

P R O C E E D I N G S

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CHAIRMAN GRAHAM: Staff, item number 2.

MR. MAUREY: Item 2 addresses Docket Number 120209-WS involving Utilities, Inc. of Florida.

At the November 14th, 2013, Agenda Conference the Commission voted on the proposed agency action issues in UIF's request for a rate increase. As a result of concerns raised by OPC regarding the utility's roll-forward adjustments, staff conducted further review of UIF's adjustments and found errors which should be corrected.

The recommendation before you addresses these revised revenue requirements and resulting rates as a result of correcting these errors. Because the overall cost of capital has been revised all systems will experience some correction in rates; however, the errors themselves were primarily related to accounts impacting Orange County water, Pasco County wastewater, and Seminole County wastewater.

Staff also wants to make you aware of certain oral modifications to rates. That, that information has been passed out to, to the Commission offices.

Representatives of Utilities, Inc. and OPC are present to address the Commission on this matter. Staff

1 is available to answer any questions.

2 **CHAIRMAN GRAHAM:** Thank you, staff.

3 OPC?

4 **MR. SAYLER:** Thank you, Mr. Chairman. Erik
5 Sayler on behalf of the Office of Public Counsel.

6 We are here to speak in support of Issues
7 1 and 2, and Ms. Vandiver has some comments related to
8 that as it relates to the roll-forward adjustments that
9 staff found -- are recommending be corrected.

10 With regard to Issue Number 3, the close the
11 docket issue, I am here to speak about that at the
12 appropriate time. But essentially we want the docket to
13 remain -- held open to provide a mechanism for the
14 Commission to see that a permanent solution for
15 Summertree is implemented. It's consistent with prior
16 Commission practice from several different dockets. I
17 have the docket numbers; I can share them with you. But
18 just to hold this docket open until the permanent
19 solution for Summertree is fully implemented, so.

20 **CHAIRMAN GRAHAM:** Thank you.

21 Mr. Friedman.

22 **MR. FRIEDMAN:** Utilities, Inc. of Florida
23 accepts these changes in the staff's, the staff's
24 recommendation. And I would point out that the utility
25 did cooperate when these errors were, were uncovered to

1 facilitate the most expeditious way to accomplish this.
2 Even though I think the procedure that was used probably
3 isn't technically the right way to do it, it's
4 practically the right way to do it, and the utility has
5 cooperated in getting the result as expeditiously and
6 without undue time and expense that it could.

7 As to keeping the docket open, I don't -- I
8 think this Commission voted on that issue in its
9 original agenda and I don't think that's an issue up for
10 revote today.

11 Mr. Sayler has asked that it be opened until
12 the Summertree issue is resolved, and yet that is not an
13 issue that's due in this particular docket. It's only
14 dealing with -- or this particular agenda. It's only
15 dealing with the roll forwards. And so I would suggest
16 to you that it's not up for vote on, on any other issue
17 that you already voted on at the prior agenda.

18 **CHAIRMAN GRAHAM:** Thank you.

19 Staff, is it necessary to keep this docket
20 open, or did we handle that with the hearing?

21 **MR. LAWSON:** Mr. Friedman is correct, this was
22 an item that was voted on previously and we've already
23 made a decision. So it is a bit beyond the scope.

24 And, furthermore, whether we keep it open or
25 close is irrelevant to your jurisdiction over this

1 matter. If this is closed, you certainly have the
2 ability at the appropriate time to open a new docket,
3 reopen this number as needed to address any issues that
4 may come up. And from an administrative perspective,
5 I'd point out that generally when we keep a docket open
6 past the final order, it's because we have some tangible
7 goal in mind such as a tariff filing must be revised or
8 a report must be presented at a certain time or a
9 meeting must occur. In this case, we'd be holding it
10 open just on the off chance that something might be
11 there, and so we'd essentially have a docket with no
12 objective and no goals. So we believe it would be
13 prudent just to continue with what was discussed
14 earlier, what was voted on earlier, and go ahead and
15 close this docket at the appropriate time.

16 **CHAIRMAN GRAHAM:** Thank you.

17 Commissioner Brown.

18 **COMMISSIONER BROWN:** Thank you, Mr. Lawson. I
19 agree with you.

20 Mr. Mailhot, quick question. I just got a
21 little confused after our briefing when the first time
22 staff became aware of the errors. Was it before the
23 PAA?

24 **MR. MAILHOT:** I think it was truly about the
25 time of the last Commission vote is when audit staff

1 became really aware that, you know, there was some
2 problems. When, when OPC brought them up at the agenda,
3 that's when we first really understood that there were
4 some significant problems with some of these rate bases.

5 **COMMISSIONER BROWN:** So then the more in-depth
6 analysis, the audit occurred after the PAA.

7 **MR. MAILHOT:** Right. What we were able to do
8 then was, based on the specific issues that Public
9 Counsel raised, we were able to kind of like focus in.
10 You know, instead of just auditing everything, we were
11 able to focus in and find those specific problems. And
12 that's what we did, you know, subsequent to the last --
13 to that agenda.

14 **COMMISSIONER BROWN:** Okay. Thank you.

15 **CHAIRMAN GRAHAM:** Any other Commissioners?

16 **COMMISSIONER BROWN:** Move staff.

17 **CHAIRMAN GRAHAM:** It's been moved and
18 seconded, staff recommendation on item number 2.

19 Any further discussion? Seeing none, all in
20 favor, say aye.

21 (Vote taken.)

22 Any opposed? By your action, you've approved
23 item number 2.

24 (Agenda item concluded.)

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1 STATE OF FLORIDA)
2 COUNTY OF LEON)

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