |  |
| CIAC | (85,630) | 0 | (85,630) |
|  |  |  |  |
| ACCUMULATED DEPRECIATION | (149,305) | 9,779 | (139,525) |
|  |  |  |  |
| AMORTIZATION OF CIAC | 85,630 | 0 | 85,630 |
|  |  |  |  |
| WORKING CAPITAL ALLOWANCE | 14,345 | 0 | 14,345 |
|  |  |  |  |
| WATER RATE BASE | $57,727 | $13,492 | $71,220 |
|  |  |  |  |

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|  | **HOLIDAY GARDENS UTILITIES, LLC SCHEDULE NO. 1-B** | | |
|  | **TEST YEAR ENDED 09/30/14 DOCKET NO. 140177-WU** | | |
|  | **ADJUSTMENTS TO RATE BASE (PHASE II)** | | |
|  |  |  |  |
|  |  |  | **WATER** |
|  | **UTILITY PLANT IN SERVICE** |  |  |
|  | To reflect pro forma plant additions and retirements. |  | $3,713 |
|  |  |  |  |
|  | **ACCUMULATED DEPRECIATION** |  |  |
|  | To reflect pro forma plant additions and retirements. |  | $9,779 |
|  |  |  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **HOLIDAY GARDENS UTILITIES, LLC** | | | | | | | |  | **SCHEDULE NO. 2** | |
|  | **TEST YEAR ENDED 09/30/14** | | |  | |  |  |  | **DOCKET NO. 140177-WU** | | |
|  | **SCHEDULE OF CAPITAL STRUCTURE (PHASE II)** | | | | |  |  |  |  |  |  |
|  |  | |  | **COMMISSION** | | **BALANCE** | **PRO** |  |  |  |  |
|  |  | |  | **SPECIFIC** | | **BEFORE** | **RATA** | **BALANCE** | **PERCENT** |  |  |
|  |  | | **PHASE I** | **ADJUST-** | | **PRO RATA** | **ADJUST-** | **PER** | **OF** |  | **WEIGHTED** |
|  | **CAPITAL COMPONENT** | | **BALANCE** | **MENTS** | | **ADJUSTMENTS** | **MENTS** | **STAFF** | **TOTAL** | **COST** | **COST** |
|  |  | |  |  | |  |  |  |  |  |  |
| 1. | COMMON EQUITY | | $7,500 | $0 | | $7,500 | $7,663 | $15,163 | 21.29% | 11.16% | 2.38% |
| 2. | LONG-TERM DEBT | | 24,544 | 0 | | 24,544 | 25,078 | 49,622 | 69.67% | 7.50% | 5.23% |
| 3. | SHORT-TERM DEBT (Truck) | | 2,827 | 0 | | 2,827 | 2,888 | 5,715 | 8.02% | 5.00% | 0.40% |
| 4. | PREFERRED STOCK | | 0 | 0 | | 0 | 0 | 0 | 0.00% | 0.00% | 0.00% |
| 5. | CUSTOMER DEPOSITS | | 720 | 0 | | 720 | 0 | 720 | 1.01% | 2.00% | 0.02% |
| 6. | DEFERRED INCOME TAXES | | 0 | 0 | | 0 | 0 | 0 | 0.00% | 0.00% | 0.00% |
| 7. | TOTAL | | $35,591 | $0 | | $35,591 | $35,629 | $71,220 | 100.00% |  | 8.02% |
|  |  | |  |  | |  |  |  |  |  |  |
|  |  | |  |  | | **RANGE OF REASONABLENESS** | | | **LOW** | **HIGH** |  |
|  |  | |  |  | | RETURN ON EQUITY | | | 10.16% | 12.16% |  |
|  |  | |  |  | | OVERALL RATE OF RETURN | | | 7.81% | 8.24% |  |
|  |  | |  |  | |  | | |  |  |  |
|  |  | | | | | | | | | | |
|  |  |  | |  |  | |  |  |  |  |  |

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|  | **HOLIDAY GARDENS UTILITIES, LLC** | |  |  | **SCHEDULE NO. 3-A** | |
|  | **TEST YEAR ENDED 09/30/14** |  |  |  | **DOCKET NO. 140177-WU** | |
|  | **SCHEDULE OF WATER OPERATING INCOME (PHASE II)** | | |  |  |  |
|  |  |  |  | **COMMISSION** | **ADJUST.** |  |
|  |  |  | **COMMISSION** | **ADJUSTED** | **FOR** | **REVENUE** |
|  |  | **PHASE I** | **ADJUSTMENTS** | **TEST YEAR** | **INCREASE** | **REQUIREMENT** |
|  |  |  |  |  |  |  |
| 1. | **OPERATING REVENUES** | $135,310 | $0 | $135,310 | $1,383 | $136,693 |
|  |  |  |  |  | 1.02% |  |
|  | **OPERATING EXPENSES:** |  |  |  |  |  |
| 2. | OPERATION & MAINTENANCE | $114,763 | $0 | $114,763 | $0 | $114,763 |
|  |  |  |  |  |  |  |
| 3. | DEPRECIATION (NET) | 2,876 | 233 | 3,108 | 0 | 3,108 |
|  |  |  |  |  |  |  |
| 4. | TAXES OTHER THAN INCOME | 13,048 | 0 | 13,048 | 62 | 13,110 |
|  |  |  |  |  |  |  |
| 5. | INCOME TAXES | 0 | 0 | 0 | 0 | 0 |
|  |  |  |  |  |  |  |
| 6. | **TOTAL OPERATING EXPENSES** | $130,686 | $233 | $130,919 | $62 | $130,981 |
|  |  |  |  |  |  |  |
| 7. | **OPERATING INCOME/(LOSS)** | $4,624 |  | $4,391 |  | $5,712 |
|  |  |  |  |  |  |  |
| 8. | **WATER RATE BASE** | $57,727 |  | $71,220 |  | $71,220 |
|  |  |  |  |  |  |  |
| 9. | **RATE OF RETURN** | 8.01% |  | 6.17% |  | 8.02% |
|  |  |  |  |  |  |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **HOLIDAY GARDENS UTILITIES, LLC SCHEDULE NO. 3-B** | | |
|  |  | **TEST YEAR ENDED 09/30/14 DOCKET NO. 140177-WU** | | |
|  |  | **ADJUSTMENTS TO OPERATING INCOME (PHASE II)** | | |
|  |  | |  |  |
|  |  | |  | **WATER** |
|  | **DEPRECIATION EXPENSE** | |  |  |
|  | To reflect appropriate depreciation expense per Rule 25-30.140 F.A.C.. | |  | $233 |
|  |  | |  |  |

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| **HOLIDAY GARDENS UTILITIES, LLC** |  | **SCHEDULE NO. 4** |
| **MONTHLY WATER RATES** | **DOCKET NO. 140177-WU** | |
|  | **UTILITY** | **COMMISSION** |
|  | **CURRENT** | **APPROVED** |
|  | **RATES** | **PHASE II RATES** |
|  |  |  |
| **Residential and General Service** |  |  |
| Base Facility Charge by Meter Size |  |  |
| 5/8"X3/4" | $9.97 | $10.08 |
| 3/4" | $14.96 | $15.12 |
| 1" | $24.93 | $25.20 |
| 1-1/2" | $49.85 | $50.40 |
| 2" | $79.76 | $80.64 |
| 3" | $159.52 | $161.28 |
| 4" | $249.25 | $252.00 |
| 6" | $498.50 | $504.00 |
|  |  |  |
| Charge per 1,000 gallons - Residential |  |  |
| 0 - 3,000 gallons | $3.26 | $3.29 |
| Over 3,000 gallons | $5.16 | $5.22 |
|  |  |  |
| Charge per 1,000 gallons - General Service | $3.91 | $3.95 |
|  |  |  |
| **Typical Residential 5/8" x 3/4" Meter Bill Comparison** | | |
| 3,000 Gallons | $19.75 | $19.95 |
| 5,000 Gallons | $30.07 | $30.39 |
| 10,000 Gallons | $55.87 | $56.49 |
|  |  |  |

1. Order No. PSC-15-0422-PAA-WU, issued October 6, 2015, in Docket No. 140176-WU, In re: Application for approval of transfer of Certificate No. 116-W from Holiday Gardens Utilities, Inc. to Holiday Gardens Utilities, LLC, in Pasco County. [↑](#footnote-ref-1)
2. Order No. PSC-15-0588-PAA-WU, issued December 29, 2015, in Docket No. 140177-WU, In re: Application for staff-assisted rate case in Pasco County by Holiday Gardens Utilities, LLC. [↑](#footnote-ref-2)
3. Id*.*  [↑](#footnote-ref-3)
4. Order No. PSC-16-0256-PAA-WU, issued June 30, 2016, in Docket No. 150199-WU, In re: Application for staff-assisted rate case in Lake County by Raintree Waterworks, Inc. [↑](#footnote-ref-4)
5. Order No. PSC-15-0588-PAA-WU*.* [↑](#footnote-ref-5)
6. Order No. PSC-15-0588-PAA-WU. [↑](#footnote-ref-6)