

State of Florida



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: October 1, 2014
TO: Carlotta Stauffer, Commission Clerk, Office of Commission Clerk
FROM: Kelly J. Thompson, Public Utility Analyst II, Division of Economics
RE: Docket No. 130155-WS Application for limited proceeding increase in rates in Escambia county by Peoples Water Service Company of Florida, Inc.

Please place the attached document in the docket file referenced above.

RECEIVED-FPSC
14 OCT - 1 PM 2:52
COMMISSION
CLERK

Kelly Thompson

From: Kelly Thompson
Sent: Monday, September 29, 2014 11:45 AM
To: 'Marty Deterding'
Cc: Shannon Hudson; Patti Daniel
Subject: RE: Docket No. 130155-WU, Application for limited proceeding increase in rates in Escambia County by Peoples Water Service company of Florida, Inc.
Attachments: 4 Year Rate Reduction Rate Calculation.xls

Here is my calculation of the four year rate reduction amounts pursuant to Order No. PSC-13-0647-PAA-WU issued in Docket No. 130153-WS. If you have any questions, please let me know.

Thanks
Kelly

From: Marty Deterding [<mailto:mdeterding@sfflaw.com>]
Sent: Thursday, September 18, 2014 12:08 PM
To: Kelly Thompson
Cc: Shannon Hudson
Subject: RE: Docket No. 130155-WU, Application for limited proceeding increase in rates in Escambia County by Peoples Water Service company of Florida, Inc.

Kelly

I received the below and your message yesterday. In looking at the Order I note that it does not require this reduction and therefore does not contain the normal listing of the dollar amount of the reduction by meter size as all other orders that specifically require the reduction do. Please prepare this listing now so that there is no controversy when the date for the reduction arises ?

Thanks for your help

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From: Kelly Thompson [<mailto:KTHOMPSO@PSC.STATE.FL.US>]
Sent: Wednesday, September 17, 2014 10:46 AM
To: Marty Deterding

Cc: Shannon Hudson

Subject: Docket No. 130155-WU, Application for limited proceeding increase in rates in Excambia County by Peoples Water Service company of Florida, Inc.

Marty,

I left a message at your office, but I wanted to give you a heads up and follow up with an email. By Order No. PSC-13-0647-PAA-WU, issued on December 5, 2013, in the docket stated above, the Commission approved a rate increase for People's Water Service Company of Florida, Inc. The tariffs became effective on January 1, 2014.

Pursuant to Section 367.0816, Florida Statutes, the approved rate case expense is amortized over four years. Therefore, the reduction in water rates to remove rate case expense will be due on January 1, 2018. If the Utility files the reduction in conjunction with a price index or pass-through rate adjustment, separate data should be filed for the price index, pass-through increase or decrease, and the reduction in rates due to the amortized rate case expense.

I will forward you a reminder of the rate reduction in late 2017 so that the Utility can file the revised tariff sheets prior to January 1, 2018. Please feel free to contact me if you have any questions.

Kelly Thompson

Public Utility Analyst II

Rate Design Section

Florida Public Service Commission

(850) 413-6986

PEOPLE'S WATER SERVICE COMPANY OF FLORIDA, INC. ORDER NO. PSC-13-0647-PAA-WU DOCKET NO. 130153-WS MONTHLY WATER RATES	COMMISSION APPROVED RATES IN ORDER	4 YEAR RATE REDUCTION
<u>Residential and General Service</u>		
Base Facility Charge by Meter Size:		
5/8"X3/4"	\$7.59	\$0.03
1"	\$18.98	\$0.07
1-1/4"	\$30.36	\$0.11
1-1/2"	\$37.95	\$0.13
2"	\$60.72	\$0.21
3"	\$121.44	\$0.43
4"	\$189.75	\$0.67
6"	\$379.50	\$1.34
8"	\$683.10	\$2.40
10"	\$1,100.55	\$3.87
<u>Charge per 1,000 gallons - Residential Service</u>		
0 - 3,000 gallons	\$1.47	\$0.01
3,001-6,000 gallons	\$4.40	\$0.02
6,001-12,000 gallons	\$6.59	\$0.02
Over 12,000 gallons	\$8.79	\$0.03
Charge per 1,000 Gallons - General Service	\$3.36	\$0.01
<u>Multi-Residential Service</u>		
All Meter Sizes	\$7.59	\$0.03
Charge per 1,000 gallons	\$3.36	\$0.01
<u>Private Fire Protection</u>		
2"	\$5.06	\$0.02
3"	\$10.12	\$0.04
4"	\$15.81	\$0.06
6"	\$31.63	\$0.11
8"	\$56.93	\$0.20
10"	\$91.71	\$0.32

For percent, enter rate case expense/.955/revenue req.

Annual Rate Case Expense:	\$11,501
Gross Up:	0.955
Revenue Requirement:	<u>\$3,421,725</u>
% Rate Reduction:	0.3520%