

FLORIDA PUBLIC SERVICE COMMISSION

Item 7

VOTE SHEET

FILED SEP 04, 2014
DOCUMENT NO. 04939-14
FPSC - COMMISSION CLERK

September 4, 2014

Docket No. 120161-WS – Analysis of Utilities, Inc.'s financial accounting and customer service computer system.

Issue 1: Should any adjustment be made to the Utility's Project Phoenix Financial/Customer Care Billing System (Phoenix Project)?

Primary Recommendation: Yes. The Commission should determine the net investment in Phoenix Project in UI rate cases using a modified used and useful analysis based on the ratio of the current total company number of equivalent residential connections (ERCs) and the ERCs in place when Phoenix Project was implemented, capped at 100 percent of the net investment in Phoenix Project. If the primary recommendation is approved, regulatory assets or liabilities will need to be determined in the next rate case for each of the affected UI systems identified in the analysis portion of staff's memorandum dated August 21, 2014. Additionally, any future adjustments to computer maintenance expense should be made in a manner consistent with the Commission's decision regarding the allocation of Phoenix Project costs. No change in the amortization period previously ordered by the Commission is necessary. The appropriate amortization period for the Phoenix Project should remain at 10 years.

Alternate Recommendation: Yes. Adjustments consistent with the Commission's existing divestiture methodology should be made going forward. Since staff is recommending that the Commission continue making adjustments to the Phoenix Project consistent with its previous decisions, no adjustment is needed to address any potential regulatory asset or liability. In addition, any future adjustments to computer maintenance expense should be made in a manner consistent with the Commission's existing methodology. Alternate staff agrees with the primary staff that the appropriate amortization period for the Phoenix Project should remain at 10 years.

APPROVED *primary recommendation*

COMMISSIONERS ASSIGNED: **Graham, Brisé, Brown**

COMMISSIONERS' SIGNATURES

MAJORITY

Julie Mae (Issues 1 + 3)
[Signature]
[Signature]
[Signature]

DISSENTING

Julie P (Issue 2)
[Signature]
[Signature]
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REMARKS/DISSENTING COMMENTS:

Commissioner Brown dissents on Issue 2.

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Issue 2: What is the appropriate rate case expense?

Primary Recommendation: The appropriate amount of rate case expense is \$129,204. The recommended total rate case expense should be allocated to each UI Florida subsidiary based on ERCs and amortized over four years. Recovery of this expense should be included as a separate line item within rate case expense as part of each subsidiary's next file and suspend rate case, limited proceeding, or staff-assisted rate case. UI's Florida subsidiaries should be authorized to create a regulatory asset and accrue interest at the 30-day commercial paper rate until each system's next rate proceeding. The recommended portion of rate case expense allocated to each UI Florida subsidiary is provided in Attachment C of staff's memorandum dated August 21, 2014.

Alternate Recommendation: The appropriate amount of rate case expense is \$58,980. The total amount of rate case expense of \$123,604 associated with Deloitte, and \$2,080 of associated legal expense, should be disallowed as unreasonable. Aside from recommending that the total amount of rate case expense associated with Deloitte be disallowed, including associated legal expense, alternate staff agrees with primary staff regarding the remaining amounts and disposition of rate case expenses.

APPROVED *primary recommendation*

Issue 3: Should this docket be closed?

Recommendation: Yes. If the Commission's final order is not appealed, this docket should be closed upon the expiration of the time for filing an appeal.

APPROVED