

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for increase in water rates in  
Charlotte County by Bocilla Utilities, Inc.

DOCKET NO. 20160065-WU  
ORDER NO. PSC-2017-0439-PAA-WU  
ISSUED: November 16, 2017

The following Commissioners participated in the disposition of this matter:

JULIE I. BROWN, Chairman  
ART GRAHAM  
RONALD A. BRISÉ  
DONALD J. POLMANN  
GARY F. CLARK

NOTICE OF PROPOSED AGENCY ACTION  
ORDER REMOVING REDUCTION TO RETURN ON EQUITY  
AND FINDING QUALITY OF SERVICE SATISFACTORY

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that 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**

Bocilla Utilities, Inc. (Bocilla or Utility) is a Class B utility providing water service to approximately 400 water customers in Charlotte County. Effective February 12, 2013, Bocilla was granted water Certificate No. 662-W.<sup>1</sup> Bocilla's current rates were established by this Commission in May of 2017.<sup>2</sup> At that time, we found that Bocilla's overall quality of service was unsatisfactory. We ordered a 50 basis point reduction to the Utility's return on equity (ROE). The reduction was to remain effective until the Utility returned to this Commission and demonstrated that specific improvements in customer service had been made.

On August 4, 2017, Bocilla filed a letter and documentation demonstrating that it had made our ordered improvements. The Utility requested that the matter be brought before us to consider restoring the 50 basis point reduction to its ROE. Commission staff found several of the attached documents illegible, and on August 8, 2017, Bocilla filed legible copies of these documents. On August 24, 2017, Bocilla filed an index application which increased rates on

<sup>1</sup>Order No. PSC-13-0228-PAA-WU, issued May 29, 2013, in Docket No. 130067-WU, In re: Application for grandfather certificate to operate water utility in Charlotte County by Bocilla Utilities, Inc.

<sup>2</sup>Order No. PSC-17-0209-PAA-WU, issued May 30, 2017, in Docket No. 20160065-WU, In re: Application for increase in water rates in Charlotte County by Bocilla Utilities, Inc.

November 1, 2017. Therefore, the rate impact of removing the 50 basis point reduction to ROE shall be applied to the indexed rates. We have jurisdiction pursuant to Section 367.081, Florida Statutes (F.S.).

### **Decision**

At this Commission's May 4, 2017 Agenda Conference, after considering written and oral comments by customers and the Office of Public Counsel, we found Bocilla's quality of service to be unsatisfactory and imposed a 50 basis point reduction to the Utility's ROE based on the customer complaints regarding water quality and customer service. Order No. PSC-17-0209-PAA-WU, issued May 30, 2017, states that the 50 basis point reduction shall be effective until the Utility demonstrates that: (1) the Utility meets the Department of Environmental Protection's (DEP) secondary water quality standards as evidenced by results gathered from the six current testing points specified in that order; (2) the Utility has posted its office hours on its customers' bills and the side of its office building; (3) the Utility has notified its customers that complaints regarding service may be made to the Commission's Office of Consumer Assistance and Outreach at the following toll-free number: 1(800) 342-3552; and (4) the Utility is monitoring its voicemail and is ensuring that it is meeting the standards for tracking complaints in accordance with Chapter 25-30, F.A.C.

On August 4, 2017, Bocilla filed a letter requesting removal of the 50 basis point reduction. The Utility's filing also included: (1) the results of secondary water quality tests performed on June 28, 2017, demonstrating that the Utility is passing secondary standards; (2) a sample customer bill showing its office hours along with a statement that it posted these hours on the side of its office building; (3) a copy of the notification it sent to its customers in accordance with the specifications made in the order; and (4) the customer complaint logs for June 1, 2017, through August 4, 2017, as well as the voicemail message customers hear when calling the Utility.

In addition to the documentation provided by the Utility, Commission staff requested photographs showing that the office hours were clearly posted on the outside of its office building, which Bocilla provided on August 11, 2017. Commission staff also confirmed that the office was staffed and responding to phone calls at two of the published available times, and that outside of these hours customers would hear the appropriate voicemail message.

This Commission finds that the Utility has complied with Order No. PSC-17-0209-PAA-WU, and therefore the 50 basis point reduction to Bocilla's ROE is hereby removed. This results in an increase to Bocilla's annual revenue requirement of \$821 (\$497,726 - \$496,905). On August 24, 2017, the Utility filed an index application, which increased rates effective November 1, 2017. Therefore, a 0.16 percent increase shall be applied to the indexed rates, as shown on Schedule No. 1. The Utility shall file revised tariff sheets and a proposed customer notice to reflect the Commission-approved rates. The approved 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, the approved rates shall not be implemented until Commission staff has approved the proposed customer notice and the notice has been received by the customers. The Utility shall provide proof of the date notice was given within 10 days of the date of the notice.

This Commission further finds that a commensurate adjustment shall be made to Bocilla's quality of service rating. Pursuant to Order No. PSC-17-0209-PAA-WU, we determined that Bocilla's quality of service was unsatisfactory. Based on the corrective actions taken by the Utility, the quality of service shall hereby be considered satisfactory at this time.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the 50 basis point reduction to Bocilla Utilities, Inc.'s return on equity is hereby removed. It is further

ORDERED that Bocilla Utilities, Inc.'s quality of service is satisfactory. It is further

ORDERED that Bocilla Utilities, Inc. shall file revised tariff sheets consistent with our vote. It is further

ORDERED that Bocilla Utilities, Inc. shall be required to file a proposed customer notice to reflect the Commission-approved rates. It is further

ORDERED that the approved 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 the approved rates shall not be implemented until Commission staff has approved the proposed customer notice and the notice has been received by the customers. It is further

ORDERED that Bocilla Utilities, Inc. shall provide proof of the date notice was given within 10 days of the date of the notice. 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 this order, a consummating order shall be issued and the docket shall be closed administratively.

By ORDER of the Florida Public Service Commission this 16th day of November, 2017.



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HONG WANG  
Chief Deputy 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.

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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 that is available under Section 120.57, 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 will be granted or result in the relief sought.

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.

The action proposed herein 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, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on December 7, 2017.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

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

<b>Bocilla Utilities, Inc.</b>		<b>Schedule No. 1</b>	
<b>Monthly Water Rates</b>		<b>Docket No. 20160065-WU</b>	
	<b>Current Rates</b>	<b>Index Rates Effective 11/1/2017</b>	<b>Commission Approved Rates</b>
<b><u>Residential and General Service</u></b>			
Base Facility Charge by Meter Size			
5/8"X3/4"	\$56.34	\$56.83	\$56.92
3/4"	\$84.51	\$85.25	\$85.38
1"	\$140.85	\$142.08	\$142.30
1-1/2"	\$281.70	\$284.15	\$284.60
2"	\$450.72	\$454.64	\$455.36
3"	\$901.44	\$909.28	\$910.72
4"	\$1,408.50	\$1,420.75	\$1,423.00
6"	\$2,817.00	\$2,841.50	\$2,846.00
8"	\$4,507.20	\$4,546.40	\$4,553.60
Charge per 1,000 gallons - Residential			
0 - 3,000 gallons	\$6.35	\$6.41	\$6.42
3,001 - 12,000 gallons	\$7.94	\$8.01	\$8.02
Over 12,000 gallons	\$15.87	\$16.01	\$16.04
Charge per 1,000 gallons - General Service	\$9.27	\$9.35	\$9.36
<b><u>Private Fire Protection Service</u></b>			
5/8"X3/4"	\$4.70	\$4.74	\$4.74
3/4"	\$7.04	\$7.10	\$7.12
1"	\$11.74	\$11.84	\$11.86
1-1/2"	\$23.48	\$23.68	\$23.72
2"	\$37.56	\$37.89	\$37.95
3"	\$75.12	\$75.77	\$75.89
4"	\$117.38	\$118.40	\$118.58
6"	\$234.75	\$236.79	\$237.17
8"	\$375.60	\$378.87	\$379.47
<b><u>Typical Residential 5/8" x 3/4" Meter Bill Comparison</u></b>			
3,000 Gallons	\$75.39	\$76.06	\$76.18
6,000 Gallons	\$99.21	\$100.09	\$100.24
12,000 Gallons	\$146.85	\$148.15	\$148.36