

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-**

RECEIVED-FPSC  
2015 DEC 22 AM 10:52  
COMMISSION CLERK

**DATE:** December 22, 2015

**TO:** Office of Commission Clerk (Stauffer)

**FROM:** Division of Economics (Bruce, Hudson) *at [signature]*  
Office of the General Counsel (Murphy) *[signature]*

**RE:** Docket No. 130265-WU – Application for staff-assisted rate case in Charlotte County by Little Gasparilla Water Utility, Inc.

**AGENDA:** 1/5/16 – Regular Agenda – Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Edgar

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** None

## Case Background

Little Gasparilla Water Utility, Inc., (Little Gasparilla or utility) is a Class B water utility serving approximately 371 customers on Little Gasparilla Island in Charlotte County. The utility's service area is on a private island, which consists primarily of vacation homes. Little Gasparilla's service territory is located in the Southern Water Use Caution Area (SWUCA) within the Southwest Florida Water Management District (SWFWMD).

The utility filed its application for a staff-assisted rate case on November 4, 2013. By Order No. PSC-14-0626-PAA-WS, issued October 29, 2014, in this instant docket, the Commission approved a Phase I revenue requirement and rates. Further, the aforementioned order stated that a final decision on a Phase II revenue requirement and rates would be determined after the completion of Phase II pro forma plant items, consisting of the construction of a new building and meter replacements, and the evaluation of costs. The utility was given 12 months from the effective date of the consummating order to complete the Phase II pro forma plant items.

Docket No. 130265-WU  
Date: December 22, 2015

Consummating Order No. PSC-14-0672-CO-WU was issued on December 3, 2014. Therefore, the pro forma plant items were to be completed before December 3, 2015. Moreover, Order No. PSC-14-0626-PAA-WS provided that if the utility encountered any unforeseen events that would impede the completion of the Phase II pro forma plant items, the utility was to immediately notify the Commission in writing.

On November 13, 2015, the utility notified staff indicating that it would not be able to meet the deadline for completing the Phase II pro forma plant items. On December 8, 2015, the utility requested that it be granted an extension of six months to complete the Phase II pro forma plant items. The Commission has jurisdiction pursuant to Sections 367.081, 367.0814, and 367.121, Florida Statutes.

### Discussion of Issues

**Issue 1:** Should the Commission approve Little Gasparilla's request for extension of time to complete its required Phase II pro forma plant items consisting of the construction of a new building and meter replacements?

**Recommendation:** Yes. The Commission should approve Little Gasparilla's request for an extension of time to complete its required Phase II pro forma construction of a new building and meter replacements. The pro forma plant items should be completed before June 3, 2016. (Bruce, Murphy)

**Staff Analysis:** As mentioned in the case background, pursuant to Order No. PSC-14-0626-PAA-WU, Little Gasparilla was given until December 3, 2015 to complete Phase II pro forma plant for the construction of a new building and meter replacements. Once the pro forma plant items were completed, staff was to evaluate the costs to determine the appropriate Phase II revenue requirement and rates. The utility indicated that during the construction permit process it encountered costly time delays, but it will have a permit soon. The utility indicated that it also encountered financing issues. However, those issues have been resolved and funding should be available in February. Therefore, with the requested extension, the utility states that it will have the funds necessary to complete the pro forma plant items. Staff recommends that the Commission should approve Little Gasparilla's request for an extension of time to complete its required pro forma plant items consisting of the construction of a new building and meter replacements. The pro forma plant items should be completed by June 3, 2016, which is six months from the previous Phase II pro forma completion date. Furthermore, the utility is required to submit a copy of the final invoices and cancelled checks for the Phase II pro forma plant items.

**Issue 2:** Should this docket be closed?

**Recommendation:** No. The docket should remain open for a final decision by the Commission on the appropriate Phase II revenue requirement and rates. (Murphy)

**Staff Analysis:** No. The docket should remain open for a final decision by the Commission on the appropriate Phase II revenue requirement and rates.