

Nickalus Holmes

From: Braulio Baez <BBaez@PSC.STATE.FL.US>

Sent: Monday, February 2, 2026 4:36 PM

To: Amber Norris <amnorris@psc.state.fl.us>; Mark Futrell <MFutrell@PSC.STATE.FL.US>

Cc: Asha Maharaj-Lucas <AMaharaj@psc.state.fl.us>; Gabrielle McLeod <GMcleod@psc.state.fl.us>; Mark Cicchetti <MCICCHET@PSC.STATE.FL.US>; Tom Ballinger <TBalling@PSC.STATE.FL.US>; Elisabeth Draper <EDraper@PSC.STATE.FL.US>; Mary Anne Helton <MHelton@PSC.STATE.FL.US>; Shaw Stiller <SStiller@psc.state.fl.us>; Devlin Higgins <DHIGGINS@PSC.STATE.FL.US>; Adam Teitzman <ATEITZMA@psc.state.fl.us>; Hong Wang <HWang@PSC.STATE.FL.US>; Commissioners & Staffs <Commissioners&Staffs@PSC.STATE.FL.US>

Subject: RE: Request for Oral Modification - Docket No. 20250023-WS

Approved. Thank you!

From: Amber Norris <amnorris@psc.state.fl.us>

Sent: Monday, February 02, 2026 3:51 PM

To: Braulio Baez <BBaez@PSC.STATE.FL.US>; Mark Futrell <MFutrell@PSC.STATE.FL.US>

Cc: Asha Maharaj-Lucas <AMaharaj@psc.state.fl.us>; Gabrielle McLeod <GMcleod@psc.state.fl.us>; Mark Cicchetti <MCICCHET@PSC.STATE.FL.US>; Tom Ballinger <TBalling@PSC.STATE.FL.US>; Elisabeth Draper <EDraper@PSC.STATE.FL.US>; Mary Anne Helton <MHelton@PSC.STATE.FL.US>; Shaw Stiller <SStiller@psc.state.fl.us>; Devlin Higgins <DHIGGINS@PSC.STATE.FL.US>

Subject: Request for Oral Modification - Docket No. 20250023-WS

Good Afternoon,

Staff requests approval to make an oral modification to staff's recommendation in Docket No. 20250023-WS - Application for staff-assisted rate case in Polk County, by North Carolina Real Estate Projects LLC d/b/a Grenelefe Utility, currently scheduled for the February 3, 2026 Agenda Conference.

Subsequent to filing the recommendation, the Office of Public Counsel brought to staff's attention that an issue addressing a potential interim refund was omitted from the recommendation. The modification does not alter revenue requirement, but it presents staff's recommendation on whether any portion of the interim increases granted by the Commission should be refunded.

The text below reflects the type and strike changes to the staff recommendation. With these changes, there are no other impacts to staff's recommendation or calculations.

Issue 16, Page 47

Replace the entire issue with the attached file addressing the potential interim refund.

Issue 16, Page 47, Issue Numbering

Issue ~~17-16~~: Should this docket be closed?

Amber Mitchell Norris

Assistant Director

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Issue 16: In determining whether any portion of the water and wastewater interim increases granted should be refunded, how should the refunds be calculated, and what are the amounts of the refunds, if any?

Recommendation: Staff recommends the proper refund amount should be calculated using the same data used to establish final rates, excluding rate case expense and other items not in effect during the interim period. This revised revenue requirement for the interim collection period should be compared to the amount of interim revenue requirement granted. Based on this calculation, there is no refund required for the water system, and the Utility should be required to refund 14.7 percent, or \$83,390, for wastewater revenues collected under interim rates. The refund should be made with interest in accordance with Rule 25-30.360(4), F.A.C. The Utility should be required to submit proper refund reports pursuant to Rule 25-30.360(7), F.A.C. The Utility should treat any unclaimed refunds as CIAC pursuant to Rule 25-30.360(8), F.A.C. Upon issuance of the consummating order in this docket, the corporate undertaking should be released after the appropriate amounts of interim revenues are refunded and the refund amounts are verified by staff.

Staff Analysis: By Order No. PSC-2025-0072-PCO-WS, issued March 11, 2025, the Commission authorized the collection of interim rates, subject to refund, pursuant to Section 367.082, F.S.¹ The approved interim revenue requirements were \$424,149 and \$567,422 for water and wastewater, respectively. This represents an increase of \$64,840, or 18.05 percent, for water and \$341,994, or 151.71 percent, for wastewater.

According to Section 367.082, F.S., any refund should be calculated to reduce the rate of return of the utility during the pendency of the proceeding to the same level within the range of the newly authorized rate of return. Adjustments made in the rate case test period that do not relate to the period interim rates are in effect should be removed. Rate case expense is an example of an adjustment which is recovered only after final rates are established.

To establish the proper refund amount, staff has calculated a revised interim revenue requirement utilizing the same data used to establish final rates. Rate case expense and any pro forma additions and expenses were excluded because these items are prospective in nature and did not occur during the interim collection period.

Using the principles discussed above, staff calculates that the \$567,422 wastewater revenue requirement granted in Order No. PSC-2025-0072-PCO-WS for the interim test year is greater than the revenue requirement for the interim collection period of \$484,032. The interim revenue requirement granted for water was less than staff's calculation. Thus a refund is not recommended for water. The Utility should be required to refund 14.7 percent, or \$83,390, of

¹ Order No. PSC-2025-0072-PCO-WS, issued March 11, 2025, in Docket No. 20250023-WS, *In re: Application for staff-assisted rate case in Polk County, by North Carolina Real Estate Projects LLC d/b/a Grenelefe Utility.*

wastewater revenues collected under interim rates. The refund should be made with interest in accordance with Rule 25-30.360(4), F.A.C. The Utility should be required to submit proper refund reports pursuant to Rule 25-30.360(7), F.A.C. The Utility should treat any unclaimed refunds as CIAC pursuant to Rule 25-30.360(8), F.A.C.

Conclusion

Staff recommends the proper refund amount should be calculated using the same data used to establish final rates, excluding rate case expense and other items not in effect during the interim period. This revised revenue requirement for the interim collection period should be compared to the amount of interim revenue requirement granted. Based on this calculation, there is no refund required for the water system, and the Utility should be required to refund 14.7 percent, or \$83,390, for wastewater revenues collected under interim rates. The refund should be made with interest in accordance with Rule 25-30.360(4), F.A.C. The Utility should be required to submit proper refund reports pursuant to Rule 25-30.360(7), F.A.C. The Utility should treat any unclaimed refunds as CIAC pursuant to Rule 25-30.360(8), F.A.C. Upon issuance of the consummating order in this docket, the corporate undertaking should be released after the appropriate amounts of interim revenues are refunded and the refund amounts are verified by staff.